

Ashley Lavelle

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The Australian Labor Party and the Crisis  
in Elite Politics

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Needless to say, none of the above bears any culpability for errors in fact or interpretation lurking in the pages that follow.

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# Abbreviations

AAFI	Australians Against Further Immigration
ABS	Australian Bureau of Statistics
ACC	Australian Chamber of Commerce (later the Australian Chamber of Commerce and Industry)
ACOSS	Australian Council of Social Services
ACTU	Australian Council of Trade Unions
AEC	Australian Electoral Commission
AES	Australian Election Studies
AEU	Australian Engineering Union
AfD	Alternative für Deutschland
ALP	Australian Labor Party
AMIC	Australian Mining Industry Council
AMWU	Amalgamated Metal Workers' Union (later the Australian Manufacturing Workers' Union)
ANC	African National Congress
ANZUS	Australia, New Zealand, United States Security Treaty
APEA	Australian Petroleum Exploration Association
ASIO	Australian Security Intelligence Organisation
AWA	Australian Workplace Agreement
AWU	Australian Workers' Union
CEDA	Committee for Economic Development of Australia
CEPR	Center for Economic and Policy Research
CIA	Central Intelligence Agency
CPI	Consumer Price Index
CPSU	Community and Public Sector Union
DRM	Draft Resistance Movement
DRU	Draft Resisters Union
FPLP	Federal Parliamentary Labor Party
GST	Goods and Services Tax
HRH	House of Representatives Hansard

IAEA	International Atomic Energy Agency
ILO	International Labour Organization
IMF	International Monetary Fund
IPA	Institute of Public Affairs
IWW	Industrial Workers of the World
MUA	Maritime Union of Australia
NATO	North Atlantic Treaty Organisation
NCOI	National Committee of Inquiry
NLA	National Library of Australia
NSWBLF	New South Wales Builders Labourers Federation
OECD	Organisation for Economic Cooperation and Development
PJT	Prices Justification Tribunal
PR	Proportional Representation
SAP	Social Democratic Workers' Party of Sweden
SDS	Students for a Democratic Society
SH	Senate Hansard
SPD	Social Democratic Party (Germany)
SOS	Save Our Sons
TINA	'There Is No Alternative'
TPPV	Two-Party Preferred Vote
TPV	Temporary Protection Visa
UN	United Nations
VMC	Vietnam Moratorium Campaign
WEF	World Economic Forum
WTO	World Trade Organization
YCAC	Youth Campaign Against Conscription

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**Part I**  
**Loomings**

# Chapter 1

## Introduction: Opposition with a Capital ‘O’

The presence of Opposition is widely considered a prerequisite if any given polity is to merit the distinction of being ‘democratic’ (Kotzé & García-Rivero, 2008: 454). In point of fact, some have argued that Opposition is the very essence of democracy (Shapiro, cited in Helms, 2004: 22). And yet, it is one of the great contemporary paradoxes that, despite the fact that we live in a time of abundant opportunity for those pitted against incumbents, the study of Oppositions remains a barren field of academic enquiry.<sup>1</sup> Thus American political scientist Dahl’s (1966) work in 1966 on Oppositions in Western liberal democracies was the first of its kind. While this paucity of literature has since been partially overcome, it nevertheless is still the case that exponentially more literary effort has been expended on governments, and the whys and wherefores of government, than on Opposition or Oppositions, leading numerous authors to lament that much work remains to be done (cited in Mújica & Sánchez-Cuenca, 2006: 86). Indeed, in Helms’ assessment Dahl’s book ‘remains the unchallenged point of reference in a field that has seen few substantial contributions since’ (Helms, 2004: 23).

Does this matter? One might make the case that Opposition is not without its strictures, some of which are potentially self-refuting: arguably Opposition made official is Opposition controlled, regulated, and restricted, and thus anathema to the encouragement of the free-thinking and root-and-branch resistance critical to any democracy worthy of the name; or worse still, it forms part of bourgeois democ-

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<sup>1</sup>Opposition is generally meant throughout this book in the sense of parties in the legislature whose main role is to criticise and provide a governing alternative to the executive. Wing-yat and Ka-man follow Barker by homing in on ‘loyal opposition in the form of groups that oppose and confront the authorities, but only under the umbrella of existing institutions... Loyal opposition groups aim to share political power and provide alternatives rather than overthrowing the extant regime’ (Wing-yat & Ka-man, 2012: 99). Thus it is in Oppositions with a capital ‘O’ which we are primarily interested, though at times the ALP and its extra-parliamentary organisations can be considered a force of opposition in the broader—even if never revolutionary (rhetoric aside)—sense, as was notable in the period of the late-1960s and early 1970s, as we shall see.

racy’s paraphernalia, which helps perpetuate the ‘force’ and ‘fraud’ that in turn reproduces power and oppression on a grand scale.

Be that as it may, the neglect of Opposition in political studies *is* regrettable, if only for the fact that being in Opposition arguably allows parties greater freedom to re-evaluate their ideologies, to debate and develop policies, and to rethink their relations with constituencies. Hence the fact that some of the most bitter and divisive periods in parties’ histories have occurred in Opposition, when party leaders, members, and voters are able to give freer rein to all those feelings of rage suppressed in government for the sake of holding on to power. Opposition can make for compelling analysis; it can shed further light on the nature of the parties that find themselves languishing there.

The neglect of Opposition is, alas, mirrored on the Australian political scene. There are few studies that focus on the role of Oppositions in the Australian Parliament (c.f. Reid & Forrest, 1989: Ch. 2; Maddox, 1996: Ch. 8), and even fewer relate to the strategies that Oppositions employ, what parties in Opposition do to regain government, or the factors that might determine the overall political direction of Opposition parties—why they might choose, to put it in simple terms, more radical policies at one time, and more conservative ones at another. One of the most plentiful sources of empirical accounts of what parties do in Opposition has been politicians’ memoirs. More often than not, however, these treat Opposition as a mere stepping-stone to government, as if one inevitably leads to another, their path to government being paved by astute decisions carefully made in preparation for office (e.g. Hayden, 1996: Ch. 5). These accounts tend to be gratuitously self-serving: as Ben Pimlott points out, all politicians’ memoirs are apologies (Pimlott, 1992: 576). The possibility that they were lifted out of the doldrums of Opposition simply as a result of being in the right place at the right time, or as a consequence of the failures of the incumbent, is rarely broached. In these works, periods of Opposition are almost never deserving of analysis in their own right, as opposed to playing second fiddle to taking power.

Other, more distant, accounts tend to be highly empirical and descriptive, leaving no room for theorising or generalising about Opposition (e.g. Oakes & Solomon, 1973). Seldom is there any analysis of the reasons why particular courses of action are taken—distinct from the reasons politicians proffer for them being taken—in a given period, how that period compares with preceding ones, in relation to the political direction taken and the policies developed, and how it accords with Opposition theories. With some justice Mújica and Sánchez-Cuenca (2006: 86) moan that ‘we know how often laws are approved with the agreement of the opposition, but we do not understand when and why the opposition decides to cooperate with the government’. We can go further and deeper to say that we do not know enough about why at any one time Oppositions choose to cooperate with a particular ideology or concept, such as neo-liberal globalisation, or to capitulate to rather than resist the interests of the ruling class.

