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Australian Liberals

Names

What are we to call the political tradition which is the subject of this book? Liberal, conservative, anti-labour, non-labour? This is a fraught question, and there is no easy answer. The question is one that has exercised the party itself as it has re-formed throughout the century. In contrast to the Australian Labor Party (ALP) which has had a continuous organisation since 1901 and a coherent national structure from shortly after, the Liberals have re-formed four times: at Fusion in 1909 when Alfred Deakin’s Victorian based Liberals and George Reid’s New South Wales based free traders-turned-conservative and anti-socialist came together to form the first united non-labour party; in 1916 when Billy Hughes and other pro-conscriptionists left the Labor government to join with the Opposition and form the Nationalist government with a Nationalist Party quickly following; in 1931 in the depth of the depression when the Nationalists remade themselves as the United Australia Party with Joe Lyons as leader; and in 1944 when the Liberal Party was formed, finally stabilising non-labour’s party organisation. Is it liberalism or conservatism that holds this party tradition together? Or, as the term ‘non-labour’ suggests, is it the opposition to labour which provides the strongest glue?

John Howard has argued that the Liberal Party is the trustee of both the classical liberal and conservative traditions: that it combines a liberal economic policy and a conservative social policy. Under his leadership this has translated into support for market-based or neoliberal economic policies combined with support for families and traditional narratives of Australia’s national achievements. Menzies at the time of the new party’s formation, however, was keen to stress its commitment to a forward-looking liberalism and to scotch suspicions that it was a reactionary party. And Deakin would never have countenanced the description ‘conservative’, regarding it as the name for those who defended unwarranted and entrenched privilege. On the other hand, the interwar Prime Ministers
Joseph Lyons and Stanley Melbourne Bruce, facing what they saw as urgent threats to Australia’s fundamental institutions and values, were easier with the term. In 1930 Hancock wrote, ‘if a politician claims he is liberal, his audience will understand that he is by nature conservative’.3

Despite this common usage, it is misleading to compare Australian Liberals with the British Conservatives. British Conservatism has deep historical roots in the landed gentry and deferential traditions of rural life, in the service to the Crown of the professional army and navy, and in the established church, as well as a well-developed intellectual tradition sceptical of the excesses of the modern faith in progress. None of this, except the loyalty to the monarchy, pertained in Australia where the defence of privilege has always been simply that. Particularly in the nineteenth century, the wealthy who filled the colonial upper houses had no hallowed traditions to sanctify their wealth; for most it was simply a matter of early arrival and a bit of luck. So-called Australian Conservatives generally shared many Liberal beliefs, such as support for manhood suffrage and no property qualifications for members of the lower house. They also agreed that a young country needed a strong and active state and supported an open society in which people should have an equal opportunity to get ahead. As one observer wrote in 1876: ‘the old fashioned terms Liberal and Conservative were … quite unsuited to our young middle class community, where we have no privileged classes, no ancient institutions demanding reform’.4 In these circumstances, conservatism became identified with a relatively unreflective support for the way things are, as expressed in the oft-repeated slogan ‘If it ain’t broke, don’t fix it’. In the new world of Australia, to be called a conservative has more often been an accusation than a self-description, and the name Conservative Party has never been chosen. At the 1944 conference to discuss the formation of a new non-labour party, Menzies argued that non-labour ‘had been put into the position of appearing to resist political and economic progress’ and so had adopted the role ‘of the man who says "No"’. Thus it was easy for it to be branded as reactionary. But, he argued, ‘there is no room in Australia for a party of reaction. There is no useful place for a party of negation’.5

