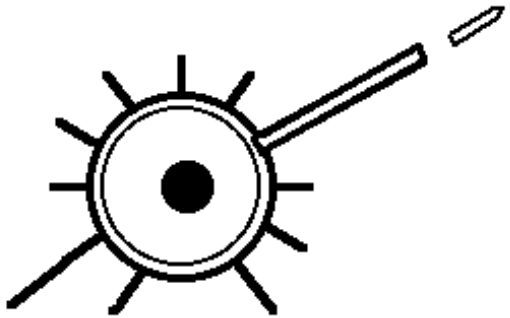
Chapter 111



THE FOREIGN IDEAS REVIEW BOARD — Syston Openness

Sydney, Tuesday: *Professor Will Blockett, Chairman of Australia's Foreign Ideas Review Board, today defended the FIRB's decision to ban the import and use of the new, high-efficiency electric motors in Australia.*

"This is technology which we do not need", Professor Blockett said. "Australian industry already has a large electric motor manufacturing sector which would be harmed by these imports. And, even if arrangements were made for our manufacturers in this area to produce these motors themselves, there would be a significant outflow of funds overseas to cover the cost of licensing fees to the developers."

Not Quite True

All right, I admit it — that was not a real news item, it was a spoof. Of course Australia does not actually have a Foreign Ideas Review Board, and is not in the habit of banning technology from outside. The whole idea is ridiculous.

And yet . . . Australia does have a FIRB, the Foreign Investment Review Board. It can act to ban the import of funds from overseas, and frequently does. And, for some reason, nobody says that *that* is ridiculous. Why?

Well, of course, the the two things are quite different, aren't they? Foreign investment in Australia is monitored because, so the reasoning goes, it is important that foreigners don't get Control of too many things in Australia, particularly things involving land. And if these foreigners are here, riding their capital on our economy and exporting the profits back to their own countries, at the very least we need to know about it. Consider the newspaper item reproduced in Fig. 111.1.

Foreign owners to face register

FOREIGN corporations or people who fail to notify the State Government of their interest in WA property in a new register of foreign ownership will be forced to sell their assets under proposed legislation.

Planning Minister David Smith said yesterday that the long-promised legislation establishing the register of foreign ownership of property would be introduced in the autumn session of Parliament.

He said the Government had decided against some more draconian penalties for offenders, such as forfeiture of title, in favour of an obligation to sell and a fine.

Mr Smith was responding to renewed pressure from National Party Deputy Leader Monty House.

Mr House said yesterday the National Party was not prepared to give the Government any more time to introduce its own legislation and he would introduce a private member's Bill when Parliament resumed.

Mr House said changes to foreign investment guidelines announced in Prime Minister Paul Keating's economic statement last week had given even greater urgency to the need to establish the property register.

Under the new rules,

By JOHN McGLUE

the threshold for foreign purchases which need Foreign Investment Review Board approval will rise from $3 million to $50 million.

"That's a huge increase," Mr House said.

"That covers just about everything in the state.

"I'm not opposed to foreign ownership but I believe West Australians have a right to know what land is owned by foreigners."

It is 18 months since Premier Carmen Lawrence said the Government would legislate to establish a foreign ownership register.

Dr Lawrence has claimed the property industry must be properly consulted before legislation is introduced.

Yesterday, Mr Smith said draft legislation had been sent to the Department of Land Administration for comment.

He said the scheduled start date was October 1. First-year establishment and running costs would be $600,000 and the annual cost would be $350,000.

Mr Smith said foreign investors who already owned property in WA would be given a year to register their interests after which the law would be enforced.

Fig. 111.1. From the 'West Australian', 1992 March 3

All very reasonable? I think not. We could, perhaps, ask first what the proposed legislation is about, and then ask what it is for.

What is the legislation about? Why, it is for setting up a Register on which will be written the names of Foreign owners of land in WA and how much that land is worth. What is it for? Why, it is so that We (presumably Syston=people of WA) shall be able to consult such a register and, presumably, make use of the information contained therein.

Nailing the Foreign Devils

Suppose we step back from the whole matter and look at it more remotely. There are these people in one of the states of a quite large country, who want to write down the names of people of a certain class who are recorded as owning land in that state. Right?

The first thing we can look at, but not the most important, is whether it is practicable. And when you look at the nitty-gritty of it, it can be easily seen that it is not. True, it is quite feasible to pass legislation that such a thing shall be done, with provisions and mechanisms to 'ensure' this. But it is quite another thing to try and apply such legislation, when out of the woodwork come all the real cases which any actual legislation cannot hope to cover, cannot hope to comprehend.

First, how to define 'Foreign'. In theoretical terms, WA State legislation would normally view this label as applying to entities — systons — based outside the State. This is the case with business names legislation, for example, where a business name may be registered in WA but owned by a company registered in Sydney. In WA law, that company is classed as a 'foreign' company, and must nominate an agent resident within the State to act for the company.

Of course, the obvious intent of the Foreign Register legislation above is to list owners who are foreign vis-a-vis Australia. There are two

main classes of owners who may appear on land title documents, 'real persons' or individuals, and 'corporate persons' such as companies or incorporated associations. We can conveniently forget about more hazy systons, such as local authorities from other states, private US universities, associations incorporated by Royal Charter of the reigning British sovereign, and international development agencies.

Let's first talk about companies. Australia has recently moved toward central, nationwide registration of companies, but still the majority of existing 'Australian' companies were incorporated under older state or territory legislations, sometimes differing markedly from each other. Even so, all companies registered within Australia and still operating now have an Australian Company Number or ACN. So it should be easy to pick the companies who are Foreign, they are the ones who don't have an ACN.