When it comes to the ALP in Opposition, each case tends to be examined in isolation. Prior to the present study, for example, there existed no comparison between the Labor Oppositions before and after the Whitlam Government, in



relation to the issues faced, the conclusions drawn about the experience of government (though, in the case of the first Whitlam Opposition this perhaps owes much to the fact that so few of the Caucus members<sup>2</sup> were part of the previous Labor Government), and how Opposition impacted on the party's relations with its traditional constituency and ideology. Similarly, international comparisons between the ALP and overseas social democratic parties, and their experiences in Opposition, are nigh on impossible to locate.

Comparing different periods of Opposition would serve to elucidate an understanding of the reasons why Labor Oppositions have done what they have, as well as highlighting some of the factors that determine the direction of Labor Oppositions. This book can, therefore, add significantly to our understanding of key issues in Australian politics. In the period leading up to the 2001 federal election, for instance, the ALP was widely criticised for its perceived failure to put forward alternative policies to those of the Government, seemingly acting instead on the old aphorism that 'Oppositions never win elections, governments only lose them'. In the aftermath of the poll there was significant public discussion about the merits and wisdom of such a strategy. Why it is that the first Whitlam Opposition went to the 1972 election seemingly with an extensive array of detailed policies, many of which contrasted with the approach of the government at the time, while the Beazley Opposition was adjudged as 'policy lazy', opportunistic, and largely bipartisan, is a question that we address in the pages that follow.

According to Maddox, the ALP has typically utilised its time in Opposition for the purposes of 'renewal and preparation for eras of reform after its return to the government benches' (Maddox, 1989: 82). Yet, this has not always been the case. It could perhaps be argued that the Whitlam Opposition (1967–1972) did act in accordance with Maddox's observation, but few would accept that the Beazley Opposition (1996–2001) was gearing up for 'eras of reform'. As we will attempt to demonstrate, this is indicative of the way in which significant changes in the external environment dramatically impact on the scope of reform and social progress that Labor in Opposition is prepared to promise to its long-suffering constituents.

To rectify the yawning gaps in the literature we shall examine the political and policy directions of the ALP during select periods in which it has been deprived of state power at the federal level, paying close attention to the factors that most shaped the overall direction in which the party moved during its time in Opposition. In examining the 'political direction' of the ALP, we are asking whether the party is moving in a reformist direction, in other words whether it is pledging policies and programs aimed at reaching what the party's favourite son, former Labor Prime

---

<sup>2</sup>Caucus is synonymous with the FPLP, which meets regularly during parliamentary sessions. When the party is in government its power over the ministry waxes and wanes, but historically it has had the power to elect ministers and shadow ministers, whose portfolios have then normally been allocated by the sitting Labor prime minister. Much was made of Kevin Rudd's attempt to change this in 2007 to give himself as party leader the power to select and allocate frontbench positions, but in reality he was forced to consult with factional leaders in relation to personnel choices (see Kefford, 2013: 139).

Minister Ben Chifley, called the ‘light on the hill’: ‘better standards of living’ for the ‘mass of the people’? (Crisp, 1961: 414). Typically, such an orientation would involve emphasising programs traditionally associated with social democrats, such as those based on the provision of transfer payments—including pensions, unemployment relief, and public health and education—and investment in infrastructure and publicly-owned enterprises, as well as policies aimed at reducing the exploitation of workers (Kerr, 2001: 4). In general, this would be expected to involve significant state intervention to mitigate the horrors of the market. On the other hand, if the party were moving in the opposition direction, it would, needless to say, be expected to emphasise something other than the policies outlined above, as well as an approach that extended greater sympathy to business interests and market forces.

In order to illustrate the direction pursued during a particular period of Opposition, we examine public statements by federal ALP politicians in relation to the party’s approach, the conclusions it draws from losing office (where applicable), as well as specific policy cases and debates in which it is embroiled. Together this serves to provide evidence of the general tenor of the particular period of Opposition in question. In each case, an argument is made as to why Labor moved in a particular direction, and how this period compared to the other periods surveyed, in the process shedding further light on the ALP and its machinations as a party.

## Parameters of the Book

Here it is important to make clear the limits of the work. As a study of the ALP in Opposition, it does not look in detail at what the party eventually does when it returns to power, although references are made where necessary to the party’s reflection on its previous period in office in deciding its future direction. The book is not a history of the ALP during these periods: it is not an empirical account of everything that the party did. There will thus be omissions that from time to time may puzzle the general historian of the party. Only those aspects of the period considered central to the party’s overall direction are studied in detail. Disputes over the party’s place in history or what kind of organisation it is are not dealt with far beyond bluntly stating the author’s approach, which is that the ALP stands in the broad reformist tradition of seeking to ameliorate the injustices of capitalism through piecemeal state intervention, making it a social democratic party rather than a socialist one.<sup>3</sup>

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<sup>3</sup>The term reformism encompasses both ‘labourism’ and ‘social democracy’, which are subtly different (see Manning, 1992; see also Postscript). Arguably, what both have in common is unstinting opposition to revolution as the means by which to eradicate injustice and inequality, as well as a reservoir of tolerance for the institutions of capitalist society, in particular parliament, and the state more generally. See also my *Death of Social Democracy* (2008), Chaps. 2 and 5 especially.

The focus of the book is not on the party's personalities, or on particular factions within it. Without denying the importance of individuals, mention is made of the influence of leading figures or of changes in the factional balance of power more to illustrate the broader political direction of the party than anything else. Reference is made, for instance, to the change in the factional complexion of the party in the late-1970s and early 1980s, whereupon the Right came to dominate at the expense of the Left. Needless to say, the actions of the government to which the ALP was opposed at the time are considered only where important in terms of understanding Labor's actions, a striking case in point being the Menzies Government's decision in 1965 to dispatch Australian forces to Vietnam.

## The Argument

The book begins with a discussion of the study of Oppositions in an international context. The stress laid on the importance of the state of the economy as a highly influential factor in explaining the political direction of Labor in Opposition (see Chaps. 7–11, for example) is somewhat at odds with much existing work on Opposition behaviour, which proposes that a multitude of factors influence the behaviour of Oppositions, including those that are 'institutional' (factors to a large extent outside of the control of the parties, such as constitutional structure, and electoral and party systems), 'socioeconomic' (including political culture, the extent to which opinions are polarised around political issues, and the existence of cleavages), and 'non-institutional' (those variables that are to some extent within the Opposition's sphere of influence, such as party leadership and ideology, and conclusions drawn about the reasons for losing Government).

