

## **SUBMISSION ON THE PRODUCTIVITY COMMISSION DRAFT REPORT ON BILATERAL AND REGIONAL TRADE AGREEMENTS (2010)**

### **Plan trade policy to assist protection of internationally endangered species first**

This submission primarily responds to the request below in the Productivity Commission (PC) draft research report on Bilateral and Regional Trade Agreements (2010):

*The Commission welcomes participants' views regarding the efficiency of Australia's continued pursuit of Bilateral and Regional Trade Agreements (BRTA) transparency measures in the World Trade Organization (WTO). In particular, are there any other avenues available to achieve improvements in this area? (p. 12.7)*

The ideal aims of trade should be to improve the quality of life for current and future generations. This depends on the quality of the social and natural environment, as well as on increased economic gain and its distribution. The best way forward to sustainable development and to related improvements in trade is for all regions to plan their continuing competitive development by situating the land, water or air most affected by any current and proposed development in the context of the primary need to protect internationally and nationally endangered species. The responsibility for the planned protection of many endangered species is ideally taken up globally as well as regionally and nationally. The case for this is developed later below and in discussions attached.

The following recommendations are made and discussed:

- Plan trade policy to assist protection of internationally endangered species first
- Reform the assumptions and related directions of trade policy to encourage greener approaches to development across all regions
- Dismantle feudally driven approaches to development which rest primarily on secrecy and adversarial behaviour designed to protect producer interests rather than upon more open and scientific behaviour to serve the broader public interest
- Design and manage services and taxation better to assist the achievement of all economic, social and environmental aims
- Invite Chinese and Japanese artists and others to join in another cultural revolution which first recognizes the continuing meaning and existence of feudal relations as a way of achieving the above goals.

### **Reform the assumptions and related directions of trade policy to encourage greener approaches to development across all regions**

According to an earlier PC paper, economic regulations 'intervene directly in market decisions such as pricing, competition, market entry or exit'. Social regulations 'protect public interests such as health, safety, the environment and social cohesion.' (PC 2008, p.5). This division into two forms of legislation with different assumptions and related rules is problematic because economic activity is undertaken with the social aim of supporting life and its associations. Australia is a single land

and economy which supports many interrelated communities and environments. The Environmental Planning and Assessment Act 1979 was groundbreaking because it recognised the importance of an integrated understanding of relevant environmental, social and economic issues when making land use planning decisions. Hilmer's report to Australian Heads of Government after an independent committee of inquiry into a national competition policy was groundbreaking in defining competition as, 'striving or potential striving of two or more persons or organizations against one another for the same or related objects' (1993, p.2).

Such developments have usually been ignored because the basic assumption still driving government economic and 'free trade' policy is that competition is always for money and social and environmental benefits for all flow naturally and best from this. Supporters of this 'efficient market theory' accept that all available information about a commodity (a share or other investment) is reflected in its price. This 'free market' paradigm is outdated and leads to repeated cycles of boom and bust, increasing social inequality as the market globalises and to major destruction of the most vulnerable forms of life. It has therefore also clearly led away from its supposed goal of perfectly informed and perfectly clearing markets. The paradigm protects secret operations, not the kind of transparency which would assist comparison of producers in the consumer and related public interest.

Historically the concept of protection has primarily meant the government protection of specified industries, wage levels and jobs. The existence of this policy entails recognition of a common view that the assumptions of 'free trade' will not necessarily be good for this particular nation, or for key groups within it. This view primarily sees the market and those who regulate and control its workings as representatives of a global power structure, rather than as the bearers of a pure science of economics, in which all turns out for the best for all, in the best of all possible worlds, at least in the longer run.

Traditionally, government has often supported domestic industries and jobs by subsidising less robust, internationally uncompetitive production, or prevented competition to the domestic producer from cheaper foreign products by putting tariffs on the latter so they will come into the country at a higher price. From the comparatively narrow perspective of the domestic industry and the jobs and wage levels it protects, it does not matter whether the nation's trade policy cat is black or white, as long as it kills the competition and makes money for domestic producers and workers. This is the logical response to the notion of 'free traders' that market price is purely fixed by an invisible hand which drives all benignly before it. (Tell us another fairy story Big Boy.)

