

*Creative  
Distraction*

**issue 8**

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## Editor's Note

Whether you wake up to the sound of an alarm, birds, cars or construction the mornings are getting colder and the days are getting shorter. So we have more time to sleep (assuming we aren't nocturnal) but the workload is just getting heavier. What better time for a distraction?

Creative Distraction, The Economics Society Magazine here at UQ gives students the chance to get creative and write about the issues, muses and observations they find in this crazy old world. The ESA had a positive kick-start this year with the Career and Cocktails night on the 21st of March at the Holiday Inn. We had a wide range of speakers who gave many insights into possible careers, and not to mention an opportunity for us all to socialise and have a good time.

Creative Distraction, Issue VIII has a wide range of topics to stimulate your senses. David Warner gives his case as to why drugs should be legal, Jonathan Pitchford gives some advice to the first year student, and Abby Kamalakanthan will make you think twice about how you perceive the rapid growth of China and India.

Earlier this year the papers were all running stories like, "Celebrating Ten Year of John Howard", but we seem to have forgotten his faithful right hand man, Peter Costello. In this edition we have a Costello special; All the Costello you could want in just three pages. We also have an update from our Prague Correspondent Callan Windsor who is currently studying on exchange over there in the Czech Republic. And last but certainly not least, Nic MacBean reviews the dark slave trade history of Queensland.

Give us your feedback and if you have anything in mind you want to write about, swing your stories and ideas to [matt@uqesa.com](mailto:matt@uqesa.com)

By the way, ESA has a wicked pub crawl coming soon so if you haven't joined yet do so now!

*Matt Ogg and Nic MacBean*

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## An Argument Against Drug Prohibition

*By David Warner*

Drugs are a part of everyday life yet some are still prohibited and even declared war on, while others are pushed on us from all angles. Should that decision be made for us, and does the current decision result in the most effective, efficient and equitable outcome? The answer, I argue, is no.

*“Government exists to protect us from each other. Where government has gone beyond its limits is in deciding to protect us from ourselves.” - Former U.S President Ronald Reagan*

*“It’s not a war on drugs; it’s a war on personal freedom”*

The very heart and soul of our current capitalist society relies on the assumption that the activities of individuals, acting in their own interest, will lead to the most efficient outcome. Surely in today’s economy where intervention in the market is kept to a minimum, there is no place for the government to impose (or battle to maintain) a blanket ban on certain drugs while at the same time allowing others to be readily available. The introduction of drug prohibition into Australia in the late 19th century was not based on any medical or economic grounds. It was introduced because of international pressure from other countries, particularly the United States, who saw drugs as a sign of deviant behaviour. Drug prohibition is a moral imposition by those in power on broader society.

The prohibition on alcohol in the U.S was overturned relatively quickly (the only amendment in their constitution to be removed) yet the prohibition of other drugs remains. Society had continued to consume alcohol despite its illegal status, showing that legislators had become out of touch. There was also plenty of monetary gain and political support to be gained by the legalisation of alcohol. There is currently a demand for many other illegal drugs, so why are there so many constraints against their supply?

Many argue that making drugs legal will lead to catastrophic effects as many more will start using drugs. Firstly, the legalisation of drugs is unlikely to have an incredible effect on usage. While usage is unlikely to decrease, changes in price do not have that much effect on the amount consumed. In the U.S the street price of cocaine has dropped substantially over the last decade, yet numbers of people using the drug has remained

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relatively constant. Secondly, the drop in price is likely to create a drop in crime rates as people no longer have to commit crimes to buy expensive drugs.

While the health effects of drugs have been endlessly debated, I'd like to highlight some statistics to put things into perspective. In Australia in 1997, 3668 deaths were attributed to alcohol while tobacco caused the death of 18 224 people. Only 832 deaths were a result of illicit drugs. These statistics show that the legal drugs (alcohol and tobacco) killed twenty-five times more people than illegal drugs. What is so special about alcohol and tobacco that deems them more worthy of legalisation?

