

POLICY staff

Editor-in-Chief & Publisher
Greg Lindsay

Editor
Andrew Norton

Assistant Editor
Dominic Rolfe

Production
Lee Heng

Subscriptions
Jane Blumer/Jane Duckworth

POLICY Magazine

Ph: +61 2 9438 4377 • Fax: +61 2 9439 7310

Email: policy@cis.org.au

ISSN: 1032 6634

Please address all advertising enquiries and correspondence to:

The Editor
POLICY
PO Box 92
St Leonards NSW 1590 Australia

© 2007 The Centre for Independent Studies Limited
Level 4, 38 Oxley Street, St Leonards, NSW
ABN 15 001 495 012

Printed by Pirion Printers, Fyshwick, ACT

Distributed by Gordon & Gotch Australia and Gordon & Gotch New Zealand.

The Editor welcomes unsolicited submissions. All full-length articles (other than reproductions) are subject to a refereeing process. Permission to reproduce articles may be given upon application to the Editor.

Editorial Advisory Council

Professor Ray Ball, Professor Jeff Bennett, Professor Geoffrey Brennan, Professor Lauchlan Chipman, Professor Kenneth Clements, Professor David Emanuel, Professor Ian Harper, Professor Max Hartwell, Professor Warren Hogan, Professor Helen Hughes, Professor Wolfgang Kasper, Professor Chandran Kukathas, Professor Kenneth Minogue, Professor R.R. Officer, Professor Suri Ratnapala, Professor Steven Schwartz, Professor Judith Sloan, Professor Peter Swan, Professor Geoffrey de Q. Walker.

POLICY is a quarterly publication of The Centre for Independent Studies in Australia and New Zealand. Views expressed are those of the authors and do not necessarily reflect the views of the Centre's staff, advisers, directors or officers.



POLICY is a publication of The Centre For Independent Studies

The Centre for Independent Studies (CIS) is Australia's leading independent public policy institute. Its major concern is with the principles and institutions underlying a free and open society.

CIS believes in:

- individual liberty and choice, including freedoms of association, religion, speech and the right to property;
- an economy based on free markets;
- democratic government and the rule of law;
- the importance of an autonomous and free civil society.

CIS promotes its vision by fostering public debate about major social, constitutional and economic issues.

To remain independent of government influence on its activities and direction, the Centre relies on untied contributions from individuals, companies and charitable trusts and income from the sale of its publications.

For information on CIS membership, POLICY subscriptions, and other CIS publications and events, please visit our website at www.cis.org.au or:

ph: +61 2 9438 4377 • fax: +61 2 9439 7310

email: cis@cis.org.au

EDITORIAL

Families have been high on the Howard government's agenda. One of the many pro-family policies is the Baby Bonus, a \$4,000 payment on the birth of each child. As Ross Guest's article on the Baby Bonus notes, the desirability of improving Australia's birth rate was a justification for this initiative. Guest doubts Australians need to have more children, but even if they do the Baby Bonus is an overly-expensive way of increasing the population. Most women have one child anyway, so the Baby Bonus pays them to do what they would do anyway. If the Baby Bonus is to be kept, a cheaper option would be to pay only for second and third children.

Given the Howard government's emphasis on families it was ironic that, as Kevin Rudd positioned himself to challenge for the Labor leadership, he attacked Howard's 'market fundamentalist' policies as threatening family and community life. Peter Saunders writes that this is an argument we have heard many times before. Though family life has undoubtedly changed over the last few decades, many of the likely causes have little to do with economic policy, such as women's rights, improved contraception, the decline of religion, and the rise of the welfare state. What Rudd offers on this topic, Saunders says, is not 'fresh analytical insights but tired and largely discredited sociological clichés.'

Opinion polls show that public opposition to immigration is at its lowest level in decades, but that people remain concerned that immigrants 'fit in'. In their article, Sinclair Davidson and Christina Yan look at indicators of economic freedom, civil rights and political rights in the major source countries of migrants to Australia. These indicators tell us something about the 'institutional baggage' migrants bring with them. On the whole, immigrants' backgrounds suggest that they will settle easily into Australia. However, for those from countries with poor civil and human rights records a citizenship test may promote knowledge of Australian beliefs and practices.

Milton Friedman, who died in November 2006, was perhaps the most effective twentieth century advocate of liberal ideas. In this issue, we reprint extracts of his interviews with the American libertarian magazine *reason*. Also, Jennifer Buckingham reviews a book published to mark the fiftieth anniversary of the publication of Friedman's article advocating school vouchers—an idea, she notes, that causes controversy among supporters as well as critics of school choice.

The liberal tradition has never been as strong in Australia as in the United States, and in his piece on the history of liberty Greg Melleuish offers some reasons why. Two articles, by Charles Richardson and John Humphreys, consider the situation and uses of liberal political parties.

Also in this issue, Francisco Thoumi and Susan Windybank consider why some countries have a comparative advantage in illegal drug production, Roger Bate points out that Australia has relatively advanced water trading systems, and book reviews cover topics from Islamic militancy to the 'economics of attention'.

Andrew Norton

www.policymagazine.com