

\*WEEK\* ON THE DRY SIDE 378A

Where Do the Liberals Go  
from Here?

*John Hyde*

That the Coalition could have lost when Labor was presiding over present levels of inflation, interest and debt is all the evidence that is needed to show that the Liberal Party is in deep trouble. So deep that it could even dissolve into semi-antagonist camps as the Nationalists did in 1929 and the United Australia Party did in 1941. It is important that this does not happen, but not so important that competing political objectives should be compromised out of existence. A political party that has no goal but office is not worth preserving.

No doubt, many Liberals, particularly Howard supporters, will attribute the party's fourth consecutive loss to the Peacock factor and leave it at that. They would be wrong to do so: the explanation begs too many questions. The Liberal's troubles run far deeper.

It is true that when Peacock replaced Howard the Coalition was about 3 percentage points ahead of Labor in the opinion polls. At that time the chief plotters sought to justify the change by saying that, in all the circumstances, the lead should have been much greater. Their attempted justification, which, in any case, may not have been sincere, did not stand the test of time. Shortly after the change of leadership the Coalition slipped to about 3 percentage points behind Labor and has stayed more or less there since. Under Howard, the Libs may, in the present circumstances which should have favoured the Libs, have been election winners, but they certainly were not one big happy family driven by a common purpose and held together by feelings of solidarity.

Not least, among the begged questions is how a once great political party came to be lead by Mr Peacock, a man who had dallied with the dries, the MacPhee wets, and the Joh-for-Canberra campaign and who, through a long political career, had been many things to many men. The choice of Peacock was, surely, among other things, an attempt to blur the distinctions between disparate

opinions within the party but this could not be done without also confusing what the party stood for. Perhaps a majority in the party room were unable to accept an inevitable consequence of leadership itself, the necessity of gainsaying self-serving interest groups. If so the Liberal Party is really is terminally ill---wind it up.

That the Liberals should choose that type of leader at any time would have demonstrated want of fortitude. That they chose him at a time when the electorate was crying out for real leadership showed an unbelievable want of political judgement---so unbelievable that I think we should look for further contributing reasons.

I was assured, perhaps credibly, that the disenchantment with Howard had little to do with ideology. It was claimed instead that Howard's leadership style was unbearable. Perhaps so, although opinions are deeply divided on the point. The explanation says nothing, moreover, about the choice of successor.

Perhaps we need look no further than the tendency to bastardry that seems to afflict so many people who feel that power is within their reach. This is plausible. The coup leaders revealed on television that disaffection with Howard had been orchestrated---which is not to say that there would have been no disaffection without the orchestration. The gang of five, during the infamous TV interview, seemed to be men under the influence of malice, ambition and super-egos. If the impression was an accurate reflection of their motivation, then it is probable that a few people had been deliberately undermining Howard. Certainly Howard had suffered from an unusual number of damaging leaks. This is, in fact, the explanation that is least damning to the party as a whole.

Were it not for the TV program, the coup might, even with hindsight, have been put down to the misguided actions of people with a genuine concern for the party. The legacy of the coup as it was revealed, however, is bitter distrust and inter-personal revulsion which will make genuine reconciliation difficult. Mr Tuckey and Mr Moore, whose seats are quite safe, would do the Liberal Party a considerable favour by resigning---but they won't.

The Coalition went to the people this time with more radical and more economically-responsible policies than at any time in its history. Yet it still looked directionless. The reason for this was that, particularly since Mr Peacock became the leader, it was not sufficiently consistent either in its rhetoric or in the policies themselves. For instance, promises of \$1000 million for each of two-income families with child-care costs and for roads undermined the believability of the Coalition's whole fiscal line. The Coalition's failure to

stomach a health policy that created middle and high income 'losers' was visible evidence of spinelessness born of lack of conviction. (Incidentally, blame for the health debacle might rest not with Shack but with a leadership group that would not accept his policy.)

The greatest hope for the Liberal Party lies in the fact that it was able to write reasonably consistent policies and that the more true it was to them the better its political standing. Here is evidence of the existence of core beliefs around which a successful political party might be built. The early pages of "Future Directions" goes some way towards articulating a philosophy but something better is needed. Future Directions and some of the individual policies are the beginning of a new party Bible, Torah or Koran to inspire the faithful. If the party is to prosper, the quality and volume of these statements of faith must increase.

First, however, the Liberal Party must elect a parliamentary leader. While, in my opinion, the Libs were damaged by the cowards who would sooner be popular than right and who could not face the wrath of their local branches and other constituencies, there are several Liberals who can stand the heat. Which one is to lead them?

| A small rump who will support Peacock to the end, if only to justify past decisions. He, however, could not expand it and is finished. It would serve everybody's interests, if he could be encouraged to leave the parliament. He might: he has probably had enough and his seat is safe.

| Howard, a few weeks before the campaign had most support. He could probably have built it into a majority---perhaps he still could. He undoubtedly has demonstrated more substance than any of his political colleagues and would, in all likelihood, have led his party to victory last Saturday. He is, however, seen as 'recycled'. More seriously he is the focus of too much bitterness and is himself bitter. He is now too divisive to be an ideal leader. He might serve his country best by throwing his support behind Hewson.

| Chaney, who could have had the leadership handed to him if he had shown a deputy's loyalty at the time of Howard's dismissal, has sacrificed his strongest card, that of being a reasonable man with wide appeal. He has undoubted political experience and unequalled political skills, but people are now asking whether he has enough drive and sense of purpose. What, for instance, was his role in the decision not to release the health policy?

| Hewson has to be on shorter odds than most. He has undoubtedly performed well. But we have yet to see

him in a tight corner with everything going wrong for him---not just things that are clearly another's responsibility. Would he display a Greiner or Howard-like fortitude?

| Reith has also performed well and must enter at least the deputies' field with a chance.

| Next there is McLauchlin, who is widely touted by people who have themselves never had parliamentary experience. In spite of Hawke's quick rise to parliamentary leadership, and in spite of McLachlan's demonstrated leadership qualities, I believe that he could neither get the numbers in the party room nor lead well until he gains political experience. The decision, encouraged by Peacock, to keep him out of parliament was disgraceful; it now denies the party a choice it might otherwise have had.

| Finally there is the possibility of electing a healer, a low-flying decent man, a stop gap to hold the fort until any one of the above, except Peacock, establishes his credentials. Fife is the only name that comes to mind.

There are too many permutations to pick a winner but my book has Hewsen at shortest odds.

Having picked a leader the Liberals must decide whether, in opposition, to go into coalition with the National Party. The Nationals are rarely on the side of virtue, indeed if it were not for the Democrats, they would be the quintessence of pragmatic, short-run, unprincipled politics. Surely the Liberals will have enough trouble lifting their own game without that lead in their saddle-bags.

The underlying Liberal problem is that party members do not believe in anything---this deficiency explains two decades of drifting, poor endorsements, Peacock's election, current inconsistencies, and lack of electoral success. Instead of thinking about where they were going or drawing inspiration from the task ahead, they employed their energies nursing grievances, playing political games and pandering to vested interests.

As can be discovered from any political biography politics has an ugly side. The new Liberal leader's most important task will be to rise above this, to articulate beliefs and goals. He does not have to be good orator, although it would help. He does, however, have to think and argue clearly. Otherwise he will not be able to, in Chiffley's words, set a light on the hill. Above all else he will need a clear idea of where he is trying to go---I recommend the classical liberal direction toward a society in which people are protected from too much

government, all are equals in law and privilege is  
unknown.

*John Hyde is Executive Director of the Australian  
Institute for Public Policy*

ENDS