The removal of prohibition will serve to make drugs safer by reducing the number of overdoses. Currently, the drug market is subject to many market failures, particularly asymmetric information, as it is often hard to tell how 'pure' the drug actually is. Essentially, it's like buying a car but only relying on the salesperson's word. Although there are tests available to calculate the purity of some drugs, the government imposes restrictions on their use in public spaces. Pharmaceutical companies originally created drugs such as heroin and LSD for medical and scientific uses. The legalisation of some drugs would further expand research and development into drugs, leading to the modification and new uses of existing drugs, thus making them safer. Marijuana cannot be prescribed for medicinal purposes because of its prohibition, yet it can alleviate pain and nausea as well as increase the appetite for people receiving treatment for cancer and AIDS.

*"George Bush says we are losing the war on drugs. Do you know what that implies? There is a war being fought and people on drugs are winning it. What does that tell you about drugs? There are some smart and creative people on that side" - Comedian and social commentator Bill Hicks*

*"So long as large sums of money are involved - and there are bound to be if drugs are illegal - it is literally impossible to stop the traffic, or even to make a serious reduction in its scope. We would thus strike a double blow (through drug legalization): reduce crime activity directly, and at the same time increase the efficacy of law enforcement and crime prevention." - Nobel Prize winning economist Milton Friedman*

Marc Emery is a multi-millionaire Canadian entrepreneur/drug advocate who made his fortune through the mail order of marijuana plant seeds (with Australia being his third largest export destination), as well as the

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establishment of political lobby groups and a marijuana media empire. The war on drugs does not make any economic sense as its costs far outweigh its benefits. If drugs were decriminalised, the government would go from losing millions of dollars to gaining this money through taxes from their legal sale. This reduction in expenditure and increase in revenue will increase surpluses and provide money for other services or tax cuts.

The removal of drug prohibition would eradicate a large informal economy. Drug gangs and the mafia dominate and manipulate current drug markets, using violence and corruption in order to receive large profits and maintain their power. By removing prohibition, economic efficiency and the quality (and equality) of law enforcement will both be improved. The development of countries from Latin America and Central Asia would be greatly enhanced by their ability to export a commodity that they have shown to have an advantage in producing. Bolivia is seeking the ability to trade the coca leaf for its use in natural medicine and as a food substance. This would boost their national economy but because the coca leaf is an ingredient in cocaine, it is deemed a poisonous substance and is banned.

Drug prohibition does not make any sense. Economically, it is irrational and goes against the foundation of our capitalist society. We must stop wasting our money on policies that aren't working, and incorporate informal activities into the economy for the benefit of everyone. Socially, we need to ask whether we should be punishing people that use drugs. If a good friend or relative of yours were 'caught' using drugs, would you want them punished? This article does not outline an optimal drug policy, but shows that the current system of drug prohibition is certainly not it. It is time for this ideological crusade against drugs to end and for a rational debate about the gains to society through the removal of drug prohibition.

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## Adapting to Uni Life: Advice for the Freshie

*By Jonathan Pitchford*

Welcome to the sandstone world of UQ where you aren't treated like a child, nobody asks you to pull up your socks or wear your hat, and you can eat lunch when you feel like it (if you can afford it). There are many benefits of moving onwards and upwards from high school but being a first year can be tough. Here are a few things I wish someone had told me when I started economics at university.

The wonderful introduction subjects in economics highlight the emphasis our discipline places on competition and if you didn't know that yet there's still hope. At first I wondered why this was so, asked a few questions, and was told to look at the natural world where we see competition among the lions competing with the leopards for the same limited amount of zebras. Meanwhile, the Zebras must compete with the antelope for the scarce grass resources and so on. In summary, existence is competition and regrettably I accepted this logic as given and proceeded to make competition the basis of my academic life. I was competing with other students in my classes for both grades and consultation times with staff. This 'life-as-competition' mindset really can become pervasive.