Australian trade, industrial and immigration policy in the 20<sup>th</sup> century first centred on protection of the white male wage, which had to be set high enough to support a man's wife and two children. The quid pro quo was that its internationally uncompetitive manufacturing or other industries would be protected by government subsidies or behind tariff walls. The white male wage was also protected from competition by married women being barred from work and also from competition by Asians, who were barred from Australia. This was reversed mainly after World War II by the gradual introduction of less discriminatory policy following the UN Declaration of Human Rights.

The Australian population currently comes from all over the world and the PC also points out that the effective rate of government assistance for manufacturing has fallen from in excess of 30% in 1970 to around 5% today (p.4.13). This began with an across-the-board cut in tariff rates of 25% in 1973. In the 1980 and 1990s there was abolition of import quotas and the phasing down of tariffs to current levels. This allowed Australian consumers to benefit from cheaper manufactured goods produced in Japan, the US, China or elsewhere and to encourage immigration and develop many more jobs, particularly in services, with the money saved. Married women entered the rapidly growing services sector workforce and Aboriginal men lost work in rural areas when anti-discrimination legislation led to the expectation that they should be paid the same wages as white males.

Constantly improving technology, skills and financial management, especially in areas of production where the country already has a competitive advantage, is the ideal motor for improving productivity. Most production occurs on land so the transformation of land is also crucial to productivity and its related quality of life. The current PC draft report points out that today mining accounts for 7% of the composition of the Australian economy (gross domestic product) in 2008-09, compared with 9% for manufacturing, 3% for agriculture, forestry and fishing and 80% for services. Areas of related service expenditure were listed as:

- Infrastructure 11%
- Construction 8%
- Trade and other services 24%
- Banking and finance 14%
- Public services 16%
- Ownership and dwellings 8% (p. 3.13)

The above information would have been best provided in the format of the Australian and New Zealand Standard Industrial Classification (ANZSIC) which appears more familiar, clear and useful for government, industry and community planning around many of the most common social concerns such as employment, housing, health, education, communication and environment protection, as discussed later. ANZSIC classifications should be incorporated into all industry management and related regional practices unless there appears to be good reason to do otherwise. Other PC reports supported this industry development direction which is also necessary for transparency and cost reduction, through comparison of production outcomes. PC writers should begin to read each other.

Unless broader environmental and social awareness and related trade policy directions now occur, so that regional planning first focuses on the protection of all internationally and nationally endangered species, the latter are likely to be increasingly eliminated as countries seek constantly to expand their markets for their key traditional products and also encourage their related producers and populations to expand to aid their traditional development directions. In such regional development contexts, which threaten to endanger vulnerable species ever further, there seems no more logical and fairer way to achieve a better trade direction than to adopt internationally and regionally planned and competitive trade and investment directions which focus first on the protection of the internationally most vulnerable species and all related land, water and air. This would send the right messages and

economic incentives across all boards in the way that current arrangements cannot do in trade or elsewhere. Trade policy urgently needs to be green.

In his terms of reference, Assistant Treasurer, Nick Sherry, first asked the PC to *'examine the evidence that bilateral and regional trade agreements have contributed to a reduction in trade and investment barriers'*. There does not appear to be much point in discussing **barriers** to trade in this way, as increased trading does not appear to be a particularly intelligent goal in itself. Wherever one is situated globally or locally, one ideally seeks trade to improve one's economic, social and/or environmental situation (quality of life).

Stable investment design and subsidies to encourage the greener trade and related development direction which is necessary appear to be a good idea in this context.

Gary Banks, the Chairman of the PC argued in 2009 that the evidence is that for productivity growth in future, Australia requires the following most:

- Removal or reform of unproductive industry assistance
- Removal of regulatory burdens and the avoidance of adding new ones and
- Rethinking infrastructure

The above direction also seems sensible because one cannot drive forward towards sustainable development while required to wear blinkers and also pressing heavily on the break but lightly on the accelerator. Probably because of its economic assumptions and directions the current PC report on trade policy is not particularly informative. However, it points out there is key agreement that ideally the costs of negotiating agreements should be transparent to government and the public but that this is not the case at present. (p. 7.21). This sensible recommendation is not reflected in the unclear report recommendations, which seem written to aid business as usual. What is going on here?

