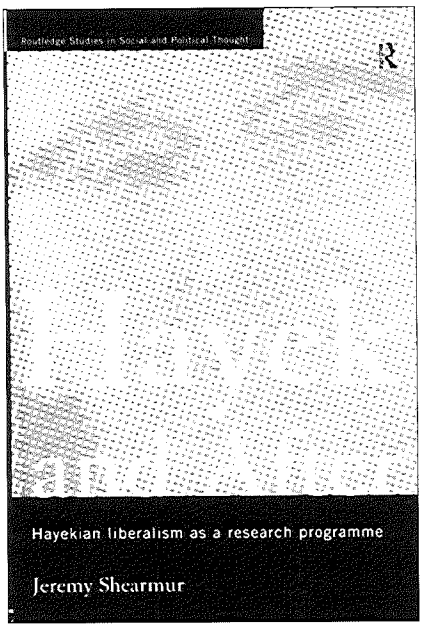
from Hegel because Savigny's historical approach to law did not seem compatible with the requirement that law be publicly accessible. Codification made it easier for citizens to come to know the law. Hayek, in following Leoni, was opening himself up to criticisms which were, in some respects at least, not unlike those which he himself would want to make against the historical school. All this is, of course, debatable; though Shearmur himself is on the side of Hayek's earlier jurisprudence.




What is undeniable, however, is that in drawing this dimension of Hayek's thought, and its heritage, to our attention, Shearmur has greatly illuminated Hayek's political philosophy.

What is much more contestable, however, is Shearmur's argument about the implications of Hayek's research in its setting an agenda for modern discussions in political theory. This is the second task attempted in *Hayek and After*. Here Shearmur argues that Hayek's work draws attention to the moral problems posed by the emergence of market society because his work makes clear that the socialists' solutions rest on false social theories and, in the end, simply won't work. Socialism is a theory for small, face-to-face communities; but something altogether different is needed for the extended order of human cooperation. Yet it also poses problems for Hayek, since it is hard to see how an understanding of human society as an extended (spontaneous) order can justify such things welfare safety-nets protecting only those who are lucky enough to be members of a particular (wealthy) nation state. The question is: is there a rationale for the secular universalism of the liberal tradition? And if so, how does this fit with obligations we might have as members of particular local communities – whether or not this includes the state?

In drawing attention to this problem Shearmur has alerted us to an important theoretical question confronting liberal theory. But he also goes further in an attempt to sketch the outline of a solution. In brief, what he offers is an argument that there is a case for according to each individual particular kinds of rights he calls 'dialogue rights'; and that from this starting point a further case can be made for a minimal state as a kind of neutral framework within which different moral communities can co-exist – though the state itself evinces no substantive moral purposes of its own.

While Shearmur is, at least in my view, broadly on the right track, however, it must be said that what he offers is not entirely convincing. The most important problem which remains unaddressed is that of whether there can in fact be a political society which is no more than a procedural utopia of other societies. If the liberal state is a state which, moreover, enforces the norm of freedom of movement between these internal communities, it becomes doubtful that it is really neutral and not enforcing a substantive value upon all the communities which fall under its power. Anyone willing to accept this implication must then explain why other, more substantive liberalisms are not equally acceptable, since the aim of neutrality has already been compromised.

These are important problems which are addressed only briefly in *Hayek and After*. Yet in fairness, there is little scope for dealing with them in depth in a book whose primary concern is to understand the thinker. Shearmur has only hinted at possible solutions to the problems of classical liberalism. But to the extent that Hayek has something to offer in this regard, Shearmur has performed a valuable service in helping us to reach a deeper understanding of Hayek's social and political thought.

***Reviewed by Chandran Kukathas,***
*Australian Defence Force Academy, UNSW.*

***The Politics of Retribution: The 1996 Federal Election***

*edited by Clive Bean, Marian Simms, Scott Bennett and John Warhurst,*
*1997, Allen & Unwin, Sydney, 265pp., ISBN 1 86448 386 5, $24.95.*

