FOC THE DROPPING OF THE PILOT

John Hyde

John Howard has been decisively defeated and Liberals must say "The King is dead: Long live the King". And they had better believe it, otherwise civil war will tear them apart. They should, however, take account of the change and consider how to make the best of the new situation.

The best place to start might be an obituary that fairly acknowledges Mr Howard's achievements. Howard was never a great leader: the evidence for this is that neither his crew nor the public were ever entirely happy with him.

But while he was at least titular leader, the Liberal Party was set on a relatively firm course, and broadly an appropriate one for a country that is likely to face a financial crisis once commodity prices turn down.

Thus he has been a better pilot than a captain. We have just witnessed the dropping of the pilot. It remains to be seen whether, without him, the ship will stay on the same course or indeed on any identifiable course.

On the labour market, Howard was opposed to Labor and to his own Party's wets. This, more than anything else, even his serious lapse of judgement on immigration, allowed people with axes to grind to label him a right-wing zealot.

Yet the divisions within the Coalition, which have been his undoing, have been caused much less by right-wing zealotry than by his insistence on support for responsible Government initiatives on matters such as wheat deregulation, foreign investment and media regulation.

Howard upset the status quo. Over wheat regulation, the Liberal Party stood up to the National Party in its own rural bailiwick for the first time in its forty-year history ---and won.

It was also under him that the Liberal Party, after years of neglect, showed a serious concern for civil liberties. Consider these examples:

* The labour market---the right to one's own labour and the right to free association,

* Media regulation---the right to free speech,

* Multiculturalism---the legal equality of competing cultures, but not a policy that, as now, effectively favours some over others.

Mr Howard has his faults as a leader and administrator but he, not Mr Macphee, is the classical liberal. What is more, he is no wrecker. He will have more respect for the standing of his party and for the rules of the political game than has been shown by Mr MacPhee.

In the end, Howard's achievement was to develop a party that would not truck with vested interests. This quotation from Adam Smith goes a long way to explaining his plight now.

"The member of parliament who supports every proposal for strengthening monopoly is sure to acquire not only the reputation of understanding trade, but great popularity and influence with an order of men whose numbers and wealth render them of great importance.

"If he opposes them, on the contrary, and still more if he has authority enough to be able to thwart them, neither the most acknowledged probity, nor the highest rank, nor the greatest public services, can protect him from the most infamous abuse and detraction, from personal insults, nor sometimes from real danger, arising from the insolent outrage of furious and disappointed monopolists."

Mr Howard has been defeated by the Save-Our-Seats brigade - always a force to reckon with. As for Mr Peacock, he has always been a populist more concerned with office than with governing well. We should not forget that he once supported the Joh-for-Canberra campaign.

Mr Peacock now needs to show that he is prepared to stand up to vested interests outside the Parliament. He must also demonstrate that he will stand up to the National Party, which he will need to do many times in government. Australia cannot afford a coalition government dominated by the party that gave us not only agricultural regulation, but also high tariffs, the refusal to revalue in 1972, the Two Airline Agreement,and the nasty habit of legislating on behalf of vested interests.

We cannot afford a coalition dominated by the National Party any more than we can afford a Labor Party dominated by the Socialist Left.

If the Liberal Party under its new leadership returns to its old ways, Australia's future looks bleak. This is so even if it does not win government. Good government often means standing up to selfish interest groups, and this is very much more difficult if the opposition gives a higher priority to mere political point-scoring than to the national interest.

But all is not lost. Labor governed moderately well for several years under a directionless leader who had good lieutenants. The Libs could do the same.

Another straw in a favourable wind is that the leadership coup was, for a change, professionally conducted - which indicates at least some administrative competence.

Senator Chaney and others must now see to it that policy development continues, and that the Liberals continue to make the tough decisions which inevitably offend vested interests. Mr Peacock can now choose a front bench that beats the Labour Party's for economic literacy - especially if he puts Mr Howard into an economic portfolio.

Last weekend's Victorian pre-selections suggest that the direction Mr Howard gave the Party will long outlive his leadership. On the other hand, if the Liberal Party returns to its bad old ways, accessible to interests and dispensing privileges to those who demand them, it will be loved by the ACTU and the Melbourne Club. It may even be elected. But Heaven help our economy.

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