

# Australia: Labor's crisis deepens as its new leader resigns, and quits politics

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Yet another leadership change is underway in the Australian Labor Party (ALP) following the resignation of federal Labor Opposition leader Mark Latham on January 18. The change will be the third since former Labor leader Kim Beazley resigned after the ALP's federal election defeat in 2001.

Latham has not only resigned from the party's top position, he has quit politics altogether. His decision comes little more than one year after he was propelled into the leadership, backed by a media campaign heralding his rapid ascendancy as "generational change" and hailing him as a serious candidate for prime minister.

At a brief press conference—held not in the ALP caucus room but in a small park near his home—a dejected Latham claimed he was quitting because of ill health. The brief statement marked his first public appearance since he embarked on annual leave over the Christmas break, during which time he reportedly suffered a second bout of pancreatitis. His first bout occurred in August 2004, just prior to last October's federal election. At that time he insisted he had fully recovered and was "ready to lead".

Latham's total absence over the last weeks became all the more conspicuous when he failed to make any public statement on the tsunami disaster that devastated several Asian countries on December 26. It appears that he could not even be reached by leading party colleagues. The disappearance marked a continuation of Latham's erratic behavior since the election defeat, which left him disorientated and in a deepening state of crisis.

In the days prior to his announcement, both the Labor Party and the media launched a concerted campaign to push Latham into resigning. His silence on the tsunami saw a barrage of speculation as to his whereabouts and suggestions that, rather than recovering from an illness, he was holidaying at a popular holiday resort. Then followed interviews with three Labor state premiers demanding he clarify his intentions. One of them pointedly commented on the Labor leader's "invisibility".

In his statement to the press, Latham made clear that he had been subjected to "a media frenzy" and had been put under pressure by a number of colleagues to make a statement. "While I had planned to reassess things at the end of my leave period on January 26, the ongoing speculation is damaging the party and needs to be dealt with now," he said.

While Latham has an illness, his departure from the scene and his inexplicable silence at the time of one of the region's greatest disasters is the culmination of a political crisis that has enveloped him since he led Labor to defeat last October. The party not only

lost seats and saw its primary vote plunge to 37.65 percent—Labor's lowest in the past three quarters of a century—but John Howard's conservative Liberal-National Party Coalition strengthened its hold in marginal areas and won a majority in the Senate, giving it control of both upper and lower houses.

The defeat was particularly shattering for Latham. Having been lavishly flattered by the media during his bid for leadership as well as in the months prior to the election, he had begun to consider himself a man of destiny, capable of leading Labor out of the electoral wilderness. The favorable media coverage, especially from the Murdoch press, was not because of his supposed statesman-like qualities, but because of his right-wing, regressive social policies, which openly repudiated any return to Labor's reformist past.

The other body blow to Latham's inflated ego was that he lost the election precisely in those electorates he had identified as his social base. Central to his campaign was a strategy of appealing to the so-called "aspirational" and "upwardly mobile" voters residing in the "mortgage belt" suburbs of the major cities. It was here that Latham pitched his nostrums about a "ladder of opportunity for all Australians". In reality, behind his "opportunity for all" rhetoric was the argument that individuals, not society, should be responsible for providing for their health, education and welfare. The unemployed and welfare recipients—portrayed by Latham as "free loaders"—should be forced to give up "welfare dependency" so they could climb the social "ladder".

Latham's strategy of winning the mortgage belt, however, fell apart when Howard ran a scare campaign that interest rates would increase if Labor were elected to government. This had a definite impact on masses of struggling homebuyers who, weighed down by large mortgage repayments, were anything but "upwardly mobile".

More profoundly, Latham's demise is a metaphor for the collapse of the Labor Party as a whole. The entire party had pinned its hopes on Latham bringing it back into office or, at the very least, making significant inroads into Howard's majority. Labor parliamentarians and other party hacks, impressed by the media backing, temporarily put aside their personal and factional rivalries to fall in behind him.

But Labor could not be "revitalised", or its terminal decline overcome, by a change of leadership. The unprecedented fall in Labor's electoral support, and the massive erosion of its base in the working class, are products of the collapse of its old national

reformist program, i.e., the perspective of advocating limited reforms within the framework of the profit system.