The PC draft research report discusses 'free trade agreements' which it states may sometimes be more accurately called 'preferential trade agreements'. The latter *'entail the exchange of 'concessions' (or preferences) between the partner economies to the agreement, advantaging trade between the partners although potentially at the expense of trade from other sources'* (p. xv). As the report points out occasionally in passing, *'there is a long-standing contention as to whether BRTAs, particularly those which reduce trade and investment barriers on a preferential basis promote or inhibit global trade liberalisation. That is, are they 'building blocks' or 'stumbling blocks'?* (p. 6.17).

Do traders take much notice of these government agreements? We have little or no idea?

Australia is a member of the Asia Pacific Economic Co-operation (APEC) nations and so committed to creating an Asia-Pacific free trade zone by 2020. This plan appears to have started off in a good direction. It brought together countries with over 2.2 billion people and annual gross output accounting for 41% of world trade. The APEC investment code set out a range of non-binding principles for investment. Equal treatment, access to information, and the need for cost-effective dispute resolution are central principles. Key principles aim at free trade, equal opportunity and accountability, based on availability of information and recognition of the need to control risks to health, safety and the environment. In 2008 the former Australian

Prime Minister (PM) Kevin Rudd and President Susilo Bambang Yudhoyono signed an agreement on forests and carbon trading. The most logical direction now appears to be to plan future trade policy around greater protection of internationally endangered species and related land, water and air.

People may naturally be suspicious about the benefits of 'free trade' when it delivers massive social inequality, a rapidly degrading natural environment, regular financial crises, and a general financial environment closer to perfect ignorance than perfect information. The global financial crisis took nearly all those who should have known it was coming by apparent surprise. Governments should take more openly planned and transparent approaches to regional development which have clear environmental goals as well as social and economic ones. There appears to be no clearer way to shape all related business incentives rationally, other than by first focusing on enhancing the situation of the endangered species and all the related land, water, and air that one wishes to protect for current and future generations, wherever those generations who will enjoy the outcomes may live across the world. Put the orang utan first for a change?

For example, as a tourist I was told that villagers normally own their own land in Borneo and the normal process for development of palm oil plantations is for this land to be leased from families by plantation developers whose managers usually pay the indigenous owners a continuing rental for growing palms on their properties, which take years to develop. Plantation workers are often contract labourers from Indonesia and the Philippines, whose presence assists the indigenous land owners to go to the city to work and educate their children. This seems likely to be a mutually beneficial economic and social arrangement, unless one is into ecotourism or a member of another endangered species. It may be reversed by better designed land purchase and development.

The Kinabatangan Wildlife Sanctuary in Borneo, is composed of ten land lots of varying size strung along the Kinabatangan River, and on which a variety of very comfortable and apparently well run eco-tourism ventures are also launched. Local people also live along the river, with their gardens. The Kinabatangan Sanctuary is now home to the orangutan, proboscis monkey and perhaps many other endangered species. However, one cannot help wondering if this is more like a concentration camp for animals than a sanctuary. Abai village and related development is closest to Lots 1 and 2. Burkin Garam Village is closest to Lots 9 and 10 and Sandakan is the main related urban centre. It would be good to inquire whether more government lease or purchase of land to level up the playing field for endangered species development, eco-tourism, etc. would be beneficial for more sustainable development and the global community.

Think globally, act regionally and locally. In an earlier submission on mining, energy and related investment and tax policy a parliamentary format was recommended to help establish regional investment design and related proposals for more sustainable development, to be carried forward by recently elected Australian government representatives in more open discussion with any interested non-profit ventures and others. Discussion on the consultation draft 'Australia's Native Vegetation Framework' 'to guide the ecologically sustainable management of Australia's native vegetation for ecosystem resilience' is attached. A better vision than the current

Framework would involve broader and better regional understanding and implementation of the whole-of-ecosystem approach which is found in the UN Convention on Biological Diversity. The Framework wrongly interprets the Convention so risks the potential unintended outcomes of encouraging more financial crashes and more economic, social or environmental costs.

