



A MODEST MEMBER

The Australian Financial Review, 29 June 1973

Fred's too poor to have principles

Fred is a member of his local council. When he heard the glad tidings that the Federal Government is to give money to local government he was quite excited.

He knows how difficult it has been during the rural depression to keep local government services going, that whole districts were getting down-at-heel and he could not see how his council could ever get out of the red.

And perhaps he let his imagination run riot for a while and could see himself getting popular by spending someone else's money.

I can imagine the enthusiasm with which he would promise a new bridge if those sods in Canberra were paying for it.

Buying popularity with other people's money is a temptation few can resist, even Fred.

So Fred was pleased with the Government's decision and when I expressed some doubts about its wisdom he got quite nasty.

"Just because you didn't think of it yourself, when you were in government, or were too mean to do it if you did think of it, you needn't go round knocking it now," he snarled.

Fortunately for me, Eccles happened to be strolling past with his head in the air, so I got him to explain to Fred some of the implications of the Government's decision.

"First of all, my dear Fred," said Eccles, in his most unctuous and arrogant manner, "You must realise that if you are going to get money from the Government, you won't be saving money; it will simply mean that you will pay less in rates and more in taxes. The money came from the rates pocket in the past, it will come out of the taxes pocket in the future. But both pockets are yours."

This steadied Fred down a bit. It always does if you remind people of the sad fact of economic life, that the Government has no money of its own, and anything it gives you, it takes from you first, and there are a lot of leakages in the process.

Then Eccles warned Fred that it was quite possible that the Grants Commission, which will say which section of local government should get the money, may perhaps decide that Fred's particular area should get nothing while a neighbouring area should get a lot.

"Then you'll be paying extra tax to help the local government area next door, and get nothing for yourself. How will you like that, my dear chap?" he asked.

Then Eccles pointed out that the Grants Commission would give the money to either big local government units or to regions made up of several smaller local government units.

This will force consolidation of smaller councils into bigger councils.

Eccles think that this might be a good thing to do but he wanted Fred to realise what was involved.

Fred's pet hate is the council next door which he loathes with a deep and abiding hatred that only country people understand.

I could see him starting to get red behind the ears at the thought of being tied in tandem with those sods.

Then Eccles gave him a lecture about administration. He said the real value of local government was having decisions made by people who lived close to their problems, who lived with their mistakes.

If decisions are made by the Grants Commission, centred in Canberra, we will lose this advantage.

Eccles is not critical of the quality of the commission. He thinks that any organisation led by Sir Leslie Melville is likely to be good.

But he is sceptical of the commission's ability to know the local scene, and certainly they won't be living with their mistakes.

And lastly, Eccles says that giving money to local governments in this way will be yet another nail in the coffins of the States.

Giving grants to local government has been, up to now, a State function.

Each time the Commonwealth Government takes over a State function it weakens the reason for States continuing existence.

We know that the Labor Party wants to see the end of the States and Eccles fears that this action is part of the plot.

Fred listened to all this with obvious impatience and then said, "Well, you might be right again, Eccles, you usually are. But my council is too poor to have principles. We want the money."

Fred is like me — he can resist everything but temptation.