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Labor's mini budget was not all good but it was much more good than bad.

I had seen the 1982 budget as the wanton sacrifice of the last shred of purpose that clothed the Liberal Government. The Emperor was at last naked in the steets and not only could the public see us as we were (not such a very lovely sight); but in our nakedness we had every reason to feel ashamed. Initially I was ^{just} angry, seeing no way at all to turn, but later I cast around for straws to clutch and tried to grasp a mini budget. I urged the then government to do what it could to correct what I saw as the errors of its populist budget, to run full term and pray. I also made a couple of public speeches to give the cabinet some political incentive to see the error of its ways. In the event the government was so unimpressed by 'the mouse that roared' that for good measure it added some \$300 millions of additional expenditure to the deficit. We had lost our way. Whatever his reasoning Mr. Fraser served the nation best by getting the election over.

I listened to Mr. Keating's mini budget speech with interest and discomfort. For the main part the mini budget was a catalogue of things that the Liberals should have done long ago yet, every time he announced a sensible expenditure cut or elimination of a tax privilege he was greeted with catcalls from the opposition.

Labor's effort, rushed though it was, and inadequate to the task though it is, was much better than that produced by the Liberal/Country Razor Gang. The opposition will be wise to recognise this even though they must find the ease with which Hawke is breaking his election promises galling.

The Labor Party is being more far sighted and in a sense more liberal than the government it replaced. In ^{several} contradistinctions to / policy changes made by the Fraser government the fiscal benefits of this package fall more on future budgets while the costs are more immediate. The decision to income test the over ^{seventies} pension and, in spite of union opposition, to start to take away the tax privileges of occupational superannuants who get two bites at the cherry, are policy changes with long term fiscal benefit. As is the complex decision that should get the Commonwealth government out of funding the Darwin to Alice Springs railway and the scrapping of the Bi-Centennial Water Resources Programme.

The water programme illustrates the opposition's ^{dilemma} dilemma. In government, in its last years it was given to making promises at cost to future budgets. The Bi-Centennial Water Resources Programme, to cost \$300 million by 1985, was one. One of the projects advanced for consideration under the Bi-Centennial Programme was to pipe water to farms in my old electorate at a cost of over \$100,000 per property-- an amount far in excess of what the farmers would have voluntarily paid for water or would be added to the value of their properties by its provision. If adequate cost/benefit studies are to precede expenditure and (unlike the Ord) the studies are to influence political decisions, then the Bi-centenary is too soon for most bright ideas to be turned loose on the taxes. The whole programme smacked of political ^mgimmickry and was well abandoned yet the Opposition could not resist critical comment.

If Labor, in fact, makes a better job of providing ^{ia} essentially liberal government concentrating on responsible economic management, then the Liberals can expect to be in opposition for a very long time. If the Libs defend a period in their history that is better forgotten they run the risk of denying themselves ^{the} credibility necessary to ^{stake} park out ground for themselves on the economically responsible side of Labor. On the other hand if the Liberals don't defend their record then the

reputations of men and women who were in the last Fraser cabinet must suffer further damage. It will be hard for them to sit back and take criticism not by any means all of which will be fair, but in the interest of party and nation I believe they should be very wary of defending what is in truth indefensible. As clean a break ^{with the past} as possible will in the long run serve their interests best.

The Liberal Party is fortunate ⁱⁿ that some of its leaders were not closely associated with past mistakes. But Mr. Peacock will not do his party's reputation any service by condemning Labor for income testing pensions when he knows perfectly well that more expenditure cannot be responsibly financed. The Liberal and Labor Parties cannot change positions in the political spectrum as the Republican and Democrat Parties of the United States once did; Mr. Peacock has no option but to be seen on the economically responsible side of the ALP. Rather than wearing his heart on his sleeve for the more wealthy pensioners he might try defending the occupational superannuation decision against the special pleading of the ACTU.

Oppositions of all colours feel they must oppose, working themselves up into a state of moral indignation. Without attacking what is well done there is still room for selective head kicking. The mini budget's reversal of the last budget's decision to exempt from tax the first \$1000 of dividend income is almost certainly a bad choice which will subtract from badly needed investment in much the same way as the deficit prejudices investment. The make-work schemes can't fulfill their promise and the government's failure to adopt ^{summit} scenario C -- the no wage-rise this year/higher employment scenario-- are all legitimate targets for criticism.

Mr. Keating could not resist a swipe at the last government for loose money management. So long as ~~MY~~ Mr. Howard admits that the money management was indeed ^palling I think he could point out that at the time Labor was urging even looser money. He should nail for all time the charge that the Fraser government was monetarist. ^{If only it had been.} /Mr. Keating's 1.5 billion dollar bond tender is a correct monetarist response to rising liquidity.

The opposition must build its reputation and it should resist any temptation to score cheap political points. That sort of advantage can only be short lived; either Labor governs badly, in which case the coalition is back into government to face all the fiscal problems it has itself encouraged; or Labor governs well, in which case it withers in opposition without faith, ~~purpose~~ purpose or respect.