The broader research, perhaps unsurprisingly, leaves us with few clues when it comes to predicting an Opposition's policies or what political direction it will pursue. But it does furnish us with useful bases on which to make broad generalisations about their overall strategy. In the case of the Opposition in the British two-party system, for example, where the 'Opposition' and the 'Government' are clearly identifiable and not likely to trade places between elections, it will try to defeat the governing party via a public campaign leading up to the next poll, whereas in a multi-party system, where the 'Opposition' and the 'Government' are not so distinguishable by virtue of the fact that no one party is able to govern in its own right, the protagonists will tend to rely more on bargaining. Aside from the obvious influence on the Opposition's strategy arising from the Government's actions and general competence and popularity, it is also affected by whether the polity in which it operates is governed under a federal or unitary system, a bicameral or unicameral parliament, and a compulsory or optional voting framework.

The impact of the historic shift in the British system from Oppositions merely criticising the Executive to posing as an alternative government would be expected—assuming this shift has been mirrored in Australian politics—to steer Labor’s efforts towards the latter. This was arguably the case with the Whitlam Opposition, less so with the post-Whitlam Opposition, and not so with the Beazley Opposition (see below). Perhaps relevant to the last case, in particular, was the observation found in the broader research that Oppositions have been less vigorous in opposing the government where they have been ideologically at one on key issues. Parties whose experience of office is relatively recent, and who are on the receiving end of an electoral drubbing, will be more willing to countenance major policy and organisational changes in the hope that this will make them more electable. They are granted more freedom to do this precisely because they are out of power: one view put forward with obvious relevance to the Whitlam Opposition is the belief that in Opposition the party becomes subject to the greater influence of internal ‘extremists’, the rank-and-file, conferences, and trade unions, who might not get a look in when ‘their’ party is in government. Of course, the precise policy and organisational changes made will still be determined by the wider political and economic context, the party’s history and ideology, a country’s cultural characteristics, and long-running socio-economic changes.

Existing research highlights the tendency inherent among British Oppositions to criticise in ritualistic form any actions of the government of the day. Because much of the emphasis of the research is on broad Opposition strategy—i.e. competition vis-à-vis bargaining—electoral and party systems are regarded as important variables, but historical and socio-economic developments specific to a given country are, if anything, assigned more importance, since it is from these which electoral and party systems are seen to derive. The research does, however, uncover substantial variations in Opposition behaviour attributable to such factors as party politics, ideology, and the conclusions drawn about the reasons for loss of government, which we argue are among the factors (though not the major ones) that shape the political direction of Labour once it is ejected from the Treasury benches. Accordingly, Labour Oppositions in Britain have traditionally been regarded as more timid creatures than their Conservative counterparts as a result of their acceptance of hamstringing notions such as the ‘democratic mandate’, and because of the presence among them of former trade union leaders schooled in the art of negotiation.

All of this may, however, pale into irrelevancy compared to the impacts of major economic shocks, some hint of which is provided by the fact that the Opposition in Britain, by joining a coalition government in 1931 in response to severe economic crisis, effectively put itself out to pasture as an alternative executive (Punnett, 1973: 406). Related to this is the argument set out below that the state of the economy occupies a leading spot among the key factors governing the policies and political direction of Labor, both in the past, and more recently, in the aftermath of the worst global economic recession in 80 years—itsself merely the latest phase of a long running capitalist crisis that continues to shape the contours of so much of political life, from income inequality to imperialism to Islamophobia.

The closely related and fast gathering crisis in elite politics, however, is a reality all Oppositions will be forced to reckon with. This crisis, which has no end in sight, is evident in the unmistakable loathing of mainstream political institutions across the length and breadth of the advanced capitalist world. The headline events of Brexit, the election of Donald Trump as US president, and the close call of Marine Le Pen are the better known telltale signs that politics is in the process of being transformed from a game show to a freak show. But the longer-term indicators, such as the ossification of mainstream parties, with their declining—not to mention often ageing—memberships and support bases, as well as the rapid alternations in power, where a party can win one election comfortably only to be dumped at the very next one, and the growing successes of fringe elements, also form the main thrust of the late Peter Mair's book, *Ruling the Void: The Hollowing of Western Democracy* (2013). The gaping wounds in the flesh of western political systems have called into question their legitimacy in a way arguably not seen since the Great Depression. As is developed more thoroughly in the final chapter, my contention is that both the shorter-term shocks of Brexit, Trump, and the near-miss of Le Pen, as well as the longer-term ones of structural decline in mainstream political institutions, are inextricably connected to the economic crisis in capitalism, which in the postwar era began in the late-1960s, and has deepened considerably since, the most recent evidence for this being, of course, the aforementioned devastating global downturn beginning around 2008.

In that sense, Labor has backed itself into a corner in Opposition: if nothing else, this study of the ALP from the mid-1960s to the present charts the decline of a once-reforming—if myriadly flawed—mass party to a conservative shell of an organisation, a political layabout content to rest on its laurels while awaiting its re-election. The first most significant way in which the ALP fuelled the crisis in elite politics in Australia was through its self-analysis of the Whitlam government, which in the words of one senior party figure 'self-destructed' in a fashion that required nothing less than its wholesale repudiation. From that period on, the ALP became a party of conservatism, in the process giving the public little choice between the major parties in Australia, and eventually setting the wheels in motion for the rise of Pauline Hanson, on the right, and the Greens, on the left.

Then, after presiding over the neo-liberal policies that were a product of Labor's disavowal of plans for social reform, and suffering accordingly the electoral consequences by being savagely defeated at the 1996 federal election, the party continued on as before, oblivious to calls for change, both from within and without. To the neo-liberal, pro-globalisation policies increasingly shown to be on the nose Labor has recommitted, time and again, in the process helping to sow distrust towards politicians and political institutions, which stand accused of not listening to the people, and putting their own interests and those of big business ahead of everyone else. With the parties displaying no loyalty to programs, ideologies, or constituencies—save to neo-liberal corporate globalization—voters are wont to shop around, leading to greater instability in the system.

It is not, however, just the party's uninspiring policies, coupled with its failure to offer a genuinely redistributive political alternative, that has helped unleash a

slow-burning crisis in elite politics: as a party that has no real truck with the overall picture of Australian society as it stands—whenever one of the two major parties wins an Australian election wealth and power remain unalterably unequal—Labor is forced to try to differentiate itself through tinkering in style, personality, and presentation, which in turn nurtures a view of politics as dominated by spin doctors, public relations experts, advisers, and marketing managers, reflected in the party's increasingly slick and contrived conferences and election campaign launches, with their catchy but banal slogans and buzzwords, which only compounds the distaste many voters have for the political system.

The lack of genuine affection for the ALP—and its conservative opponents—among the vast majority of Australians means that the party can no longer recruit ordinary working people as members, and in turn as candidates, leaving nothing but bland, risk-averse 'white bread' politicians for voters to choose from. There is no 'crisis in democracy': this is a 'crisis of no democracy'. As we shall see, however, most—if not all—of these maladies have systemic roots; it is not that the ALP has simply made poor choices. Yet, irrespective of the underlying causes, we have arrived in the early twenty-first century at a situation where politics is more volatile and unpredictable than at any time in living memory—one where populists, mavericks, and fringe dwellers enjoy opportunities aplenty.