You might soon imagine yourself to be a real applied economist and start using these tools in all avenues of life. This is, however, where things started to fall apart for me. I mistakenly tried to utilize economics in my personal relationships. As you can imagine, this fell flat on its face. Cheers to all the girls out there who helped show me the limits of 'thinking like an economist'. At the time I didn't know who John Nash was, yet this famous economist seemed to have reached a similar conclusion and won a Nobel Prize over this issue (The film *A Beautiful Mind* is a compulsory watch for any first year students).

The essential problem with this idea was my lack of understanding of the natural sciences. After reading a few books I came upon the startling fact in Bill Bryson's *A Short History of Nearly Everything* that Charles Darwin never used the phrase, "survival of the fittest". It was actually coined by Herbert Spencer in *Principles of Biology* and the Darwin really described the most adaptable species as the most likely to survive. The dinosaur may have been fitter to compete with the mammals, but it wasn't as adaptable to its surroundings. So as a first year uni student you should realise it's not

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your ability to compete, but your ability to adapt that will determine your success.

The academic world is built on the value of cooperation over competition, as students do not compete with teachers, teachers are still learning too; we are all walking on the same path. Having taken the time to look at the natural world it seems to me that ninety percent of life is about cooperation. Literally millions of people had to cooperate to make you who you are today. Your shoes are from Taiwan, your breakfast muesli was made using a Swiss recipe, and your car is from the USA. Someone had to take the oil out of the ground in Yemen to create the petrol that powered the truck that drove over smooth roads to bring the machinery that printed this magazine that you are reading!

The natural world holds similar stories; lichens are the ultimate models of cooperation. Lichens are a combination of two organisms, an algae and a fungus. Together they can survive in extraordinarily harsh environments – only through their cooperation.

I guess you could describe competition as a function of cooperation. Opponents in sport agree on the rules for a game, the times and the referees. The cooperative team can annihilate a team of talented individuals that do not work together. Here a problem arises and this is what's wrong with competition; somebody has to lose for me to win. But Cooperation says that everyone wins when we work together.

You will find that working together with your classmates, rather than competing against them, will facilitate better grades and a happier university experience. Your distinction does not affect my credit; but if we study/work/learn together perhaps we can both get high distinctions.

The second value worth considering is questioning over groupthink. Thoreau provides a fantastic analogy: in a world of fugitives, the person taking the opposite position will be appearing to run away. This is not so at UQ; people who think for themselves and are willing to take a stand and defend their position are valued. It requires courage and discernment to ask a question and hear the answer. How else are we to truly learn? Many a tragedy or war could have been avoided had more questions been asked.

Another academic value is objectivity over bias. Aristotle said, "It is the mark of an educated mind to be able to entertain a thought without accepting it." We are only educated once we can hold our opinions away from ourselves, so that when a person challenges or attacks our opinions and ideas, we do not feel personally attacked. An inability to objectively

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look at ideas leads to defensiveness and narrow-mindedness which are unfortunately common societal values. Read things and listen to people with whom you don't agree. Keep an open mind. Objectivity requires honesty. Couple that with the courage to ask questions and you have integrity. And this is what makes academia worth its while.

The last thing I advise you keep in mind is accuracy over carelessness. Any mathematics teacher or failing student will tell you accuracy matters in education. Because the key to life is communication, how we communicate matters. Saying what you mean matters. Words matter. For example, does "making love" mean making love, or does it mean making sex? The difference matters and not understanding this difference can lead to traumatic consequences.

In conclusion, I challenge you to take up the baton of economics and run the academic race. Listen to this advice as it may come in handy, but a big part of education is learning by doing. We all make mistakes sometimes. But despite our mistakes we still manage to cooperate. So all that's left to be said is this; it is worth it. The benefits do outweigh the costs!