No such luck. What the Foreign Register legislation is intended to catch, is the companies who are foreign-owned. In practice, overseas-based companies who are active within WA will routinely register an Australian company and operate within that here. And in the past, many out-of-state Australian companies would have done the same.

So on the title deeds of the land are the names of a company or companies, or of individuals, or a combination of both. There is no way of determining easily whether these companies are, one or more steps back, foreign-owned. Nor is there any consideration given to the proportion of a company which is foreign-owned, or indeed any way of defining it.

Consider an example. The Tasmanian Sprocket Co. Pty Ltd was registered as a Tasmanian company in 1948, and has sold sprockets in WA for many years. It owns a warehouse in WA which it bought in 1960, and which it used to have as its registered address, as a foreign company, for trading within WA. That is the address which appears on the title deeds.

Over the years, Tasmanian Sprocket prospered and grew, changed its name to Sprocket-Washer International, and in 1969 opened offices in New Zealand as well as Australia. Old Mr Robin Clash, who built up the original company, sent his son Kevin Clash to build up the New Zealand business, and there Kevin met a pretty young Kiwi girl who he married and settled down with.

In 1975, old Mr Robin died, and Kevin inherited. In 1983 he floated the company on the Australian Stock Exchange, gave 10% of the shares to his wife, kept 45% himself, and sold the rest. As SWI prospered and grew even further, the shares were traded on the New York Stock Exchange also, and the majority of the publicly-held 45% came to be owned by a large US insurance company. Purely by chance, the majority stakeholder in this US company was someone who had been born in Australia, but had taken back to the US by his American/Australian parents and normally used a US passport.

When the World Ends

But back to WA. There is a local saying: "Oh to be in WA when the world ends — everything happens here two years after everywhere else". Certainly a lot of what happens elsewhere, places where Australian Rules football is not played, goes unremarked by the local people.

The company still owns the WA warehouse, and the original name of Tasmanian Sprocket Co Pty Ltd still appears on the title deeds, and on the rates notices sent by the local council. Nobody cared that the name on the bottom of the rates cheque was Sprocket-Washer International, nor did they notice that it became General Industrial Facilities after the Indonesian/Korean merger.

Is the company involved a foreign company under the terms of the proposed legislation? You tell me.

An Individual Matter

All right, that is a sorry enough mess, now to look at individuals. Who is a Foreign Person in terms of WA or Australian law?

Presumably anyone who was born in Australia, or who has acquired a certificate of Australian citizenship, is not a Foreign Person. On the face of it, it might be thought that anyone outside these categories is a Foreigner in Australia.

If so, these dreaded Foreigners are thick upon the ground in WA. Huge numbers of settlers came to Australia from Britain in the days before there was formal Australian citizenship; these include Sir Charles Court, one of WA's best-known former Premiers, who was brought out as a young child from the UK. Large numbers settled here from former parts of the British Empire, especially India, South Africa, and Malaya.

Some of these settlers will have formally acquired Australian citizenship, but many will have not, they will have had no reason to bother. A most unfortunate current case concerns a man who was brought out to Australia as a very young child from Britain with his parents; when he was in his late teens, his parents returned to Britain, and against his wishes (he was still legally a minor) took the boy with them.

Now this man has been struggling for several years to obtain permanent residency in Australia, struggling against the persistent refusal of the Australian immigration authorities to allow this. Australia is where he was brought up, where all his friends are — if he had older brothers or sisters who could not have been involuntarily removed from the country when he was, they may have remained here too. If he had married at 17, he probably would not have had to leave either.

Australia has huge numbers of New Zealanders living here, there is currently no restriction on movement of labour between the two countries. All these people are theoretically foreigners. Australia also has many perfectly legal migrants who are not yet eligible to acquire citizenship, and many more who are eligible but have not bothered. If your father died in Greece when your mother was 75, and you brought her out here to look after her, is there any point in pursuing citizenship for her now when she has trouble moving around, has little understanding of English, and has no intention of moving very far from your house for the rest of her life?

Current conveyancing procedures have no mechanism at all for examining the citizenship status of people whose names are to be placed on title deeds, and therefore no formulas for deciding the proportion of various real and corporate 'joint tenants' or 'tenants in common' which must be Australian, nor mechanisms for reviewing subsequent changes in status.

How about the other direction, property owned by Australians who live elsewhere? The

Tasmanian Sprocket example given above was a made-up one, but there are real examples of individuals who could run foul of the anti-foreigner legislation proposed for WA.

Bill Wyllie, often described as an expatriate Australian living permanently in Hong Kong, was the principal shareholder in a large local company, Universal Waldeck Ltd. At some stage he sold part of his holding to a colleague in Hong Kong, making the colleague the largest shareholder. Did property owned in WA by Universal Waldeck thus become foreign-owned?

Rupert Murdoch, the major newspaper proprietor, had considerable newspaper holdings in the United States, where he spent most time. Several years ago he took out American citizenship. Are his newspaper companies in Australia now foreign owned? If he had settled in Britain, and normally used a British passport, while retaining his Australian one, would this have altered the position? Would it have been different if he had gone to New Zealand? Or if one of his major institutional investors moved their head office from London to Melbourne?

The point is this. These real and imaginary examples suggest that attempts to enforce the sort of foreigner-biased legislation envisaged would be totally impractical, would provide nothing more than a lucrative field for lawyers to argue legal points on. But, even if this was not the case, what about the second question? What is the legislation intended to do?

