Between Principles And Practice

Liberalism and the Liberal Party

Liberalism and the Australian Federation
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Reviewed by David Lovell

The centenary of federation provided the occasion for a number of very useful surveys of Australian politics; *Liberalism and the Australian Federation* is one of them.

The purpose of the book is threefold. The first is to insist that liberal ideas influenced the drafting of the Australian Constitution in the 1890s, and that a century later its robust continuation is a victory for liberalism. Such an account sees liberalism as a foundational political value for most Australians, whatever political party they may support.

The second purpose is to provide an organisational and political history of 'Liberalism' as the party of liberals, from the 1909 fusion of Deakin and Cook supporters (when major divisions between advocates of free-trade and protection on the non-Labor side of politics evaporated), through the formation of the Liberal Party in 1944, until today. In this respect, it is a challenge to the Labor view of Australian political history—much better represented in the literature—as shaped by the continuity and initiatives of Labor since the 1890s.

The third purpose of the book is to suggest that liberal political principles have consistently informed Australian politics and particularly the policies of the Liberal Party (in the elongated historical sense already mentioned).

The book does the first job reasonably well, though a chapter on the intellectual foundations of the constitutionalist ideas of the 'Founding Fathers' might have been useful. Such a chapter might have explained, in particular, why there were no explicit liberal guarantees in the Constitution, such as a Bill of Rights, and why it is a much more a democratic than a liberal document. The Constitution actually relies more on the good sense of the people than is generally acknowledged; devices such as double dissolution elections, for example—though they allow considerable discretion to political leaders—give the ultimate say in resolving parliamentary deadlocks to the people.

The founders of the United States of America drew upon the liberal writings of John Locke and the Baron de Montesquieu, which many of them knew well. They made a decisive choice for freedom, but they were put into a position of having to make a choice. They were breaking away—being forced, as they insisted in their Declaration of Independence, to break away—from the United Kingdom. They took their stand on freedom, and it has become a shibboleth of the United States until this day, however little it is examined or understood.

Australia's formative experiences were quite different. Most of the colonies on this continent gained self-government within the context of British institutional frameworks and of British external protection, and by the time they came to examine the question of unity (which they did desultorily), the former prison trash of Britain had become model guards. In the ideas they entertained about the new government they were

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creating, the 'Founding Fathers' of the 1890s were by no means radical or anti-British. Republicanism was not a serious option. The innovations already made in terms of the 'Australian' (that is, secret) ballot, extending the franchise, and payment of parliamentarians, were interesting but were not likely to shake the foundations of responsible government which (with the admixture of federalism in the shape of the Senate) was to form the basis of the 'Commonwealth' government.

Constitutionalism and federalism in Australia remain indicative of a liberal outlook, in the sense that they provide for limits to the exercise of political power, though the federal component—as Campbell Sharman points out in his excellent chapter—was primarily a practical attempt by the colonies (becoming States) to protect themselves against a new (Commonwealth) government, rather than allowing more avenues by which citizens could protect themselves against government arbitrariness. Federalism is nowadays accepted as part of the fabric of political life, and many citizens—once they get beyond claims about 'overgovernment', duplication, and waste—now see it as a substantial benefit in allowing the States to take different approaches to dealing with similar sorts of issues.

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The liberal endorsement of Australian federalism, however, has to be tempered by the fact that there has been a substantial shift of power to the centre in the federal relationship, a shift aided since 1920 by High Court interpretation of the Constitution, and hastened by the income-taxing powers taken over by the Commonwealth government during World War II. It is a shift which explains why Labor shelved its hostility to federalism, yet a centralising disposition has been as much a feature of Liberal as of Labor governments at the Commonwealth level.

The book does the second job extremely well, with chapters on important periods and issues. It also allows the examination of some neglected matters, with a fascinating chapter on the Australian Women's National League, by Margaret Fitzherbert, documenting the vigorous role played by Liberal women in the first decades after federation. The book also conveys a genuine sense of continuity amongst Liberal political actors, despite their different organisations, leaders, and policy emphases. The previous, and perhaps prevailing, sense that there was simply Labor and 'non-Labor' is no longer adequate.