*"The roots of education are bitter, but the fruits are sweet"*  
- Aristotle

*I'd like to give special thanks to Chris Blake of Union College for his insight into academic values.*

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## How Important is Foreign Capital to Income Growth in China and India?

*By Abby Kamalakanthan*

It's no secret since the 1990s China and India have been amongst the world's fastest growing economies, with both growing by 9 per cent in real terms in 2003. Boston Globe Columnist Laura Secor said it's generally thought this is a result of the two nations being leading recipients of high profile capital flows.

It seems the consensus is that growth and foreign flows are significantly linked in a causal manner, with China's foreign flows into its manufacturing sector making it the world's factory, and India's foreign flows into its services sector making it the world's emerging back office. But does correlation imply causation? Are we just falling victims to media hype?

A striking feature of foreign investment in both China and India is it is strongly concentrated in particular localities. As a result, in addition to being considered a driver of income growth at the national level, according to a 2004 paper by Xing and Zhang, foreign capital flows are also thought to be foremost amongst those factors, explaining widening income disparities within both countries.

In China and India foreign capital has flowed overwhelmingly to the coastal provinces and states and there are many reasons why. These areas have geographical advantages in terms of trade and are thus attractive hosts for trade-orientated foreign direct investment (FDI). China's coastal provinces are also the richest in the country, and therefore desirable locations for domestic market-orientated foreign investment.

In the case of India, apart from Delhi, five coastal states, namely Karnataka, Tamil Nadu, Maharashtra, Gujarat and Andhra Pradesh account for 60 to 70 per cent of the total FDI inflows into India. These so-called high performing state economies, as baptized by Shand and Bhide in 2001, have better infrastructure to connect with the surrounding states; a crucial factor that has helped them to be chosen as centres for establishment of export processing zones, and special economic zones for attracting export-oriented FDI.

Regional FDI inflows into India have also been distinctly associated with a high degree of urbanization. For instance, all of the five coastal states

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mentioned above are quite highly urbanized, due to the presence of metropolitan cities like Bangalore, Chennai, Mumbai and Hyderabad. Thus, the stylized facts do indeed appear to point to globalization's driving forces (labour migration, trade and investment), forming a virtuous circle that strongly drives income growth.

If globalization's driving forces do contribute prominently to income growth, particularly at the provincial or state level this has broad economic and political implications. For example, spatial differences in income per capita drive internal labour migration, which in turn determines the strain that will be placed on a country's infrastructure. At least in the case of China the authorities have also repeatedly expressed concern over the effect regional income inequalities could have on future political stability.

My reflection on this issue is motivated by an interesting observation made by renowned economist Paul Krugman in 1993 that foreign capital generally only contributes an extremely small amount to gross capital formation in developing countries. For Krugman then, to label foreign capital as an important income growth driver was nonsensical. Since then, it has been found domestic capital in fact remains king in China and India, even in the coastal regions that are regarded as magnets for foreign investment.

Domestic capital is also shown to be moving towards the same localities that attract the bulk of foreign capital inflows. To explain why the apparent marginal productivity of capital is higher in these areas than elsewhere, it is necessary to look beyond the driving forces of globalization and consider the impact domestic factors, such as the relative efficiency of local government institutions and low quality infrastructure, have on income growth.

In commenting on the popular view foreign capital was an important driver of income growth in developing countries, Krugman contended this was logically impossible when foreign capital only accounted for a fraction of gross capital formation in these countries (approximately 3 per cent).

He also added he saw no good reason to expect this to change anytime soon. However, in 2001 Levine took exception to Krugman's argument, observing instead foreign capital might primarily contribute to income growth through its contribution to technological change and total factor productivity growth, rather than capital accumulation alone. Others have pointed out the level of foreign capital inflows into developing countries continued to rise during the 1990s and early 2000s. Yet neither of these

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retorts amount to a particularly effective critique of Krugman's basic argument.

