

No end to Age of paternalism

By Nick Cater, The Australian, 24 Feb 2015

SO where did we get this ludicrous idea that governments can actually fix things? From *The Age*, of course — or, to be precise, its erstwhile proprietor David Syme, a 19th-century pioneer of the meddling state.

Assumption that citizens and corporations cannot be trusted

A new book, yet to be reviewed in the Melbourne tabloid, traces the origins of paternalistic democracy in Australia. It begins with the assumption that citizens and corporations cannot be trusted to do the right thing and that the government should order their lives for them.

Political historian Greg Melleuish highlights Syme's role in spreading the dangerous notion that the state exists "to keep the excesses of human depravity in check". Syme used his newspaper to promote his theory of "industrial science" that deeply influenced public policy in Victoria. It prepared the intellectual soil for Deakinite protectionism and laid the groundwork for the Harvester judgment.

Syme advocated a quite different form of democracy than the NSW model. The NSW system remained true to the English classical liberal tradition, trusting individuals to behave as responsible moral citizens. It followed Adam Smith's theory that when individuals were left to pursue their own self-interest there was a net benefit for the common good.

Justification for state coercion

Syme disagreed. In his book *Outlines of an Industrial Science*, he paints a dark picture of "the struggle for industrial existence ... the stronger against the weaker sex, the full-grown man against the infant; and when a man is down it is considered the proper thing to kick him and jump upon him." This Hobbesian vision of life in a free-market economy became the justification for state coercion. Regulation for Syme was a mark of civilisation.

"The number of laws of this description in any country is a certain criterion of its industrial development," he wrote in 1876.

Today, of course, we know better

We have learned through bitter experience that government isn't very good at anything really, and careless when it comes to spending other people's money. Red tape, the army of bureaucrats who administer it and the lawyers paid to negotiate it, drag down the entrepreneurs on whom we depend for our wealth.

Regulation may purport to benefit the customer but it frequently does not, adding to costs and reducing choice. From childcare to finance, the consumer receives less for more, thanks to over-regulation.

The delusion the state is smarter and more virtuous

The cost of regulation can only be guessed. Large corporations spend millions of dollars in compliance; small business operators work into the early hours completing forms. At *The Age*, however, and its broadcasting subsidiary, 774 ABC Melbourne, the delusion the state is smarter and more virtuous than its bone-headed citizens is still alive.

They believe the answer to poor regulation is more regulation. Government programs fail not because they are poorly planned and invite perverse consequences but because they are underfunded. More government money will surely do the trick.

For the paternalists, the answer to every question begins with “aorta”, the personification of the benevolent, paternal state parodied in Afferbeck Lauder’s 1965 book *Let’s Talk Strine*. “Aorta stop all these transistors from cummer ninner the country. Look what they’re doone to the weather. All this rice!”

Innate hostility to conservative politics

So when the Assistant Treasurer Josh Frydenberg went on 774 last week to argue that aorta be doing less, he was bound to get a shellacking from his host Jon Faine. Faine’s aggressive, ill-mannered questions — if that’s what his interventions are — reveal more than his innate hostility to conservative politics. They help us understand where the real divide lies in contemporary Australian politics.

It is not a divide between Left and Right, socialism or capitalism, which is beginning to look more like a 20th-century diversion than a permanent state of affairs. It’s between those who believe, in the tradition of Syme, that too much government intervention is barely enough and those who believe that individuals, for the most part, can be trusted to conduct their own affairs.

The obsession with red tape?

“Can we talk about the obsession with red tape?” Faine demanded. “We’ve seen it now in evidence absolutely with food checking and food safety. We’re seeing it with private training organisations rorting a government scheme and developing courses that are meaningless, and students are getting no quality training whatsoever and massive debts as a result, for courses that weren’t worth doing.

“We’ve seen it with the greyhound industry, we’ve seen it with 457 visas, we’ve seen it with self-auditing of tax, for goodness sake, of all things — this obsession with red tape that has helped you make your political name. It’s leaving the public exposed in issue after issue after issue!”

Frydenberg attempted to calm his irascible host: “Well, I’m glad you’re getting excited about this, Jon ... let me take you through some very positive red tape reduction examples.”

Faine, however, was only just getting into his stride.

A vested interest in state paternalism

“Oh look, flying kites on Sunday, we’ve heard it before, Mr Frydenberg. That is not the issue. That is not the issue. These are serious matters of public welfare and wellbeing, and because of nothing other than an ideological obsession of people on the hard Right of politics in

Australia, you've taken us down a path that has in fact turned out to put the public at risk time and time again."

Frydenberg, struggling to diagnose the source of his interlocutor's complaint, inquired if it might be diet-related: "Well, Jon, I don't know what was in your Wheaties this morning, but the reality is ..."

Faine: "I haven't had any Wheaties. Just please answer the question."

To be fair, Frydenberg was hardly dodging Faine's only question: "Can we talk about the obsession with red tape?" He had been interrupted by a series of assertions with which many people of goodwill and honest intent genuinely disagree.

If a serious discussion about the limits of government intrusion is to be had anywhere, one might hope it would occur on the ABC. Yet it won't. Not least because the ABC has a vested interest in state paternalism, an interest currently worth around \$1 billion a year.

*Nick Cater is executive director of Menzies Research Centre. *Despotic State or Free Individual: Two Traditions of Democracy in Australia*, by Gregory Melleuish, is published by Australian Scholarly Publishing.*