Sweeping changes in world economy bound up with vast developments in computer technology and the globalisation of all aspects of production have undermined the very foundations of reformism and transformed the Labor Party into an open agency for the dismantling of all the past gains of the working class.

This was why Labor could not distinguish itself in any significant way from the Coalition in the election campaign. It extended bipartisan support to Howard's tax cuts to the rich, aligned itself completely with the so-called "war on terror", backed the introduction of new draconian anti-democratic laws and, above all, buried the issue of the Iraq war, including the blatant lies used by Howard to justify joining the criminal invasion.

Despite fawning over Latham just months earlier, neither the business nor media establishment has wasted time shedding tears over his demise. With his political corpse hardly cold, Latham is already considered yesterday's man. Sections of the ruling elite are deeply worried, however, about the ongoing collapse of Labor and its political consequences for the two-party system. They fear that without a seemingly viable opposition there will be no safe channel to divert the mounting social tensions produced by mass unemployment, economic insecurity and deteriorating public services.

With this in mind, the major media outlets are insisting that Labor resolve the leadership question promptly, demanding the "no fuss" installation of former federal leader Kim Beazley. In its January 19 editorial, the *Sydney Morning Herald* (SMH) called for a "quick transfer of leadership to Mr Beazley, to stabilise the ship" and proclaimed, "Our political system demands a strong Opposition, and there is no sign of that given the parlous state of the Labor Party". Even though Beazley led Labor to electoral defeat in 1998 and 2001—the 2001 election was widely considered to be "unlosable" for the ALP—the SMH editorial lauded him as a leader that had taken the ALP "close to victory in two federal elections".

Beazley—who has contested every leadership spill since he resigned to the backbench following the 2001 defeat—lost no time in nominating himself for the leadership position. Pointing to a "deep desire for unity, for stability and for experience in the Labor Party", Beazley declared "And I can bring that with energy."

Addressing himself directly to major corporate interests, Beazley went on to assure them he had "learnt a lot" from his time on the backbench. "I have not changed my principles or values but I have changed my approach." He was referring to the period of his leadership when he sought to distance himself from the naked pro-market policies pursued during the 13-year rule of the Hawke-Keating Labor governments, and tried to win back popular support by resurrecting the myth of Labor as a "caring" party. Beazley's strategy at the time was to refer constantly to social issues, while avoiding any commitment to concrete solutions.

Nevertheless, powerful layers of the corporate elite became increasingly annoyed by Beazley's populism and so-called "small target" politics. It was with this in mind that Beazley insisted that Labor, under his renewed leadership, would play the role of loyal

opposition, ensuring a clear road for the Howard government's new round of economic and industrial "reforms". "This is a Government that has to be rigorously kept to account," he said. "The Labor Party in opposition is now more vital than ever."

Just to make sure the necessary "lessons" had been learnt, Murdoch's *Australian* ran an editorial on January 25 admonishing Beazley for his past misdemeanors, and declaring that: "Mr Beazley dragged Labor, which had heroically opened up production and the financial markets under Bob Hawke, back down the cul-de-sac of protectionism", and "it was under Beazley that Labor adopted opposition for opposition's sake in the Senate, dealing itself out of the reform game and drawing a curtain on the Hawke-Keating achievements".

Proclaiming that there was still the "possibility of redemption," the editorial threw its support behind Beazley's leadership bid, praising his "interest in foreign affairs and a deep understanding of the US alliance" but warning: "What he now needs to demonstrate is an interest in wealth creation". In other words, he must suppress any tendency within the Labor Party that offers even the mildest criticism of Howard's free market agenda.

It appears that Beazley will be elected Labor leader unopposed. Shadow Foreign Affairs Minister Kevin Rudd announced this week that he would not run, after declaring he "could not muster the numbers", while the only other contender, health spokesperson Julia Gillard, has followed suit, conceding she also does not have the necessary caucus support to succeed.

Regardless of who is shuffled to the top of the rotting heap, Labor will continue to lurch even further to the right. And its continued slavish support for the Howard's government commitment to the "war on terror," along with its assault on living standards and social conditions, will only deepen the contempt that masses of ordinary working people already feel towards the Labor Party.



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