

THE COALITION

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The Opposition is in disarray. It is wracked by passionate distrust---it is hard to find an Opposition Member who is not angry with somebody. Even more fundamentally it is wracked by uncertainty about its role. The extent of the anger and the uncertainty was driven home to me by Mr Bruce Lloyd's extraordinary briefing of the rural press.

By way of background: The Minister for Primary Industry, Mr Kerin, plans to de-socialise the domestic wheat market. The Minister's intentions are opposed by the grower politicians who control the Wheat Board and by growers who see the monopoly Wheat Board extracting a higher price than a free market would from domestic consumers.

Mr Lloyd, the Opposition spokesman for Primary Industry, told the rural media of his own preference for the statutory Wheat Board monopoly of wheat used for human consumption in Australia. That alone was a breach of shadow cabinet solidarity, but when cabinets and shadow cabinets leak like sieves, that is not exceptional. The extraordinary feature of Mr Lloyd's press release was that it told us how individual members of the shadow cabinet lined up.

The press release was revealing and disappointing. It seems that although a majority of the Shadow Cabinet opposed the monopoly it was supported by every National Party member, including Senator John Stone, if you please, and Mr Wal Fife of the Liberals.

Senator Stone is President of the HR Nichols Society. The Nichols Society, of which I am proud to be a member, is dedicated to encouraging support for a labour market in which trade unions do not have monopolists' powers and in which the price of employment is no longer set centrally by the Arbitration Commission. It opposes centralised wage fixing on two grounds. First, the practice is an affront to human rights preventing people from selling their skills and often causing them to be unemployed or employed in a manner they do not choose. Second, like all monopolistic practices, it reduces average living standards, increases inflation and exacerbates the balance of payments problem.

Wheat farmers have their remuneration measured by the number of tonnes they grow rather than the hours they work, but I do not see that that minor difference in procedure should make their rights inferior to those of wage earners. Why should a farmer, but not a farm worker, have the fruits of his labour confiscated at a price set by a committee which met in Melbourne? Why is centralised wheat-pricing any more efficient than centralised labour-pricing? I am willing to prepare a paper arguing that the rights and efficiencies affected by the two markets are not significantly different, for the next Nichols Society meeting.

The most important economic (as opposed to human rights) objection to centralised awards is that labour is 'pooled'. Carpenters are distinguished from boilermakers and pastry-cooks etc, but within the skill categories common minimum prices are required by law. The minimums are set so high that they become the paid prices for most people while denying work to others.

The Wheat Board also distinguishes between broad categories---prime hard, Australian Standard White, etc---and it too sets common prices. Since good wheat is pooled with bad, wheat growers have even less incentive, than have day-workers, to improve the quality of their product. The situation would be inefficient enough if end users all wanted the same qualities, but one potential buyer wants carbohydrate energy, another wants protein, another baking strength, yet another freedom from a particular weed or chemical, and so on. The waste inherent in pooling is appalling.

It is in the national interest to avoid all unnatural monopolies. The wheat industry is exceptional only in its ties with the National Party. Ever since Senator Stone joined the National Party I have expected him to have difficulty with his socialist colleagues when it came to rural marketing. Indeed, I have often speculated in private and in public about how he would react when he could not win them over to free enterprise principles. No blame attaches to failure in that super-human task, but never have I thought that he would join them in the privacy of the shadow cabinet. Prior to 1983 the dries referred to that sort of behaviour as 'doing a Malcolm', but I expect the expression has fallen into disuse.

To return to the Coalition's problems. It has neither core beliefs to which all give allegiance, nor an external enemy more frightening than they are to each other. Sometimes it seems that all they have in common is that they are not members of the Labor Party. For the time being, the Opposition's beliefs are too disparate for effective coalition.

The National Party has threatened to split the Coalition over the wheat-marketing issue. They have already put it under great strain by breaking every rule in the book. As soon as both parties can agree on a common and intellectually consistent philosophy, the Nationals and the Liberals should combine for the reasons outlined in the National's excellent

paper, "The Future". However, in the meantime, the Coalition should split.

Our nation has serious economic problems. Mr Keating's boast that he has brought home the bacon is dangerous nonsense---just how dangerous is shown by last week's balance of payments figures. There is no way out of the balance of payments bind that does not involve a sharp fall in living standards or a considerable rise in productivity. Therefore, we cannot afford an Opposition that opposes even the steps that Labor has taken so far to deregulate and privatise.

The wheat marketing issue is also symbolic. If the National Party does not want a free wheat market, who will heed it when it calls for lower tariffs, labour market deregulation, lower government spending, or anything that requires someone else to sacrifice a practice which is currently harming the economy?

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