

Australian Labor Party conference meets "under the gun"

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The leadership of the Australian Labor Party gathered in the Tasmanian capital of Hobart last week for the ALP's 42nd national conference amid an air of considerable crisis.

The days leading up to the conference were marked by media speculation about the political survival of the ALP leader, Kim Beazley—a former Hawke and Keating government minister who has now served as Opposition leader for nearly five years.

Beazley was "Under the gun" according to a headline in Rupert Murdoch's national daily, the *Australian*. The article referred to Beazley as "blancmange under pressure," lambasting him for "being likeable" but lacking resolve and policy.

The newspaper's editorial was more explicit. "Kim Beazley has to demonstrate that he has a practical vision for the country while exerting positive and decisive leadership in the inevitable disputes—on the conference floor and behind closed doors," it stated. "If not, he can wave goodbye to his hope of becoming prime minister."

The ALP conference was crucial for Beazley, the *Sydney Morning Herald* insisted. He needed "to appear confidently and clearly in control of a party that is always threatening to implode".

Three weeks before the conference a public brawl erupted when the man anointed to take over the ALP's national presidency, New South Wales right-wing party boss and Special Minister of State John Della Bosca, effectively blew apart the ALP's central policy orientation for next year's federal election.

Della Bosca gave an interview to the *Bulletin* newsmagazine, the flagship of media magnate Kerry Packer, in which he aired his disagreements with Beazley's policy of a partial "roll-back" of the Howard government's Goods and Services Tax (GST). For good measure, Della Bosca also described Beazley as indecisive.

For several months Beazley had made the GST "rollback" the axis of ALP policy, seeking to capitalise on popular hostility to the new 10 percent consumption tax. At the same time the ALP was committed to retaining it. Beazley's "rollback" policy remained vague and unspecified, with no detail as to which aspects of the tax would be modified. Della Bosca's criticism was that Labor should stop trying to appeal to "rust bucket" voters, namely workers in industrial areas devastated by factory closures, and instead compete with the government in attracting a new social base—the "aspirational Australians", those upper middle class layers who have enriched themselves through rising share and property values.

Della Bosca's comments became the catalyst for demands that the ALP drop Beazley's "negative" stance and adopt "positive" policies. The *Australian Financial Review* told Beazley he "should be planning an election strategy that relies on more than scare-mongering about the GST".

While Della Bosca was forced to do temporary penance and withdraw his candidacy for the ALP presidency, reports began to emerge of at least one faction in the ALP discussing dumping the "old guard"—Beazley and his deputy Simon Crean—to make way for "young Turks" such as shadow

finance minister Lindsay Tanner and former education spokesman Mark Latham. The *Australian* ran a front-page story that right-wing NSW Premier Bob Carr planned to shift to federal politics, where he could conceivably replace Beazley. Carr denied the report the next day.

From day one, the Hobart conference showed that the Labor leadership had heeded the message. Beazley's opening speech dropped all reference to the GST "rollback". Della Bosca was feted, re-elected without challenge to the ALP national executive and allotted a place on the election strategy team.

Every aspect of the conference was orchestrated to portray a unified image, with Beazley and Crean firmly in command. Throughout the four-day event there was only one vote on the floor. Most of the 189 conference delegates—all but a handful were full-time politicians, trade union officials and party bureaucrats—had no prior knowledge of the policies presented, which were adopted after set-piece speeches and no debate.

There was not even a vote for the national executive. After a complex series of backroom deals, the ballot was aborted. Three new national vice-presidencies were simply added to make room for factional leaders who faced being squeezed out of the party's governing body.

In fact, the delegates became so accustomed to the absence of voting that when the time came for a show of hands on the one exception—a protectionist trade union resolution advocating "fair trade" instead of "free trade"—the ALP's outgoing national president Barry Jones was obliged to remind them about the procedure. "For delegates who have forgotten, this is what we call a vote," he joked.

The outcome, like everything else, was known in advance—a comfortable majority for "free trade". As soon as the result was announced, Beazley strode the length of the conference room to shake hands with the mover of the "fair trade" amendment, Australian Manufacturing Workers Union national secretary Doug Cameron. The message was loud and clear: here was a leader capable of delivering what the markets demanded.

The main activity of the conference was conducted in dinners, breakfasts and briefings by ALP heavyweights with the eighty-eight business observers, who each paid \$5,000 for the privilege. Most of Australia's major banks and finance houses, media empires, mining companies and industry groups sent senior executives or lobbyists, some of them former Labor MPs.

Dissatisfaction with the leadership of both the Liberal and Labor parties has been growing steadily within ruling circles. In February, the *Australian's* international editor Paul Kelly wrote an essay entitled "National Disgrace", deriding Beazley as "weak" and Liberal leader Howard as "the most knee-jerk, poll reactive, populist prime minister in the past 50 years".

Both men, according to Kelly, were indulging in populist rhetoric that was incompatible with the "economic reform" agenda—tax restructuring, industrial relations changes and privatisation—required by the global

markets.

“Our leaders can't manage the new politics necessary to get good policy and carry people with them,” he concluded. “There is a danger in Australia that the political class will become a menace to the national changes necessary to make globalisation work.”

