

Australian Labor lurches to the right after election debacle

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In the aftermath of its rout in the October 9 federal election—its fourth consecutive defeat—the Australian Labor Party (ALP) has lurched even further to the right. While Labor lost seats, John Howard’s conservative Liberal-National Party Coalition strengthened its hold in marginal areas and commands a majority in the Senate, giving it control of both upper and lower houses.

After going to ground for days, Labor leader Mark Latham emerged last week to signal he had learnt the lesson of the debacle. According to Latham, the financial media and corporate interests had punished Labor for his ambivalence, in the course of the campaign, about backing their agenda. Earlier in the year he had won their support in his bid for the party leadership. At that time, Latham had pledged to deepen the free-market agenda carried out by the Hawke and Keating Labor governments in the 1980s and early 90s, and to promote so-called “self reliance” to dismantle what was left of social welfare.

Sending an unmistakeable message about his future intentions, Latham has promoted pro-market right-wingers to key positions in his new shadow cabinet. Former shadow Minister for Family and Community Services Wayne Swan was appointed shadow Treasurer and Stephen Smith shadow spokesman for industrial and labor relations. Both policy areas have already been earmarked for a major shakeup.

Fellow right-winger Robert McClelland, an outspoken supporter of Howard’s anti-democratic anti-terror laws, was retained as “homeland security” spokesman and also becomes shadow defence minister, while Kevin Rudd, an ardent defender of the criminal occupation of Iraq and a figure favored in Washington circles, remains shadow foreign affairs minister.

Meeting over two days last week, Latham’s new shadow cabinet lost no time in announcing a “review” of the party’s election policies. The purpose of this was to lay the basis for a new level of bi-partisanship with the Howard government.

Setting the tone for the gathering, Swan told the media: “It’s very important in the Labor Party for us to all understand that creating wealth is just as important or more important as how we spend it, because we can’t provide essential services unless we can create the wealth in the first place.” The very same rationale was used by the Hawke government, when it came to

power in 1983, to bring about the greatest ever redistribution of wealth from the working class to corporate profits.

One issue high on the agenda was the highly qualified promise Latham made last March to pull Australian troops out of Iraq by the end of the year if Labor won office. Having kept silent throughout the campaign on Howard’s lies about WMD and so-called links between Saddam Hussein and Al Qaeda, Latham is now preparing to drop all talk of troop withdrawal. This is essential for Labor to extend its unqualified support to the current troop commitment and to endorse demands from Washington, should they arise, for further Australian participation in the next months.

What will be retained is Latham’s tax and family package which slashes benefits to the most impoverished sections of the working class—those living on incomes of less than \$30,000 a year. The policy is in line with Latham’s “welfare to work” perspective, designed to drive people off welfare and force them into low wage jobs. One frontbencher told the media that “it was a good policy but “too complex to sell” from opposition. “It’s the kind of thing you need to do from government.”

Also remaining will be Labor’s “schools” policy, which purportedly redirects funds from wealthy schools to poorer private schools, and its “Medicare Gold” proposal, which promises free hospital care to people over 75. For all the talk about “fairness” and “equity” the schools policy nevertheless continues to fund private schools at the expense of public education, while “Medicare Gold” will serve to funnel further government funding to private hospitals and away from public health facilities.

Openly catering to the demands of the media barons, the meeting reportedly looked “favorably” at the government’s proposed relaxation of the cross-media and foreign ownership rules, opening the way for even greater monopoly ownership of media resources.

Labor will also jettison its limited eleventh hour promise, made on the eve of the election in order to win Green preferences, to review the logging of old growth forests in Tasmania. The party’s claim that it will emphasise the protection of forestry jobs rather than conservation is nothing but a cover for its outright accommodation to the timber and

logging companies.