Even if the key contribution of foreign capital is technological change, this effect will still be linked to its scale. You must also take the view foreign capital is somehow special in comparison to domestic capital in terms of its linkage, spillover and agglomeration effects. Hence, in the 2000s, there can be little doubt Krugman's observation has largely been forgotten amidst the excitement surrounding the rising levels of foreign capital inflows in China and India.

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*This article is based on a paper that won the Best Postgraduate Student Paper Award at the Asian Business and Economics Research Unit Conference 2005 held at Monash University, Melbourne, Australia, 29-30th September, 2005. For the full paper, please see: <http://www.uq.edu.au/economics/eaerg/dp/0405.pdf>. Comments on this article or paper are appreciated. Please email: [abby\\_q@hotmail.com](mailto:abby_q@hotmail.com).*

*For interested readers, the reference for Krugman's paper is: Krugman, P. 1993. "International finance and economic development", in A. Giovannini (ed.), *Finance and development: issues and experience*, Cambridge University Press, Cambridge, 11-24.*

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## Celebrating Ten Years of Costello

*By Matt Ogg*

Before Peter Costello existed there was darkness. In fact there was more than darkness, something unexplainably terrible eating away at our economy, our moral integrity, and our Christian heritage. That darkness it would seem was the preceding Labor government with its high interest rates and deficits. Then came a spotlight, Costello switched it on, illuminating the great land of Terra Australis.

Perhaps this is the dramatised tribute Treasurer Peter Costello would have liked to have, but in reality he would probably be absent in the introduction of his own tribute. So we start the story in 1996 not with Peter Costello, but with Bernie Fraser who was then Governor of the RBA. On the 5th of September it was fitting that his speech for the Australia Day seminar was in Tokyo, symbolising how far Australia had come in the world of international trade. Without the reforms of the preceding Labor governments there would have been a completely different story, but this is Costello's tribute so we'll leave all that as a side issue that never existed.

Bernie Fraser said the Australian economy was looking much different to how it was a decade before, and had become a competitive, productive, outward looking economy.

*“Over the past five years Australia’s real GDP has grown by more than 3.5 % a year, while inflation has averaged 2.5% a year. Solid growth and low inflation are set to continue for some time yet.”*

It had only been roughly sixteen days since Peter Costello had delivered his budget, and the economy was looking very good indeed. But later in the speech Bernie Fraser issued a warning with his ‘sandman-like’ timbre, taking on a bit more of a philosophical approach not so businesslike and succinct as before.

*“Advocates of rapid labour market reform sometimes overlook the point that people have to be handled with more sensitivity than chattels or financial ‘products’ if changes are to endure. “*

I christen these two quotes as Peter Costello's tribute and won't explain

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why, the same way Costello refuses to acknowledge the underlying foundations that have driven our economy out of ‘Labor’s’ deficits and into the ‘Liberal’s’ surplus. Costello certainly sped up the process but at what cost? Twelve days later Bernie Fraser retired and Ian MacFarlane took the driving seat as Governor of the RBA. The economy was looking super for the future, with Bernie’s inflation targeting policies keeping prices at bay, and Peter’s growth and (un)social policies somehow managing to keep the opposition at bay as well.

While Malcolm Fraser was Prime Minister under the Liberals, Peter Costello was on the ‘dark side’, actively engaging himself in student politics as a socially radical Christian member of the youth wing of the Labor Party. But after leaving university Peter Costello, much like many of his neoconservative contemporaries, switched sides. After establishing himself a solid reputation as an industrial lawyer he entered parliament at the age of 32, and six years later would become the Treasurer of Australia under John Howard. In his first budget speech on the 20th of August 1996 he started with scathing criticisms of the previous government, and outlined his commitment to the Australian people.