Unfortunately, the book does the third job—of linking liberal principles with Liberal practices—rather poorly. It is not that the early chapters on the general theoretical outlines of 'liberalism' are poor. Indeed, Chandran Kukathas gives a characteristically elegant account of the development and content of liberal ideas (though he is inclined to downplay the New Liberal contributions of the 19th century), and Gregory Melleuish does a solid job in the history of ideas as he explores the views of some antipodean colonials who responded thoughtfully to the political and intellectual ferment of Europe in the 19th century. Both contributions bring out (though they do not stress enough, in my view) the notion that non-state actors, civil society, independent associations, and a sense of self-reliance and tolerance, are also necessary to a society that values freedom. These are attitudes that cannot be created by government, but can be fostered by government activity (and, in some cases, by inactivity). So an account of the Australian political sphere alone is not enough to describe a century of liberal ideas in practice. What the book misses, however, is a sense of the historical context where alternative, and sometimes socialist, political and social views were developing in Australia. A strong element in the European perception of Australia—until at least the first decade of the 20th century—was of a social laboratory of welfare and class reconciliation.

In a broader sense, there are difficulties in substantiating the bond between liberalism and Liberalism. The assumptions and assertions that characterise much of this book about a direct and positive link between these two are constantly undermined by the (accurate) references to Australian 'pragmatism', by the makeshift and episodic nature of many of the political decisions described, and by the fact that few of the politicians mentioned (with the notable exceptions of Alfred Deakin and Robert Menzies) were thinkers steeped in any sort of intellectual tradition, let alone liberalism. This may be due to the 'background' nature of liberal assumptions in the minds of Australians and the character of their basic political

institutions, and to the fact that it behoves opponents of these assumptions to be explicit. Not surprisingly, a weaker version of this argument emerges in the book: the notion that liberalism is a mood, or disposition. If that is so—and it may well be so—it gives little indication of when liberal ideas, or moods, might be trumped by pragmatism, or short-term political alignments, or the need for electoral support. Why should we not speak of 'conservatism' to describe what the Liberal parties in Australia have done, for 'conservatism' lends itself much more readily to notions of 'moods'?

The historical continuity of Liberalism, and its political success—Liberal parties have been in power in Australia for the majority of the 20th century—have meant an enormous amount of policy and law-making by Liberal parties, and much of it is in tension with liberal principles (not to mention the very fact that the sheer amount of law-making may be in tension with limited government). This has something to do with political realities, but it also has something to do with the nature of political principles. Liberal principles favour freedom (leaving aside the debate over its content), but political life is also bound up with other principles. People, and politicians, are concerned with questions of equality, community, and justice. Which of these should be primary, if we accept, as Isaiah Berlin so compellingly argued, that they can never be completely reconciled with each other? At what point, and on what issue, should one of these values take precedence over the others?

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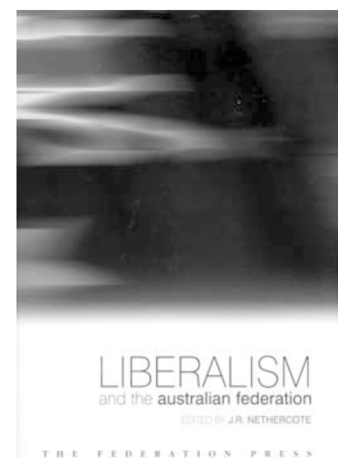
We have in view a Liberal party which, for much of its long relationship—coalition, or 'coalescence'—with the Country/ Country-National/ National Party, supported a type of agrarian socialism, with all its problems. Shielding their constituents from market signals led to overproduction (witness the wool stockpile, now thankfully exhausted), support for inefficient farms (including many dairy farms), and the improper management of natural resources, including water. But when protection and subsidies are ended, often by the same parties that established them in the first place, people are unsure why and are often hurt. Readjustment is sharp and painful, and the benefits are diffuse and long-term. And it must also be recognised that advocacy of liberalism in the economic sphere is not restricted to the Liberal party; the Australian Labor Party began the process of privatisation of government businesses in the 1980s under the leadership of Bob Hawke, floating the dollar, reducing tariffs, and deregulating many industries. Both Liberal and Labor have regulated and deregulated when it suited them.