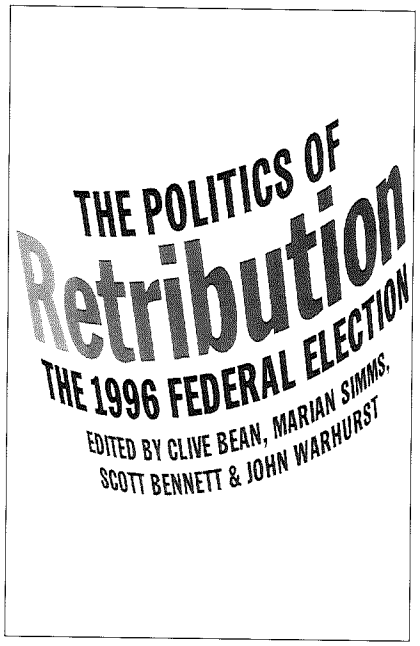
I had thought that I was seriously wrong about last year's federal election; after all, I expected a close result, thinking that Labor might be able to just scrape back. Reading this book, however, I start to think that maybe my mistakes weren't as important as those that other people made. As the various authors remind us, conventional wisdom was that we had to watch for the 'targeting' of marginal seats, the flow of Green and

Democrat preferences, and Labor's general superiority in campaigning (with its corollary, the idea that vast numbers of voters made up their minds only in the weeks before the election).

The chapters of this book were originally presented as papers to a workshop held in Canberra in July 1996. The editors, academics at the Australian National University, have collected a range of academics, commentators and political professionals, although the absence of any actual politician among them is noteworthy. There is some debunking of conventional wisdom – especially in a fine chapter by Rodney Cavalier on the Labor campaign – but many of the authors are either in the grip of old myths or busily creating new ones.

One new myth to emerge from the 1996 election is that the Liberal Party has captured the hearts of Labor's traditional working-class supporters. Like most myths, this one has an element of truth; there were significant swings to the Coalition in working-class seats. But it remains true that class is the best single predictor of voting behaviour, as a glance at the electoral map will show. When Andrew Robb, then Federal Director of the Liberal Party, boasts that '35 out of the 40 poorest electorates are held by the coalition' (p. 41), he neglects to mention that they are all rural or provincial seats, where the Coalition has always been dominant. If we limit ourselves to metropolitan seats, the ALP still holds 15 of the 20 poorest.

While professional self-interest may explain some of Robb's comments (and, more obviously, those in Cecile Ferguson's chapter on the National Party campaign), similar themes are echoed by some of the academics. Ian McAllister and Clive Bean spend two chapters analysing




long-term and short-term influences on election results, concluding, among other things, that 'the traditional class measure has declined in importance' (p. 183) and that 'many more voters than before enter the election campaign period still open to persuasion' (p. 194). This may be so, but the footnotes disclose that their conclusions are based on a mail survey with a 62% response rate; the bias induced by this self-selection and the measures taken to correct it are not discussed.

Academic approval sometimes even extends to the Coalition's dubious electoral tactics. In the opening chapter, John Warhurst refers to Keating's attack on the Coalition's 'hidden policy' strategy: 'Ironic words from a party which had made an art-form of professional campaigning' (p. 9). But this misses the point. There is surely a difference between selling policies in a professional fashion, which all parties try to do, and letting the salespeople dictate policy – which is what the Coalition was accused of.

While these and other points can be argued over, there is also a great deal that is valuable in the book. It is impossible to do justice to all the contributors; some are no more than pedestrian, but there are nuggets to be found. Marian Simms, for example, gives a striking example of the Liberal Party ignoring the campaign in Murray (p. 49), the seat it won from the Nationals in spite of itself (thus showing that the lesson of the narrow 1993 loss in Mallee had been ignored). And David Butler remarks that 'The Australian party system must be about the most stable in the democratic world' (p. 232) – a dampener to the political professionals, who want us to believe that the electorate is a seething, volatile mass waiting to be shaped by their expert hands.

Then of course there is Malcolm Mackerras, whose post-mortems are always more informative than his predictions. Here he picks up a number of points that other commentators have missed: for example, that Labor's vote in its heartland held up better than in 1975 (p. 208); that the pendulum got the result right again (p. 209); that the National Party is still doing very badly (p. 222); and that there is an identifiable 'sophomore surge,' by which new members tend to improve their majority (pp. 222-23). His steadfast use of two-party preferred figures is supported by Butler, who concludes that it 'does iron out the oscillations due to variations in third party support but it does not mask the net movement between the main parties' (p. 232).

