

If the Liberals Should Do Badly                      John Hyde

If the Liberals should do badly on July 11 the structure and balance of Conservative politics will be radically changed by events after the poll. Non-Labor forces, in and out of Parliament, will realign. The precise outcome is not clear but some division along wet/dry lines seems inevitable and some of the people and factions demanding pop solutions to real problems and nursing grievances will consolidate into political rumps. Precedents for the sort of division I anticipate can be found in the disintegration of the United Australia Party in the early forties and the formation of the Democrats in the seventies.

An ineffective Opposition should suit nobody. The strength of democracy is an alternative government able to 'keep the bastards honest'. Some European parliaments function well where minor groupings---like the German Free Democrats---do this responsibly and skillfully but many don't. In Australia minor parties, far from keeping the bastards honest, have encouraged more fiscal irresponsibility and special interest legislation than either of the major parties in office would have otherwise succumbed to.

In purely historical terms a Liberal Party led by Howard and Carlton is an aberration: they and the other dries are the party's first non-collectivist (non-socialist) leaders. Both versions of the Nationals are still socialist. Howard, Carlton & Co. want to take the party in a free-market direction it has never truly gone before: no wonder tension is visible.

The rapid re-emergance of traditional liberal/libertarian/free market/small government values since 1980 has sent socialism into retreat. Labor is retreating into Liberal/National Party territory driving wets and rural collectivists, who until a short six or eight years ago were everybody except Bert Kelly, before them.

The philosophical ferment has had even more dramatic effects on the coalition parties. For decades they prided themselves on pragmatism, avoiding philosophy by not thinking about it. To govern they relied heavily on the advice of bureaucrats; to win elections they used regulation and taxes to buy votes from interest groups. They recited a litany of the dangers of creeping socialism as they practiced it. Theirs was a Clayton's philosophy without inspiration or direction.

During the stable fifties and sixties this attitude worked politically and seemed at the time to be working economically. That was before Whitlam and before the accumulated effect of their own preference for soft industry and union policy caught up with us all.

But now it has caught up and maybe the new Liberal leadership's time has come.

It is far more ready to cope with the nation's real problems than any I served. Nevertheless, it is beset by tax and industrial relations populists who do not credit it with the progress it has made and who paradoxically demand stronger political leadership which they insist must follow their lead. These critics hold to a simple and false model of politics in which leaders have almost unlimited power. They do not consider party room vetoes and they assume (as Whitlam did) that democratic mandates are unlimited. Not to accept the verities of democratic politics is, in a sense, as 'wet' as not accepting those of economics.

On the subject of leadership: if Howard is seen (correctly in my view) to have dominated Liberal policy formation and to have outfaced and outpersisted the Premier of Queensland the public should see him as 'strong'. He long ago demonstrated his toughness---moral strength---but an image of dominance has eluded him. It yet might prove to have been Sir Joh's invaluable gift. The public needs to be convinced that his policies for economic recovery, will prevail over wets, begging-bowl premiers like Mr Gray, tax populists and the endless stream of people who think they should be favoured exceptions to general rules. In short it needs to be convinced the policies will not founder on political rocks.

The dries who attacked Fraser's spending prided themselves on realism. Now spending populists are joined by tax populists. That is progress of a sort; the debate is less one-sided. But I fear that the net result will be that economic rationalist (true dry) influence may be set back.

If the Liberal and National Parties are defeated this time but they and the non-Labor forces outside parliament then calmly prepared for government before December 1990, the now-inevitable drop in living standards would give it to them. But they won't do that: wets, dries, Sinclair Nationals, Joh Nationals, other tax reformers and a small army of MPs and others who feel their talents have been overlooked will blame each other for the defeat while picking at the political carcasses of John Howard and the Liberal Party.

If Mr Hawke were in fact to get the easy victory he so obviously anticipated when he called the poll, the anti-Labor parties will tear themselves to pieces. If the Liberals win, the day after the election those same people will have believed in John Howard's approach all along.