But I WAS in Rome, and DID as the Romans Did . . ?

Comments on the proposed legislation by the WA Government have included assurances to the effect that any action by them would stop short of expropriating the foreign-owned properties. Big deal!

So the intention of the legislation is not to steal properties back from foreigners. What, then, just harass them a bit for being foreigners?

On applying linear thinking to the situation, it is difficult to see any purposes for the legislation other than ones to allow discrimination against particular landowners for reasons quite unconnected with the land itself. The interesting thing is that both the WA and Australian governments have legislation and officially-based codes of practice which are supposed to oppose discrimination on the grounds of race.

In practice, foreign challenges based on either the letter or the spirit of such legislation or codes are routinely circumvented by governments. In a recent case, a Japanese-based company actually challenged the WA Government over the percentage of foreign ownership allowed for the Perth Casino. They got nowhere.

Again in standard logical terms, what reasons can be found to treat some business people or others carrying on normal activities in WA differently to others? With respect to land, in particular, what are foreigners going to do bad about it? Dig it up and take it away to Japan? The mining companies are strongly supported for this!

The obvious question to ask is why there should be any restrictions on foreign-owner operations in Australia other than those applying to anyone else — these are people who are in Rome, and are doing as the Romans do. The normal response is an assertion that “foreign control of local assets is not considered in the best interests of Australia”.

Taking the Matrix View

Let us again look further at the situation from the viewpoint of Matrix Thinking. We will not be concerned with aspects such as justice, fairness, or legality, but rather with trying to understand the situation as a whole. If we can do that, we may get an indication of how it could be improved.

The WA situation is not unique, parallels can be found everywhere around the world, now and in the past. All these situations are normal expressions of SIOS, the tendency of a syston to over-exert its natural immune functions which it uses to maintain its integrity, its skin.

An MT summary of WA’s proposed foreign-ownership legislation might be to say that it is a tangle of SIOS and Liechdorrino Delusion, lurching wildly off in an unspecified direction. This cryptic phrase will hopefully be clarified by the two following chapters.

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Chapter 112

LIECHDORRINO LEGISLATION — Laying Down the Law

In the tiny mountainous republic of Liechdorrino, things were at crisis point, and an Emergency Cabinet Meeting was in session at the usual site behind the bakery. The problem was freight — Liechdorrino's precipitous landscape made it impractical to install modern roads, and all supplies of food, fuel, videotapes and other necessities still had to be hauled up by mule over the narrow mountain paths. The ever-increasing freight costs were crippling the country's economy.

Morosely the Prime Minister surveyed his colleagues and appealed for ideas — any ideas. "How about you, Josef?", he said, addressing the Minister for Health, Education, Transport, Foreign Affairs, and Canoe Racing

Josef thought for a moment, then brightened. "The whole problem is with Gravity", he said. "It is gravity which causes our high freight costs in hauling goods up the mountain paths. All we need to do is call the Parliament together and pass an Act to repeal the Law of Gravity!".

Another Serious Joke . . .

That was another serious joke. A joke because, of course, laws passed by human agencies have no power to affect the fundamental laws of nature. And serious because, as we look around, we find no shortage at all of Josefs, or of Liechdorrino Legislation, in the human-based systons operating all around us.

Probably nowhere in the World will we find a Parliament willing to pass legislation to set the coefficient of friction of a particular metal. But legislation to set the price of a particular commodity — that's quite a different matter. Or is it?

As we progress in this book we will come up against instance after instance of Liechdorrino Legislation, each invariably reflecting an underlying assumption that human laws, procedures, and regulations can overcome natural laws. We can call this misplaced belief the Liechdorrino Delusion. Each of these instances is a product of linear thinking.

When Matrix Thinking is applied to instances of Liechdorrino Legislation, their real effect is seen for what it is — usually a transfer of a disadvantage or barrier from the point of examination to elsewhere in the syston, or into other systons altogether. Like apparent instances of Perpetual Motion, the paradox arises because of the limited field of view. Widen the scope of the view, and the paradox disappears.

Proposition 112A**. Human laws cannot overcome natural laws, only displace their effects elsewhere

Working Out the Rules

In Chapter 108 we started to look at the concept of systons operating by their rules. These were rules specific to that syston and its level, and the importance of working out which systons were actually active in any particular situation was stressed, because of the likelihood that systons at a broader or narrower level might have quite different rules. And, of course, when we are able to clearly localize and focus on the particular active syston, it will be quite common for that syston not to correspond exactly in location with the boundaries of other geographically or philosophically based systons, not to lie entirely within what might be seen as a 'broader' syston.

If we are to avoid Liechdorrino Delusions in setting up an MT design, we need to be able distinguish clearly between the different types of what are loosely called 'laws'. We can also have a stab at working out what the general purpose or effect of the different classes of laws is.

Jurisdictions

When most people talk about laws they usually mean *Jurisdictional Laws*. These are essentially Territorial Laws, that is, they are constraints on behaviour, imposed by human agencies, which apply over a particular territory. The body of such laws for a particular territory is called a Jurisdiction, and this same word is often used to define the area of land over which it applies as well.

Jurisdictions have usually been built up and refined and altered over long periods of years. Some just grew, like Topsy. Usually, much of any jurisdiction is essentially borrowed or inherited from other systons. Some jurisdictions have, as their basis, a Constitution, a sort of base-level jurisdiction upon which all the rest is theoretically built.

