ON THE DRY SIDE

In the ebb and flow of political fortunes, it is not remarkable at a time of world-wide economic malaise that a democratic government should change hands. It is the genius of our society that we can change without serious ill will or bloodshed.

What is remarkable is that the three Fraser governments should have made such poor use of their seven years of office to advance a generally liberal position in legislation, administration and public understanding.

The nature of those three governments needs to be remarked, lest, mistaking the rhetoric for the substance, it is assumed that generally liberal policies were adopted and now rejected by the community; or lest those who now claim that liberal or monetarist economic management is responsible for the present state of the economy should be taken seriously. If either, then the cause of responsible economic management would be ill served indeed.

In 1975, after three years of what I believe was rightly seen as profligacy and subservience to vested interest, the coalition swept to power promising economic rectitude. I was at the time a very inexperienced MP, having won my seat in 1974; no doubt too gullible safely to be let loose in politics. I believed an incoming coalition government would, true to its word, be very different from the government it replaced.

My own decision to support the blocking of supply was made at the point that I realised that the figures in Hayden's budget were "rubbery". I did not then doubt the determination of my leaders, nor did I heed Bert Kelly's warning that their enthusiasm for sound economic management might be
opportunistic and hence short-lived. I realised even then, however, that the justification for cutting short Labor's term could only be found in the actions of the incoming government.

The 75 election was in the end not justified but only because we did not provide the nation with the very much better management we promised.

The least end of political activity ought to be the better management of the state. When power becomes an end in itself politicians lose sight of the goals of good government, taking decisions to placate the various vested interests and adopting horizons no more distant than the next election. But in the end opportunism itself catches up with the party in power. Electoral retribution although delayed is inevitable.

The best interjection of my nine years was the work of Ross McLean, recently defeated member for Perth. During a party room debate in which member after member had advocated subservience to several vested interests he called out "For heaven's sake why don't we try good government? it might be popular".

Too often we governed as though the Whitlam government had never been voted from office. We implemented Labor's policies for them in constant pursuit of the middle ground and electoral popularity. As one measure of our dereliction, the public sector has now a slightly larger share of the gross domestic product than it had in 1975.

The difficulty with pursuit of middle ground is that it retreats toward the more ideologically firm ground. We drove Australia and the Labor Party itself to the left merely by chasing them.
Too often we governed for those vested interests which at that moment were capable of making most trouble for us. The fault here did not lie entirely with the government but also with a backbench bent on placating noise - the textile industry, the film industry, the oil industry unions, the Telecom unions, the arts, sporting bodies and States to identify but a few occasions.

The three Fraser governments were nonetheless pathetically weak in standing up to demands for expenditure by some blatantly populist backbenchers.

Governing for the short run, each budget left problems for the next. We promised both tax cuts and expenditure that eventually gave rise to fiscal problems we could not manage. Some of our most expensive promises - the Bicentennial Road Program, the Northern Territory railway, the water resources program and accelerated depreciation - have yet to be felt, but their collective consequence for future budgets, unless economic growth is very much better than in recent years, will prove to be unacceptable.

We tried to force interest rates down to gain popularity even though we knew that that type of behaviour would increase the money supply and inflation. This was no casual error but wanton disregard of those very principles we had ourselves made so much of before the 1975 election. We now have inflation running higher than that of our trading partners and we thus encouraged a wage explosion which is now a prime cause of unemployment.

Over seven years on countless occasions we ignored liberal philosophy, conventional economic theory and even elementary arithmetic. The cumulative effect now of so many short-run palliatives is an economy that is
weaker than it need have been and an electorate angrier than it need have been.

It ought to be noted, if only to keep the record straight, that at the time of each major error the Labor Party urged even greater irresponsibility.

The alternative was to have accepted our 1975 mandate, governing for the long-term, guided by established and well-known philosophical principles and above all to have been consistent, as Thatcher in the UK has been consistent; to have set a light on the hill for all to see and to have described a way ahead to all who would listen. That way we would have retained the high moral ground and even in a time of economic adversity we may have managed to retain a reputation for better economic management than the Labor Party.

We might still have lost this election, but we could have said we made Australia a better place; and those of us who lost our seats might have looked back with a sense of accomplishment.

JOHN HYDE
9 March 1983