

Martin Feil

The Failure of Free-Market Economics

Scribe Publishers, Melbourne, 2010, 288 pp., \$35.

Martin Feil is an economist who has had a Road to Damascus experience, albeit of the slow maturing variety. From rising young star in the Holy War against tariff protection, Feil has become an ardent prosyletiser against ‘free-market economics’ and the practices that prevail under that ideological banner.

To finance his evening course studies for a Sydney University economics degree (‘that dismal faculty’) Feil got a job in the Department of Customs & Excise in 1968 (being Catholic probably helped get into a Catholic bastion). The capable Feil moved up in Customs and to the Tariff Board in 1974, just as it was being transformed into the Industries Assistance Commission by the Whitlam Government and its zealous head Alf Rattigan was attempting a systematic demolition of the tariff protection regime behind which lived the Australian manufacturing sector.

Said Feil, ‘I believed completely in what we were trying to do. I was young, green and idealistic.’ Feil notes that his naivete was shared at the highest levels. In particular, IAC staff assumed that lower protection on imports would lead automatically to lower consumer prices. Not so. The importers kept most of the booty.

After integral involvement in many industry investigations and reports, instead of moving up the IAC hierarchy, Feil left the public service in the late 1970s. He used his expertise in customs protocol and the tariff to advise industry (especially importers) in various consultancies, from his own to employment in the big firms Deloitte and Ernst & Young. By the time that the tariff regime was being wound down in the early 1990s, Feil had acquired, among others, a new expertise in the field of transfer pricing by multinational companies – consistent with the Australian Taxation Office’s push on the issue from the late 1980s. At the same time, Feil also changed his outlook. The promises of the ‘economic rationalists’ had not been delivered.

The first third of the book documents Feil's unusual professional trajectory, of much interest for the insight arising from experience at the 'coal-face'. The remaining two-thirds is devoted to an harangue on what Feil sees as the unhappy dimensions of a less than robust Australian economy – an engorged predatory finance sector, the cynical privatisations, a bipartisan naivete regarding the ruthless politics of international trade and finance (producing Australia's permanent current account deficit and ever-expanding debt), and so on. Add some assertive recommendations at the end, including jettisoning the 'toxic' US-Australia Free Trade Agreement.

Feil has been a long-time public critic of the general tendency of economic policy, fortunately finding a regular outlet for his opinion pieces in the *Melbourne Age*. This book has the text complemented by the biting visuals of John Spooner, Feil's companion cartoonist at the *Age*.

One negative and one disappointment on the margin. There are a handful of mistakes in names – people and institutions – so the book could have benefited from a beady-eyed editing. There is also little on the troubled character and brutal politics of the Australian transport sector and its infrastructure, on which Feil is an expert, again from close experience. The subject of his next book perhaps?

Martijn Konings

The Great Credit Crash

Verso, London, 2010, 398 pp., \$49.95.

Hot off the press – published in June 2010 – is this new book edited by Martijn Konings, whose co-edited book (with Leo Panitch) on the political economy of global finance was noted earlier on p. 159. Eighteen chapters by different contributors survey the roots of the GFC in the heartland of US finance, the global dimensions of the crisis and the politics of a socialist-based response. Although the contributions are diverse in many respects, there are strong central themes when discussing responses to the crisis. These themes include a critique of limited