

of three to one years. The Kiss scheme obeys the vulgar acronym (Keep It Simple Stupid), unlike the relatively unfocussed ruminations of Kwoka.

Noam's paper on the regulation of quality is in this reviewer's view the most important and interesting of the collection. He sets out, with his own experience on the New York Board of Commissioners, to define a simple and comprehensive scheme of quality control for telecommunications. It involves construction of a quality index including as many dimensions as found to be important to customers, weighted by importance. Standards of quality are similarly defined by the regulator. Variance of performance is also entered. The firm has to achieve a score of zero, i.e., underperformance on some measures is balanced by overperformance on others. Financial penalties are imposed for failure, in terms of prices, rate of return allowed or rebates to affected customers. Performance standards can be given a time trend for expected improvement. Noam intends this system to apply only to firms regulated by public policy, not to those in a market environment. I would suggest that this may not necessarily be appropriate in that services such as telecommunications are bedevilled by externalities of interworking. He himself mentions the problem of customers who choose a low level of quality and low price, thereby compromising the standards enjoyed by those who interface with that customer, and those who perform use the same channels (p. 179). The old engineering cry of system integrity is often seen by economists as merely a self-serving demand for gold plating of services. But minimum standards will have always to be regulated. It is not a question of monopoly bottlenecks (p. 187) but of inextricable interdependencies between suppliers and users, as Noam's examples point out clearly (pp. 167-8, 179).

In sum, this collection contains a number of mildly interesting papers, as well as a few that do not appear to make a real contribution. But none of the papers, except perhaps that of Noam, round on either the regulators or the regulated in analysis that suggests that we live in anything but a reasonably close approximation (not worse than third best) to the best of all possible worlds. Perhaps it's the truth.

REFERENCE

1. John Nightingale, 'Regulating telecommunications pricing: information requirements of the CPI-X rule', *Prometheus*, 8, 1, June 1990, pp. 80-95.

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Serendipity City: Australia, Japan and the Multifunction Polis by *Walter Hamilton*

(ABC Publications, Sydney, 1991), pp. ix + 228, \$29.95, ISBN 0-73330087-1.

The Clever City: Japan, Australia and the Multifunction Polis by *Ian Inkster*
(Sydney University Press, 1991), pp. xi + 180, \$17.95, ISBN 0-42400182-9.

Bonsai Australia Banzai: Multifunctionpolis and the Making of a Special Relationship with Japan edited by *Gavan McCormack*

(Pluto Press, Sydney, 1991), pp. vii + 228, \$16.95, ISBN 0-949138-64-9.

The somewhat vague and idealistic proposal by Japan in January 1987 to build a futuristic, international city in Australia may not have been embraced by the

Australian community, but it succeeded in stimulating various segments of the nation, notably politicians, bureaucrats and academics. The concept was scrutinised and refined through a protracted feasibility study, drawing on many experts from relevant fields, expensive consultancies and concerned social commentators. In addition to the multitude of official reports, a plethora of journal articles and books focusing on the MFP have now been published. The three books reviewed provide a useful exposure and coverage of the saga.

Whatever the future may hold for the MFP, Australia can benefit significantly by reflecting on the issues that emerged as a result of the proposal to build a high-tech, high-touch international city of the future in Australia. This is the consistent theme of most commentaries on the Multifunction Polis. These three books certainly indicate that there is indeed much to think about.

All three books provide a historical overview of the project by describing the MFP concept as it was first proposed, and the ensuing process of developing and refining the concept by defining its objectives and functions and the process of management and decision-making underlying the three year deliberation period. Each account also provides a description of the historical political and economic background forces in and between Australia and Japan in the decade preceding the proposal.

Walter Hamilton was the ABC-TV Tokyo-based correspondent through the MFP period and was assigned to the production of the May 1990 "4 Corners" program on the MFP, *Serendipity City*. This provided the foundation for his same titled book. The most readable of the three books in terms of clarity and style, also the most perceptive and accurate in its recognition and interpretation of significant events and issues. Hamilton employs his professional investigative journalist skills to present a well reasoned, balanced and provocative account.

University of New South Wales Professor, Ian Inkster and Gavan McCormack, Professor of Japanese History at Australian National University provide similar background and development commentary in their books, but their perspective is somewhat more subjective. Their commentary tends on occasions to become more specifically focused on their particular field of expertise and interests. Consequently, their interpretations and conclusions too often reflect their personal bias and myopic views on this broad-ranging and complex project.

Inkster emphasises the MFP's potential for technology development and transfer, plus the need for strengthening Australia's relationships within its region. He also contends that the MFP could only succeed in Sydney or (perhaps) Melbourne. He is quite dismissive of the other state contenders and critical of the decision to locate the project in Adelaide, without convincingly substantiating this point of view. He makes the valid and critical point, however, that the MFP has to be a national project rather than the prize and prerogative of the lucky winning state, a perspective which still seems to elude the project.

Bonsai Australia Banzai edited by Gavan McCormack provides a more in-depth and longer historical review of forces and circumstances pertinent to the Japanese perspective and to the Japan-Australia relationship. It is a collection of papers on topics related to the MFP and the Australia-Japan relationship by scholars from both countries.

