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Catchline: ON THE DRY SIDE

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SGIC

*John Hyde*

Interstate rivalry is not confined to cricket. The following conversation took place before the latest round of WA Inc revelations---which, if you have lost track, are those involving the State Government Insurance Commission. The revelations add point to it, however.

A Victorian: "This whole bloody State is suffering from the most expensive Government scandal since Federation".

A Western Australian: "Without conceding that Victoria Inc is the most expensive on a per capita basis, surely WA can boast the most corrupt Government since Federation".

The Victorian: "Then we have the most naive".

The loss of money is not trivial, however, I believe the State Governments' loss of authority is more serious. And this is why:

Surely the authority of any Western liberal, democratic government relies not mainly upon its police, but upon respect for the institutions of government. In Australia, individual citizens may despise the incumbent Prime Minister or Premier and they may fervently believe particular laws are bad laws; nevertheless, they, in general, obey the laws. They do so out of respect for the processes by which the laws were enacted and administered. They believe that those in authority have a similar respect for due process.

John and Mary Citizen may know that, in his private life, their elected leader is a liar, a cheat and a womaniser---such cases have been known! That, in itself,

will not much diminish their respect for the law. But let them believe that people with authority are prepared to employ the money and authority of the state selectively, or other than by way of the sanctioned processes, and the house of cards collapses. After all, why pay taxes for the Government to give them to the Premier's mates?

Civil authority, therefore, rests on trust. There seems to be a widespread belief that that trust simply does not break down in Anglo-Saxon societies. Civil disorder is an unpleasant fate somehow reserved for hot-headed Latins, the Irish, Arabs, Africans and Asians---in short, for everybody but us. The belief strikes me as unduly sanguine. It is true that Anglo-Saxon societies have an extraordinary record of respect for legitimate authority, but the list of Anglo-Saxon societies is rather short for drawing such general conclusions. What is more, we are not any longer entirely an Anglo-Saxon society. And genetically and culturally Anglo-Saxons are not much different from Germans who got themselves into an awful mess in the 1930s and 40s, and the Irish, some of whom still try to settle their political differences by murder.

It follows that any circumstance that reduces respect for civil authority puts at risk the stability of civil society itself. It is because WA Inc has brought civil authority in Western Australia into contempt that it is so exceptionally serious.

Some businessmen on St George's Terrace appear to have been less than honest, but that is a relatively common problem. There are procedures for dealing with it. The Western Australian government's involvement in their shonkyness, on the other hand, is a societal problem of an entirely different and bigger order. The problem arises not just because governments should be above such behaviour, but because the procedures for dealing with the problem are seen to have failed. For instance, no-one yet expects responsibility to be sheeted home to those with ultimate responsibility, the Cabinet.

So far, the cover up has been like the Watergate cover-up, except that the events covered up, to the extent that we know them, are more serious than the Watergate break in. Like President Nixon, the Western Australian Cabinet has feigned ignorance, retreating, like President Nixon did, from one lie to the next. However, what was known (by elimination of the alternatives) to those familiar with government, is gradually being placed on the record. The cost in lost respect for the system and also for the Labor Party is great. Mr Lloyd's and Mr Edwards' evidence that the Cabinet knew of the SGIC-Spedley-Rothwells deals is but the latest revelation.

The central defence offered to us by the politicians who avoided due process was that they acted only in the

interests of the citizens of WA. And, later, when it had become obvious that they had not served us well, they claimed that at the time they believed the public interest would be served. That excuse won't do---indeed it cannot be allowed to do. First, it has been the self-justification of every tyrant through time. Second, it won't wash because, had it been true, Cabinet members would have boasted of their actions rather than hidden them. Third, due process is too important to be sacrificed to politicians' bright ideas, however well-intentioned they may be.

Of course, the bright ideas in this case cannot have been wholly well-intentioned. No one in Cabinet or the senior civil service can be ignorant of his/her obligations to process. Events similar to WA Inc would not have occurred in Canberra, nor, I suspect, in some other States. Moreover, by the age of six we know that the circumstance that could justify our taking other people's toys/money, even to give to friends or associates, are rare; and that, if we must hide what we have done, then we have indeed been naughty.

Although the whole WA Inc fiasco has cost Western Australian taxpayers at least \$850 million, the potential damage to legitimate authority is more important. Henry David Thoreau in his essay "On the Duty of Civil Disobedience"---the same essay that inspired Ghandi and the Vietnam protesters---wrote of "the right of revolution ... when repression and robbery are organised.... It is not desirable to cultivate a respect for the law, so much as for the right". Ultimately Thoreau is correct: sufficiently bad Governments must be disobeyed by individuals following their own consciences. However, the price of general disobedience is too high to contemplate except for extreme cases. We must first strive for governments that are fit to be obeyed and seen to be so. A Royal Commission please, Dr Lawrence!

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