

Former Australian Labor leader's recriminations expose deep political decay

Mike Head
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Former Australian Labor Party (ALP) leader Mark Latham's newly-published *The Latham Diaries* have provided another damning picture of Australian parliamentary politics after two decades in which both major parties, Labor and Liberal, have sought to impose the free-market agenda of corporate capitalism on an increasingly hostile population.

In media interviews promoting his book, Latham employed particularly backward language to describe the party that he only recently led. It was a "s.tcan" run by "snakes and sewer rats" led by his replacement Kim Beazley, whom he described as a "dirty dog" who should not be "the toilet cleaner in parliament house, let alone leader of the opposition". Throughout his *Diaries*, similar foul-mouthed contempt is expressed for virtually every prominent figure in the Labor Party.

When Latham quit the party leadership and his parliamentary seat in January this year, three months after Labor's crushing defeat at the October 2004 federal election, he and other party leaders cited concerns for his health. He now alleges that he resigned because he became the victim of internal rumour-mongering about his personal life. Beazley, in particular, kept a "dirt file" and waged a six-year campaign of "smear and innuendo" about sexual harassment claims against him.

Whatever the truth of Latham's specific allegations, his book confirms the deep inner rot of the ALP. It is "irreparably broken", with a "poisonous and opportunistic" culture, in which the "politics of personal destruction is commonplace" and a "handful of factional powerbrokers" rule ruthlessly. "Most local branches are rorted and empty" and "party membership and activism are in inexorable decline". He estimates that at least since the early 1990s, the ALP has had only about 7,500 active members nationally.

According to Latham, the ALP's "massive cultural and structural problems are insoluble". He has apparently drawn the conclusion—after spending his entire adult life clawing his way to the pinnacle of the party—that the ALP has exhausted its usefulness as a political vehicle for implementing the requirements of Australian and global capitalism.

His outpourings have provoked a nervous response in the ruling elite. His accusations dominated the mass media for several days last week and still continue to reverberate. Most commentators have tried to dismiss the affair as the twisted revenge of an unhinged individual, claiming it will do no lasting damage to the ALP. Yet, when he was installed as Labor leader only 21 months ago—in December 2003—Latham was hailed by the same pundits, as well as the ALP itself, as a visionary figure with the potential to recast the political scene.

There has been remarkable solidarity in parliamentary circles. Labor MPs have rallied around Beazley, while the Liberals have been noticeably silent—few attempts have been made to exploit Latham's *Diaries* to score points against the ALP. Significantly, Prime Minister John Howard, who was overseas when the furore erupted, immediately defended Beazley personally at a media conference and expressed the hope that Latham's comments would not affect people's "positive view about public life".

Howard's intervention was a revealing measure of the bipartisan

concern that Latham's revelations would confirm the widely-held disgust felt toward "public life"—that is, both the major parties and the entire political establishment. Noting Howard's comments, the *Age's* senior political correspondent Michelle Grattan was less optimistic than the prime minister. "Australians have typically been cynical about politicians," she wrote, warning that "they're getting a visit to the grubbiest rooms in the Labor reality house". She cited a radio talkback survey that found the overwhelming majority of callers were hardly shocked—they thought the *Diaries* "an accurate depiction of the poor state of the party".

In part, these reactions underscore the establishment's need to shore up Labor as a political entity. Throughout the twentieth century, it played a crucial role in tying the working class to the profit system, continuously working to divert social unrest and political dissent back into safe parliamentary waters. Labor and the trade unions were able to advance a perspective of social reform, and head off demands for a socialist alternative, based on the ability of the Australian capitalist elite to make concessions to working people within the framework of the nation-state system.

The globalisation of all economic processes, driven by the requirements of the profit system, has completely shattered this program based on national protection and regulation. When the Hawke-Keating Labor government of 1983-96 opened up the economy to the unfettered operation of global market forces and wound back social reforms, this shift produced deep hostility in wide sections of the working class and lower middle class, leading to a collapse of electoral support for the Labor Party.

The ALP's services are, however, still very much required by the corporate elite to provide a channel for discontent, as well as to keep pressure on the Coalition to push ahead with the next wave of "economic restructuring". Moreover, Labor remains in office in every Australian state and territory, working in close cooperation with the Howard government. If it becomes completely dysfunctional, this has major implications for the viability of the current two-party system.

