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*106,
Published
30-11-84*

ON THE DRY SIDE

WHITHER THE LIBERALS

John Hyde

Tomorrow the Liberals are likely to be badly mauled. That die is now cast; it is time to think about what happens next.

While the number of Liberal seats will not be very important in itself the number of principled, thoughtful, gutsy men and women, with enough stomach for the long haul and who are not too blinkered by ambition, that the party can call on will be important. If enough exceptional people are not to be found among the Opposition after tomorrow night, as I suspect they wont be, the Liberals will need the support of people outside parliament to help them build a party that identifies long term national goals - not mere party goals - and the courage to pursue these in adversity.

Advice will be plentiful, but much of it will be bad. The task is far more complex, even subtle, than some of the glib and self serving nostrums I hear offered by businessmen, and political opportunists. Good advice requires a lot of hard work; some of it should be payed for. To be effective it should be offered directly, without strings attached to the key players; not to the party machine.

In or out of office, the Liberals' influence, great or little, for good or evil, will be determined by what they believe. I expect that three identifiable ideals are about to come into conflict with each other and with non idealistic opportunism. We all have more than a passing interest in which prevails.

I identify the three philosophical positions thus:

---The Dries hold to that brand of liberal thought which has most faith in individual liberty, personal responsibility and small government. These favour a free market economy, balanced budgets, and have been prepared to say where they would make the expenditure cuts. They are all economic libertarians; some, like Mr. Howard, tend toward social conservatism but even the more socially conservative do not favour the creation of victimless crimes by discrimination for or against anyone from Sunday traders to women or homosexuals. They feel that the present rules discriminate against the family but would probably not wish to change present tax and welfare rules more than necessary to be fair to the family. The income splitting proposal should be seen as a step toward equity. Alone of the major divisions they have a clear vision of the future.

---The Wets are state dirigists directing society toward 'liberal' goals by positive discrimination to protect disadvantaged people and institutions, including women, aborigines, the environment and the arts. They are of necessity big spenders and high taxers. The debate leading up to the 1982 budget indicated that some of them have faith in Keynesian demand management and more recent debate shows that some favour a regulated labour market. By discriminating for so many other groups they would probably discriminate against the family but that is not their intention. I find them the

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niciest people; their trouble is that they do not understand the facts of economic life and regard as vulgar fanatics those who do.

--The Uglies are state dirigists preserving the status quo. They are rather enthusiastic about moral judgements creating and policing victimless crimes. They preach free enterprise while neither understanding nor liking freedom or enterprise. Unemployment is seen more as moral failure on the part of the unemployed than as market failure. They too are positive interventionists regulating markets, particularly rural markets, defending tariffs and maintaining a large public sector. On macro economic matters they are inconsistent. They favour low taxes but high expenditure on other than welfare, and they have favoured fixed and low exchange and interest rates while condemning inflation. They were as responsible for the 1982 budget blow out as were the Wets. They predominate only in the more remote rural areas but have their city counterpart. They have had most influence on the politics of Queensland, Northern Territory and Western Australia and most influence through the National Party. In some contexts this group has been called rural socialist but it is now trying deperately to establish a metropolitan base. Their great enemy seems to be what they call 'small l' liberals. Sinclair brands all Liberals as wet blaming them for some problems to which he contributed. Their rhetoric is that of traditional conservative values and symbols, the flag, family, church, States Rights, defence and low taxes, but it is not properly theirs; they are big spenders and interventionists.

The biggest group will undoubtedly be, as always, the non-idealistic opportunists but in the present climate I think these will have less influence than idealists tending to fall in behind which ever idealists seem most likely to prevail. They see politics as a short context of catch as catch can. They are more responsible for the present state of the party than are Wets, Dries or Uglies. In Federal politics it was against these that first the Wets and later the Dries mobilised.

The most recent mobilisation has been that of the Uglies. The group is dangerous to both wet and dry opinion and I believe to Australian politics but each must be his own judge of that. It presents itself as an alternative force within the Liberal Party and as an alternative to the Liberal Party. A new conservative party is under way in Queensland. It will appeal to many people who will not think beyond words and who are frustrated with the Liberal's poor performance. The issue now is not whether frustration is justified but whether the alternative on offer is satisfactory.

The problem of drawing the appropriate distinctions has been immensely compounded by socialist interventionists who have (I think maliciously) confused radical liberals - the Progress Party, Dries and other free market ideologues - with jackboot conservatives. Jackboots are the symbol of a powerful and oppressive state: not of small government.

Neither should the Uglies be associated with those conservative traditions which respect the freedom preserving traditions of parliament and the rule of law - it has not been their record. Their anti-socialist rhetoric notwithstanding, their record, where they have power in Queensland and the Northern Territory, has been that of high handed socialism - big government and executive discretion.

The Dries have gone far toward winning the intellectual argument in universities and the media and I am told by people whose judgement I respect that I am starting at shadows, none the less I am fearful that in the present climate a reactionary form of politics, given to demagoguery, which pretends to be what it is not, is about to lay claim to dry allegiances.

People have been bombarded with evidence (and not-evidence) about corruption in high places, about drugs and the break-down of the family. They are rightly afraid of what is happening and may clutch at the blandishments of false prophets.

People have seen, if not always understood, the corruption of the political process with the captains of industry and trade union doing deals with State and Federal Governments but have been conditioned to expect a political response to every problem. Although they understand full well that there is something rotten in the state I am not at all sure that it is understood that we are rotting under the weight of too much politics more than the weight of inadequate politics.

A demagogue, valuing power in itself rather than power as a means to an end, trading on fear of change, posing as Dry or Wet as the occasion demands, who promises to fix moral decline by force rather than example, might get just enough support to turn the Opposition's philosophy away from the more open, more free, more personally responsible line toward which it is struggling. That would be very sad.