

1972

ON THE DRY SIDE HOLMES, RATTIGAN, & CHANEY John Hyde

Austin Holmes was Alf Rattigan's choice to succeed him as Chairman of the Industries Assistance Commission (IAC) in 1976. Rattigan retired early in the hope (belief?) that Holmes would be appointed, only to have his wishes ignored by the new Minister for Industry and Commerce, John Howard. Howard, the Liberal Party and economic rationalism have come a long way since then. If he does not yet regret the opportunities he wasted as Minister for Industry and Commerce, before he completes a term as Prime Minister, he will.

Austin Holmes is dead. His funeral gathered representatives of the Reserve Bank, the economics profession, politics and others who have struggled with or merely worried over Australia's declining economy. Holmes was a great and humble man, a true patriot with an exceptional mind and a strong loyalty to facts. He had scant respect for pretence but seemingly endless patience with people with less understanding than himself. He was extremely patient with me, a back bench MP struggling to be an economic rationalist.

Alf Rattigan was chairman first of the Tariff Board and then the IAC from 1963 until 1976. He has written about his experience. 'Industry Assistance : The Inside Story' (Melbourne University Press. 1986) is about Australian government in the widest sense. It is about the public decision making process and the methodical corruption of it by people using it to get wealth or votes at the expense of other people.

The IAC has no executive authority. It takes evidence in public and on oath. Its reports must be released to the public. Data and methodology are laid bare and may be challenged. Its openness protects general and specific interests alike from unfair treatment but open inquiry did not suit the protected manufacturers.

Honest men may hold erroneous opinions but 'Industry Assistance' is not about honest error. It is about the men and organisations who tried to corrupt the processes by which industry assistance is evaluated and those who resisted the corruption.

Corruption is the correct word. Whether or not indictable offences are committed, processes and people are corrupted when they are turned away from responsibilities by the hope of financial or political reward. Further, more harm is done to the average Australian by rotten politics than by organised crime.

In the last analysis the public's only protection against misuse of authority is its own scrutiny. This simple truth, on which liberal society turns, was well known to all the principal protagonists of the tariff struggle, but some industry organisations, some unions and some politicians tried continually to substitute clandestine processes for open inquiry.

The events Rattigan describes have parallels wherever political power is employed to grant immunities and privileges to some people at the expense of others. The prime cause of the present economic debacle is bad politics. The book makes its reader angry but it should not cause him to despair; the Rattigans and Holmes sometimes win.

Although protection was slightly increased by Fraser, the protected industries and their running dogs in the civil service were not able to silence the debate. Howard's choice of an IAC Chairman more acceptable to the protected manufacturers than Austin Holmes was insufficient to prevent the political debate from changing to one about how protection can be reduced.

The Liberal and National Parties' business policy shows how far the debate has travelled since Fraser was elected promising industry whatever protection it 'needed'. The Opposition parties now promise:

- * "a phased and orderly reduction in protection to achieve an industry structure which can match the competitive international trading environment."

- * "Australians ... will not be able so readily to run to the Government for preferment": they promise not to again hand out favours like Bourbon Kings.

- * "...disparities in assistance levels between industries, which have widened considerably over the past decade, will be progressively narrowed.": they promise the tops-down across-the-board reductions recommended by the IAC.

Even more importantly, Senator Chaney, the relevant shadow minister wrote in the 'The Australian' (18th July): "There is a growing community understanding of the need for change and support for changes even when they affect the short term living standards of us all. The Opposition also supports those changes and has laid down its proposals for change in a way which means sensible action by the government will not be subject to political harassment."

Senator Button should make a similar promise to be effective should the Libs win the next election.