## The Case Studies

Chapters 4 and 5 of the book turn to the case studies. We first examine the period beginning with the assumption in 1967 of the ALP leadership by Gough Whitlam after the party's calamitous defeat at the 1966 federal election. The choice of this period of Opposition as a case study is justified for several reasons. One is the significance widely assigned to Whitlam's leadership of the party prior to taking office in 1972, and the related belief that the party's actions in those years were integral to its regaining government (e.g. Freudenberg, 1977). The year 1967 is therefore considered a turning point for the ALP. Another reason is that the period 1967–1972 marked the formative years of a period of almost unrivalled turbulence in Australian politics, and the study of a political party central to those years would be of considerable value in better understanding the events of the time. The effects on political parties of changes in the political environment during those years warrant closer examination, which is a core ambition of this book.

The policy examples studied in detail include Labor's policy on the Vietnam War (Chap. 4), as it evolved from the early 1960s through to taking power in 1972, and industrial relations and the broader relationship with the union movement (Chap. 5). The Vietnam war more or less chooses itself, for it was the seminal political issue of the mid-to-late 1960s and early 1970s, and, according to some observers, it was the issue that revitalised the party and made possible once again a

resumption of the reins of government. Similarly, this period saw the largest increase in industrial disputation since at least 1929, which made industrial relations a key political issue; as a result the party's broader relations with the industrial wing shifted, which was sometimes manifested in quite startling ways.

Both these examples serve as surrogates for the direction of the party during this period. The Whitlam period of Opposition was one of radicalisation: party policy, in these key areas in particular, underwent important changes in response to the wider commotion occurring in Australian, and world, society. The process that occurred during this period resembled, though on a smaller scale, that which took place amid the major industrial upheavals at the end of WWI, which saw the trade unions reassert their independence and control over the political wing of the party.

These policy examples together help demonstrate that the Whitlam Opposition was, perhaps unsurprisingly, a product of the times. While some of its policies (such as Medibank) had been developed many years previously, the general tenor and tone of its politics was in a stridently reformist direction, involving state intervention under a centralist administration buoyed by the movements that had swept it to power. This appears to vindicate commentators who assert that Labor historically has shifted to the left in Opposition (e.g. Henderson, 1998: 17). Indeed, this section dealing with the Whitlam Opposition draws upon Cliff and Gluckstein's Marxist analysis of the British Labour Party (1996), which argues that two factors—being in Opposition, and pressure for change from its working class constituency, principally exerted in the form of direct action—can push the party leftwards.

There is evidence of a similar process occurring in the ALP at particular junctures in history (see Chap. 3). A leftward shift is generally engineered in order to capitalise electorally on the mood for change, and to restrain the extra-parliamentary movements lest they break off and challenge the existence of the very parliamentary system in which the ALP has long been ensconced. In addition to this, it is noted that being in Opposition circumscribes somewhat the policy autonomy of the Federal Parliamentary Labor Party (FPLP),<sup>4</sup> which comes under greater influence from the trade unions and party conferences. Perhaps even more so than is case in relation to the ALP's conservative major party opponents, being in Opposition generally forces Labor to examine its past and its future, and to recast its role in wider society. Also Labor, freed from the exigencies of managing the capitalist state, has more policy options at its command. All this meant that, in the case of the Whitlam Opposition, there was a partial shift to the left by the FPLP, with its policies reflecting the flames of resistance and rebellion that licked many a political and social institution in Australia.

This raises the question of how to define a 'shift to the left', particularly given the fashion in recent years to pour scorn on the very validity of left and right categories (Giddens, 1994). Ironically, this has some merit in reference to Labor in

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<sup>4</sup>The FPLP comprises all of the ALP candidates elected to serve in the federal parliament, both in the House of Representatives (Lower House) and the Senate (Upper House).

the twenty-first Century, when, despite the continued existence of party factions so labelled, ideological differences have diminished almost to the point of invisibility (see Chap. 16). However, while not wishing to be sucked into this broader debate, suffice it to say that the author's preference is for the continued employment of such labels, in part because they remain regularly and usefully engaged in analysing contemporary political events such as elections (e.g. Thompson, 2002: 156, 157; Economou & Costar, 2002: 182, 183; Sawyer, 2002: 256–258). In addition, the fact is that Labor's policies, in particular on the Vietnam War and industrial relations, as we shall see, certainly did shift to positions associated with the left of the party at the time.

Chapters 7–11 looks at the period of Opposition that begins with the tumultuous events surrounding the toppling in 1975 of the Whitlam Government and ends with the election in 1983 of the Hawke Government, which was markedly different in tone and character. These years constituted a watershed in the party's history, as the chastened FPLP members sought to remould themselves as prudent in an area where the Whitlam Government was perceived as having failed: 'economic management'. It is arguable that in 1975 inside the ALP was born what is now known as 'economic rationalism', or Australia's slant on neo-liberalism. Being in Opposition in this case led Labor to abandon the idea that large-scale programmatic change is possible, if not desirable. Much of the Whitlam reformist approach was jettisoned.

The chief cause of this shift in party thinking, it is argued, was the sea-change that occurred in the world economy, that is the collapse of the post-war boom that produced full employment and consistent economic growth almost unchecked for going on a quarter of a century (see Chap. 8). This does not mean that other explanations—such as electoral strategies geared towards the 'middle ground' of the political spectrum—are devoid of merit, but they are subordinate to the changes in the economic context. Whereas during the Whitlam period economic growth was taken as given, the mid-1970s ushered in a period of recession, high inflation, and high unemployment. The party's promises of reform, predicated on big increases in public spending, were now rescinded on the basis that these were no longer 'affordable'. Reforms for Labor constituents during the post-war boom could be promised on the basis that the high rates of economic growth made such reforms 'affordable'. Maintaining a commitment to such reforms after the eclipsing of the boom would have necessitated the slashing of other big programs such as Defence, or raising taxes on the wealthy and corporate sectors. Such options, however, would have generated opposition from socially powerful elements, particularly so in more fragile commercial conditions. Moreover, Labor's historic acceptance of the constraints posed by capitalism a priori ruled out such moves.

Thus, in the post-Whitlam Opposition, the success of most, if not all, party policies was measured by the degree to which they contributed to 'responsible economic management'. In order to highlight this, two key policy examples have been selected. The first is uranium mining (Chap. 9), one of the most important political issues of the late-1970s and 1980s, and akin in significance, some argued, to that of Vietnam in previous years. While this may be an overstatement, uranium mining certainly was during this period a source of rancour inside the ALP, as well



as throughout wider society. The evolution of the party's policy on this issue—from opposing the exploration and development of the resource, it moved to pledging to preserve the industry—again demonstrated how Labor was at great pains to shore up its economic management credentials. The main argument of those in the party supporting uranium's production and sale was that dramatic economic consequences would follow any attempt to shut down the industry; and in some cases references were made to the poor state of the Australian economy as further justification for continuing to mine the commodity.

The second policy example chosen as emblematic of the politics of this particular Labor Opposition is the Prices and Incomes Accord, negotiated between the FLP and the Australian Council of Trade Unions (ACTU) on the eve of the 1983 federal election (Chap. 10). My selection of the Accord rests not only on the fact that it was the centrepiece of Labor's policy program, and thus ought to be a significant indicator of its politics, but also because its primary political rationale was to enable Labor to make its main selling point the fact that it was the only party capable at the time of forming a government that could restrain union militancy through conciliation rather than confrontation, and in the process curb inflation and deliver 'responsible economic management'. The policy was therefore, also, an expression of the party's wider political direction.