In most systons the task of revising, updating, and extending the jurisdiction is performed by the Legislature, usually a branch of a parliament or similar body. It might be assumed that no syston really changes so rapidly that a good basic set of laws would not suffice without continual hacking around, but in fact many countries expend incredibly large sums of money on this activity. Obviously a great deal more can be said on this topic, and in Part II of this book it will have some attention.

A feature of Jurisdictions is that they are essentially involuntary. In Chapter 103, it was mentioned that systons could be divided into exclusive and voluntary ones. A jurisdiction

essentially applies to an exclusive syston, one in which a systel had no choice in its membership.

For example, if you were born in Western Australia you really had little option but to conform with the laws of Western Australia, and beyond that with the laws of the Commonwealth of Australia, while you were living here. When you were a minor you could not influence such laws at all, now you are an adult you can at least add your vote to thousands of others supporting or opposing representatives who promise to support or oppose particular legislation.

Of course, you can change your jurisdiction by moving to somewhere else which has a different one, if they will accept you. But, like changing your religion, this may be easier said than done, and it may involve tremendous trauma for an individual who goes through such a change.

In other parts of the world, places which have what is called the Initiative, citizens have the right to initiate specific legislation. California is an example. There, grass-roots voters have been responsible for the creation of various laws which have come into effect quite independently of the political parties or lobby groups which officially form the Californian legislature. The Initiative is a very potent political tool and will also be considered further in Part II.

From the MT viewpoint, a jurisdiction is a very usual part of the skin/immune system which a human-based syston builds around itself, to protect itself against other competing systons and to define itself as a working syston within the Matrix swirl. As always, the skin itself consists of infocap/synenergy barriers which must be passed through by any systel attempting to switch systons. A syston's jurisdiction is a particularly interesting part of this skin, in that it is a part which the syston attempts to precisely and overtly define — many other skin elements have no such scrutiny.

Proposition 112B*. Its Jurisdiction forms an important and defined part of a syston's boundary

This is How We Operate . . .

The second class of laws under which a syston may operate is that of 'voluntary rules'. The general term we can use for this class is a Code, as in a Code of Ethics. In practice, a Code may be the set of Byelaws of a municipality, the Rules and Constitution of a scientific society or sports club, the basic operating procedures of a fast-food franchise chain, part of the contract or agreement for a mineral exploration joint venture, the rules of a religious order, or many other things.

Clearly a Code is rather different in nature to a Jurisdiction, although there will be instances which lie on the borderline of both. But essentially, a Code will apply to the operation of a voluntary syston, one in which the systel has a choice of belonging or not (and where belonging does not exclude the member from belonging to other similar organizations).

In the sense used here, a Code implies a set of rules which are voluntary because membership of the syston to which they apply is voluntary. There is no suggestion that if you choose to belong to an organization, you do not have to obey its rules.

Another difference between a Code and a Jurisdiction is that a Code may be much less formally defined. Although a Code may have a written basis or component, much of it may be unwritten, unstated, or even unrealized. Much of a Code may consist of 'common usage', or even tradition. Even full-blown jurisdictions have an element of this, in their reliance on 'common law' and 'legal precedents' — parts of the practical operating code which are not parts of the formal written law.

At a much simpler syston level, say that of a termite colony syston, there is clearly no possibility of any written basis for the Code, in a human sense. Even here, though, there is basis for some sort of record of the code, in genetic material active in the syston, or in structures passed on from one generation to the next.

In an earlier Proposition, 108C, I suggested that Codes can be designed and set up for particular classes of syston, and that these Codes in fact define what the class of syston is. It does seem to me that a clear appreciation of the nature of Codes is vital in designing or upgrading a syston for a particular aim, as a Code is the analogue of a Jurisdiction in that it forms a vital part of the syston skin, and this skin itself is fundamental to the successful working of the syston.

Proposition 112C*. Its Code is an important and defining part of a voluntary syston's skin

A point about both Jurisdictions and Codes is that they are subject to continual Testing, an unending process of verification here, now, in this instance. The same is true of the third class of laws — so-called Natural Laws. Let us now look at these.

Nature as She is Writ

As with the other classes of laws, many and varied are the names which have been applied to the 'natural laws'. Branch-of-Learning, Philosophy, Science, Belief, Discipline, these are some of them. Here I will use the last term, a Discipline, in the special sense of a body of natural laws applying in a particular area — not only in the scientific arena, where it is normal, but throughout the Matrix.

There is a general perception that natural laws are immutable and ubiquitous, they are always the same and apply throughout the entire universe and for all time. Everyone now takes this for granted. Interestingly enough, this view is relatively recent.

It was not until 1830 that Charles Lyell, a weak-eyed Scottish lawyer who became a brilliant geologist, put in print the notion that natural laws remain the same in different times and places. This notion was called the 'Principle of Uniformitarianism'. Lyell, now generally given the title of the 'Father of Geology', showed that an assumption such as this was essential to provide a rational explanation of regularities in the occurrence of young and old geological strata.

Previous to the acceptance of this theory — and there was considerable argument and furore when it was put forward, general acceptance took some 40 years — there was no general presumption that if a physical event occurred in a certain way in England, it would necessarily

behave the same way, under the same conditions, in Australia. Today almost the only remnants of such a belief are in postulated 'alternative universes' — almost 'fantasy lands' — where, for example, the value of pi might be different to what it is here.

More on this will come up elsewhere, clearly this sort of talk opens up many endless philosophical mazes. For the moment I will just comment that the general perception of the immutability of accepted natural laws is not strictly justified.