The argument that Australian non-labour draws extensively from British conservatism fails to acknowledge the creativity and distinctiveness of Australian Liberals. It reads the opposition between the British Labour and Conservative Parties back on to the Australian party system and sees Australian Liberals as reproducing in their own political life the dependence on Britain they are seen to perpetuate for Australia as a whole. To see Australian non-labour as derivative is a familiar part of the left’s armoury, but it is wrong in crucial ways and depends for its plausibility on a lack of
knowledge of British political history. When the British Conservatives still faced the Liberals as their chief political opponent and vice versa, Australian Liberals were already facing Labor in parliament as a potential party of government. In Britain the Labour Party made no electoral impact until 1906, and operated as an appendage of the Liberal Party until after World War I. By contrast, Australian Labor’s electoral power was already apparent in colonial elections in the 1890s and was confirmed in the first Federal Parliament. By 1910 Labor had formed a majority national government. Australian Liberals thus had to develop arguments and strategies to combat Labor on their own, and while they drew on the resources of British political thought, contemporary British political experience was of little use. The strategies Australian Liberals developed were distinctive, shaped in response to the demands of a new, relatively open society, to Australian Labor’s organisational innovativeness, and to the early alliance that developed between Labor and Australia’s Catholics. The distinctive Australianness of Australia’s Liberals has been largely unacknowledged and their political creativity overlooked by previous political historians.

Non-labour’s federal party names have oscillated between those which refer to the nation as a whole (the Nationalists, the United Australia Party) and those which refer to a distinctive political tradition (the Liberal Party). This was in part the result of the continuing strength of the state-based political parties which clung stubbornly to their various distinctive names as part of their autonomy within a federation. The federal level of the organisation hence needed to stress its national reach. But it also reveals an uneasiness about the purposes of parties and party organisation which runs deep in the Liberal tradition. When political parties first began to form in the eighteenth century, their legitimacy was dubious. The unitary representation of the body politic in the person of the sovereign was being replaced by a system in which parts competed to govern on behalf of the whole. But how could the part lay claim to represent the whole? Wouldn’t the part always be a part – a faction, a vested interest, a class, a clique? There is a paradox at the heart of parliamentary government in which a divisive, adversarial, system produces a government which, for a time at least, governs in the name of all. We can call this the paradox of party government.

The great eighteenth-century parliamentarian, Edmund Burke, produced a solution to this paradox which profoundly influenced Liberal thinking about parties. In ‘Thoughts on the present discontents’ he famously defined party as ‘a body of men united in promoting by their joint endeavour the national interest upon some particular principle on which they are all agreed’. Burke was concerned to distinguish parties as legitimate groupings of men within the parliament, both from the
discarded jockeying for personal favour and advancement of the court and from the parish pump politics of local pressure groups with no sense of responsibility to the wider nation. For Burke the distinguishing characteristics of legitimate parties were that the basis of their unity was shared principle, and that they were committed to the national interest.

The extension of the franchise greatly raised the stakes of party conflict over claims to represent the whole, by introducing into the parliament voices and demands which were never heard in Burke's eighteenth-century chamber of gentlemen, in particular the rough voices of working men who challenged the governing elites' assumptions about the national interest with notions of class and inevitable conflicts of interest within the nation. The working class came into parliament unabashedly talking the language of the part, of labour. The Australian Labor Party wore its partisanship on its sleeve and rallied people to it with appeals to their class-based self-interest. The Liberals opposed with claims to represent not the part but the whole, not class interest but the national interest. The following examples from Australian Liberals span the century and represent perhaps the most enduring of its arguments with Labor:

This is not a policy aimed at the interests of any class. It is a national policy addressing itself in a practical manner to the practical needs of the people of Australia today. (Alfred Deakin launching Commonwealth Liberal Party, Melbourne Town Hall, 25 May 1909)

The League is strictly National; it takes in all classes of women, rich and poor. It does not matter what their employment or what their denomination is, if they love Australia, and want to work for her prosperity and for freedom of thought and action, the League will welcome them as members. (Description of the Australian Women's National League inside the front cover of its monthly journal The Woman during the 1930s)

The Liberal Party has never been a party of privilege or sectional interests or narrow prejudice … Liberalism has focussed on national interests rather than sectional interests. (John Howard, 1996 Menzies Lecture)

