



RESEARCH NOTE

Number 27, 2001–02
ISSN 1328-8016

Liberalism in Australian National Politics

Liberal values do not necessarily correspond with the policies of parties that have identified themselves as 'Liberal'.¹ Parties and individuals from across the political spectrum have often expressed liberal principles in contesting the claims of their opponents.

Liberalism

The cardinal value of liberalism is freedom of the individual. The primary responsibility of government is understood as the promotion of conditions in which individuals can enjoy freedom. To this end liberals support:

- the recognition of freedom of association and expression
- the importance of the ownership of private property in securing individual freedom and curtailing government power
- a democratic polity as a recognition that individuals are served by government and not vice versa
- the rule of law, and
- a system of constitutional checks and balances on government power.

Sceptics and Progressives

However, liberals differ on the proper scope of government. Classical liberals such as John Locke, Adam Smith, Herbert Spencer and Robert Nozick have taken a sceptical view of government, arguing that it should not involve itself in any activities beyond:

- the maintenance of national security against external threats
- the maintenance of domestic order, and
- the provision of public goods that private enterprise and cooperation are unable to generate.

Modern liberals such as T. H. Green, L. T. Hobhouse and John Rawls have viewed government as a potentially

'progressive' agency. Progressives argue that government ought to provide services to those in need. Government is seen as properly providing resources with which the disadvantaged might fully develop their lives.

Sceptics distrust government as a collective and coercive institution. Progressives counter that sceptics do not acknowledge that liberty is infringed as much through poverty and social constraints (such as the opinions of large majorities), as those imposed by government.

Australian Liberalism

The tension between sceptical and progressive versions of liberalism was apparent from the first years of Federation. George Reid's Free Traders and the Protectionists, led by Edmund Barton, both identified themselves as liberals, but disagreed over the proper extent of Commonwealth power.

Both parties rejected the Australian Labor Party's proposal to implement a regime of direct taxation. However, Free Trade and Protectionist liberals disagreed on the levels at which tariffs, the major source of Commonwealth revenue, ought to be set. The Protectionists exemplified progressive liberal principles, in that protection provided:

- the Commonwealth government with funds to carry out its social duties of helping disadvantaged members of the community to improve themselves
- security for fledgling Australian industries
- adequate standards of living for Australian employees, and
- funds to maintain the States as proposed by the Constitution.

The Free Traders took the view that lower tariffs:

- encouraged economic prosperity for all (including the working classes) through the efficient deployment of resources
- encouraged individual genius and moral responsibility through competition, and
- allowed the government to provide services to equip individuals for private enterprise (particularly in education).

The third point provides clear evidence of progressive strains of liberalism even in the otherwise sceptical Free Trade position. The Protectionists were the strongest of the non-Labor parties and were closer to Labor on matters of economic policy than were the Free Traders. Even when Reid's Free Trade party briefly formed government in 1904, it required the support of a Protectionist faction. This, together with the location of the first Commonwealth Parliaments in the Protectionist stronghold of Victoria, set the scene for domination of non-Labor politics by progressive liberalism in the first seventy years after 1901.

Elements of sceptical liberalism emerged with the Country Party at the end of the second decade. The Country Party supported the reduction of tariffs, free international trade and the elimination of price fixing. However, it confined the focus of its policies to agricultural produce and sought government assistance for its rural constituency — its so-called 'rural socialism'. Robert Menzies' 'Forgotten People' broadcasts of 1942 confirmed progressive liberalism as the dominant form of Australian liberalism. Menzies supported a free market and individual freedoms, but also acknowledged the role of

government in providing for 'freedom from want' and education. A more sceptical liberal agenda emerged in the policies of the Labor governments of Bob Hawke and Paul Keating. These included dismantling trade barriers, and distancing government from the provision of services, through privatisation and outsourcing. The pursuit of a free trade agenda has continued under Coalition governments led by John Howard in deregulating labour markets and a commitment to indirect taxation. This said, however, Commonwealth taxation revenue both as a proportion of Gross Domestic Product and in real terms per capita remained at relatively high levels through the 1990s.

Constitutional Liberalism

The dominance of progressive liberalism in economic matters through most of Australia's history has not translated into an unrestrained trust in government powers. Australian liberalism has consistently defended checks upon the power of the national executive. Liberal values are evident in:

- the recognition of the administrative responsibilities of the States
- the maintenance of an effective bicameralism, particularly the equal representation of States in the Senate
- the existence of mechanisms by which governments are held accountable to the electorate such as an effective opposition and free media, and
- the distancing of government corporations such as the Commonwealth Bank and the Australian Broadcasting Commission from direct government control.

Non-Labor parliamentarians have generally been more consistent in supporting the principles of

federalism than their Labor counterparts. For instance, the Liberal Party of Australia consists of autonomous State and Territory divisions and its constitution asserts a clear distinction between organisational and parliamentary branches of the party. However, the Chifley Government's introduction of proportional representation for Senate elections in 1948, and Labor's defence of the right to associate against the Menzies government's attempt to proscribe the Communist Party of Australia in a 1951 referendum, are also important affirmations of liberal principles.

Challenges to Liberalism

National governments in Australia have not always pursued policies that recognise liberal values. For over half of our history, indigenous people were excluded from the political institutions that govern the national community, and eligibility for immigration was often determined on racial grounds.

Australians have been subject to compulsory military training and conscription, the proscription of economic and political organisations, compulsory attendance at polling booths, and proposals to centralise government.

Some of these policies have arisen from illiberal collectivist motives but others have been justified by emergencies such as war or the threat of sedition. It is in keeping with the principles of liberalism for governments to adopt 'extreme' measures for the security of individuals against external and internal threats. However, it is incumbent upon them not to interfere with civil liberties or override checks upon their powers to a greater degree than is necessary. In fact, the

tendency not to recognise pressing domestic or international threats, and a reluctance to adopt an emergency footing, is among the weaknesses to which liberalism is prone.

In Australia, the successful expansion of the sphere of government activity, when it has not been in response to direct threat, has often appealed, not to a *collective* public good, but to the shared interests of a community of *individuals*. For example, the public provision of health and education is justified not in terms of imposing a single condition upon society, but as providing every individual with an opportunity for self-development. Liberal values occupy a central place in Australian politics, although the precise policies entailed by these values remain under contest. In so far as these values prevail, Australia merits description as a community of self-confident individuals who are tolerant of differences in others.

Glenn Worthington Politics and Public Administration Group Information and Research Services

19 February 2002

Views expressed in this Research Note are those of the author and do not necessarily reflect those of the Information and Research Services and are not to be attributed to the Department of the Parliamentary Library. Research Notes provide concise analytical briefings on issues of interest to Senators and Members. As such they may not canvass all of the key issues. Advice on legislation or legal policy issues contained in this paper is provided for use in parliamentary debate and for related parliamentary purposes. This paper is not professional legal opinion.

© Commonwealth of Australia

1. This Research Note summarises a large body of literature on liberalism. See, for example, I. Cook, *Liberalism in Australia*, O U P, Melbourne, 1999; G. Melleuish, *A Short History of Australian Liberalism*, C I S, Sydney, 2001; R. G. Menzies, *The Forgotten People*, Angus and Robertson, Sydney, 1943; J. Nethercote, ed, *Liberalism and the Australian Federation*, Federation Press, Sydney, 2001; Y. Thompson, G. Brandis, T. Harley, eds, *Australian Liberalism: The Continuing Vision*, Liberal Forum, Melbourne, 1986.