Energy is ALWAYS Conserved . . . Oh, Hullo Albert

The status of natural laws and Disciplines will be looked at more closely in Part II, in the chapter on Science and Research. As far as this chapter is concerned, a relevant point is that the components of a Discipline are subjected to the same continuous Testing as are the components of a Jurisdiction or a Code.

Further, the point was made at the start of this chapter that a Jurisdiction element — a law resulting from a human legislature — has to be distinguished from a Discipline element or natural law. Even so, it has been admitted that Jurisdictions grade softly into Codes, and the same soft gradation is apparent between Codes and Disciplines.

For example, in the termite example, some changes in syston operation may be halted by absence or presence of particular genes in the termites (a Code difference), while other changes may be made impossible by biochemical reaction restrictions (a Discipline difference). The line between these two is a fine one, and the fineness of such a Code/Discipline division may be apparent in far more complex human systons too.

In the MT spirit of generalization, it will be as well to point out that Disciplines, also, may be regarded as systons, systons with skins set by the limitations of natural laws as currently perceived — what a scientist might call Boundary Conditions. And, as before, the existence of boundary conditions both circumscribes the syston and also defines it, hence the Discipline of Physics embodies a set of natural laws, and only entities obeying those laws fit within the Discipline.

So the importance of syston skins in MT thinking is again stressed. Let us move on now to look more closely at the operation of these skins.

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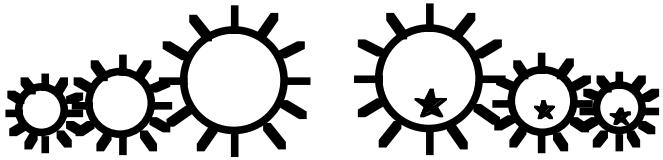
Chapter 113



WITH STARS UPON THARS — SIOS and Infocap Flow

When the Star-Belly Sneetches had frankfurter roasts,
Or picnics or parties or marshmallow toasts,
They never invited the Plain-Belly Sneetches
They left them out cold, in the dark of the beaches

— Dr Seuss [1961]

In his book *The Sneetches and other stories*, Dr Seuss tells a nice little story about some interesting creatures called the Sneetches.

There were, in effect, two different races of the Sneetches. The Star-Belly Sneetches looked identical to the Plain-Belly Sneetches except that they had bellies with stars; the others had 'none upon thars'.

Of course, with a purely trivial difference like this, there should have been no difference in treatment of the two. But, as is the way of the world, there was. There was Discrimination! The star-belly sneetches were very stuck-up, refusing to talk to their plain-belly relatives, the star-belly children wouldn't allow plain-belly ones to play in their ball games, and of course the plain-bellies missed out on all the social events too.

That was, until along came Sylvester McMonkey McBean and his wonderful machine for fixing stars upon bellies at three dollars each. The original star-bellies were, of course, soon aghast at no longer being able to tell the elite apart from the rabble.

But never fear, McBean came up with a second machine for removing stars from bellies — at ten dollars each this time. Through the machine went the star-belly sneetches, then the plains, then a frantic rush through star-on and star-off machines until . . .

. . .when every last cent of their money was spent
The Fix-it-Up Chappie packed up and he went
And he laughed as he drove in his car up the beach
"They never will learn, no, you can't teach a Sneetch!"

As with many Dr Seuss stories, this one has a message. People have a natural tendency to look for features which distinguish 'their' group from the others, to look for some

characteristic of skin, height, hair, clothes, speech, or behaviour which will signal "he is one of us" or "she doesn't belong". And all efforts to hide or eliminate such differences tend to become negated — the group then just looks for some other distinguishing mark. Only those who trade on the equalizing mechanism get rich.

Us and Them

We looked at this sort of thing before, in Chapter 104. There it was suggested that all systons naturally develop the ability to distinguish their own members from out-syston entities, this mechanism forming part of the immune system and 'skin' of the syston. That the operation of this skin or boundary function is an essential part of successful syston functioning (Proposition 104A). That this skin/immune system can reject more than is desirable for the ultimate good of the syston, a syndrome assigned the name SIOS (Proposition 104C). And finally, in an attempt to set a possible criterion for determining when the immune reaction moves over from beneficial to harmful, the suggestion that this point is reached when a syston rejects more than the minimum needed to hold the syston together as a functioning entity (Proposition 104D).

Now we are at a point where we can look more closely at the nature of the syston skin, and attempt to work out whether actual present-day examples of this skin's filtering action are likely to be to the syston's ultimate benefit or harm. We can also look at various syston operations to decide whether they are immune functions or not.

There is an assessment which will become immediately apparent to the reader. The present MT analysis will inevitably conclude that most systons operate immune reaction levels far above the most beneficial, they are working well into the red on the SIOS gauge. This is particularly true if Proposition 104D is accepted.

Moreover, many of these immune reactions are not even recognized as such, or if they are, what MT would regard as excessively high levels are taken as natural and for the common good. Even when high SIOS levels are recognized, which means that there is recognition of overt discrimination occurring, actual application of laws and regulations by governments is often most convoluted and backhanded, with the effect of pretending discrimination does not exist where it is rampant.

And more common still is unrecognized discrimination, favouring systels and systons closer to your own without any clear realization that this is occurring. People who pride themselves on their lack of bias and prejudice — and who may be publicly recognized and applauded for their stance — can still be subject to this.

The general perception of bias and prejudice in human interactions is that it is Bad. MT looks on and analyses, views the whole picture from without, and makes comment but no judgement.