Finally, Part IV examines the period of Opposition that commences with the historic defeat of the Keating government at the 1996 federal election and ends with the aftermath of Labor's loss under Kim Beazley at the election five years later. This period of Opposition was important because it bookended 13 years of Labor rule, and might therefore have been expected to instigate considerable debate about the party's future direction and its place in society. Ending this period of study here has the additional benefit of ensuring that the three periods covered in this book are of comparable duration.

As it turned out, any expectation that the Beazley period would be especially cantankerous was unfulfilled, with the dominant view amongst the FLP being that Labor's time in government in the 1980s and 1990s had been productive and highly defensible, and that the party would not be beating a retreat from the policies it had implemented, despite the conclusion drawn by many observers—both inside and outside the party—that not only had the same policies caused much pain to many working class people, they had also contributed significantly to Labor's downfall. The abandonment of reformist politics commenced during the latter stages of the Whitlam government (see Chap. 8), consolidated during the post-Whitlam phase of Opposition, and extended upon during the Hawke and Keating governments, was continued under Beazley. Between those Labor governments and the Beazley Opposition a considerable degree of continuity therefore exists. While it did make some modest proposals for re-regulation of industrial relations, and it pushed for a pause in tariff reform, in general it pursued a 'small target' strategy—hoping public discontent with the performance of the Coalition government and its policies would gather enough to sweep it back into office, rather than endeavouring to earn community support for any alternatives espoused by the ALP. This reflected, it is argued, the party's inability to develop an alternative to the Coalition's economic

model, owing to the bipartisan support for free-market policies in the context of the fall of the Berlin Wall, and the widely accepted view that this event heralded the triumph of liberal capitalism. Having little disagreement with the Coalition on economics and globalisation, Labor was effectively hemmed into the no-man’s land of the ‘small target’ strategy.

The two main policy examples chosen for this period are globalisation (Chap. 14), and the party’s responses to the *Tampa* refugee crisis and the September 11 2001 terrorist attacks in the United States in the lead-up to the federal election in November of that year (Chap. 15). The first of these policy areas dramatically indicated Labor’s siding with the Coalition’s enthusiastic backing of globalisation and free trade, when much of the public was moving in the opposite direction. Visible and militant opposition to global capitalism during this period did not dent Labor’s commitment to it. The fact that globalisation was probably the topic of political debate during this period, and that it arguably dictated the party’s approach to all other areas of public policy, easily justifies an examination of Labor’s attitude to it.

The ALP’s response to the Tampa refugee crisis and the September 11 terrorist attacks constituted the final stage of the ‘small target’ strategy, as well as arguably its low point. Labor’s reliance on this strategy reflected its bipartisanship with the Government on key political issues of the day, globalisation preeminent among them: effectively, all it could do was hope for election on the basis of community antipathy towards the Government and its policies, since it could not expect to win electoral support through the development of markedly different policies. The wider conservatism and caution of the ALP leadership constitutive of this stance reflected the problems inside the ALP at the turn of the twenty-first Century: falling levels of membership and electoral support, a narrowing in the social composition of Labor MPs, and an all-pervasive uncertainty about what the party stood for.

The book concludes with a Postscript that carries the study of Labor in Opposition from Beazley to the current leader, Bill Shorten, in the context of the international crisis in elite politics, exemplified in 2016, above all, by the shock victories on the part of the Brexit and Donald Trump campaigns. While the bipartisan support for neo-liberal globalisation is carried over from the period of Opposition from 1996 to 2001, this time the party’s choices and policies exist on far more hostile terrain, as alternative electoral forces on its left and right swarm in the context of a growing international backlash against elite politics—a brush with which Labor is very much tarred—and an international economic climate that tests the limits of social democratic reform like almost none other.

Finally, a note on terminology: the term ‘reform’ in politics has taken on a darker meaning, referring to policies aimed at increasing efficiency, reducing public sector involvement, or adapting more managerial and private sector techniques to the delivery of certain public goods (Bishop & Wanna, 2002). This is not the way in which ‘reform’ is used for the most part throughout this book. Reforms, instead, are treated as policies traditionally associated with social democratic governments and geared towards raising living standards for the majority, such as those cited in Kerr

(2001: 4) above. When it is suggested that Labor retreated from reforms in the post-Whitlam period, this is meant in the sense that it abandoned policies that would make a tangible and positive difference to the lives of its historic constituents.

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## Chapter 2

# In the Wilderness: The Whys and Wherefores of Opposition

In this chapter, we examine the diverse factors that influence Opposition ‘behaviour’, a term which encompasses Opposition strategy (the Opposition’s objective vis-a-vis the Government) and tactics (the various means by which it attempts to carry out its strategy), but also other phenomena such as party splits and ideological revision. To some extent we follow Dahl’s approach, which according to Blondel (1997: 471, 472) groups the various explanations for the ‘patterns’ of Opposition into the categories ‘institutional’ (for example, constitutional structure, electoral and party systems) and ‘socioeconomic’ (such as political culture, the extent to which opinions are polarised around political issues, and the existence of cleavages). We depart from Dahl’s approach, however, in adopting the broader term ‘non-institutional’ to refer to those variables somewhat within the Opposition’s sphere of influence (for example, party leadership and ideology, and conclusions drawn about the reasons for losing Government), meaning that factors such as political culture are treated as institutional variables because they are largely beyond the control of Oppositions or parties, whose actions over time arguably would, to some extent, shape political culture, but not in the short-term, in between elections, for example.

Although focused mainly on the factors that shape the behaviour of the typical Westminster Opposition, otherwise known as the ‘Shadow Government’, given its obvious relevance to the Australian system, our analysis draws on examples from a range of countries, which both demonstrate the importance of such variables as electoral and party systems, as well as helping to clarify the context of Opposition in Australia inhabited by Labor. Both institutional and non-institutional factors are shown to be important, with neither emerging as more decisive. On the other hand, some commentators lean towards attributing greater primacy to institutional factors, which partly reflects the fact that there are many more variables influencing an Opposition’s behaviour than it can control, and that this behaviour will depend upon political and economic circumstances at the time—an obvious point perhaps, but one ignored by much vacuous media commentary on Oppositions, who are routinely depicted as being blessed with eternal free will.

While one reading of a great deal of the research suggests that it is difficult to predict the overall behaviour of an Opposition by referring to any one set of factors (institutional or non-institutional), and that each new Opposition has the potential to display different behaviour patterns given the intervention of certain political and economic factors, it does offer some insights which are particularly relevant to Labor during the periods studied, including the role of changes in the economic environment, the impact of conclusions drawn about the reasons for losing office, and the way in which being in Opposition has historically exposed the underbelly of the British Labour Party (like the ALP) to greater prodding and poking from extra-parliamentary forces such as trade unions and party conferences.