At the same time, everyone knows that the state of affairs in the Liberal Party is little different. The Latham affair comes just weeks after the resignation and attempted suicide of John Brogden, the Liberal leader in the state of New South Wales. Brogden's ouster was engineered through a smear campaign involving accusations of sexual indiscretions and racist remarks, orchestrated by the Murdoch media and an extreme right-wing Christian fundamentalist faction in the Liberal Party.

In both cases, the unprincipled methods employed to remove party leaders are indicative of political formations that no longer have any reliable social base. They have been reduced to empty shells.

This degeneration is rooted in a more fundamental and intractable problem. There is no popular constituency for the ongoing corporate program—the privatisation of all social infrastructure, the imposition of "user pays" regimes in health, education, welfare and every social service,

the smashing up of working conditions and massive tax cuts for big business and the wealthy. Neither party can openly or honestly discuss their support for this agenda. Instead, they are overwhelmingly preoccupied with determining who can best attract the backing of the corporate elite and simultaneously attempt to “spin” or foist the resulting package on the public.

This difficulty is particularly acute for parties in opposition. Given that there are no basic programmatic differences between the two ruling parties, opposition leaders must convince business and voters that they offer some greater appeal. This is partly the reason for the strange spectacle of Labor floundering federally, while Howard’s Liberals flounder equally at the state and territory level, where the underlying hostility to Howard’s policies has produced a protracted series of devastating electoral defeats. For both parties, the old loyalties have disintegrated, producing extreme political volatility.

Latham’s own rise and fall is a particularly graphic expression of this deep-rooted political crisis. Labor MPs elected him as their leader in late 2003 after seven years in which his predecessors, Beazley and Simon Crean, had unsuccessfully sought to distance themselves from the Hawke-Keating legacy.

At the demand of the global markets, and assisted by the trade union bureaucracy, Hawke and Keating implemented the sweeping financial and corporate deregulation associated with Thatcher in Britain and Reagan in the United States and mounted an assault on working class living standards and working conditions. Social inequality grew rapidly and became ever more glaring, sprouting a new layer of multi-millionaires.

Following Labor’s landslide defeat in 1996, the incoming Howard government was beset by a basic contradiction. Having exploited Labor’s trampling over the needs of ordinary people by claiming to stand for the “battlers,” the Liberals faced intense opposition to their pro-market policies. Beazley adopted a “small target” tactic of junking all mention of Hawke and Keating and simply capitalising on the disgust with Howard. The Murdoch press and other major business interests expressed dismay that both parties had backed away from carrying through the corporate agenda.

It was in this context that in 1998, with the backing of key sections of the media, Latham emerged to prominence. He published a widely-promoted book, *Civilising Global Capital, New Thinking for Australian Labor*, in which he stated openly that economic globalisation had shattered Labor’s old social reformist program based on national protection and regulation. He insisted that the ALP had to re-fashion itself along the lines of Tony Blair’s “New Labour” in Britain.

In the guise of promoting “social justice” and “equal opportunity,” Latham called for new policies based on “individual responsibility”. He proposed, for example, that poor families should have their social welfare payments reduced if they failed to “accept their proper responsibilities as home educators”. Likewise, education should become a commodity, with its purchase subsidised by government vouchers.

After Beazley narrowly lost the 1998 election—despite Howard’s unpopularity—Latham exiled himself from Labor’s shadow ministry, and set about trying to garner support for his bid to re-shape Labor. He was given regular columns by two rival newspaper chains, in Murdoch’s Sydney tabloid, the *Daily Telegraph*, and the Fairfax-owned *Australian Financial Review*, to try to translate his book into messages that could be sold to twin audiences—big business and working people. In essence, Latham’s project involved re-embracing the Hawke-Keating legacy while dressing it up in new populist rhetoric.

By early 2001, all the opinion polls predicted that Howard’s government would lose the election due at the end of that year. Howard seized upon the *Tampa* refugee boat incident and the September 11 terrorist attacks to play on fears and insecurities—anti-refugee demonising and the “war on terror”—to divert the discontent. Beazley switched tactics

and attempted to outflank Howard on the right by endorsing and outbidding his extraordinary military and police-state measures against asylum seekers.

