

Australia's Liberal inheritance sinks from view

By Maurice Newman, *The Australian*, 22 May 2017

Watching the Prime Minister and his parliamentary colleagues give a standing ovation to Scott Morrison as he concluded his budget speech was like watching the band on the Titanic playing as the ship slipped beneath the waves.

This budget would have the fathers of the Liberal Party spinning in their graves. Their party was founded on laissez-faire economics. It was the party that embraced the four freedoms of the Atlantic Charter: freedom of speech, freedom from fear, freedom from want, and freedom of religion. It was the party that believed in small, less interventionist government, lower taxes and a contained public service. Although attachment to these ideals weakened with the passing of time, it was still in the party's DNA.

No more. Aside from the budget, the applause might also have celebrated the moment when the Turnbull Coalition team proudly cut itself adrift from the constraints of those very philosophical principles.

From the moment Malcolm Turnbull and his mercenary parliamentary cohort decided, despite the transaction cost, to follow Labor's cynical execution of a first-term prime minister, the die was cast. Certainly, with a near death election experience behind him, Turnbull has crafted a budget free of Liberal values and the critical spending disciplines proposed in the Abbott government's first budget. Perhaps his much criticised pre-election behaviour was really him biding his time until after the election when he would be free to express his socialist instincts?

Transactional politics now reins supreme. The budget contains predictable gestures to questionable "nation-building" infrastructure projects. Its pragmatism is devoid of a consistent economic narrative. Unforgivably, it capitulates to the parliament's forces of darkness by betraying future generations. Indeed, since the leadership change, no one in government has pursued intergenerational equity. Rather than persuade voters of the merits, the government chooses to meekly surrender to recalcitrant senators. Better to kick the political can down the road and change the focus from spending to revenue.

What better excuse for a revenue-hungry, opportunistic, treasurer to abandon capitalist principals than to mount a breathtaking smash-and-grab on five banks? Money lenders have never been popular, but any parliament willing to resort to the politics of envy to justify discriminatory taxes is signalling that nothing is beyond reach.

Despite the best efforts of the commentariat to laud the budget's pragmatism, the latest Newspoll indicates the people think one Labor party is enough. Unfortunately for the Liberals, the people don't think it's them. They know this budget is a fiction that relies on hope and creative accounting.

Morrison may be optimistic about the world economy but the reality is, Europe aside, year-to-date data flow for America and China, the world's two largest economies, is less than inspiring. Real US GDP has been negative in two of the past four months and China's growth continues to slow. We are in the final quarter of a game already into extra time.

Still we are asked to believe that a surplus will be magically achieved in 2021 when at home, regardless of the global economy, we are seeing negative real wages reducing revenue and

adding further stress to already fragile household balance sheets. Worse, the budget itself adds to economic headwinds. No wonder no one talks about retiring ballooning debt.

Time will tell. But the rejection of the Liberals' 2014 budget, not least the philosophy behind it, may well go down in history as the critically missed opportunity that ended the commonly accepted expectation that each generation would do better than the one that preceded it.

The party line is that most Coalition MPs accept that this budget is the one they had to have, not necessarily the one they wanted. Where then would they draw the line? They can't be unaware that after decades of Robin Hood policies we face the greatest wealth inequality, ever.

This budget is a wonderful victory for the left. It demonstrates what is possible with conviction, persistence and a complacent opposition. Having bullied its way into most of our institutions, the left now controls the intellectual Holy Grail of the parliament itself. Tony Abbott was its final hurdle. His advocacy didn't create the left's hatred of Liberal policy and objectives, it simply revealed them. Having achieved his removal, Labor and the Greens can now prosecute their policies, reorder our values and move the debate further left.

The younger generation seems particularly open to leftist ideas. It has been indoctrinated at all levels of education to view economic growth as an undesirable and unsustainable objective. It has little familiarity with free markets and has grown up in a society addicted to debt. It is not wedded to thrift, personal responsibility or democracy and sees no stigma in welfare. The Liberal Party has now validated this socialist mindset that makes retreat difficult.

Recent experience in Europe and Venezuela cuts no ice. Better to give in to grievances and buy off the electorate than take practical steps and political risks to insure against poverty and misery. It will be of no consolation to future generations that this government is less bad than Labor. Or that senators are more interested in spending than fiscal responsibility. They will be stuck with the bill.

While no longer fashionable, the Liberal manifesto fundamentally outlined by Sir Robert Menzies 75 years ago in his "Forgotten People" speech needs urgently to be relaunched. The party's founders understood that the fruits of collectivism are enjoyed by elites and never the working class. They knew economic prosperity, individual responsibility and upward social mobility are the only genuine bulwarks against the very tyranny Australia was at war against. Yet in these days of foolish promises, this is never explained. Rather, the elites airbrush them from history as today's leaders sacrifice liberty for power.

Who now will champion our freedoms?