This chapter is in two sections. The first discusses the relationship between Oppositions and various institutional variables, including electoral and party systems, constitutional structures, and compulsory voting. The second examines the impact of variables over which the Opposition potentially can exercise *some* control, such as the ideology and background of political parties, leadership, and the conclusions drawn by Oppositions about why they were ejected from office.

## Institutional Variables

A multitude of electoral and constitutional variables, according to Dahl, affect Opposition behaviour, including: the extent to which constitutional arrangements allocate sources of power to the chief executive, the legislature, and the courts (separation of powers); whether a federal or unitary system applies; the relative magnitude of the political means conferred on the chief executive and legislature for exerting influence on one another; and the electoral system, whether of the single-member district or proportional representation (PR) variety.<sup>1</sup> Dahl cites the case of the US, where the constitutional framework militates against a high degree of identifiability and concentration among Oppositions, thereby encouraging diffuseness, and discouraging strict competition in favour of bargaining strategies. By spawning a variety of alternative sites,<sup>2</sup> the constitutional separation of powers reduces the importance of elections as ultimate arbiters of politics. The cumulative result is that the distinction between Government and Opposition is much less clear in the US. So significant is the impact of electoral systems, in Dahl's eyes, that if Britain were to change from a single-member system to a form of PR, 'the present

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<sup>1</sup>A single-member system is one in which electors each possess one vote, with the candidate attracting the most votes being declared the winner, even if he or she does not gain an absolute majority. A PR system, in contrast, is one in which elections seek, by multimember seats or reserve lists, to allocate seats on the basis of the proportion of votes received (Butler, 1981: 25).

<sup>2</sup>Dahl (1966b: 338) defines the site for encounters between Government and Opposition as the 'situation or circumstances in which an opposition employs its resources to bring about a change'.

degree of concentration, identifiability, and strict competitiveness of the opposition party surely would not continue to exist'.<sup>3</sup> Because no one party is normally able under PR to form a majority, Dahl (1966a: 349–351) suggests, rather than jostling to attract the number of votes in elections required to win a majority of seats in parliament and then form a government (cabinet or executive) by itself (Strategy One), parties under PR attempt to use their representation in the Parliament to secure an influential place in a governing coalition (Strategy Two).

Also emerging as significant is the party system. Dahl argues that the concentration of the Opposition—whether constituted in a single organisation or more widely dispersed in a number of independent organizations—depends on the nature of the party system of which the Opposition is an important element, the four types being: (a) two-party systems with a high degree of internal party unity (e.g. Britain); (b) two-party systems with relatively low internal party unity (e.g. United States); (c) multi-party systems with relatively high internal party unity (e.g. Sweden and Norway); and multi-party systems with low internal party unity (e.g. Italy and France). Each party system, according to Dahl, is associable with different Opposition strategies. Two-party systems of the British kind, where each party competes to achieve a majority of seats in the Parliament, produce no holds barred zero-sum contests most of the time;<sup>4</sup> in two-party systems with relatively low internal party unity such as the US, strict competition is confined to election periods, with inter-party coalition-forming taking place in normal periods of Congress; and in multi-party systems, strict competition is either unlikely, or if one party is unable to form a majority on its own, nigh on impossible (Dahl, 1966b: 332–7).

The implications of Dahl's arguments for the ALP are that, in the absence of any switch to a PR system, Labor's strategy in Opposition, at its most basic, will involve the objective of defeating the government of the day via a public campaign intended—in theory, at least—to convince people to vote for it in an effort to secure a majority of seats in the Parliament, which will then allow it to implement its policies. As Marland and Flanagan (2013: 272) put it, 'Opposition political parties are in a constant state of exploring how to increase their chances of influencing or forming government'. Thus, an attendant assumption is that Labor will continue to adopt the Shadow Cabinet model, will be physically and organisationally distinct

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<sup>3</sup>This argument is supported partly by Dunleavy, Margetts and Weir's study of the hypothetical impact on the 1992 British general election of three different types of electoral systems, two of which were forms of PR. The authors concluded: 'Both proportional systems would ... have ushered in a period of three-party politics in England ... In 1992, the Conservatives would have remained the largest single party, but they would have been vulnerable to a centre-left deal between the Liberal Democrats and Labour' (Dunleavy, Margetts, & Weir, 1992: 655).

<sup>4</sup>Dahl (1966b: 336) did note that for much of the duration of the two world wars the British major parties agreed to form coalition governments, in the process substituting collaboration for competition. More recently, see the experience of the Conservative-Liberal Democrat Coalition that ruled the UK between 2010 and 2015.

from the Government, and will conduct its Opposition to the government in an unapologetically adversarial manner.

Yet, one of the criticisms levelled at Dahl revolves around his insinuation that parties are incapable of ‘playing an independent part: they appear to play a part only as a consequence of the characteristics of the electoral system’ (Blondel, 1997: 474). Numerous commentators point to the fact that countries with similar voting systems have given rise to very different party systems derivative of the nation’s history and its economic and social conditions (Butler, 1981: 11; Ionescu and Madaragia, 1968: 87, 88; Kirchheimer, 1957: 147). Eckstein cites India as a case in point: although possessing an electoral system virtually identical to that of Britain, it was characterised—initially, at least—by a very different (dominant) party system (Eckstein, 1968: 448). Kothari attributes the omnipresence of consensus and cooperation in India—in contrast to the British system—to historic and cultural factors specific to that country, though others have drawn attention to other facets setting it apart from the system running in its former colonial master, including its 29 jurisdictions: the national level, in addition to the country’s 28 states (Kothari, 1973: 305, 310; see, more recently, Manor, 2011). Beyond India, others have gone so far as to say that in fact the party system is the independent variable, that is political parties devise electoral systems that best preserve their interests (Lipson, 1953: 350).

Whatever recent evidence there is to justify this claim,<sup>5</sup> it seems beyond doubt that Opposition strategy and tactics are governed somewhat by party system variations, which in turn respond to different electoral systems as well as to a range of other factors, including culture. Punnett (1973: 18), for example, maintains that the normal Government-Opposition pattern in the British Parliament would be ruptured under a different party system with three or more parties of equal strength, or a different electoral system that enabled minor parties to establish a foothold in the Parliament.

What this means in Australia is that it is likely that Labor’s broad strategy in Opposition, as described above, would be affected by a change to a system of PR only if it gave rise to other parties capable—individually or collectively—of threatening the ability of either of the major parties to rule in their own right. So long as the Australian two-party system<sup>6</sup> remains intact, and a single-member arrangement continues to exist, Labor will continue to try to defeat the government

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<sup>5</sup>Hague, Harrop, and Breslin (1998: 142) observe that the transitions to PR in South Africa and New Zealand in 1994 and 1996 respectively had ‘damaged the prospects of two-party systems.’ Although this statement would appear to support the view that party systems are subordinate to electoral systems, the examples could also be seen as supporting the argument that electoral arrangements correspond with the interests of the parties that decide them.