*“The Government inherited an economy beset with long-standing and deep-rooted problems that must be addressed now if economic growth and improved living standards are to be sustained in the years to come.”*

In his second budget he introduced a tax rebate on savings, encouraging investment in an attempt to reduce Australia’s heavy reliance on foreign debt. He managed to save the government a lot of money by ditching Paul Keating’s package that came in the form of a contribution to pensioner’s funds. Economists predicted at the time his saving-intensive policies served to benefit the wealthy more than it would encourage the less well-off to save. He set aside a one billion dollar fund for the environment that would come mainly from the sale of a third of Telstra.

In 1998 for budget number three Peter Costello exclaimed, “Our budget is now in surplus. We are back in the black. We are back on track.” With a poetic positive budget there were more Australians in work than ever before, with the economy performing well despite the Asian financial crisis that started in the previous year. He said worthwhile achievement would require hard work and dedication but the burdens shared by Australians would mean the benefits would be shared also. The Coalition was re-elect-

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ed in October.

By his fourth budget Australia's inflation rate was the lowest in thirty years, which to the public meant low interest rates. Tax revenues were considerable due to increased Chinese demand for Australian minerals. Costello was committed to education as well. According to *The Economist* half of the Australian population thought Australia had become a meaner country since Howard and Costello had come into power.

In 2000, as Australian troops were fighting a war in East Timor for its independence, and later what would mean more oil revenue, Costello trumpeted his horn about a socially regressive 'more-efficient' tax policy in the form of a Goods and Services Tax (GST). Costello campaigned with sweat and tears for the policy, and John Howard got the credit. Tourism grew with the Sydney Olympics.

In May 2001, before the disastrous events of September 11th, Costello was caring for the elderly with a non-taxable lump sum of \$300 on top of fortnightly pensions. A year after introducing tax on goods and services, a skilful political manoeuvre was used to entice the elderly to think Costello was working for their benefit. Terrorism scared the public, refugees too, and the Coalition was re-elected once again.

In 2002 the budget was concerned with domestic security, with an upgrade of \$1.3billion over five years. To entice population growth, Costello introduced a baby bonus of \$2,500 a year. The Bali bombings were tragic and so the 2003 budget committed an additional \$152 million to enhance Australia's intelligence capacity.

For a sensational eighth year in a row Costello's speech was still dumping on the previous Labor government very early on in the speech. He continued on the same trend for the next two budget speeches as well, with memorable quotes such as:

*"If parents run the risk of being thrown out of work, they can't have confidence."* and

*"Australians need high quality health services with access for all."*

In the time since the 2003 budget Peter Costello has been a driving force behind industrial reforms that make for a more flexible labour market where you can lose your job much easier. It is no secret that in the time Costello has been Treasurer health services have become increasingly privatized, meaning they are more available to the highest bidder than the

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general public.

According to the Household, Income and Labour Dynamics in Australia Survey in 2005 data confirmed wealth is very unequally distributed in Australia, with the bottom half owning less than 10 per cent of total household net worth. Meanwhile, the wealthiest 10 per cent hold 45 per cent of Australia's wealth.

So if Australia has this fantastic surplus that Peter Costello miraculously brought about, where is this money being distributed? I'm always fascinated to hear what he has to say and tonight we will find out in Budget 2006, Costello's eleventh budget in a row! I'll be on the edge of my seat to hear how neglectful the Labor Government was ten years ago when I was ten years old. I could make predictions about what else he'll say, but I'm no astrologer. All I know is that as I look back on the last ten years, Bernie Fraser's warnings about not treating human beings as 'chattels' or 'financial products' ring all too disturbingly true.

In an article titled "Rejuvenating Christian foundations should help stop moral decay" in 2004 Costello, on his moral high ground taught us a key commandments of Christianity and how it applies to the economy. He said: "Thou shalt not steal; is the basis for property rights." And how true and sensitive it is for a Christian to say such a thing as he stands on Aboriginal land and distributes tax money far from equally.

In this article he said, "we do not have to look far to see evidence of moral decay around us." We see it in Iraq, in the mistreatment of refugees by our government, in the mother who loses her job unfairly and struggles to support her children, and in the father who can't afford to go to hospital.

