

Australia: Media promotes Labor's Mark Latham

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23 August 2003

Only two months ago, Australian Labor Party leader Simon Crean survived a party room leadership challenge by his predecessor Kim Beazley. The mainstream media initially boosted Crean's win as an act of political tenacity. But with his opinion poll ratings languishing at abysmal levels—currently 19 percent—there are signs that media outlets are casting around for an alternative leader.

Most notable was a recent interview with Mark Latham, Crean's newly elevated treasury spokesman, in Murdoch's *Weekend Australian*. "Mark Latham, the new shadow treasurer, is evolving into his next phase—as champion of an updated brand of Labor economic reformism," former editor Paul Kelly enthused. "He places himself directly in the Hawke-Keating 1980s tradition. Latham intends to take Hawke-Keating economic reformism to its next stage."

Significantly, Latham praised the "fiscal discipline" of Howard's initial 1996 budget, which made unprecedented cuts to government spending on education, health and social services, provoking mass opposition. Since then, Latham asserted, the government had backed off, and become wasteful and extravagant, squandering \$90 billion from the budget bottom-line.

"It has been a big-spending government over its last seven budgets," Latham told Kelly. "When we establish our razor gang, there is a lot to be cut into." According to Kelly, Latham intends to axe spending regardless of "squeals from industry and community groups".

Latham's remarks echo those of Murdoch and other business leaders, who have accused the government of retreating from key economic demands, including the further gutting of social spending. Under corporate pressure, Howard introduced a Goods and Services Tax in 1999, shifting billions of dollars in taxes from high-income earners to low-paid consumers. But apart from that, the government has failed to deliver the big-ticket items demanded by business, such as the full privatisation

of the telecommunications company Telstra, the removal of media ownership restrictions and the abolition of unfair dismissal laws.

Latham is seeking ways to portray a new round of "economic reform" as benefiting ordinary working people. He identifies himself as an adherent of the "radical centrism" pursued by British Prime Minister Tony Blair and former US President Bill Clinton. His interview featured a proposal, borrowed from the Blair government, to allocate every newborn child an investment account that would mature at age 18.

According to Kelly, Latham's plan is a step toward the "stakeholder capitalism" once espoused by Margaret Thatcher. Its stated aim is to create "a society of owners, not just a society of workers" and "democratise economic ownership," supposedly ending the class divide between capital and labour.

In reality, Latham's proposals would help dismantle what remains of welfare and education entitlements and allow market forces to dictate these needs, inevitably widening the class gulf between working people and the wealthy. The "nest egg accounts" could not be freely spent—the funds would be tied to purchasing education, employment training, housing or investments.

Latham labelled his plan "the youth equivalent of superannuation". Compulsory superannuation, which Hawke and Keating introduced, has effectively forced growing numbers of workers to fund their own retirements. Latham's scheme would accelerate the privatisation of education and other essential services, requiring individual families and their children to pay their own way.

Under the banner of "consensus" and an Accord with the trade unions, between 1983 and 1996 Labor carried out the demands of global markets for the ripping up of jobs, living standards and basic services. The results shattered Labor's former base of electoral support in the

working class and paved the way for Howard to take office in 1996 and deepen the assault on social conditions.

Since 1996, Labor has lost two further elections to Howard's conservative Liberal-National Party Coalition. Beazley, a senior cabinet under both Hawke and Keating, unsuccessfully sought to distance himself from their legacy.

Latham, by contrast, has sought to fashion a more right-wing alternative, based on the "self-provision" of education, health and employment services, and the imposition of "reciprocal responsibility" on all welfare recipients to repay—or work for—any benefits.

In 1998, he published a book, *Civilising Global Capital*, arguing that such measures were dictated by the globalisation of capital and the collapse of Labor's former perspective of securing social concessions within a protected national economy.

Beazley, however, balked at adopting one of Latham's key proposals—self-funded tertiary education—during the 1998 election campaign, fearing the hostile response of parents, students and academics. Latham then refused to serve in Beazley's shadow cabinet and remained on the backbench until after the 2001 election.

Since rejoining the frontbench under Crean, Latham has presented himself as an aggressive, name-calling opponent of the political, media and corporate establishment in a crude attempt to recover Labor's support among working people. Earlier this year, for example, he labelled Prime Minister John Howard an "arse-licker" for joining the Bush administration's war on Iraq.

Latham explained his antics in a volume of speeches published in June under the title *From the Suburbs: Building a Nation from our Neighbourhoods*. Asking, "what should Labor now stand for?" he answered, "we need to be anti-establishment". Demagogically describing ordinary people as "outsiders," he declared: "The outsiders want us to shake the tree, to rattle the cage on their behalf. They want us to be less respectable and less orthodox, breaking down the powerful centre of society."

Latham is trying to trade on his childhood in the Green Valley public housing estate in Sydney's working class western suburbs to identify himself as an "outsider". In reality, with the backing of the New South Wales right-wing Labor machine, he has been a full-time Labor Party functionary throughout his entire adult life.

The renewed speculation about Crean's political future points to underlying concerns in ruling circles about the discredited state of the political system itself. While Labor

occupies office in every Australian state and territory, essentially implementing Howard's program, the party has been reduced to an empty shell, with a dwindling membership dominated by competing factional cliques.

There are fears within the business and media establishment that without a viable Labor Party, there is no safe channel to divert mounting social tensions produced by mass unemployment, economic insecurity and deteriorating public services. The deep-going opposition to Howard's government has been exacerbated by its unconditional backing for the US invasion and occupation of Iraq and the exposure of its "weapons of mass destruction" lies.

The danger signs erupted to the surface last February, when more than one million people marched against the US-led war, yet the opposition Labor Party, which embraced the weapons of mass destruction lie, was nowhere to be seen. When Crean emerged to address an anti-war rally in Brisbane, he was jeered off the stage.

Howard's portrayal in the media as politically impregnable is a direct outcome of the lack of any opposition to any of the government's policies—participation in the war against Iraq, support for the "war on terrorism", assault on democratic rights, the Solomons intervention, mandatory detention of refugees, privatisation of health, education and welfare, casualisation of jobs—from the Labor Party. But his recent decision to stay in office for at least another 18 months, rather than hand over to his deputy, Treasurer Peter Costello, reveals nervousness in the ruling elite about the lack of any plausible replacement.

Latham's promotion as a "reformist" leadership candidate capable of dressing up the next stage of economic restructuring with "anti-establishment" rhetoric is a symptom of the depth of the crisis wracking the entire political order.



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