Look for the Birthmark

Beginning in the late 1960's, the Government of Western Australia ran an advertising campaign on television and elsewhere, urging people to "Look for the Birthmark".

The 'Birthmark' was a trademarked logo in the shape of a stylized outline of Western

Australia. Producers of goods within the State were encouraged to print the logo on their products, 'foreign' manufacturers from outside the State were not allowed to do this.

What was the basic rationale behind this campaign? There can be little doubt that the WA government of the day was working on the unstated but fundamental assumption that it was Better for the State if more of the goods consumed here were produced within the State's borders rather than outside them. This viewpoint would be widely regarded as self-evident.

A Matter of Chance

Mention has already been made in Chapter 111 of the challenge of a Japanese company to the WA Government over the percentage foreign ownership permitted for the Burswood Island Casino in Perth. This casino was established under a specific Act of the WA Parliament, and this Act laid down a maximum percentage of foreign ownership which was permitted.

As the years wore on, changes in share ownership occurred which, it appeared, led to the maximum foreign ownership level being exceeded — there was, after all, no mechanism for checking percentage 'foreign' ownership of new buyers. Not much was done about this, in effect it was left to the relevant government minister to do something about it, if thought wise. The linear view of this matter might well be that the Minister was culpable in allowing breaches of the law to occur, if in fact they had.

The MT view of this matter would be quite different. In this particular instance, the MT deduction would probably be that it was undesirable that action in the matter should be left in the hands of an individual, the Minister concerned. Instead, it would be better for the WA-syston if the matter was divorced from individual control, if it was subject to 'arms-lengthing', in the phraseology which will appear in Chapter 120.

But at a far higher level than this parochial incident, there is a basic general principle to be formulated. The 'Look for the Birthmark' campaign had as a basic assumption the view that it would be better for the State if more of its trade was within the local syston rather than circulating among wider systons, that is other Australian States and other countries both. The casino legislation had as its basic assumption the view that it was better for the State if 'foreign' ownership of certain operations was limited, or at least 'controlled'.

There is nothing in the Matrix Thinking approach which gives any support to these basic assumptions. Instead, the reverse is true. We can formulate the MT derivation in a basic Proposition.

Proposition 113A**. A syston will be ultimately disadvantaged if there is discrimination between the different systels operating within it***

This is one of the most important Propositions in this whole book. If accepted as valid, its implications richochet throughout the whole of Society, thoughout all the human-occupied Matrix. So it deserves some comment and discussion here.

First, 'discrimination' is used here in its normal meaning, that of different treatment of persons involved in some undertaking for reasons unconnected with their roles in that undertaking.

Second, the Proposition does not say that some people will be disadvantaged if others are given an unfair advantage. This latter view may well be true, it is a normal linear expression of "A fair go for everyone", or "Equality within the Law" and such. But it is not what the Proposition says.

Instead, this Proposition suggests it is disadvantageous for the *Society which contains them* if there is discrimination among people. It is a view which may find ready acceptance, as it is close to current views that discrimination is morally bad, but that is not quite the same.

Third, note the use of the word 'ultimately'. It will often be the case that some action taken by a syston will be disadvantageous in the short term, but beneficial in the long. Examples are in the reunification of the two parts of Germany, and in the splitting up of the Soviet Union. It would be my guess that both these, diametrically opposed, actions will be to the eventual benefit of those involved, but the short-term pains are very obvious.

Of course I have a bit of a let-out in this assertion, in that if things don't in fact improve, I could just say the time involved wasn't ultimate enough. So I will box myself in a bit, and say that in this context, 'ultimate' means not longer than the average half-life of that sort of syston (Chapter 105) or not longer than half the syston cycle time (Chapter 118).

Fourth, the proposition does not distinguish between positive and negative discrimination, it suggests that all forms — for example giving special rights to some Australians solely because they have a proportion of aboriginal ancestry — are disadvantageous to the syston.

Once again, even people who consider themselves unprejudiced and non-discriminatory are still likely to have difficulty in accepting instances of affirmative action as being undesirable. This Proposition — and in spite of its power and capacity for aiding decision-making, it is still at this point only a proposition — is one with very major implications.

Certainly the implications bear thinking about. On the local scene, these implications would include that discriminating against foreign companies, or officially encouraging local purchasing, is actually to the disadvantage of the State.

Time now for me to retreat behind the barriers, perhaps?

When the Lines are Down

We have looked, then, at efforts which syston governments have exerted to influence movements within and through their boundaries. Let us now look at the nature of some of these movements, starting off with the movement of what I have suggested is the basic substance of Society — Infocap.

'Freedom of Information' is generally recognized as a vital component of a well-functioning society, and all the various forms of information and communication are certainly central to modern life. It is interesting to look at the various official and unofficial barriers to infocap flow which have arisen in the past and the present.

At the head of Chapter 111 there was a little parody of the FIRB, which was meant to bring out the folly of attempting to restrict the flow of ideas between systons. The flow of ideas is a very interesting topic on which analysis has already begun (see, for example, Henson [1987]). In this analysis, individual ideas are treated as similar to genes, and called 'memes'. The study of their propagation and flow is called 'memetics', and the analysis used is based

on existing principles of epidemiology, the study of the propagation of diseases through a community.

Another approach with potential for expansion is that used in Christopher Alexander's *A Pattern Language* [1977]. In this book, which is intended to provide a working structural apparatus for the design of buildings, towns, and all levels of human settlement, individual concepts are represented as 'words' of a 'pattern language' which is the design apparatus itself. Each word is a stripped-down concept, and the 'grammar' of the language defines the relationship between the concepts. For example, one concept is called 'Neighborhood Boundary', and the book notes that "if the boundary is too weak, the neighborhood will not be able to maintain its own identifiable character".

