ON THE DRY SIDE No.SEVENTY-NINE

John Hyde

LABOR'S STYLE

The Labor Party has donned the bits and pieces of so many identifiable political styles that its own style is indescribable - a hat by Voltaire, shoes by Karl Marx, stockings by Mill, skirt by Beveridge, a Keynesian handbag with a clasp not quite in the style of Friedman, bodice by Germaine Greer, a belt fashioned of traditional democracy with a Tammany Hall buckle, rings crafted by principle but other jewelry acquired from populist bazaars. An incongruous enough air of Beatrice Webb in ermine has now been further confused by the addition of a cloak cut much in the authoritative style of Mussolini's corporatism. Poured into her clothes - the Labor Party forgot to say when !

Although the Labor Party was obviously not the exclusive architect of the Australian way of preferring persuasion and authority to voluntary higgling in market places, we did expect it to be more authoritarian than the Liberal Government it replaced. Socialism is after all an authoritarian philosophy. It expects governments to maintain an order by which prosperity for all is to be achieved, and it does not believe that free markets can compare with enforced regulation. Yet some managers of private capital have acclaimed the Hawke government " the best liberal government since Menzies".

In part their plaudits can be attributed to relief that Hawke has not attempted, as Whitlam did, to turn too many things upside down. In part the praise is due recognition that in some important matters, banking and the exchange rate for instance, the Hawke Government really is less authoritarian than the Fraser Government was. Further, a large measure of support, from many of the nation's most powerful people outside the government itself, has been gained by bringing them into the processes by which government authority is exercised.

By bringing them in, Hawke not only massages the egos of business and trade union leadership but also offers real opportunities to protect their own interests to those on the inside. Opportunities, which, in a world where people compete for resources and influence, cannot but be taken at some cost to those on the outside.

The various State Labor Governments too are forming partnerships with big business and big unions. The partnerships are to run government enterprises. All Labor States are making deals with companies for new hi-tech industries, and the Labor Premiers are all employing businessmen and business methods to sort out railways, power supplies and other government services. Sometimes the businessmen are the very same individuals who, before Labor's recent electoral successes, were the butt of vitriolic criticism for tax avoidance and for laying off employees. Conversely, some of the long established qangos and departments, having fallen from fashion, (they long since fell from grace), are being forced to accept the authority of outsiders drawn from business and the unions.

Although first adopted in N.S.W., it was in Canberra that the corporatist fashion reached a pinnacle of subtlety. Hawke's economic Summit, at which the nation's great and powerful were invited to share the process of government with its newly elected charismatic leader, was very popular at the time, and still is popular not only with the 117 who actually attended but with millions who could not. The corporatist way was popularised by 'consensus', and the Summit established hegemony over most of the important interests, except the Queensland Government, the Builders' Labourers Federation and the opposing political parties, who could organise arguments and eventually votes against the new Labor Government.

By formally conceding some share of the government's authority to those to whom he could not have denied all authority, Hawke achieved two goals. First, he ensured that, at least for the time being, certain powerful voices would not be raised against his government. Here we have a partial explanation of the Opposition's poor showing in the opinion polls.

Second, more importantly, he ensured that a large measure of the authority of the Summiteers was used for his purposes; in particular for the wages accord, for investment and for management of activities which previous administrations had placed within the public sector. The tactic was yet another inconsistent political style worn by Labor, but one of breath-taking panache, and utility too.

It seems from some of his utterances that Mr. Hawke expected big business to accept the government's (his) advice on <u>when</u> to invest. Perhps to some minor extent they have, but it is hard to believe that without the new corporatism, investment levels would be even worse. Some economic deformities cannot be covered; and a history of poor profits, fear of another wage hike and high government borrowings to finance budget deficits are not conducive to private investment.

The Hawke approach to the issue of <u>where</u> to invest is more promising. Australian investment has long been influenced by government intervention with tariffs, quotas, subsidies, the granting of monopoly rights, and government procurement. Previous governments, without Summits, or any obvious long term strategy had done deals with the nation's more powerful interests. These deals resulted in trade union monopolies, shipping conferences, car plans and so on. Mr. Hawke seems to have been impressed by the possibility of powerful interests joining government to restructure industry. He seems to be trying to change the emphasis from protecting losers to backing winners - an approach which he is said to believe to have been the secret of Japan's success. I don't think governments can pick winners, or that membership of "the Summit" will prevent losers from mounting opposition to change. Even so, if the government is only sometimes right, that has to be better than backing losers who pick themselves by inability to compete.

A corporatist consensus of government, big capital and big union is a style associated with Lee's Singapore and Mussolini's Italy. It is authoritarian with the authority narrowly shared. It is illiberal, but no more so than the more socialist style to which we have become accustomed over very many years.

Are we safer because the Barons have donned the King's uniform ?