

The Bjelke Petersen government has established the Queensland Industry Development Corporation (QIDC); the Burke government the West Australian Development Corporation (WADC). Also the governments took over private companies and restructured and renamed them SUNCORP and EXIM respectively. The ideas behind these bodies imply a fundamental, and I think dangerous, departure from the traditional role of government.

The intended roles of these instrumentalities were outlined by their progenitors. The QIDC is to "provide funds for the development and expansion of industry in Queensland" and "finance for projects involving a higher degree of risk than is normally acceptable". The WADC "...is a make it happen organisation" and "...amongst other things is an invitation to the private sector to assist where possible with the business of government..." Of EXIM the government said: "This bill creates a new corporation which will have its primary emphasis on trade; whether in goods, services or increased investment." Clearly the Petersen and Burke governments intend to mix government with commerce and commerce with government.

What they are doing is bad for government because it offers politicians even easier opportunities to trade favours at public expense. It is bad for commerce because government power is made available to some people at the expense of others.

Government is fundamentally different from all of society's other organisations it alone may legally force people to do its bidding. Corporations do not have any power that is not voluntarily ceded to them and unions should not have any.

The essence of commerce is agreement between two parties and there are appropriate penalties for deception and fraud. The essence of government is compulsion with police and armed forces to back it up, and the penalties for fraud are not effective. If the commercial men and women told the lies politicians tell about taxation their contracts would be declared null and void and they would run the real risk of going to gaol.

Power is the basis of tyranny. It is kept in reasonable bounds in civilised countries by limitations placed on those who have it---elections, independent courts, bicameral parliaments, constitutions and, above all, by liberal traditions which keep the government out our businesses, our bedrooms and our private lives generally.

One of the most important of these traditions is the requirement that we are to be ordered about only by general rules, applicable to all, and known before the events to which they apply. Before the law we should all be equal.

Commerce has quite other rules and disciplines. To the extent that government keeps its fingers out of commerce, there can be no compulsion, so market participants must please somebody or face loss and eventually bankruptcy. Its strength is that it can cater to differing demands by dealing with people one to one. Commerce can do this without risking anybody's freedom because the parties to a potential transaction can always walk away. Economic text books describe how nominally voluntary (commercial) enterprises sometimes gain monopoly power to set prices or otherwise advantage themselves by avoiding the free market. A notorious Australian example is the trade union movement but there are many others like Wheat Boards, Airline monopolies and taxi plates.

It is plain that market imperfections are most often caused by government interference on behalf of vested interests who are granted privileges at the expense of the community at large. The Bourbons and the Tudors openly sold favours which were defended with the sword and the noose. Most modern governments are less brazen but State governments are openly selling monopolies. A smalltime Queensland bookmaker was recently fined \$90,000 for competing with the licensed gamblers.

Corruption involves a lot more than running drugs and doping horses; it occurs whenever a person is diverted from his responsibilities by the hope of gain. Gain may be measured in money, office, votes and many other things. The ability to force other people to do one's bidding is heady stuff which is soon interpreted by those who have power as a right which may be exercised for their own benefit, say, to stay in office.

Governments do not offer preferential contracts, licences, tariffs and other privileges for nothing: they expect to be rewarded. To limit this corruption, the government should be subject to political sanctions and these depend on public knowledge. In turn, this requires that governments' dealings, particularly with businesses and unions, should be at arm's length and on the public record. The last thing society needs is an 'accessible' government because it can only ever be 'accessible' to the few. These lucky ones get what they want at everybody's expense. Commercial transactions cannot exhibit the equal-treatment-to-all or the openness that is required to keep a government---which has power---honest and fair.

Much has been written about how trading quangos muck up commerce; they also have the potential to corrupt government. SUNCORP and EXIM must satisfy individual demands. They cannot treat everybody in the same way---they will for instance give more attention to big customers and undercut important rivals. They will plead the need of commercial confidence but in practice cannot face the discipline of bankruptcy. Ready-made for dispensing government favours they put politicians in the way of altogether too much temptation.