In the discussion of this particular language element, the book notes that "the cell wall of an organic cell ... is not a surface which divides inside from outside, but a coherent entity in its own right, which preserves the functional integrity of the cell and also provides for a multitude of transactions between the cell interior and the ambient fluids". The parallel between this treatment and my own representation of 'syston skins' will be obvious.

In both communist and totalitarian states, repeated attempts have been made to restrict the flow of infocap in the past — jamming radio broadcasts, banning publications and magazines from abroad, censoring or prohibiting publications within the country, and so on. This is generally regarded as Bad.

Nevertheless, similar instances of infocap restriction occur within systons which regard themselves as democracies — censorship on the grounds of 'public decency', withholding of news 'for security reasons' in times of war, cabinet minutes and correspondance kept secret 'in the public interest', and so on.

From the MT viewpoint, unrestricted flow of infocap would be regarded as basic to the well-being of systons, since synenergy or infocap flow is the basic force which 'quickens' an otherwise crystallized-out or latent syston. This brings us to another fundamental Proposition:

Proposition 113B*. Any artificial restriction on the flow of infocap through its boundaries will be disadvantageous to a syston***

And a further similar but distinct one:

Proposition 113C*. Any artificial restriction on the flow of infocap between its systels will be disadvantageous to a syston***

Obviously these Propositions are very broad, with major implications. When we come to Chapter 116, on syston government, we will then come to some limitations on this broadness. In both these Propositions, 'artificial' means imposed through some law or regulation, or their effective equivalent.

Nevertheless, the broad thrust of both these Propositions may be generally accepted, albeit with some reservations. In the current ethos, it is not right to keep people ignorant of what is going on, without very cogent reasons.

Hold On, I Didn't Mean That . . .

In the MT approach, infocap is a generalized term for many different categories of a substance which we are regarding as describable by generalized rules. One of these categories of infocap is money or capital.

The meaning of 'money' will be gone into in more detail in Chapter 201, on Matrix Economics, but here it is used in the generally accepted sense. If we then apply Proposition 113B to the case of transferring capital from Australia to overseas, or that of foreign owners buying Australian assets, the fall-out between current practice and MT derivation will be very obvious.

As regards 'taking money abroad', this is an area which many governments have tried to restrict quite closely in the past, both in the area of money value and that of actual currency notes. Presumably they have done this in the belief that it was for the good of their country. Even today, Australia imposes limitations on the amounts which a traveller can take out the country in Australian banknotes, and most other countries have similar rules. The United States is perhaps the most prominent exception.

So MT would regard restrictions on the movement of paper money as relatively pointless for all concerned. However, recent developments in communications and computers have made the whole thing more or less irrelevant.

In the Kruger National Park

A few years ago I spent some days in the Kruger National Park in South Africa. There, the animals exist in an open system, it is the people who are confined within their vehicles, or within the few strongly fenced camps which have been carved out within the wilderness.

One evening, after a day in which we had seen hippos cavorting in the river, wild dogs and jackals trotting through the undergrowth, hyenas and vultures feasting on the residue of a lion kill, and baboons fooling around on top of our vehicle, we approached one of these isolated camps, miles away from civilization. There was adequate accommodation, in the form of circular thatched-roof huts called rondavels. And between two of these huts stood an automatic teller machine.

I tried a credit card with it, without success — it acknowledged me, but didn't recognize my account. Of course, South Africa is one of those countries with quite strong restrictions on movement of funds. But it must have worked with some cards, else there wouldn't have been any point in having the machine there — and I did see others getting money from it.

Put It on My Card

There is no doubt that the advent of international credit cards has changed the face of modern commerce. Send a fax to Washington, phone up a firm in London, and say "Put it on my card". Cross one international boundary after another, move out to the wood-carvers' village, don't bother about the local currencies, just hold out your card.

Behind this ease of use of money, of infocap, lies a vast, complicated and intertwined

network of communication channels and computers, working, checking, verifying, dipping into the records of this account here, that account ten thousand miles away. It works 24 hours a day without rest, and is distributed around the globe, perhaps the closest approach to date to a true artificial syston. Who owns it? That's a hard question. Perhaps it owns itself.

Hard on the heels of this money-based global polyp comes another one, with tissues of optical-fibre cable, rather than copper wire. Here is a creature which will dispense infocap dollups more highly valued than money — entertainment, instruction, information. Will there still be a sales tax on video tapes, when you can just download a film from Argentina to suit your Spanish guest? Will you be one of the thousands tapping into the video camera on the remote Pacific island, watching the rollers break, hour after hour?

Take a Theoretical Look

Perhaps at this point we might divert for a moment to look at another aspect of inter-syston infocap flow. That aspect is one which can go toward the assembly of MT theory.

It seems to me that all the conscious efforts of governments to restrict the flow of infocap into and out of their syston are largely ineffective. In practice, if there is a natural disaster somewhere, or if a government project crashes, news always leaks out in the end. If there are restrictions on taking money abroad, there are always ways round these restrictions which people find and use. Usually, the only effect of such restrictions is to slow the flow down somewhat.

We have seen that in recent years, the flow of money through syston boundaries has been greatly eased by the development of international credit cards. In a similar way, the flow of news and other information has been hugely facilitated by the introduction of fax machines and the Internet — not only written matter, but photos too speed around the world, to appear in your newspaper within hours. The whole situation has changed, not in degree but in kind, with the quantum leaps in telecommunication facilities based on communications satellites and optical cables.

