

## AT THE BOTTOM OF OUR TROUBLES IS MISINFORMATION

Australia's economic problems did not just happen; they were caused by politicians who obliged a public which wanted bad policies. Politicians are slaves to public opinion, and an electorate which makes unrealistic demands will elect politicians who promise to satisfy them. If democracy is to function tolerably well, the electorate must apprehend the state's true, often narrow, options.

Informed evaluation of issues by a free and competent press is thus central to democracy. But, while we are well served with information and analysis of the political game, economic and other facts are not given equivalent analytical treatment by the media.

'Facts' tend to come to us from politically-aseptic publications produced by the Australian Bureau of Statistics, Reserve Bank and Treasury; these necessarily lack contentious analysis. And from politically-glossed, and therefore misleading, government handouts. Pre-occupied with the theatre of politics the press do not tease out the implications of official data, or explore the government's policy options as it does its political options. There is no equivalent of Paul Kelly analysing, say, economics, defence or health care. Although every writer has some knowledge of politics, qua politics, few understand each of the great policy issues. One consequence of this gap was that the budget was first reported almost entirely in terms of the government's choosing.

Two weeks ago, a week after the budget, the Minister for Finance, Senator Walsh spoke about the economy. If what he said was true, the public needed to know it. If others had been

widely reported saying similar things he probably would not have felt a need to say what he did; in fact he would probably not have faced the stupid criticism which prompted his outburst. Westminster politics has little room for Ministers with minds of their own when in public and he has been roundly criticised, not for being wrong, but for speaking out of turn.

As a mere back-bencher I was comparatively free to speak my mind; nevertheless the episode reminded me of my own efforts to explain to a mortgage-belt electorate the unfortunate consequences of artificially-low housing interest rates. Thus prompted, I blessed the electorate for ensuring that I no longer need worry about the limits of party loyalty, and reflected that public debate does change public opinion---not many people now think regulated interest rates, even housing rates, are a good idea.

The burden of Senator Walsh's remarks is that the fiscal restraint necessary to be reasonably sure that debt will not to become insupportable has not yet been taken and it could be. He raised the spectre, in the event of poor commodity prices, of the International Monetary Fund knocking on our door. The matter is hardly trivial. Yet, amid all the speculation about the political consequences of his words, their truth or falsity has not been tested. Several commentators wrote as though the truth of what the Senator said was not in doubt. While I agree with that assessment, pity the poor public---only a week before it had been told the opposite.

Senator Walsh's effect upon the morale and electoral prospects of the Government, the Opposition, and his own prospects was written at length and well. But crusading newspapers (all good papers have identifiable positions and a fire in their belly) should remember that, although who governs is important to politicians, how they govern is more important to the rest of us.

We were told that Walsh had put an end to the budget's dream run as though the budget's reception were more important than the budget. It had a dream run only because the press accepted the hand-outs instead of probing its weaknesses. Where was the aggressive journalism that pursues every minor party power play? After the Walsh comment Mr Keating's anger was reported as though the state of his liver matters. I wouldn't

have missed the cartoons for quids, but mostly they portrayed Walsh's relationship with his colleagues.

Senator Walsh has been carpeted by the Prime Minister, and, though I doubt the truth of it, we are told he has been ostracized by his colleagues. Although cabinet solidarity is a strong Westminster tradition, there is another, to which lip service is sometimes paid. It is that a parliamentarian's obligation is to nation before faction. Whatever the Senator's intention (It was reported that he told Mr Hawke it was all bit of a mistake.) we should be grateful to him.

The media has no excuse for not reporting the budget's weakness before Senator Walsh pointed it out. There was adequate analysis lying about to be picked up. Mr Des Moore and Mr Les McCarrey of the IPA had already shown that debt is unlikely to be brought under control or investment restored to sustainable levels without substantial public expenditure cuts. The Business Council and several business economists had also criticised the government's budget strategies in the light of the foreign account and investment problems. Mr Brian Buckley of AIPP had shown where to make enough cuts to achieve a \$2000 million budget surplus 'without a fire sale' and the Centre of Policy Studies had published a detailed tax and public expenditure package. The budget should have been contrasted with these assessments of what was needed. Mr Howard's criticism, though essentially the same as the Finance Minister's, was not a big story.

Where there was need for something lighter than dry figures, something could have been made of Mr Keating's gall. On Budget night he claimed that two budgets, 1974 (Whitlam) and 1982 (Fraser) put fiscal management off track. These were indeed irresponsible, but by what test are his own 1983 and 1984 budgets, which together increased Commonwealth own-purpose outlays by 1.3% of GDP on top of the 1982 budget which he condemned, excluded from a list of fiscal horrors?

Senator Walsh's intervention was goaded from him and was to that extent fortuitous. A chance event should not have been necessary to start public debate on such a critical issue.

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