

quarters reformed and President of Brazil) and Régis Debray. It is most tempting to think about doing the same to the top ten bibles of the Aussie left.

It is of course true that some of the more virulent idiocies that have flourished across the Pacific are not shared by the Downunder subspecies of the Perfect Idiot. We had no revolutions and military governments, little outright expropriation, only mild anti-imperialism, less class consciousness and social division. But Australian populists are baying for collectivist 'visions', as if leaders could offer facile solutions to the intricate problems of a dynamic open society. Kneejerk anti-Americanism induces many journalists to oppose a free trade association with the US on the assumption that we could be discriminated against under free trade (as if that were possible!); and the Marxist mantra that 'the rich are getting richer and the poor are getting poorer' is repeated unchallenged at dinner parties—never mind the fact that Australia's poorest 20% have also benefited from the 1990s growth wave. Australian readers may chuckle when the Idiot's Guide lampoons Peruvian leftist *caudillo*, Velasco, for promoting an Andean 'Baby Manuelito' to replace the *gringo* Santa Claus, or when Latin intellectuals publish theses about Donald Duck being a tool of imperialist domination. Stop laughing. Don't you remember our jingoist marsupialisation of the Easter Bunny? Look at the linguistic contortions of inmates of Australian Departments of English to uncover feminist or anti-globalisation messages in venerated authors which had escaped previous generations of readers.

I am aware that some Australians have been inspired to compile an overdue 'Guide to the Perfect Downunder Idiot'. Therefore, Malcolm Fraser, Bob Katter, Pauline Hanson, Dick Smith, Philip Adams, Michael Pusey, Robert Manne, Helen Clark, Jim Anderton, Clive Hamilton, the National Civic Council, assorted theologians, virtually all at the ABC and SBS—expect to be cited and submitted to a similar dissection by rational analysis!

Meanwhile, dear reader, don't wait for

the Guide to the Perfect Downunder Idiot. Go and buy the Latin pioneer version. It is worth everyone of our South Pacific Pesos that it will cost you!

Reviewed by Wolfgang Kasper

Safe Enough? Managing Risk and Regulation

Edited by Laura Jones

The Fraser Institute, Vancouver, 2000, 269pp, ISBN 8975 208 7 (Download at www.FraserInstitute.ca)

Twenty years ago seminal works by Aaron Wildavsky, Sam Peltzman, Peter Huber, Kip Viscusi and a few others pioneered the notion that more regulation of risk will often increase the risk that society faces. These counter-intuitive notions have since then normally been demonstrated to be accurate. Studies into the treatment of risk now seek attention in a crowded field.

The Fraser Institute's Laura Jones has brought together this present volume. It faces competition from another contemporary book by Julian Morris *Rethinking Risk and the Precautionary Principle* published by the Institute of Economic Affairs in London and launched in Australia at the Institute of Public Affairs (IPA) in November of last year. Although there is considerable overlap in the issues treated, Julian Morris includes more on the universal issues of the precautionary principle and global warming. Laura Jones's authors address more specialised fields including transport regulations, secondhand smoke regulations and the attacks by Greenpeace on allegedly toxic toys.

Both books comprise thoroughgoing trawls of the literature and assemble a series of writers to address the more contemporary matters that exercise the public's mind (or at least the minds of the self styled guardians of the public). Wildavsky (who Julian Morris exhumes to be a contributor to his book) is usually credited as the first to draw attention to the need to face risk or stagnate as a society. This theme is present in both

volumes and applied to contemporary issues including GM food, a topic also common to both collections. Laura Jones brings in Douglas Powell to tease out the issues of GM food. Powell produces a free and comprehensive daily global press cutting service of articles on the subject, as well as undertaking research into particular crops at the University of Guelph. He writes with authority and refreshingly about the hype engendered with Frankenfoods.

Laura Jones's authors include John Luik. Luik's research has earned him considerable enmity among the anti-smoking establishment because he has painstakingly demonstrated the impossibility of secondhand smoke constituting a possible cause of cancer. There are many, including in this country, who draw a straight line between smoke inhalation and cancer and fabricate phantom deaths of the ostensibly unwitting passive smoke consumer. This form of junk science continues to receive plaudits—only one of a great many cases where the righteous cause attracts a diminished degree of critical scrutiny.

William Waters updates some of the original work by Peltzman, Lester Lave and others to counter the distortions of Ralph Nadar about the motor car. However, he shows some sympathy for Nadar's 'unsafe at any speed' notion that motor car producers are sparing with the truth about the safety of the products they sell. If this is so it sits ill with another aspect of regulatory control product liability and the litigation explosion that Huber has chronicled. Entrepreneurial lawyers have targeted firms, especially in the motor industry, for damages even where they are innocent, thereby adding costs that are ultimately paid by the general consumer for little return. Distortion of truth in ways that might bring greater risk of harm would suppliers particularly vulnerable to such lawsuits. Moreover, he harps on the externality or spillover issues with cars, whereby individuals impose risk on third parties. Again, this is an issue that can be used to build in massive regulatory intrusions. One of these—the 55 miles-per-hour speed limit common throughout the USA—he analyses to

demonstrate the lack of any serious externality (when speed limits were increased, there was no net change in accidents).