Applying a little MT analysis, it is as if an 'infocap pressure head' builds up behind the synenergy barriers, and these barriers are inevitably somewhat permeable, so that eventually most of the infocap leaks through.

Proposition 113D**. Syston boundaries are always somewhat permeable to infocap flow

Another Can of Worms

All right, we have looked at infocap flow between and within systons. Now to open another can of worms altogether, and look at the flow of *systels* within and between systons. We are talking about restrictions on internal travel and settlement, and about migration.

First, internal movement restrictions. In the western world, such restrictions are generally viewed as quite unacceptable, a mark of a totalitarian or communist regime. And there are relatively few instances to point to in the west — Australia, for example, does not permit its citizens to settle in its Norfolk Island territory without permission. And the practice of

requiring overseas-trained doctors to take up work in remote and unpopular parts of the country has virtually ceased, although the willingness to do so could still figure in approval of a migration application.

Obviously the position was very different in other parts of the world, such as in the former Soviet Union. Not only were major parts of the country closed off, but permits were required to move to the city or to work there. In the West, these restrictions would definitely be thought of as Bad.

Let My People Go . . .

What about restrictions on people leaving the country, whether for a trip or to emigrate permanently? Again, in the West such restrictions would be viewed as bad. They would be regarded as particularly outrageous if applied in the form of Exit Visas for foreign citizens to leave a country, as in the case of Iraq during the 1991 Gulf War. Holding foreigners charged with crimes within a country would, however, be regarded as acceptable — provided that they were not treated any worse than a local citizen accused of the same crime would be.

How about allowing your own citizens to leave? Again, this was an area where the old Soviet Union was regarded as behaving badly. Large numbers of potential emigrants, the so-called 'Refuseniks', built up in the USSR even though they had an assured place to migrate to. And often unreasonable restrictions were imposed — "Repay the cost of your education, which the State provided", for example.

In the Philippines, a country striving towards democracy but still well behind other places, there was class-based discrimination in migration. Poorer citizens were permitted, even encouraged, to go abroad and work in menial jobs in other countries, such as in the Persian Gulf states. They sent foreign currency back home, and few of these 'guest workers' could obtain citizenship in the countries where they worked, however long they stayed there.

Of course rich Filipinos could go where they liked, greasing palms if necessary. With their fixed assets at home, they were unlikely to want to emigrate anyway. But the middle class, younger engineers and academics who were viewed as economic assets to the country, often had great difficulty if they wished to emigrate.

To qualify for its 'Most Favoured Nation' status, a status which allows a country to export goods into the United States under favourable terms, the USA has a formal requirement that the country involved allows its citizens to leave if they wish to. This applies, for example, to China — China had to officially accept this condition to retain MFN status.

Here is an instance where MT analysis would correspond to current sentiments. Stopping your people from leaving the country would be a restriction which would be hard to justify, and one unlikely to serve the country well.

Proposition 113E. Artificial restrictions on the movement of systels out of a syston will not advantage the syston itself***

Let My People Go . . . (Again)

Proposition 113E may be acceptable as reasonable, if not especially important. But what about when we do the usual MT generalization, applying it to *all* systels?

In particular, what about the case of areas of a country which wish to secede, either to set up as an independent country or to join another one? The State of Western Australia, for example.

My own view is that it is very important that a secession of this type be clearly available for use by any section of a syston under reasonable conditions of numbers, referendum and timing, so that, for example, a sub-syston could not be prevented from seceding if, say, 67% of the population of 100,000 or above wished this and maintained the wish for 3 years — secession would automatically occur.

Not only would this be in accord with ideas of fairness and equity, it would also force the main syston government to give proper regard to areas within its boundaries, if it did not wish them to Vote with Their Feet.

Of course this MT 'Principle of Guaranteed Secession Right' is already accepted for most systels — you can resign from a club or a business company as you wish, provided you comply with standard 'exit conditions' or contract arrangements. This Principle will be a vital factor in the MT design tools applied to such things as political systems in Book II (Chapter 205).

Who Let Him In?

Now to the most controversial aspect of all: immigration controls. This is the aspect of syston management and SIOS expression which arouses the most feeling of all among the general populace. It is certainly not an area where, at least today, any major consensus could be hoped for.

Strangely enough, the actual data and conclusions accumulated on this matter are not generally challenged. Study after study has shown that the longer-term effects of massive immigration into a country are clearly beneficial. Trade and cultural activities all expand, diet becomes more varied, local language and business skills gained with the new migrants are all enhanced.

That's just some of the first-order improvements. Other studies have shown that once they become well established, migrants also markedly increase exports, as they inevitably seek to maintain links and trade with the places and people they left behind. They quite naturally seek to see their former compatriots gain from aspects of trading or services which they have mastered in their new country, and which they see as useful for their old.

Of course this is entirely what MT would expect. Immigration brings in huge amounts of synenergy, what might be regarded as 'live' infocap rather than the 'dead' form involved in, say, injecting a lump of money.

A recent article in a South African citrus journal pointed out the great changes which have occurred in fruit marketing in Britain over the last thirty years. The changes during this time were ascribed to the "tremendous immigration to (Britain) from all over the world, and that the British have gone abroad on holidays in enormous numbers for the first time in their history".

Of course, tourism is very often the precursor to migration. Travel to different places around the world, and inevitably you will come across places which make you think "I would