Specifically, the Convention on Biological Diversity (UN 1992) described its required ecosystem approach as 'a strategy for the integrated management of land, water and living resources that promotes conservation and sustainable use in an equitable way' (p. 64). However, the draft Australian Native Vegetation Framework states *'While this description is useful, its focus on equity is beyond the scope of this framework. This document therefore uses the term 'whole-of-ecosystem approach' to encompass the ecological (as opposed to social and economic elements) of this concept'*. This draft Australian approach is wrong, for many related reasons discussed in the attached. A better way forward is shown by Australian health, insurance, land and superannuation saving and fund investment policy directions. They struggle against the weight of centuries of feudally founded law and financial interests to which lawyers are still closely wedded.

**Dismantle feudally driven approaches to development which rest primarily on secrecy and adversarial behaviour designed to protect producer interests rather than upon more open and scientific behaviour to serve the broader public interest**

The concepts of 'free trade' and 'democracy' need more investigation. The majority of financial experts appear to think that unhindered pursuit of economic self interest is in the interests of all because through this process markets will perfect themselves and naturally benefit all in every way eventually. In this view, however, all market players are ideally also left to their own devices, which are expected to be secret. From this feudal perspective, which eschews openness, the ideal role of government is to assist courts break up apparently unnatural monopolies and to defend the faith. Adoption of this basic paradigm leads to polite language about people who may make extremely large amounts of money even when they are handling and losing funds belonging to other people. The misfortunes of the latter are viewed as a natural result of their bad choice or bad luck which will turn, if they are luckier or act smarter the next time round the financial cycle.

Many policy assumptions about the desirability of freer trade appear to accept the above.

From common European, Australian or related perspectives, the US is not a particularly enviable democracy because election candidates must be wealthy or attract wealthy backers in order to get enough money to run. The rich are in a position to create a climate of general belief and related action which supports their interests and they have done so very successfully. As a result of this and compared with other OECD countries, the US now has obscenely wide income differentials, lower minimum wages, fewer paid holidays, inadequate health care, higher education costs, unstable employment, lost savings, huge government and personal debts, major homelessness, by far the highest murder rate in the OECD and many family deaths and injuries from constant war. The US may be the richest country in the world but seems more like a secret casino promoted and rigged by the rich and their lawyers rather than anything

like a perfectly informed and clearing market where all are supposed to win in the longer run (when all non-human life is dead?).

When John McCain and Tony Blair say that it may be necessary to bomb Iran in case nuclear weapons are being developed there, it is worth remembering that after the US dropped atomic bombs on Hiroshima and Nagasaki and Emperor Hirohito surrendered, General MacArthur soon promised, *'Just as we protect California, so shall we protect Japan....the Japanese will not been opposed to America keeping Okinawa because the Okinawans are not Japanese'* (Bix 2000, p. 625). Japan constitutionally renounced war as a sovereign right but was to be protected by the transformation of Okinawa into a vast and permanent American military base. Oppenheimer, the American Jew who invented the atomic bomb, was frequently pilloried in the US for supposedly having communist sympathies, along with many other intellectuals. When Emperor Hirohito turned sixty-seven in 1968, Japan had achieved the second largest GNP in the capitalist world and he continued reigning until he was over eighty. Quick release of convicted war criminals, some to return to senior positions in Japan, was part of going back to business as usual.

Jacqueline Cabasso, the North American Coordinator of Mayors for Peace, recently pointed out in a Hiroshima Peace Culture Foundation newsletter that the US spends nearly as much as the rest of the world's countries combined on its military. The Pentagon maintains 1000 overseas bases in over 130 countries and the US military dominates the world through its operation of 10 Unified Combatant Commands whose areas of operation cover the entire earth. The US is the only nation that deploys nuclear weapons on foreign soil at NATO bases in five European countries. These are the global tips of the old financial and industrial feudal icebergs that still push onto us finance, production, jobs and many people that are driven to make money through the aim of killing, destroying property or frightening any people to whom their bosses or best customers may take exception. After earlier 19<sup>th</sup> and 20<sup>th</sup> century history, Japan viewed its imperialism as competitive catch up to Europe and the US. In my view there should be many discussions with Iran designed to resolve problems without the usual Western belligerence. (I am sick of being called naïve by the updated kind of lying and concealing men who spent history in investment, manufacturing and employment to kill people who were often innocent.)