By “the new politics,” Kelly explained, he meant the “Third Way” advocated by Tony Blair and Bill Clinton—a combination of economic reform and policies of “social inclusion” that served to create a “society that feels better about itself”.

The reality, however, is that the “Third Way” is an illusion, a massive public relations exercise aimed at selling policies that actually exacerbate social inequality, poverty and economic insecurity.

It has only succeeded, for a period, in the US, Britain and Germany, because it was touted by political leaders who replaced longstanding and deeply unpopular conservative governments. Clinton, Blair and Schroeder all promoted the “Third Way” as the alternative to Reagan and Bush, the Tories and Kohl.

The problem for the bourgeoisie in Australia is that this is an experience that has already been had. In many ways, it was Australian Labor governments that pioneered the “Third Way”. Based on a partnership with the trade unions, they implemented economic deregulation from 1983 until 1996, while claiming that ordinary people would benefit. In 1996, after 13 years during which living standards and working conditions declined dramatically for ordinary working people, the ALP was dumped from office in a landslide.

Since then, it has faced the difficulty of having to refashion its image in the face of deep distrust and a vast decline in membership.

Beazley, a leading right-winger and cabinet minister throughout the Hawke-Keating years, assumed the leadership, trying to project a “more caring” persona. Previously, as Defence Minister, he had earned the nickname “Bomber Beazley” for his enthusiastic advocacy of greater military spending. As Finance Minister and Deputy Prime Minister under Keating, he had supervised the privatisation of the Commonwealth Bank and deeper cuts to social spending.

During the 1998 federal election campaign Beazley exploited mounting animosity to the Howard government's gutting of social services and came within a few thousand votes of taking office.

But now the ruling elite is making clear that Beazley's newfound “compassion” must be combined with an unambiguous adherence to the dictates of global capital.

This is the key to the ALP's new platform, launched at the conference. To considerable fanfare, Beazley unveiled its campaign theme of “Opportunity and Fairness” with the slogans “Health, Education, Jobs”.

On the one hand, the platform marks a further shift to the right. Not only will the Howard government's new tax system be maintained, but Labor will also retain Howard's 30 percent rebate on private health insurance fees—a subsidy worth more than \$2 billion a year to the private funds and those who can afford private coverage.

Moreover, there will be no reduction in the funds handed over to private schools, which have expanded rapidly under Howard. Likewise, Howard's “work-for-the-dole” schemes and other “mutual obligation” programs, designed to force the unemployed and welfare recipients into cheap labour, will continue.

The ALP conference also adopted some of the Howard government's social policies. In a backroom deal, only unveiled on the final day, the conference agreed with the mandatory jailing laws in Western Australia, Beazley's home state, while formally opposing similar mandatory sentencing legislation in the Northern Territory.

On the other hand, Labor's platform advocates a major investment in social infrastructure, notably education and health. But here, too, the focus is on winning support from “aspirational” voters.

Beazley spoke of creating a “knowledge nation” but the few details he

gave were mostly of schemes to boost scientific and technological research and the use of the Internet, rather than to assist public education. Borrowing from Blair's “Third Way” he proposed private sector involvement in improving schools in deprived “Education Priority Zones”—which in Britain have proven to be a form of creeping privatisation.

Beazley also promised to “inject the funds necessary” to ease the crisis in public hospital emergency departments and to work with the state governments to increase public health spending. Again, no amounts were specified. Instead, the federal and state governments would strive to eliminate “duplication” and “cost-shifting”.

Beazley concluded the platform's launch by emphasising that any increases in government spending would be modest and would be funded without any tax increases for high-income earners. He gave “an absolute commitment to fiscal responsibility”.

The mere suggestion of additional spending on public health and education initially drew fierce condemnation in the media. An editorial in the *Australian* thundered against plans for “big government”. The *Australian Financial Review* denounced Beazley for issuing a “big spending” blueprint. The *Sydney Morning Herald* accused him of “Whitlamism,” referring to the Whitlam government of 1972 to 1975 that introduced free universal medical treatment and expanded the education budget.

By the end of the conference this commentary was somewhat tempered. Paul Kelly wrote in the *Australian* that Labor's platform of “greater public sector investment in the name of fairness and opportunity” was critical to its political appeal.

His comments point to the fundamental dilemma facing not only the ALP but the political establishment as a whole: how to forge a social base of support for a program that is incompatible with the interests and concerns of the majority of the population.

The ALP conference revealed, once again, how the policies of the major parties are shaped by the powers-that-be.

The extent of this process was highlighted on the final day in a speech by the retiring ALP president. Barry Jones, a cabinet minister under Hawke, said the party had come far during his 50 years as a member. Regarded as a rabid right-winger in the 1960s, attempts had been made to expel him from the ALP. “Now I find it hard to identify anyone—even [union leader] Doug Cameron—who is to the left of me,” he correctly observed.

Nevertheless, the underlying problem remains: the ALP, like the Liberal party, has become nothing more than a bureaucratic shell, facing growing hostility in what is becoming a highly volatile political situation.



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