

Rural Times

How they will govern

John Hyde

Governments, in most parts of the world, are showing greater respect for private property and markets are more free. Australia, although something of a laggard, is not an exception.

On an intellectual plane, liberal ideas have substantially won the day. In the space of about 100 years, socialism has come and gone. Socialism is dead! That exceedingly happy fact has already freed the people of Eastern Europe, Nicaragua and some other places from the fear of arbitrary arrest and worse. I think it will, in time, do as much for many others.

The lack of any intellectual justification for governments to hold concentrated and unfettered power, and the subtle spread of market capitalism, will between them eventually undermine even the governments of such Thugdoms as Ethiopia, Libya and Cuba---but only if nobody dreams up another persuasive argument for using the coercive powers of the state to create utopia.

We now understand that, in the socialist societies, the power of the state, which the citizens were promised would serve everybody instead serves the few. In other words, socialist states---always wrong headed---without exception became corrupt!

It is not so well understood that we don't avoid the tendency for political power to be turned from public to private ends merely by avoiding socialism. Socialism gives great power to a governing class. It is, however, power rather than ideology that leads rulers into temptation. That brings me to the less extreme case of Australia.

A graphic illustration of what is wrong can be seen by glancing up and down, say, National Circuit and Northbourne Avenue in Canberra. There, lined up along both sides of both streets, are the working residences---the daytime palaces---of the modern courtiers of the crown, the lobbyists. Each courtier has his hand held out, each tries to turn the power of the state from general interests toward private interests. They fawn, they threaten and they beg. They are clever,

articulate, well paid and effective. They wheedle the government into giving them occupational licences, tariffs, government purchasing orders, guaranteed prices, anti-competitive regulations and so on---in short, they demand and get privileges.

Ordinary, unorganised Australians are, at best, poorly represented by members of a parliament which is treated by Cabinet as a pin-pricking nuisance to be got around whenever possible. The situation is, in my judgement, even worse in State capitals: something as bad as the WA Inc scandal would not have occurred in Canberra. The lobbyists' not inconsiderable cost is an investment in privilege.

When politicians place vested interests ahead of general interests, but they are, in fact, merely looking after their own interests. Politicians become elected, not by chasing the middle ground, but by assembling a coalition of interest groups until they have the necessary half-plus-one. They try to buy support with taxpayers' or with consumers' money. It is the lobbyist's job to acquaint them with what they must do to win or retain the support of particular vested interests. Politicians who are members of minor parties go one step further, knowing that they will never be called upon to deliver, they promise to pay the private interests with money that does not exist.

Although an intellectual justification for an interfering state has been discredited, the machinery is still very much in place. And it is the machinery, not the philosophy, that interests the people clamouring for privileges.

I suspect it will be a long time, if ever, before we are finally rid of all such organisations as the Arbitration Commission, the Wheat Board and the Electricity Commissions, and before we are rid of even such blatant privileges as TV Broadcast licenses, taxi plates, tariffs, and preference-to-unionists clauses in awards. Nevertheless, these practices and many more are discredited. One by one they are falling so far from grace that the relevant interests cannot rescue them. They are falling into such bad odour that even a not very brave government can abolish them.

There are other factors beside conscious opinion makers changing public opinion. Most importantly, every now and again an organisation or structure is shown by events to be either malign, incredibly stupid, or both. When even the willfully blind can see that it is, then the organisation has had its day. The Wool Corporation is an obvious example.

And Governments, such as the Victorian Government, that are borrowed to the hilt and short of funds, are forced by their straightened circumstances to consider measures, such as privatisation, that would have been anathema to them a short while ago. Example is also important. The success of Roger Douglas in New Zealand and even the relative success of the Queensland and NSW Governments is changing opinion in other

jurisdictions. So strong are some of these trends that some of the weaker vested interests can no longer prevail.

Thus, sometimes notions of public interest do prevail. When they do, we see less kowtowing to our lords and masters in Government and less by them to interest groups. We see deregulation and privatisation. Gradually, the skills of the producer become better rewarded and the skills of the courtier less. This trend is Australia's hope---perhaps its only hope.

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