The global edition of the New York Times (11.8.10, p.3) the Japan Times (11.8.10 p. 3) and The Asahi Shimbun (11.8.10, p.20) all recorded the visit of UN Secretary General Ban Ki Moon to Japan, including stops in Hiroshima and Nagasaki to commemorate the atomic bombings, to renew his pledge to abolish nuclear weapons and to discuss establishment of a 21 member panel on global sustainability which is looking for ways to lift people out of poverty, tackle climate change and ensure that economic development is environmentally friendly. Kevin Rudd, Australia's former PM will also sit on this body. The Australian press reported the views of a Chinese two-star general soon after, which are that China must either embrace US style democracy or accept Soviet-style collapse (SMH 12.8.10, p1). That seems a nasty and unnecessary set of alternatives to me.

Since its collapse, the global financial system is being restructured by G20 Leaders, not just those who won World War II. The Asahi Shimbun editorial (11.8.10 p.20) reports the current Japanese Prime Minister, Naoto Kan as expressing his concrete resolve 'to

proactively propose forward-looking, concrete steps, and to contribute to consensus building in the international community' to 'achieve a world without weapons'. Kan also apologized for Japan's 1910-1945 annexation of Korea. Hiroshima Mayor, Tadatoshi Akiba, urged the Japanese government to abandon the 'US nuclear umbrella'. The major British and US government investigations to cut defense spending were also widely reported in the English newspapers in Japan and the Asahi Shimbun editorial concluded with a suggestion that Washington and Beijing work together to prepare a UN Security Council resolution designed to add world wide credibility to Kan's pledge in Nagasaki.

No doubt many Asians are happy that the Japanese and Americans have comparatively recently moved towards trading with them rather than invading or bombing them flat. Some may even gratefully face the lesser problems of financial collapse that the men now managing at the centre of international capitalism keep leaving them with periodically. Unfortunately, supporting and expanding the existing national range of products, services and consumers, even if this means encouraging all involved to take on more unsustainable debt, still appears to be the natural way to try to make more money and improve quality of human life in many countries, at least until another economic collapse.

On the other hand, the Wall Street Journal reports Japanese government research shows 'what people want most for well-being is a fair and stable pension system, but people also rated the government's performance as the least satisfactory' (11.8.10, p. 4). In an article entitled 'Ensuring sustainable pensions' the AFR states Keith Ambachtsheer, Canadian global pension fund guru, thinks Australia (along with Canada and the Netherlands) is showing the way for the giant but struggling US pension fund system (18.8.10 p. 36). The US and Japanese economies are currently in poor shape while Australian superannuation fund management has performed comparatively well. Invite others to have a closer look.

However, as a taxpayer or an investor, I don't want my money put into war toys for the boys or into anything else, merely because it makes more money for the investors. This is a stupid approach to investing which ignores other social and environmental goals. I also distrust taking on 'socially responsible' investments, which often appear to have been some of the most opaque and volatile of all in recent history. The desire for financial compensation or revenge, rather than for injury prevention or rehabilitation, still drives the global approach to risk management, which is clearly feudal. Give peace a chance. Risk is currently treated and sold to others as a financial investment service. However, this process is not usually directly related in any meaningful way to stopping a ship from sinking, or stopping a sea wall from breaking and flooding houses. It favours the financial controllers, and their lawyers, who can usually feather their own nests first and pass the major cost of collapse to those at the bottom of any pile. They start again.

### **Design and manage services and taxation better to assist the achievement of all economic, social and environmental aims**

As productivity increases as a result of better technologies, skills development and investment, people are increasingly employed in services. The Australian Services Roundtable described 'services' to an earlier PC inquiry as follows:



Services deliver help, utility or care, an experience, information or other intellectual content. The majority of the value of that activity is intangible rather than residing in any physical product (PC 2006, p.5).