Australia is wrought with social problems but maybe they will always exist, and are as naturally occurring as inflation and Gross Domestic Product, regardless of who decides where the money goes. But as this is a tribute to ten years of Peter Costello we will conclude triumphantly.

In the last ten years Australia has been a successful internationally-minded economy, and through true Aussie mateship and hard yakka we've managed to bring ourselves out of the lows of Labor and into the glistening heavens of Liberal success and growth. It's been difficult, but with commitment we've stuck in there and done it like true Australians. But without Peter and his humble, yet powerful and enigmatic efforts to work towards the betterment of society through economic pragmatism, we would be stuck behind the rest of the world in our markets, our attitudes,

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our perceptions and our morals.

If John Howard were the Godfather, Costello would be his Consigliore, the ideas man that makes light out of darkness, and surplus out of Telstra and GST. Sometimes we forget what an important role Costello has played in all our lives, both economically and culturally. But in all honesty, it's pure coincidence that when his parents named him, he was christened Peter Howard Costello.

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## Life in the Czech Republic

*Callan Windsor, Creative Distraction's Prague correspondent*

Ahoy my fellow economic compatriots on the other side of the world. I am currently studying in the Czech Republic's capital city Prague, and have thus been asked by the editor of this noble little journal to write a piece about my exchange experience. So let's draw the curtains and let the show begin.

### THE CITY

It is a hard task to describe the beauty of the city in words. Since the Middle Ages Prague has been heralded as one of the most beautiful cities in Europe, earning nicknames such as 'the city of 100 towers', 'the heart of Europe', and 'the golden city.' The city is home to the world famous Charles Bridge (1357), the Prague castle (foundation stone laid in the 9th century) and the oldest standing Jewish synagogue in Europe (1270). For those with a keen interest in European culture Prague is the perfect case study, UNESCO listed since 1992 and teeming with historical sites at every corner.

### THE ECONOMIC STUDY ENVIRONMENT

Studying at the University of Economics Prague provides an opportunity to learn in an eastern/middle European economic context. With the fall of the iron curtain and subsequent 'Velvet Revolution' in 1989 the Czech Republic has undergone several major economic reforms. Prominent among these is the transition from a communist style centrally planned economy to a decentralised economic environment based on free market ideals. The velvet divorce in 1993 - when the Czechoslovakia split peacefully into Slovakia and the Czech Republic - also provides for interesting economic analysis. Finally the Czech Republic's admission into the European Union in 2004 is an ongoing economic challenge facing the Czech Republic with growth opportunities to grasp and several hurdles to overcome. These profound changes to the economic environment of the Czech Republic allow for highly topical issues to be studied first hand.

### UNIVERSITY LIFE; DORMS, PARTIES AND LECTURES

Accommodation at the university dorms is, to put it diplomatically, 'com-

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fortable'. Sharing a kitchen, bathroom and toilet with four roommates is a great opportunity to get to know your fellow international friends. The workload at the University of Economics is not demanding. There is an emphasis on giving students a unique insight into Eastern European economics that would otherwise not be available through conventional courses. The university itself is (to put in simple terms) a 'happening place' with students and staff keen to hold close the newly developed economic principles embraced by the country after the fall of the iron curtain. It is interesting to note that the president of the Czech Republic is a frequent guest lecturer here for the domestic students. The mix of international students studying within the program is HUGE (approximately 25 countries represented) and provides for a great social scene with relationships made from all over the world. And thus I digress...the international parties are amazing and cheap with the price of the Czech Republic's pride and joy PIVO (that's beer for the uncultured), costing one Aussie dollar. The university organises many social/sporting events with the highlight being the infamous Nation2Nation parties held throughout the city every Tuesday.