McCormack applies his intimate knowledge of Japan's history and culture to compose in the opening chapters an enlightening account of the Australia-Japan relationship, including their separate needs and agenda. Underlying his account however are his views about Japan's intentions (suspicion of its long term plans and possible economic imperialism) and his criticism of inadequate

public consultation and open debate provided in the MFP deliberations. Such views, although shared by many others are fundamentally flawed. His refusal to accept explanations about the difficulty in getting public and media interest in the MFP and to correct several misinformed comments with which he has persisted throughout the MFP period has resulted in several inaccuracies retained in his account. His description of the roles and composition of the various groups involved in the process (p. 44) and the interpretation of MITI's "City of the Fifth Sphere" idea (p. 50) are instances where he shows a less than complete understanding of the MFP.

The selection of writers and their views articulated in this book also presents a narrow and inadequate commentary of the MFP. One wonders about the criteria for their inclusion, but it is evident that each chapter reflects the same ideological viewpoint as McCormack. It is also debatable whether some of the writers, despite their specialist credentials, are qualified in their knowledge of the MFP specifically to make public judgement or comment on the MFP. Their views should therefore be taken with some discretion.

Notwithstanding, McCormack and his fellow contributors enrich the analysis and debate of the various issues associated with the MFP, albeit with selective narrowness. Contributed chapters by Abe David and Ted Wheelwright, Shinobu Ohe and Peter Rimmer analyse Japanese global economic strategies, notably their economic, trade and investment policies and how Australia and the MFP rate and relate in them. Chapters by McCormack, Tessa Morris-Suzuki and Masayuki Sasaki focus more closely and directly on the MFP and forerunners of its various elements.

The concluding chapter by Yoshio Sugimoto, Professor of Sociology at LaTrobe University looks at the cultural differences and inherent dangers in cultivating this special relationship with Japan. Sugimoto has been a prominent critic of the project, warning of a possible conspiracy by his former homeland. His views are also extensively quoted in Hamilton and Inkster.

A common weakness in most accounts of the MFP is the overemphasis on Japan's actual and potential role and the threat this imposes. The essential character of the MFP was supposed to be international, not Japan-Australia, and that its functions and objectives were to be worked out by Australia. Inkster derides Queensland's MFP submission for not once containing the words "Japan" or "Japanese"; yet the point should be recognised that although Japan is intrinsically involved as the original proponent, it is but one potential participating nation that ultimately must dance to the rhythm that Australia as the sovereign host nation beats out. What is at stake is Australia's reputation internationally (and a sense of confidence domestically), in that we have the ability to plan for our own future and be able to manage, implement and control such plans with the assistance and involvement of international investors and trading partners. Hamilton is strongest in stressing this point and Inkster concludes that the success of MFP is "primarily up to Australians", but overall the international-homegrown character of the MFP agenda is swamped by the Japan rhetoric. The point could have been made, for example, that the international investor survey resulted in stronger interest from Europe and North American investors than from Asian nations.

The real importance of these publications is in their analysis of the issues which underlined the proposal in the first instance, and the issues which emerged

through the feasibility study process. Directly, the MFP focused on the issue of restructuring and internationalising Australia's economy, promoting R&D and its application to new economic initiatives and harnessing the complementary resources and skills of the two countries. Numerous other relevant issues included industrial restructuring, tariff reform and Australia's future diplomatic alignment.

Inkster lists some "coming issues — industrial restructuring and tariff reform, . . . diplomatic alignments, . . . reduction of effective distance between nation states, the need for Australia to face the Pacific." He proceeds to elaborate on a number of wider concerns, contrasting "issues of substance" with such "red herrings" as immigration, environment, Japanese investment/take-over conspiracy, and uninformed, re-active nationalism. The issues of substance for Inkster centre on "the great potential of the MFP in mining, agriculture and small business activity and in actively facilitat[ing] the transfer of technology and the participation of a variety of Australian interests." He proceeds in his closing chapters to prescribe a functional model for the MFP and a guide to public action.

Perhaps the most important issues emerge from the analysis of the process, the management competencies, the attitudes and performance of participants in the feasibility study and the general attitude of the Australian public.

The leadership and management of the MFP exercise is consistently criticised and points to "shortcomings of political and corporate leadership about which we should all be concerned." The Commonwealth's role is particularly singled out. While Inkster suggests

the MFP has not been well managed at the Australian end and should have been seen to have been at all times in the hands of the Commonwealth government (Preface),

Hamilton is more pointed in questioning Canberra's ability to lead and to think creatively:

DITAC was charged with the responsibility of providing the analysis and direction for the MFP Feasibility . . . It failed conspicuously. . . The public confusion and alarm associated with the project have reflected DITAC's own shallowness and poverty of ideas. Having been tested and found wanting over three years of MFP deliberations, the Department seems to be making no attempt to address its shortcomings and lack of leadership. (p. 62).

It is significant that all authors acknowledge that this much maligned project, now lying somewhere between Adealide and limbo, has performed a valuable if inconspicuous service to Australia.

The MFP has held a mirror up to this nation and revealed pettiness and self doubt which run deep into the foundations of our contemporary society. . . (It) offers Australians a valuable critique of the problems we have as a society, as an economy and as a member of the international community. (Hamilton, p. 5).

Hamilton and Inkster both spell out the lessons in their closing chapters; Hamilton generically, Inkster prescriptively. There is a closing plea for action by Hamilton, "the task of taking control of our national destiny requires action rather than a lot more talk", leaving the reader with a sense of desperation that there may be few Australians really listening, and even fewer willing, able and sufficiently motivated to act.

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