There is no reason why the value of services should be so intangible unless they are so badly managed that one cannot know what services were produced and what the comparative outcomes of production were. Australia and many nations try to design the provision of health care with the aim of gaining such product and service information as a matter of course, rather than having health care provision driven primarily by the private sector and its market price, as occurs in the US. The result is that health care is cheaper, more accessible and more equitably delivered in Australia and in like minded nations than it is in the US, where people also die earlier as a result of their freer consumption patterns.

They are encouraged by the market to love lots of high sugar, high fat foods and guns while medicine increasingly turns to physiology rather than the environment to explain the causes of diseases and the cure. This also creates a bizarre distinction between all those unwanted behaviours for which one is legally drugged – depression, attention deficit hyperactivity disorder, etc. – and unwanted behaviours for which one goes to jail. When one is depressed one is labelled sick but those violently acting out retain their free will.

In Australia, transparency in regard to the provision of services and the comparative identification of their outcomes is hindered by much outdated legislation at both federal and state levels. Historically, the professional has been distinguished from the worker who must follow orders. The professional is expected to exercise independent judgment and decision making powers autonomously, on the basis of evidence related to a particular situation, and the authority vested in him or her as a result of being judged expert by professional peers in a particular field of study and its application. From a public interest perspective, the autonomy of the professional is most useful when it promotes his or her ability to increasingly meet the requirements of extremely diverse clients and the community in evidence based ways. Today, many workers rightly claim to be experts in their field, seeking to provide vital, high quality services in the interests of clients and/or a broader public. Recent Australian legislation on development of national standards in health and environment protection and in supporting occupations therefore made no distinction between the professions and other types of work. The word 'occupation' is used across the board. Older state registration acts protect vested professional interests.

The ANZSIC system lists the following service industries which appear to be the most obvious categories for identifying and valuing production and for consultatively planning and managing related regional development. We ideally judge each other in as informed a way as is reasonable possible. (The internet and Google are a fabulous help in this.)

- Communication services
- Education services
- Health and community services
- Cultural and recreational services
- Accommodation, cafes and restaurants
- Personal and other services

- Retail trade
- Transport and storage
- Wholesale trade
- Government administration and defence
- Electricity gas and water
- Construction
- Property and business services
- Finance and insurance

The Roundtable complains tourism does not clearly appear as an industry in the above headings. However, the Australian Bureau of Statistics apparently has a satellite account. One assumes lawyers ideally first fit into services on an industry basis. See the related discussion attached on the Council of Australian Government's (COAG) National Legal Profession Reform Taskforce Consultation Report (2010). It answers Taskforce questions on professional indemnity insurance, fidelity fund cover, continuing professional development requirements, and disclosure and charging of legal costs, in the international, national and regional development contexts discussed earlier. The management of all trust money and accounts is ideally also considered in related national and regional contexts which seek sustainable development, not feudal business as usual.

In an article entitled 'Reform urgently needed but almost impossible', Heather Ridout, the Chief Executive of the Australian Industry Group argues that the first two areas to be dealt with to build Australia's competitiveness are:

- Investing in the development of workforce skills that permits Australian industry to meet its long-term competitive challenge
- Encouraging innovation and business capability development including with a fully function research and development tax incentive and support for the development of export markets and experience in global engagement.  
(Australian Financial Review (AFR 8.9.2010, p.71).

She points out the new workplace relations system must be developed as a top priority in the above context. Directing skills development, innovation, and all related research and development so that incentives are provided for more sustainable development regionally, nationally and internationally are vitally important. In this context, multiskilling may be preferable to yet more specialization in very narrowly defined job and career channels in which the vested interests of the past have often been protected and passed on, in chosen ignorance of how the specialised practice ideally may relate to others in the broader environment. One assumes the ideal industry direction is now found in a world where many people are encouraged to think and learn more broadly, with commensurate reward, as distinct from being made to swim narrowly and blindly up a particular trade or profession and career stream to have their capacities recognized.

I look forward to release of the Henry Review of taxation. An article entitled 'Second shot at tax reform' (AFR, 8.9.2010, p.51) states the broad recommendations were that tax revenues should come from four tax bases: business income; personal income;

private consumption and economic rents from natural resources and land. This seems the right direction. However, according to the Treasury paper 'Australia's Future Tax System: Architecture of Australia's Tax and Transfer System' (2008), food is exempt from the goods and services tax but agricultural levies abound. They are listed from pages 62 to 69 of the paper. What is the aim, if any, of such agricultural levies from the perspective of government? How should they be viewed to attain the public interest in fairer, more sustainable development? Are the agricultural levies that Treasury lists out of date?