## **TRAVEL OPPORTUNITIES**

Being situated in Central Europe and providing a gateway between the east and the west, Prague is a fantastic place from which to launch European travels. Prices in Prague are as still very cheap relative to western European prices and thus one does not need to have a great deal of money to venture out of the Czech Republic, particularly if traveling east. Thus far I have via train and bus been to the historical city of Budapest (Hungary), the glandulous city Vienna (Austria), and the reflective city of Krakow (Poland). Each city is an article unto itself and thus I will stop short here.

For now folks that is all I can muster. I hope in this very brief and general piece I have given you some insight into studying in Prague.

*Can Can!*

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## Revisiting our Slave Trade Past

*By Nic MacBean*

Wal Bird's "Me No Go Mally Bulla: Recruiting and Blackbirding in the Queensland Labour Trade 1863-1906" (Mally Bulla is Pidgin English for Maryborough) examines the conflict that emerged in the Pacific islands during the second half of the nineteenth century, when labour traders used various means to 'recruit' Pacific islanders to work on Queensland sugar plantations.

The process was known as 'blackbirding' and described by many as a form of slavery. In *Me No Go Mally Bulla* Bird recounts the growth of blackbirding from the 1850s and 1860s to its eventual demise at the start of the twentieth century.

In the mid nineteenth century a man named Henry Ross Lewin used his experience of exploiting Latin American labour and applied it to Queensland, having seen the profits that could be made by importing Pacific islanders and selling them to plantation owners. "Me No Go..." describes how this trade quickly expanded to include a large number of blackbirding boats in the Pacific islands.

Initially, many islanders were quite willing to travel to Queensland to work on the sugar plantations but they soon realised conditions were not as idyllic as the blackbirders had described. As time went on and the trade became more lucrative for the traders so they resorted to trickery, coercion and downright kidnapping in order to fill their holds (often lacking even basic bedding arrangements) with Pacific labour for the Queensland sugar industry. There are numerous accounts and descriptions of the recruiting voyages, from the perspectives of traders, islanders, missionaries and naval officers, who policed the trade with varying degrees of success.

As the book goes on Bird begins to describe the retaliatory attacks made on the Australian and British by angry islanders. Due to ongoing kidnappings, lies concerning the lengths of contracts, and murders, many villages fought back and killed many sailors in the recruiting trade. As time went by this hostility developed into general antagonism between islanders and all whites, to the extent that even some missionaries were killed to take revenge on the blackbirders.

In the midst of this Bird describes the halting efforts of the Queensland colonial government and the Royal Navy to police the trade, when the

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sugar industry constituted a massive part of the economy, and tacit support for the labour trade existed at all levels of Queensland politics. Bird's description of the efforts made by Queensland Premier Samuel Griffith to oppose the labour trade in the face of significant opposition is quite fascinating, and one of the highlights of the book.

Bird states in the foreword that his book is a 'factual account' and not an academic treatise. The book is structured chronologically and recounts a series of incidents in the blackbirding trade. The wealth of information is impressive, and numerous incidents are recounted. Often however, this becomes dull and a little hard to follow, as his writing often lacks flow and direction. However it certainly does serve to illustrate just how many incidents did occur and the matter of fact style also leaves the reader to make their own judgements.

Bird's objectivity is strained throughout the book, and on occasion he slips into subjectivity. It is precisely when he does this though that the book begins to be more readable and interesting. The subject matter is certainly fascinating and deserves attention, but I feel it would have been far more interesting had he let his opinion come through much more, and constructed the book in a more argumentative manner.

Blackbirding happened. That is apparent from the wealth of material Bird collected. It is also a topic which demands attention. This book presents an accessible, interesting and very informative account of what happened, and for that reason it is well worth reading as an introduction to the topic.

A much more attractive and memorable book would have been produced if he had not tried to hold back his perspective while writing. If he had done so, he would have produced a very good work of history, rather than what has ended up as only an interesting 'factual account'.



*"Me No Go Mally Bulla: Recruiting and Blackbirding in the Queensland Labour Trade 1863-1906."*

*Wal Bird*

*Ginninderra Press 2005 – \$18.50*