<sup>6</sup>There is some debate about whether Australia has a two-party system, given that, in addition to the ALP and the rising Greens party (see Appendix), when in power at the federal level the main conservative force, the Liberal Party of Australia, relies on the support of its junior Coalition partner, the (rural-based) National Party; some have thus described this system as a two-and-a-half party system (e.g. Eltham, 2010). For the purposes of convenience, we shall persist with describing Australia’s as a two-party system. For similar reasons, we shy away from debates about whether Australia has, strictly speaking, a ‘parliamentary system’ (see Ganghof, 2012), assuming instead that it does indeed have such a system.



through a public campaign, and to achieve office in its own right by winning the most number of seats in the House of Representatives, where the government is traditionally formed. While a different electoral system might affect changes in Labor's overall strategy, it is doubtful that it would have many repercussions for its policy development: thus, as we shall see in Chap. 8, the changes in the economic context in the 1970s would likely have had major ramifications for the policies of a social democratic party such as the ALP, irrespective of what electoral or party system existed at the time.

This knowledge shapes our response to the fact that the ALP operates in a replica of the classic British two-party system with a single-member voting system characterised by 'adversarial debate with government and opposition facing each other across the floor of the House' (Johnson, 1997: 491). Characteristically, almost immediately after elections in Westminster systems it is clear which party has the honour of forming Government,<sup>7</sup> and which is saddled with the role of Opposition (Dahl, 1966b: 339). Speaking, again, within the British context, Gilljam and Karlsson (2015: 555–6) write that, '[b]eing out of office, and excluded from both deciding and implementing policy, [the Opposition] is consigned to criticising and distancing itself from the ruling majority. The ambition of opposition representatives is to portray themselves as viable political alternatives to the ruling majority'. In Australia, this same basic pattern applies.

By contrast, in countries that do not produce immediately decisive electoral outcomes, as in the cases of multi-party systems such as Holland and Italy, parties aim to influence public opinion and win seats in elections. But the inability to form a majority except as part of a coalition means that 'they shape their strategy to take advantage of opportunities for bargaining their way into the current coalition, replacing it with a different coalition, or forcing new elections that are expected to improve their bargaining position' (Dahl, 1966b: 339, 340).

Part of the fascination with the British model can be attributed not just to its imperial and regal pomp, but also to its ripe old age (Helms, 2004, 26). Yet, this curious Westminster species, with Her Majesty's Opposition and 'Shadow Government', replete with quirks such as a salary for the Leader of the Opposition, is in a small minority (Bale, 2015, 61). In fact, writing in 2013, Best noted that the model applied not even to Britain herself, which at the time did not have the expected one-party dominant government facing off against a one-party Opposition (Best, 2013, 337). More divergently still, witness France, where 'every party takes

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<sup>7</sup>In a significant departure from the norm, which is arguably yet more evidence of the growing volatility and unpredictability in politics in western countries, it was not until more than a week after the 2016 Australian federal election that a conservative Liberal-National government was formed.



up, during the electoral campaign, the language of opposition' (Grosser, 1966: 294). There, even the President can feign Opposition (Helms, 2004, 35). As Helms (2013: 127) comments:

[W]ith few exceptions – mostly from the family of Westminster democracies – party government has always been an illusion. In the large majority of established parliamentary democracies party government has effectively meant coalition government, with most new governments arising from protracted bargaining between parties (none of which is able to govern alone).

According to Punnett, in a multi-party system not dominated by one Opposition party, leaders might be more disposed to alliance-building with the aim of creating an alternative government. However, in a multi-party situation characterised by one dominant Opposition party, there is less pressure on that party's leaders to build alliances, with few concerns for the fortunes of the minor parties (Punnett, 1973: 439). While in more recent times the emergence of more complex party systems (e.g. the UK under Conservative-Liberal Democrat rule from 2010 to 2015) has not meant the demise of mainstream parties and their hold over government, it has seen an increase in 'the variety of coalition governments, many of which at least temporarily comprised new parties of the left and right' (Helms, 2013: 127).

The particular party system operating at any one time might impact not just on the party's broad strategy, but also on a party's policies, at least in the indirect sense that the polarisation of the electorate along two-party lines in majoritarian systems compels the Opposition to target with its policies the 10% of 'floating' voters vacillating between the parties from election to election (Jennings, 1957: 170). This may entail 'taking as its own policy, with embellishments and improvements, those items of Government policy which seem most popular' (Jennings, 1957: 170). This appears relevant to the experience of the ALP in Opposition: the holy grail of the 'middle-ground' was said by some to be the target of Labor in the late-1970s and 1980s, as the party moved away from policies historically associable with its traditional constituency. However, as we shall see, this movement was more attributable to the dramatic shift in economic conditions post-1975 rather than to electoral marketing strategies (see Chaps. 7–11).

Party systems and electoral systems, depending on how they interact with the former, are thus important institutional determinants of an Opposition's political behaviour and the feasible options at its disposal. Dahl (1966a: 350) also cites federalism as an institutional determinant, arguing that it throws up alternative sites for Opposition, in the process decreasing the importance of electoral encounters at other sites. There is support for this position elsewhere (Friedrich, 1966: 291). Because federalism enables a party simultaneously to be in Opposition and in government, it may use leverage from the latter to advance its position at another level of the political system. Kirchheimer's (1966: 252) argument that federalism is a key factor in the prevalence of bargaining politics in Germany, owing to the inability of any one party to dominate all levels of government or to win in its own

right, arguably still holds water in that country (see Helms, 2004: 30–34). But the argument does not appear generalisable to Government–Opposition dynamics in Australia, where the adversarial nature of the relations between the major parties remains as bitter as ever (however misleading this might be as to their concord on the distribution of wealth and power in the country, which does not change with alternations of office—see Chaps. 12–16). Whatever its electoral position in the states, Labor in Opposition federally will always strive for the vanquishing of the government.

In addition to federalism, Reid and Forrest argue that Australia’s bicameral Parliament, combined with strong party discipline and party ties between members of both Houses, widens options available to the Opposition to challenge the government, including the blocking of legislation, which is provided for in the Constitution. Bicameralism’s consequences for Opposition strategy depend, however, in this case at least, on the existence of other (mainly institutional) variables: the introduction of proportional representation to the Senate’s voting system in 1949 led to a situation where ‘Government control of the Senate has been very much more the exception than the rule’. In other words, the Senate comes into the equation in Australia largely because of the different electoral system deciding its make-up (Reid & Forrest, 1989: 64, 74).

One factor potentially even more important to understanding the modern ALP in Opposition is compulsory voting, which was first introduced for federal elections in Australia in 1912. As Crisp presciently writes, because ‘[p]arties which were formerly preoccupied with *inducing* the unattached voters to flock to the polls now know they will be there anyway’, they may concern themselves less with convincing voters—both during election and non-election periods—of their philosophies and programs, and turn their attention instead to making ‘hectic campaign appeals based usually on a few superficial scares, baits and catchcries’ (Crisp, 1950–51: 89, 91). In the case of Labor, according to Crisp’s scenario, rather than making a serious attempt to build up a core of committed voters, the party would seek merely to win the support of electors at election time, and pay them little attention thereafter. If this is true, then compulsory voting may contribute to the widespread confusion, evident during the Beazley period of Opposition in particular, about what Labor stands for. However, this is unlikely to be anything other than a minor factor in this process, since the Labour Party in Britain, a country with optional voting, has similarly been engaging in a process of ‘modernisation’ which has progressively whittled down the differences between itself and the Conservatives (see Scott, 2000). A similar process has been all too evident elsewhere (see Appendix).