When that failed, and Howard retained office, Beazley was replaced by Crean. Latham returned to the shadow ministry and tried to find an alternative populist pitch. In a volume of speeches under the title *From the Suburbs: Building a Nation from our Neighbourhoods*, he argued that in order to “revitalise” itself, Labor had to be seen as “anti-establishment”.

Amid widespread opposition to the invasion of Iraq in 2003, he called President George Bush “flaky and dangerous” and accused the Liberals of “sucking up” to the White House. At the same time, he quickly emphasised his life-long attachment to the American alliance and declared his wish for a “very, very good relationship” with Washington. Apart from sheer opportunism, his anti-Bush comments also reflected the interests of those sections of the Australian elite that have reservations about the closeness of Howard’s ties to the Bush administration, which could possibly threaten their lucrative relations with China and other Asian countries.

Once he was elected ALP leader, these manoeuvres became central to Labor’s 2004 election campaign. His *Diaries* describe his “strategic agenda” of “New Politics,” outlined to his inner circle of advisors in January 2004, as “caring populism”. One theme was: “Labor is for the people, not the powerful. Campaign as an outsider against the insider’s Club in Canberra.” Later, in the wake of the March 2004 Madrid bombings and the defeat of the Spanish government, which saw the incoming social democrats pledge to withdraw troops from Iraq, he said he “hoped” Australian troops could be brought home by Christmas. After coming under intense media and political pressure, he effectively backed away from the suggestion.

For several months in early 2004, the media afforded Latham lavish coverage and praise, and he revelled in it. However, despite this backing Latham’s “strategic agenda” failed spectacularly. He led Labor to a crushing defeat, handing control of both houses of parliament to Howard for the first time. Latham’s appeal to so-called “upwardly mobile” and “aspirational voters” fell in a heap when Howard ran another scare campaign, claiming that home loan interest rates could soar if Labor were returned to office. And, after Latham’s initial posturing, Labor largely buried the issue of the Iraq war and the litany of lies told to justify it, aligned itself completely with the “war on terror” and backed the introduction of laws shredding civil liberties.

His *Diaries* record his vicious reaction to the election defeat. For all his vitriol toward his ex-Labor colleagues, his greatest bile is directed against ordinary people. “This is the sorry state of advanced capitalism: the ruling culture encourages people to reach for four-wheeled drives, double-storey homes, reality television and gossip magazines to find meaning and satisfaction in their lives... The dominant electoral mood is a desire to take resources away from other people and communities, as evidenced by the rise of downward envy in Australia.”

These contemptuous comments only confirm the unbridgeable gulf between the privileged social layers that Labor represents, and the real needs, concerns and aspirations of the vast majority of the population. Far from living in self-absorbed luxury, working people confront worsening job and financial insecurity, deteriorating public health, education and other social services, and heightened risks of war and terrorist attack.

True to form, Murdoch’s outlets are striving to exploit the Latham crisis to further discipline the ALP. Front-page articles have denounced as utterly impermissible an entry in Latham’s *Diaries* calling into question the US alliance. Throughout the 2004 election campaign, Latham stuck to the official ALP line, which enshrined the alliance as a central “pillar” of its policy platform. But in a post-election note he derides the commitment to the US from a nationalist standpoint, declaring that it “sacrificed Australian pride and independence,” drew Australia into “unnecessary

wars” like Vietnam and Iraq, and “made us a bigger target in the war against terror”. Murdoch’s *Australian* demanded that Labor’s leaders unequivocally pledge themselves to the American alliance. As expected, Beazley and Labor’s foreign affairs spokesman, Kevin Rudd, rushed into print to emphasise that it was indeed the key plank of Labor’s foreign policy.

Likewise, Labor has been told to drop Latham’s risky populism. Shadow treasurer Wayne Swan and shadow finance minister Lindsay Tanner quickly obliged, embracing tax cuts for the highest income earners, promising to repair relations with big business and ditching what they now call the “politics of resentment, anger and envy”. Some of Latham’s tokenistic policies, such as curbing government subsidies to the wealthiest private schools, have been junked, along with support for student unionism and opposition to new uranium mines.

The latest comments by Labor’s spokesmen make clear that the essential constituency of both ruling parties is not the mass of ordinary voters, but the corporate boardrooms and above all the big business media whose support at election time is critical for campaigns based on lies, scare-mongering and “spin”. The result is an unparalleled bipartisanship on every issue as the parties vie for the backing of the ruling elites, and treat the majority of the population with utter contempt.



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