

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 Mackeras. '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.

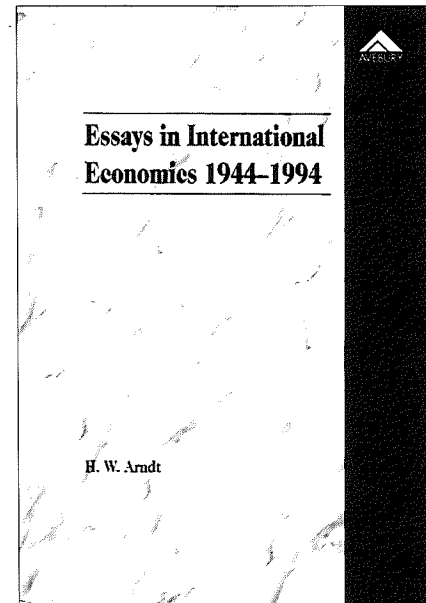
Rightly or not, the ALP has received little credit for this consistency. But the most obvious lesson from electoral history is that the wheel is always turning, and no doubt its day will come again. In the meantime, those wanting a lasting record of the remarkable 1996 election will appreciate this book.

Reviewed by Charles Richardson.

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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,

greatly influenced the post-Soekarno reforms. It is now fortunate that he has been persuaded to publish this selection of his work, indicating his important contributions to the study of international economics.

He shows (essay 5) that any excess of domestic demand over supply, whether originating in the government or private sector, will create a balance of payments deficit requiring financing. The covering of this deficit by government or private borrowing will be largely fortuitous. This is an example of his mature Keynesianism. He is highly suspicious of the efficacy of primarily financial policies as instruments of general balance of payments adjustment (essay 11) and rejects the monetary approach to balance of payments analysis (p. 211).

Heinz Arndt was among the first to recognise that the originally Australian analysis of the relative domestic prices of potential, as well as actual, imports and exports compared to non-potential goods and services (tradeables vs. non-tradeables), and influences on this relation, was an essential part of the analysis of a country's domestic competitive position and, hence, of its international position (essays 4 and 9). His opinion that a balance of payments imbalance arises from domestic conditions, usually inappropriate fiscal or monetary policies, is reflected in his treatment of exchange rate changes (essays 3, 9, and 18). In the case of fundamental (that is, non-temporary) disequilibria, rate adjustments may be an appropriate part of the correction process. Unless it is one of several policy changes, its benefits will be quickly eroded (by inflation following a depreciation). An exchange rate depreciation can only be effective if the change in the relations between the prices of tradeables and non-tradeables leads to a shift of resources from non-tradeable to trade-

able production. If the disequilibrium is temporary, an exchange appreciation will be justified, encouraging a return of resources to non-tradeable production. These temporary shifts in resource use will be wasteful.

The inclusion of an introductory note to each essay 'indicating how it came to be written and what it is about' is a valuable contribution to understanding the background of each piece. It is unfortunate that Avebury set the notes as endnotes rather than as footnotes

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*The Politics of Identity in
Australia*

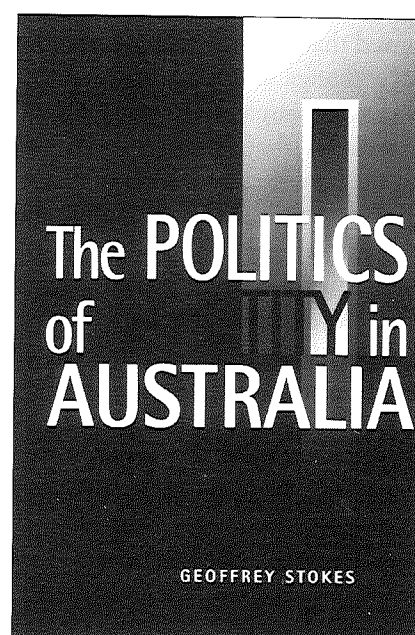
*edited by Geoffrey Stokes,
Cambridge University Press,
1997, 222pp., ISBN 0 521
58672 0, \$29.95.*

This is only one of a predicted landslide of studies of Australian identity which is heading our way. Not since the great Ocker revolution of the 1970s, when Australian masculine identity moved from the lean stockman to the overweight esky-toting bludger, has there been a challenge like the present one. The Hanson debate, the Wik legislation and the question of the success or failure of multiculturalism have all opened up the debate on Australian identity. Questions of who

an Australian is have been partially freed from the cries of racism; this, perhaps, may be the most important development.

The Politics of Identity in Australia has thirteen separate essays in four main sections – theorising identity; gender and sexuality; race, place and citizenship; and culture: literature and film. As such, it attempts to offer a broad range of views on what is increasingly an unmanageable topic.

This also generates a number of



serious limitations to this study. The introduction makes it clear that the collection of essays do not address many points about Australian identity – sexual identity (although there is an essay on gay identity in Australia, by Dennis Altman), disability, material cultural heritage, state or regional alliances or inter- and intra-ethnic questions of identity.

This poses the obvious question – what makes the macro-politics of Australian identity the most important topic for these contributors? Surely all questions of identity cannot be resolved by addressing macro-politics. Identity is surely a mosaic of