

Last week I said that "free" universities were an unfair burden on poorer people who seldom enjoy the education their taxes pay for. Free tuition is not so good for the universities either.

If Marxists were as tolerant of dissent as British society once was of Marx, Marxism in so many countries would not have resulted in tyranny. Today the nearest approaches to objectivity do not come from the government controlled institutions behind the Iron Curtain; free trade in ideas remains the essential safeguard against error; and academic independence is vital to freedom, prosperity, and what I think is meant by "culture".

Those who would eliminate heretical doctrines, unable to defeat the ideas themselves, usually try to deny the heretics intellectual homes. Even in this relatively liberal democratic country academia is rife with stories of political bias and excessive timidity in making appointments, funding courses and research, and even in the award of degrees.

Bias is difficult to put a finger on but is only truly injurious to academic freedom where it is consistent across all the available institutions. Since academic freedom cannot be allowed to mean unlimited access to the public purse academics end up doing those things their bureaucratic university and government paymasters will pay for. The greatest freedom lies with the widest available variety of paymasters - a multitude of students and patrons. Wide academic freedom is not likely while government is the universities' only significant paymaster.

Universities need not fear the corporate dollar; book burning is a bad habit of governments not practised by multinationals, nor I add, very effectively by radical students.

The views of either Professor Lauchlan Chipman or Professor Ted Wheelwright are likely to be anathema to most taxpayers who are likely to resent paying taxes to subsidise which ever philosophy they oppose. However they can have no similar objection to students employing either professor with their own money.

The student drop out rate is deplored as a waste of both taxpayers' money and students' time. This problem reminds me of how, as a member of parliament, I used my "free" telephone. I lost touch completely with the cost, used it for trivia and complained about the service.

Unlike my parliamentary telephone, because of the attendant rules and the time it occupies, the students' free good is finite - waste it or husband it, it eventually runs out. Students understand this and most work at their studies. Never the less it is easily observed that people place less value on what comes to them easily than on what they work for. As scions of wealthy families often waste their parents' fortunes, recipients of free education often waste it. We all know people who acquire academic units, diplomas and degrees like a philatelist acquires postage stamps. We know others who don't pass courses through lack of diligence and some who start courses which, for one reason or another, they are never likely to complete. If courses were purchased by students there would be a measure of the value students placed on their education and students would have an incentive not to waste money as well as time. I suspect the information would not please the also-ran academic but I have no wish to prejudge the issue.

Australian university education is not rationed by market prices but it is rationed. As the Government has rationed university funds universities have imposed student quotas on nearly every course, including the relatively inexpensive arts faculty courses. The rationing system is by examination, or a combination of examination and subjective assessment. This form of rationing measures talent but makes little concession to motivation. It may also be hard on the late developer or the kid who has been held back only by a poor home environment.

Free education offers academics also the wrong incentives. (An excellent account is a paper by Frank Milne: CIS 1984)

Adam Smith wrote: "[When] the teacher is prohibited from receiving a fee from his pupils, and his salary constitutes the whole of the revenue which he derives from his office his interest is ... set as directly in opposition to his duty as it is possible to set it."

In Australia massive government funding and free tuition created an artificially large demand for salaried academics which has now stopped growing. The subsidy is distributed by the Tertiary Education Commission to universities and by university administrations to faculties and courses. It is an unwieldy command economy in which student demand is replaced by academic pressure groups.

The universities, locked in by rigid salary scales and imposed structures, have found themselves once again suffering a brain drain. Unable to bid for the best teachers and researchers and confronted with the lobbying of those staff who have most to lose by loss of their current employment, universities lose academic excellence.

This problem can not be solved either with more money or with less; but by establishing the link between student demand and the demand for research with academic reward. Bad teachers and bad researchers would not generate revenue and departments would not be able to pay them. Only then could bureaucratic salary and promotion rules be dropped.

The education market is said to fail at two points. It is said (though I doubt it) that uncertainty about collection of the debts will deny students the loans needed to pay fees. A government which believes this and is determined to subsidise potentially wealthy people should provide the fortunate ones with vouchers to be spent by the students on courses of their choosing.

It is said that it is too difficult to charge for basic research (and this I do believe). If so, there remains a role for government grants for "pure" research.

Why potential or actual flaws in the education market should be the reason for governments to destroy the market completely is beyond me. The power of the student purse could direct teaching to relevant courses and the power of the demand derived from public demand for goods and services could direct research effort better than the present politics ridden university bureaucracies.

Australia desperately needs at least one private university and the public universities would be improved if they had to market their services.