On the other hand, Tobin taxes are excise taxes on cross border currency transactions. As I understand it, they appear to be the logical extension of indirect taxes, such as the Australian goods and services tax (GST) to the financial services arena. Such taxes appear to have the advantage of restraining financial trading which seems primarily undertaken in the interests of financial service providers, rather than their customers.

**Invite Chinese and Japanese artists and others to join in another cultural revolution which first recognizes the continuing meaning and existence of feudal relations as a means of achieving the above goals**

The current Sydney University Exhibition on China and Revolution: History, Parody and Memory in Contemporary Art, is interesting in the current regional development context.

Today the word 'feudal' often appears to be the one which dare not speak its name. This is a great pity because the capacity to identify and label corruption often depends upon the prior capacity to identify and discuss the strengths and weaknesses of feudal relations for development. These may be compared with more openly scientific relations, which are supposedly designed primarily in the broader public interest, rather than in the interests of a family or group of brethren and their immediate champions and supporters.

Chinese youth were not the only ones to attempt a cultural revolution. Commencing in the later 1960s, many European nations, Americans, Australians and other Asian countries faced similar upheavals against older authorities who were often challenged by their own and others' offspring and sometimes labelled wrong and corrupt. What contemporary tourist can forget Jonie Mitchell's song about paving paradise, putting up parking lots and creating tree museums? It seems increasingly true. Bob Dylan said nobody over thirty could be trusted. That still seems funny to me today, albeit harsher.

The Chinese exhibition is a wonderfully developed historical presentation, which inherently includes reflection and critique of history and the present, as well as parody and memory. I particularly enjoyed Liu Dahong's work. The video animations of groups who carry on their physical jerks in unison as slogans exhort the right and need to question all authority were very funny. One assumes his picture 'Fairytale of the 12<sup>th</sup> month' refers humorously not only to the dreams of children, but perhaps to those of all peasants, who have long been deprived. The picture entitled 'Fairytale, The Awakening of Insects' looks like an Asian history of feudal ruling forces to me, painted in the dark medieval manner of Bosch. Surely I am not the only one to see his insects in this light?

A poster may be seen as an idealised reflection of its political slogan, as Harriet Evans and Stephanie Hemelryk Donald point out in the catalogue. However, it may also be judged primarily as an emotional product of a particular time and place, like any other art or product, popular or not. The newspaper report 'Nagoya's show aims for world relevance' (AFR 2.9.2010, p. 24), comments on a current Australia and Japanese art collaboration to boost the fortunes of Toyota's home city and presents a different picture which revels in the 'happy capitalism' of consumer culture. The movie 'Exit Through the Gift Shop' raises key questions about art in either context. However, an integrated historical, geographic, economic, political, cultural and therefore sociological way of seeing has become increasingly unfashionable in academic and other circles. There is a general preference for increasingly narrow specialisation in order to progress up specific career channels, no matter how determinedly stupid this may make one in the process.

Anthropologists have often seen women as goods for exchange which ideally increases the capacity for men to communicate and cooperate through marriages, as an alternative to wars. Primo Levy, who spent years in a Nazi concentration camp, perhaps surprisingly claimed that love is an endless interrogation. Then let us interrogate our own and others' feudal and related relationships as they were in the past and as they appear today. It has often been outsiders who have interpreted our mythic culture and environment to us most satisfactorily, while we may also try to present its nature, meanings and effects to others. Forbidden historical expression may most easily present itself today as irony which may explain the wide appeal of many comedians like Mel Brooks and Monty Python or many shows such as 'The Sopranos'. It is proposed that many Australian, Chinese, Japanese and other artists now start a new cultural revolution in which the rest of us can join in. The aim is to develop a new paradigm, where competition to achieve cultural and related social and environmental goals starts globally and we all act better locally to achieve it.

Thank you for the opportunity to make this submission,  
Yours truly, Carol O'Donnell