Latham also signalled an overhaul of Labor's industrial relations policy. Speaking on the eve of the shadow cabinet meeting, Latham told the media: "In the past (election) campaign there've been criticisms by the business community that our policies haven't been flexible enough. We've got to take those criticisms seriously and I want Stephen [Smith] to engage with the business community in a thorough and comprehensive review of our industrial relations policy."

Smith's first act as the opposition's new industrial relations spokesman was to welcome the recently released Productivity Commission report calling for a new wave of "competition reforms," including reviewing media laws and changes to industrial relations laws. The report also called on the government to consider breaking up the national communications carrier, Telstra, before selling its remaining 50.1 percent share.

Smith declared that the report "delivers a clear message about the need for more reform", and added: "It's redolent throughout the report and the comments of the chairman of the commission that the government has been complacent about the next level of productivity gains we have to make in Australia. The commission's draft report provides a good vehicle for keeping them up to the mark and also to enable Labor to further develop its policies in this area." In other words, Labor is not only preparing to back new regressive legislation, it is offering itself as a whip to ensure the government does not stall on the "reform" agenda.

Later Smith confirmed that he was prepared to consider the "detail" of Howard's proposal to abolish unfair dismissal laws for small business, as well as other sweeping industrial relations changes attacking workers' rights. Following the meeting he told the media: "I'm in the market place for a detailed discussion on these matters."

To make the message crystal clear, former Labor senator and right-wing ALP national president Stephen Loosley wrote in the October 27 edition of the *Australian*: "It is critical that Labor reassert the primacy of the Hawke-Keating legacy. The foundations of our prosperity and the success of the Howard-Costello years are built upon decisions taken to modernise and liberalise the Australian economy under the ALP. No less a figure than the Prime Minister has acknowledged the centrality of these original decisions. Latham has had no difficulty in honouring his predecessors' preparedness to dump ideological baggage and move into the centre ground on policy."

Other sections of the Labor party, however, are deeply concerned that the open pursuit of such an agenda carries great dangers. Support for the party in its traditional working class heartland has already collapsed and there are fears that, under conditions where opposition intensifies to the Iraq war and militarism abroad, and growing social inequality at home, it will erupt outside the framework of the parliamentary system altogether.

In the wake of the election defeat former ALP federal president and "left" Barry Jones told the media: "The (Howard) government is morally bankrupt—and we are not too far behind." He went on: "given the choice between two conservative parties, voters reasonably chose the real one". "Labor lacks a set of core beliefs. We must identify and promote them." Unable, however, to explain what these might be, Jones was reduced to complaining that "we failed to set out Labor's strong economic credentials from the Hawke-Keating years".

Writing in a similar vein in the *Sydney Morning Herald*, ALP federal president and leading "left" Carmen Lawrence acknowledged the "rot infesting both political parties", and warned, "political parties are essential to the functioning of modern democracies, ours included". By "modern democracies" Lawrence was referring to the system of capitalist exploitation and class oppression operating behind the smokescreen of parliament.

She went on to lament: "Many people of goodwill are looking to Labor to recapture its central role in Australian political life and to stimulate debate about the future direction of our country beyond the appeal of short-term self-interest." She called for people to join Labor to "help generate the culture of progressive ideas".

Generating progressive ideas in the Labor Party would be akin to attempting to breathe life into a corpse. The basis for Labor's old national reformist program—gaining a limited redistribution of wealth from profits to social services and improvements in workers' living standards—has long been shattered by vast economic changes associated with the globalisation of production and financial markets. One would have to go back more than 30 years, to the first years of the Whitlam Labor government, to find the last time Labor enacted a genuine social reform.

The primary lesson of Labor's debacle in the 2004 election is that it cannot be revived. The Labor party in no way defends or articulates the interests or aspirations of ordinary working people. Having created the conditions for the return of the Howard government it will now function as Howard's handmaiden in implementing his agenda. The Socialist Equality Party intervened in the election to advance the only genuine alternative to war and social reaction: the building of a new political party, entirely independent of the two-party system and firmly grounded on socialist and internationalist foundations.



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