There are also chapters on particular interest groups, reports from the individual states, and several pages of useful tables and statistics. The book also has its fair share of the misprints which are now sadly common even in academic works. The Democrats promise to 'Keep the Bastard's Honest' (p. 7), Tasmania has 'west and east coats' (p. 150), the

index refers to 'tzx cuts' (spell checker, someone?), and there are numerous cases of missing or misplaced numbers, brackets and commas.

So what really happened in the 1996 election? My mistake was in thinking that people were not telling the truth to the opinion pollsters. I thought that the polls were registering an effect similar to a by-election, where people wanted to make a protest but didn't really desire a change in government. Some support for this came from the interesting fact that during the campaign polls showed that most people did not expect a change in government (see p. 3); even if people were not lying to the pollsters, they must have believed that others were.

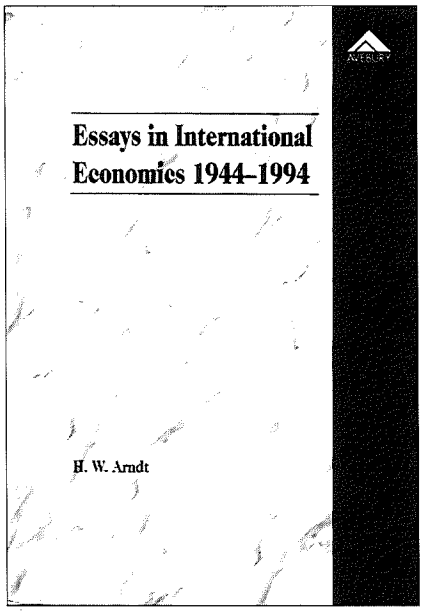
The result, though, failed to bear out my assessment. The most plausible explanation is stated with characteristic directness by Mackerras. 'The 1996 result has a single and simple description. It was the general election of March 1993 delayed by three years' (p. 207). With no GST to deter them, the voters last year delivered the verdict they would otherwise have given in 1993.

Much of the book's other material supports this theory. It is galling, however, for those on both sides who had interpreted the 1993 result as a considered judgement by the electorate on the alternatives offered to it. Are we really that vulnerable to a scare campaign? In the words of one of A.P. Herbert's fictitious judges, 'it is like the thirteenth stroke of a crazy clock, which not only is itself discredited but casts a shade of doubt over all previous assertions.'

If the electorate had been fundamentally anti-Labor since before the 1993 election, then the Keating government's last three years appear in a more interesting light. Some of the factors which made it unpopular were obviously beyond its power to change, such as the mere length of time it had been in office. But even where it could have changed – on multiculturalism, economic rationalism, the republic, and the opening to Asia – Labor stuck to its guns. Indeed, it has continued to do so even in opposition; a stark contrast to 1975, when its first reaction was to jet off to Iraq in search of campaign contributions.

Rightly or not, the ALP has received little credit for this consistency. But the most obvious lesson from electoral history is that the wheel is always turning, and no doubt its day will come again. In the meantime, those wanting a lasting record of the remarkable 1996 election will appreciate this book.

***Reviewed by Charles Richardson.***




***Essays in International Economics, 1944-1994***

*by H.W. Arndt,*
*Avebury Ashgate Publishing,*
*Aldershot, 1996, viii + 392pp,*
*ISBN 1 85972 394 2, £45.00,*
*$105.00.*

These 25 lucid essays were contributed to journals, or were chapters in books directed to economists. They demonstrate that 'no mathematics or econometrics' is 'a virtue' in presenting economic analysis. Heinz Arndt's clarity enables those who are interested in economic policy, but are not professional economists, to gain valuable insights into otherwise essentially technical questions, without detracting from the value of the essays as contributions to professional discussion. This comment is particularly apposite to essays 18-21, that are part of Arndt's continuing important campaign against protectionism, the logical basis of which is best expressed in essay 19. Arndt's first book (the introduction to which is essay 1) was published in 1944. It presented a picture of the relations between domestic and international developments, a theme that was to dominate most of his future work. His first journal article, published in 1947 (essay 2), was the first modern one to discuss the concept of liquidity in international monetary theory. This subject dominated the discussion of international finance in the decade starting in 1957.

These original contributions have been followed by a perceptive stream of books, articles, and journalistic contributions. Most of his writings have related to the Australian economy, particularly its financial aspects, and to Indonesia, where his writings and personal influence, and the work done under his inspiration as the originator of the ANU work on the Indonesian economy,