But there has always been a danger in claiming the unifying, national and consensual for oneself: it is that the party will lose its distinctiveness and become seen simply as a party of the status quo rather than a party offering a positive vision of the nation's future. In projecting all the conflict and divisiveness on to one's opponents, one may also be projecting all the energy and vision. In a new country committed to building a new future
this was likely to prove an electoral liability. This danger was seen early by Liberal politicians. At the interstate conference of Liberal Organisations in 1911 where possible names for a Federal organisation were being discussed, Mr Grogan of New South Wales argued that ‘If you cut out the word “Liberal” you cut out our existence all together. We must hold fast to that name to meet the name “Labour” with its ideals of government with the name “Liberal” with its ideals of government’.9

At the 1910 election, the first election fought with Labor as the chief political opponent, non-labour called itself the Liberal Party for the purposes of the federal election. And in 1944 when non-labour was regrouping to face a popular Labor Party in government the name Liberal was again chosen, to stress the distinctiveness of the political values animating the new party. ‘We took the name Liberal because we were determined to be a progressive party, willing to make experiments, in no sense reactionary, but believing in the individual, his rights, and his enterprise, and rejecting the Socialist panacea’.10 When called on to state the basis of its political identity, the main non-labour party has explicitly drawn on liberalism and this book follows its lead, calling the people who supported Australia’s major non-labour party Liberals, as they have most often called themselves.

The anxiety that they would be seen as reactive to the clear goals and identity of Labor has, however, continued to haunt the Liberals. The Liberal, the monthly paper of the Commonwealth Liberal Party, insisted on referring to the ALP as ‘the Illiberal Party’. ‘A party which legislates in the interests of a class is neither a true Labour Party nor a true Liberal Party. It is the Illiberal Party and it masquerades in the name of Labour.’11 But the name never caught on. While the negative ‘non-labour’ continues to be used to describe the Liberal Party and its predecessors, the Labor Party is never described as ‘non-Liberal’. In 1956 the Federal President, W. H. Anderson, asked whether, despite holding office since 1949, the Liberal Party really had seized the initiative in Australian politics: ‘The great challenge to the Liberal Party is to establish ourselves in the public mind as the national party … to establish a permanent Liberal tradition’. The danger facing the party in the mid-1950s, as he saw it, was that the recent electoral success was the result of both Menzies’ skill as a leader and the failure of the Socialists, rather than of widespread support for Liberalism’s positive values.12 There was always the fear that perhaps Labor lost elections rather than the Coalition won them, and there was continuing aggrieved puzzlement that Labor continued to command such loyalty from its supporters, despite its internal divisions and poor leadership.13
One of the puzzles of Australian political history is the contrast between the organisational weakness and discontinuity of the Liberals and the strength and durability of their electoral support. Despite its four reformations, until 1983 when Labor began its record-breaking term of office, Liberals had governed for fifty-six of the seventy-three years since Federation. Organisational weakness and discontinuity had clearly not prevented them from winning elections, most of the time with strong majorities. One of the arguments of the book is that it is liberalism, albeit broadly understood and with many internal contradictions, that has provided much of the basis of the party’s enduring electoral appeal, that people have voted for the party not just because it has represented their interests but because it has accorded with what they believed. This is an argument which flies in the face of the class-based model which has dominated interpretations of the Australian party system.\(^\text{14}\) According to this model, the parties are to be understood primarily as agents or representatives of economic, class or sectional interests, and the explanation for their varying strengths is to be sought in the strengths of the class interests they represent. On this view, as L. F. Crisp wrote: ‘the Liberal and the Country Parties are first and foremost the instruments of the owners and controllers of private, productive and commercial capital, urban and rural’.\(^\text{15}\)

To see non-labour primarily in terms of its supporting economic interests has considerable explanatory power. It works well for the Country Party (now National), formed to represent the economic interests of small farmers. And it explains many features of the Liberal Party and its predecessors: for example, their financial dependence on business and capital; the characteristic occupations of their members of parliament; the interests to which they are most responsive when in government. Sections of the Liberal Party’s support have clearly been happy to accept an essentially class-based reading of their opposition to Labor. I do not want to argue that such a reading has nothing to offer. It does not, however, explain the strength and durability of the Liberals’ electoral appeal. The economic interests of the majority of the people are simply insufficiently coincidental with those of big business or financial capital. To win in lower house elections Liberals have had to do more than appeal to people’s economic interests, they have also needed to appeal to their values, and to succeed in telling them stories about politics in which they recognised themselves.