What this brief story shows is that the relationship between political principles and political practice is a complex one. It is even more complex in a representative democracy, where political memories are short, and political opportunism is rewarded with electoral gains. The pragmatic approach by Australian citizens and politicians to the state means that politicians are constantly pressured to intervene: to save companies that go broke; to save workers' entitlements from bankrupted companies; to satisfy this or that demand that momentarily excites the electorate. Genuinely liberal governments also require liberal citizens, and some leadership and explicit defence of liberal ideas by supposedly liberal politicians would not go astray. In Australia, the evidence for these is scarce.

A successful political system is a product of many factors, including not a little luck. The Australian political system is, on almost any account, a successful political system. The ingredients include a good institutional framework and good sense (that looks, in hindsight and by comparison with the present day, like wisdom) on the part of those who inaugurate it. They include a fertile social soil, where conflicts do not immediately turn violent, where people have the faith that while political decisions may not always favour them they are not systematically against them, and where there is both a suitable level of commonality to refer problems to a political system for resolution and a suitable level of tolerance to sustain diversity.



Successful political systems, in other words, are practical affairs as

much as, if not more than, they are theoretical ones. Only one of the elements of a political system is the idea, or set of ideas, to which it aspires. Those people who are driven by ideas, as we have had much of the 20th century to lament, have tended to sacrifice real people to them for their own good.

Menzies is understandably a central figure in this book, as the most important Liberal leader in Australia's history. But Menzies' liberalism was infused with pragmatism, and with a concern for social justice (pp. 191-92). We should not forget that it was Menzies, as a young barrister in 1920, who made a major contribution to changing the High Court's formerly restrictive view on the Commonwealth's constitutional powers. He was not opposed to all government activities in 'a young and vast country' declaring, among other things, that 'We do not regard such Government enterprises [as the railways, Post Office, electric power and irrigation schemes] as inconsistent with our philosophy' (p. 186). This is a qualification of liberalism that surely deserved more discussion. Nor is Menzies' legislation to ban the Communist Party of Australia in 1950 mentioned, and—when that was struck down by the High Court—his attempt to change the Constitution in 1951 to give effect to such a ban. This is a challenge to freedom that can, and should have been, argued in the context of a book on liberalism. Yet where some genuine issues are not addressed, some non-issues are: the chapter defending Menzies' record as a wartime prime minister, against the charges of Paul Keating, is rendered unnecessary by A.W. Martin's superb *Robert Menzies: A Life*.[1]

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Ian Hancock's chapter on Liberal governments between 1966 and 1972 is reduced to arguing that the Gorton government (and, to a lesser extent, those of Holt and McMahon) were 'progressive' (p.197). It is a type of consolation for their defects, and an attempt to take the initiative back from the myth of the Whitlam juggernaut. In evaluating the governments of Malcolm Fraser, Charles Richardson makes clear Fraser's inconsistencies over the matter of 'States' rights': Fraser overrode those of Tasmania, but not of Queensland, because there were votes to be had from the Tasmanian decision. Furthermore, much of the refurbished, anti-collectivist philosophies—in the United States and Britain—passed the Liberals by in the 1970s and 1980s. Free market ideas didn't get a real run until after the Fraser government was voted out of office in 1983. While their accuracy is not to be faulted, there is an undignifiedly defensive tone about these post-Menzies chapters.

Andrew Norton, by contrast, concedes that liberalism is only one part of Australian politics, and has rarely been ascendant. But his focus is on market reform. Norton usefully disaggregates social and economic issues and recognises that while individualism is supported in Australia, only a minority supports the 'whole liberal package'. Jonathan Pincus devotes his chapter to economic policy, and makes the point that for 60 years Liberals were broadly in favour of economic protectionism (what became known in the 1980s as the 'wet' position). John Roskam, examining Liberalism and social welfare, acknowledges the Liberal role in creating and maintaining the welfare system, but wonders about the lack of explicit discussions of principle in this area. Quoting Hayek (in this case on the role of the state in social insurance (p.270)) is always instructive, but this will not settle the issue of why Liberals have been such practical promoters of the welfare state. One of their recent achievements in this realm has been to have the notion of 'mutual obligation' widely and rapidly accepted, but how this fits into the theoretical framework of liberalism is not entirely clear.

Among the constraints within which politicians and their parties work is the temper of the people. The temper of ordinary Australians has not been always or primarily liberal. Individual freedom and responsibility for one's self are onerous choices. While it is difficult to be precise about the contents of the Australian character at any point, it contains elements of social conservatism, ethnic exclusion and nationalism, a type of social solidarity expressed by 'mateship', and an attitude towards the state still best summed up by Sir Keith Hancock's 1930 discussion of utilitarianism. Even the forces from which the Liberal party emerged in 1909—free traders and Deakin liberals—had different views on competition and individual initiative and choice.