One chapter is a very useful chronicling of a NGO campaign. Greenpeace, in pursuit of PVC its then demonisation objective, sought to paint a picture of concern for children with a campaign 'Play Safe' targeting children's toys. This remains part of the organisation's long standing campaign against dioxins, a focus of which was Nufarm in this country. The campaign in Canada amassed junk science myths and forced the authorities there, acting on the 'precautionary principle', to take action against certain toys. Needless to say, the empirical evidence of harm was non-existent and the theoretical possibilities remote. But the regulatory authority had little to lose by implementing a ban but much to gain in relief from attacks by activists and even more if the most remote possibilities were true.

The piece is important in dissecting the tactics of Greenpeace as a funder of general distrust of industry, the role it and its fellow activist NGOs have taken over from the now defunct socialist revolutionaries. In doing so and in ensuring the campaigns are sensationalised, NGOs also obtain the publicity which is an essential drip to ensure funding. The hallmarks of such activity include a high profile of the targeted products, forming coalitions, issuing large volumes of press releases, finding people who will offer 'expert' advice to support their campaign and so on. IPA has commenced a new program, NGO Watch, to act as an early warning against such campaigns as well as to address the funding levels and tactics of the NGO's engaged in them.

Understandably given the two compilations' titles, *Safe Enough?* has a more spartan treatment of the precautionary principle than *Rethinking Risk and the Precautionary Principle*, for which Morris actually counts 19 different definitions. This innovation stopping nonsense reverses the scientific

method which has been instrumental in bringing mankind its present level of affluence and safety.

The precautionary principle, whatever the favoured definition, comes down to saying 'don't progress with developing an idea (flying to the moon, crossing the road) unless all possible adverse outcomes are discovered and eliminated'. It prevents experimentation and hijacks a gradual improvement in products that has been brought about by the search for profits using competition and innovation to seek out better ways of meeting consumer needs.

Having been introduced into international treaties initially in an anodyne fashion, the precautionary principle now threatens to undermine the open trading system by allowing new protectionist opportunities to be grafted onto general hostility to globalism. It underscored the 1997 Basle Convention on the control of transboundary movements of hazardous wastes and their disposal, which inhibits the movement

of waste to countries that are best able to treat it; it features strongly in the 1999 Cartagena Protocol on Biodiversity that offers an opportunity, at least on one reading, for countries to ban imports because of the way they are grown.

The final chapter in *Safe Enough?* is by Professor William Stanbury of the University of British Columbia. This is a discussion of perceptions of risk and a didactic scheme for a policy response to it. Though an exposé of the dangers of risk regulation, it also seeks to use the tools, including the dreaded precautionary principle, as a means of limiting its damage. Morris has chosen authors who are far less compromising. To many this means his book is more rigorous; others would view *Safe Enough?* as having more practical relevance to policy advisers.

Reviewed by Alan Moran

The Riddle of the Modern World

by Alan Macfarlane

Macmillan Press Limited 2000

326pp, \$130.90

ISBN 0-312-23204-7

There's no doubt that the Number One Mystery for mankind is the utterly improbable origin of life. But if Alan Macfarlane is to be believed, the improbable origins of modern commercial civilisation can fairly claim to be Mystery Number Two. It was easy enough for Adam Smith to write in the 18th century that all you needed for general prosperity was 'peace, easy taxation, and a tolerable administration of justice', but how and why had these eminently desirable conditions arisen out of the generally unpromising preceding epoch? Who could have foreseen that in the 250 years since Smith, global economic growth and development (despite periodic hiccups) has kept moving steadily up?

After all, several other civilizations stopped dead in their tracks. Despotism, China, a 'place where the customs of the country can never be changed,' was a classic example noted by Montesquieu. Whether China's condition was best described as conservative paralysis or benign equilibrium may be debatable, but it is plain that the world's oldest continuous high civilisation did eventually lose its way. And Europe too, says Macfarlane, might have come to a halt 300 years ago. In the 17th century France was the most powerful nation in Europe, but there were periodic famines, high mortality, and a fateful indifference to the lives and welfare of its most productive workers. By about 1700 'The world, with its roughly 500 million inhabitants, seemed to have reached the limit to its potential to support human life . . . Mankind seemed to be caught on a treadmill.'

Then along came the industrial revolution, and its bells and whistles have been driving us on ever since. Several books have treated the rise of the West and tried to explain the dynamics of western development. *How the West Grew Rich* by Nathan Rosenberg and L.