Liberal leaders and party propagandists have regularly disputed a description of their beliefs and actions primarily in terms of class-based economic or sectional interests, and have steadfastly insisted that they are based on principles and values, and on a sincere commitment to the good
of the nation. That the class-based Labor Party sees its opponents in its own image is simply further evidence to Liberals of Labor’s fallen moral state; because it is motivated by selfish, sectional class interests, Labor is unable to recognise that its opponents march to the beat of a quite different drum. As The Liberal complained in 1912:

It [the Labor Party] treats the profession by other parties that their politics are inspired by more generous aims, and that what they seek … is the good of the State as a whole … as mere hypocrisy, or at best as obtuse and ineffective good intentions.16

The Moral Middle Class

Closely related to the deafness of political historians to the Liberals’ persistent self-descriptions is the problem of how to understand the Australian middle class which provides the historic core of its electoral support. Australian historians have on the whole been uneasy with the middle class.17 When the middle class does appear in Australian historians’ narratives, it has more often been one of the many factors frustrating Labor’s political goals than as an agent in its right. The middle class is not generally the major villain, for after all most of the middle class are ordinary people; but they enter from stage right as the dupes of larger interests who mobilise their fears and anxieties to block the progress of Labor’s various reforms. How they understand their political actions is only just beginning to be investigated, for example in Marilyn Lake’s work on middle-class feminist activists in the 1920s and 1930s,18 and in Janet McCalman’s Journeyings: The Biography of a Middle-Class Generation, the only full-scale study of the Australian middle class in its own terms.19

One of the reasons for Australian historians’ difficulty with the middle class is the failure to resolve whether the term middle class is an analytical one, part of a schema of social classification Marxist or otherwise, or whether it is a term of self-description. Of course it is and can be both, but it is important in using it to know which is which. In this book I am interested in the middle class as a term people use to describe themselves and in understanding what it says to them about the basis of their political identifications. This is a continuation of the exploration in the first part of my book Robert Menzies’ Forgotten People, in which I argued that the middle class is best understood as a projected moral community whose members are identified by their possession of particular moral qualities,
political values and social skills. Here is how Menzies described the middle class in his 1942 radio broadcast 'The Forgotten People':

But if we are to talk of classes, then the time has come to say something of the forgotten class – The Middle Class – those people who are constantly in danger of being ground between the upper and nether millstones of the false class war; the middle class who, properly regarded, represent the backbone of this country.

'The backbone of this country' is the key phrase here, making the moral qualities of the individual the basis of the nation's identity. However, Menzies does give the middle class a social location: 'salary earners, shopkeepers, skilled artisans, professional men and women, farmers, and so on. They are, in the political and economic sense, the middle class'. And he locates these people firmly in homes they own themselves.

How many Australians did these descriptions fit in the first half of the century? The information on income and occupational distribution for Australia before World War II is scanty, but in 1928 the Commonwealth Statistician's Office produced a table which combined occupation and income to divide the Australian population into four categories. A little more than half the population, including all the occupational categories Menzies listed, were in the top three, and 46 per cent in the bottom category, labelled 'unskilled, unemployed and poor'. The cut-off income for the last category was £400 per annum, just the level of annual income which Stuart Macintyre has estimated was the dividing line in the 1920s between those able to enjoy a comfortable life and those living in the more straitened and precarious circumstances of the inner suburbs. The figures on home ownership present a similar divide. During the nineteenth century Australian rates of owner occupation were high by world standards – between 30 and 40 per cent – and included many working men. For the first half of the century the national home ownership rate was about 52 per cent, although there was a significant variation between country and metropolitan areas. These figures are rough, but they do point to approximately half of the population bearing one or other of the unmistakable markers of middle-class socio-economic status – non-manual occupation and home ownership. For Australians living in the comfortable middle class suburbs these went together, but there were plenty of working class home owners to whom Liberals could pitch their appeal. The electoral record shows that after the Labor Party split in 1916, the combined Liberal and Country Party vote was for the most part comfortably over the 50 per cent mark. Here it appears is confirmation of the class-based model: the
socio-economic attributes of more than 50 per cent of the population easily explains non-labour’s electoral ascendency. Why look further?