The Liberal Party itself has often extended the state's welfare and regulatory activities, and not just when pushed by its Country Party allies. As Menzies

acknowledged in 1964, 'The sturdy individualists in the country who resent any political interference apply for it every week. There is hardly a section in the community today that doesn't in one breath protest its undying hostility to Government activity and, in the next breath, pray for it'.[2] Nor were the Liberals in the vanguard of opening up the Australian economy to competition. The liberal components of the Liberal Party are just one part of a very complex mix, often dictated by national and international affairs, and especially by electoral considerations. The Liberal Party may have been a much more liberal party over some of the last 20 years, but the debate over economic competition versus economic nationalism has still not been completed within it.

Throughout the debate over economic policy, the role of the state has not yet had a genuine examination by the Liberal Party. It is loath to put on record its philosophical commitments, except in the broadest terms, for fear of limiting its electoral manoeuvring. John Howard has made a virtue of the 'broad church' that is the Liberal Party, and while that line may have some political attractions, it also undermines the idea of a unified liberal perspective. To say—as the Prime Minister does in the 'Foreword' to this book—that Liberalism is grounded 'in the values of self-reliance, fairness, pulling together and having a go' (p. vi), owes more to rhetoric than to political theory.

The Liberal Party was built to win elections. It is reluctant to be introspective when it is successful. In defeat its different elements, particularly social conservatism and economic liberalism, give rise to political tensions and intrigue, not theoretical clarification. The 1980s were a particularly difficult period, when the liberal economic policy initiative was taken by Labor. The assessments of commentators by the early 1990s was consequently bleak: Gerard Henderson[3] wrote of a party that nobody runs, and that was unclear about its principles; Dean Jaensch[4] wrote of confusion about what the party stood for, and the 'deep crisis' following the 1993 election loss. What a difference a decade—and winning three consecutive elections—makes! But the challenge of clarifying the Party's philosophical foundations remains.

The centenary of Australian federation may be a good occasion for congratulation, but it is no cause for complacency. For liberals this is so not simply because Liberal policy has often been out of kilter with liberal principles, but also because there remain many pressing policy issues—including education—that Liberals continue to squib for tactical reasons. And there is one further, major issue which is only hinted at in a few references to the populism recently associated with Pauline Hanson's supporters. The issue is this: after a century of liberal democracy, the cynicism of ordinary citizens about political institutions and politicians generally is a major factor in public life.[5] One lesson of Hansonism is that political elites need to keep touch with ordinary people, explain complex issues, and show leadership. When populism flared in Australia after the 1996 federal election, many Liberals lacked the courage to be liberals (or perhaps didn't understand what it meant to be liberal). No wonder that recent research shows confidence in the federal government dropping by nearly 30% between 1983 and 1995.[6]

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Conclusion

All things considered, this is a valuable book (handsomely produced, courtesy of a grant from the National Council for the Centenary of Federation) about the history, and pre-history, of today's Liberal Party and its public record. There is much here that deserves the attention of students of politics, and it helps to overcome a dearth of worthwhile works about the liberal side of Australian politics. But it consistently begs a much larger question about the role of ideas in politics. It is certainly not an easy question, as my own remarks have emphasised, but in a book such as this it should have been more directly and frankly addressed.

Endnotes

1 A. W. Martin, *Robert Menzies: A Life*, 2 vols. (Melbourne: Melbourne University Press, 1993, 1999).

2 Cited in L.F. Crisp, *Australian National Government*, 5th ed. (Melbourne: Longman Cheshire, 1983), 228.

3 G. Henderson, *Menzies' Child. The Liberal Party of Australia: 1944-1994* (Sydney: Allen & Unwin, 1994).

4 D. Jaensch, *The Liberals* (Sydney: Allen & Unwin, 1994).

5 J. Nye, P. D. Zelikow, and D. King (eds), *Why People Don't Trust Government* (Cambridge MA: Harvard University Press, 1997).

6 E. Papadakis, 'Constituents of Confidence and Mistrust in Australian Institutions', *Australian Journal of Political Science* 34 (1999), pp. 75-93.