



A MODEST MEMBER

The Australian Financial Review, 30 March 1973

It's hard to digest this economic cake

It has been interesting watching the new Parliament settling down. There are many bright new faces on both sides of the House and the standard of maiden speeches has been higher than I have known.

Mavis has been most impressed by the youth and the idealism of many of the new members. And I know she has been looking at me sideways, wishing that I was more like them, was younger and fresher and oozing idealism.

“You must really try to give off an aura of sympathy, dear,” she advised. “You always look tired and disillusioned. Try to look as if you loved everyone, and for goodness sake try to smile more heartily and more often.”

I've tried this but people keep asking me if I'm feeling crook, or suffering from wind, or something.

But I suppose it won't be long before we start abusing one another in our usual infantile way. Soon members will be accusing me of being indifferent to the suffering of the poor pensioners or the unemployed people and so on. “How would you like to exist on a pension of \$21.50,” they will shout. “Haven't you any sympathy for the unfortunate people in this great country of ours?”

But it isn't really as simple as that. I would say most MPs have an equal interest in helping the unfortunate. Where we often disagree is how best to do this.

Our side of politics believes (or used to) that the important thing is to produce as big an economic cake as possible and then cut it up in such a way as to give the unfortunates in the community as big a slice as possible.

The Labor Party believes there is a fundamental virtue in having everybody as equal as possible. But equality can usually be bought only at the price of having a smaller economic cake with the result that the share going to the unfortunate is smaller, though more equal.

The only way the economic cake can be made bigger is by people working well in productive employment. The Government's action in encouraging the 35-hour week will reduce productivity by 12.5 per cent, an extra week's annual leave by 2 per cent. These actions will inevitably reduce productivity and so reduce the size of the economic cake.

Increasing income tax will do the same thing just as inevitably. I have heard some people argue that increase income tax makes people work harder in order to make up for the income that the Government has taken in tax. People who argue that way either live in an academic ivory tower or have a pathetic belief that people are different to what they really are.

The trouble is there are too many people in the world like Fred and me. When I find that the Government is taking a large part of what I earn by extra effort I quickly look around for some way of beating the tax man. And if I can't do that I cease the extra effort.

And Fred, too, has the same mean attitude to life. If present prices continue Fred will be paying a lot of income tax. I know him well enough to know that he will already be thinking deeply about when he will do about it. Perhaps he won't try to beat the tax man because he knows he isn't particularly bright. But there is one thing he will certainly do and that is to play more bowls and do less work.

He will say to himself: "I know by working hard and taking more risks I could put in another paddock of wheat. But if I do the Government will take half the crop and they don't help me with the work and they won't help if drought comes and I make a loss. So I will take things a bit easier and play bowls on Wednesdays."

There is room for much argument about the best way to help poor people, and the choice is usually between "equality" and "productivity."

Let's assume, for once, that all MPs have hearts that throb equally. If we spent less time abusing one another and more time concentrating on getting as big a slice of the economic cake as possible into the hands of the unfortunate, then this would be a notable and fruitful Parliament.