This answer may well suffice if all one is interested in is the socio-economic basis of electoral behaviour and party identification, but it is of little use if one is investigating the political self-understandings of people who continually deny that their political commitments are the result of their socio-economic status or class position. The heart of the understanding by the middle class of its political and social role is its moral worth. In its own self-understanding, the middle class is not a class in the Marxist sense at all; that is, it is not a class defined by its members’ economic role, but a class of individuals whose membership of the middle class is the result of their individual attributes and moral qualities. Crucial to the political logic of the way the term operates is that people possess these virtues as individuals rather than as members of a class. The middle class is thus not a class opposed to or in conflict with some other class, as in the Marxist schema, or in the labour movement’s and left historians’ model of class conflict; rather it is a mode of social classification opposed to the very idea of economically based social identity and economically based social classification.26

It is individuals, not collectivities like classes, which bear moral qualities; and a class defined by its members’ moral qualities rather than by their social and economic role is open to anyone who tries hard enough to walk the narrow and respectable path of virtue. Of course these desirable moral, political and social qualities are more likely to be found in some social and economic locations than others, and to be associated with some particular life experiences, but they may turn up in the humblest of cottages. From this perspective it is who you are not what work you do that matters, and to judge a person by their manner of earning their living is deeply offensive. Listen to Liberal MP Jennifer Cashmore describe her parents:

My parents were firmly in support of Menzies and there was much criticism of Ben Chifley, but I never remember Ben Chifley being derided because he was an engine driver. It really galls me when I hear people deride Liberals because they are allegedly rich farmers. To my mind it’s not what a person does it’s what a person is that counts.27

Contemporary Liberals would describe the moral basis of their political beliefs in terms of values. This is an anachronistic weakening of the moral thinking inherent in their political tradition. It was on virtues rather than values that Australian Liberalism was based. The term values implies attitudes and opinions held by the self and detachable from it; ‘virtues’ are
constitutive of the self, part of its character or very nature, and immune from the relativising morality inherent in the concept of value. As the historian of Victorian social thinking, Gertrude Himmelfarb, wrote: ‘One cannot say of virtues, as one can of values, that anyone’s virtues are as good as anyone else’s, or that anyone has a right to his own virtues’. Where values could be changed or abandoned, virtues abided. It was their virtues not their values which underpinned the prewar middle class’s claim to political power, as well as the fierceness of their opposition to political organisations and individuals they saw as bearers of political vice. To describe the moral foundation of Liberals’ political commitments as values fails to capture the strength of these underlying moral commitments and their connection with people’s sense of identity, as well as the moral urgency of political conflict for many of its protagonists.

Janet McCalman has described the middle class as an aristocracy of virtue. Middle-class children were brought up to be good, responsible, virtuous members of society, able to put aside the interests of the self for the greater good. Their social privilege carried social responsibilities: ‘from those to whom much is given much will be expected’. It was the middle class which thus had both the capacity and the responsibility for social leadership. This self-ascribed moral virtue was the basis of the middle class’s view of itself as the proper holder of political power. The Services and Citizens Party, one of the shortlived groups which sprang up between the electoral collapse of the United Australia Party (UAP) in 1943 and the formation of the Liberal Party a year or so later, described the middle class as ‘that cross section of the community which is fundamentally sound and fit to govern’. The argument that the virtues of the middle class particularly fitted it for a political role had its roots deep in the nineteenth century’s understanding of the relationship between character and good government. For the middle class it was its members’ proven capacity in the arts of self government which fitted them for the tasks of governing others, and it was self-evident that it was their soundness of character which was the basis for the soundness of the State. As John Stuart Mill explained in Considerations on Representative Government:

If we ask ourselves on what causes and conditions good government in all its senses, from the humblest to the most exalted, depends, we find that the principal of them, the one which transcends all others, is the qualities of the human beings composing the society over which the government is exercised.

For Mill, ‘the problem of character is the determining issue of the question of government’ and the provision of the circumstances in which character