Cumulative historical change represents another institutional variable of considerable importance: the reputation that precedes a political party ‘weighs like a nightmare on the brains of the living’ representatives. In the case of the British system, politics has dramatically changed from the time when Oppositions focused on events in Parliament where, prior to the strengthening of party discipline,

governments often fell mid-term rather than at elections (Hanham, 1966–67: 35; Punnett, 1973: 194; Hockin, 1971–72: 64). Prior to WWI, Oppositions had little choice but to concentrate on criticising the Government rather than on providing an alternative, for as Hanham (1966–67: 38) points out: ‘Official party programmes were a relatively late development.’ This development, mirrored in Australia (Reid & Forrest, 1989: 63, 64), had ramifications for the Whitlam Opposition, which extensively constructed its ‘Program’ prior to taking power in 1972. Yet, it also impacted on the Beazley Opposition in a different way: when Beazley Labor was perceived as bereft of policy it was roundly criticised for being opportunistic and cynical, because Oppositions are now expected to be not just critical, but also to provide an alternative.

A related variable of note, at least when it comes to majoritarian systems, is the growing dominance of the media over politics, and, ipso facto, Opposition behaviour. Parties now devote to public relations and imagery considerably more funds and human resources, including opinion pollsters, media advisers, and spin-doctors (Turner, 1969: 78; Alderman, 1992:71; Connolly, 1996: 107). In the darker terms characterising public political debate in the 2010s, these might readily be seen as just a rogues’ gallery of hangers-on and corruptible insiders. But undoubtedly their greater prevalence helps explain the cautious and conservative approach of Beazley Labor, which was heavily criticised for being unprincipled and media and poll-driven in its policy formation, particularly in relation to the hapless asylum-seekers who found their way to Australia in the early 2000s (see Chap. 15).

Also acting as a limitation on the strategies and tactics at the disposal of Oppositions is their very focus on implementing political change through parliament following a period of public electioneering (Jennings, 1957: 174). By requiring the Opposition to seek the highest number of votes, it can push it towards any policy deemed to have popular—read: lowest common denominator—appeal (Punnett, 1973: 32). Paradoxically, perhaps, Powell also argues that in the case of British Labour, this need for approval could also have detrimental electoral consequences, because it encourages the eschewing of ‘any well-defined appeal at all’, thus tainting the party in the eyes of its followers as well as in those of the wider population (Powell, 1959: 342, 343). This also may be relevant to the convergence process that arguably commenced in the post-Whitlam days of Opposition, and which has continued right through to the present. Particularly in relation to economic policy, many traditional supporters of the party have been dismayed at Labor’s mimicking of the Coalition’s economic rationalism. However, as is argued in the coming chapters, this is less a product directly of parliamentarism than of the collapse of the post-war boom, with all its far-reaching consequences for social democratic reformism.

On the other hand, Opposition, while not removing all parliamentary pressures, relaxes some of the constraints on party behaviour by liberating it from the earnest nature of government, and lessening the ramifications brought about by slip-ups or party infighting (Bilski, 1977: 318; Alderman 1968: 124). This process is particularly acute for the British Labour Party and, by implication, the ALP. Pimlott

(1992: 573) has argued that defeat, ‘which robs ministers of power, gives activists an opportunity for self-expression.’ The function of defeat might, therefore, be seen in quasi-psychological terms as allowing for the intake of a few deep breaths, as the cathartic process of letting of steam gets underway.

For the MPs themselves, the culture shock of being in Opposition and (relatively) deprived of power is profound enough to alter their political views on how well, or not, representative democracy functions at that time (Gilljam & Karlsson, 2015). Related to this is the fact that a party with little prospect of implementing its policies can indulge more radical or experimental ideas. Punnett (1973: 412) cites the British Liberals’ espousal in 1965 of military force to crush the Rhodesian rebellion when both the Labour government and the Conservative Opposition ruled out this option, as well as their comparatively more strident criticisms of American imperialism in Vietnam.<sup>8</sup> In what may be a case of be careful what you wish for, there is a genuine dilemma for Oppositions when it comes to enjoying the benefits, freedoms, and future electoral rewards of membership in the ‘peanut gallery’, as opposed to the risks of losing support and, potentially, being almost annihilated by the electorate (e.g. Liberal Democrats, 2010–2015—see Cutts and Russell, 2015) after being tempted by the forbidden fruit of power, only to find its taste bitter beyond the wildest imagination:

On the one hand, remaining as part of the opposition may be perceived as the most remunerative strategy from an electoral point of view, given that it is as opposition parties that they normally achieve their initial electoral success. On the other hand, there may be a strong temptation to invest the newly acquired electoral ‘capital’ in a place at the government table, by trying to influence policy outcomes from that position or just by using the distributive power that governmental participation often entails. In other words, a typical trade-off between votes, policy and in-office goals is easily predictable when a party moves from a position of non-representation in the parliamentary arena, or of parliamentary irrelevance, to being an important player in the government coalition game (Tronconi, 2015, 579).

In terms of his future popularity, Donald Trump may well come to rue his successful assault on the Oval Office, for he might be better off, were the American political system to allow it, as a permanent Leader of the Opposition, from which vantage point he could take pot shots at the Washington establishment, as well as safely avoid disappointing his supporters who now expect him to, inter alia, build a wall shutting out the Mexicans—at their expense, no less—and to reverse the structural trade deficit with China.<sup>9</sup> As Gilljam and Karlsson (2015: 559) put it: ‘To be in office means to take pragmatic stances in order to implement policies.

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<sup>8</sup>Nevertheless, Punnett (1973: 413) argues that the aforementioned discipline associated with the acceptance of Parliament as the appropriate forum for contesting Government policies, and a susceptibility to accusations of comfortable irresponsibility as a result of their distance from office means, paradoxically, that the Liberal Party was required ‘to be at pains to show that it is a responsible party’.

<sup>9</sup>Indeed, it was clear immediately from the much more measured tone of Trump’s victory speech, delivered on the night of the election, that the shackles were already firmly in place.

Compromises are struck with political opponents. Radical ideals are disposed as unrealistic. Being out of office could ... radicalise representatives who want to distance themselves from the rulers in the centre'.

Being free from the moderating effects associated with managing the capitalist state was, as we shall see, one reason why the Whitlam Labor Opposition proved hospitable to radicalising external influences, such as the anti-Vietnam war movement and the trade unions. Perhaps, however, this also had something to do with the seemingly interminable length of time it had been in Opposition.<sup>10</sup> As an Opposition ages, Punnett (1973: 210) argues, 'it loses touch with the realities of office, [and] the more unreal and dangerous its attempts at policy making are likely to be' (see also Maddox, 1996: 262). This is too reductive: the party may become desperate to get back into office and do anything, including ditching core beliefs. But the general point is sound.

Another important determinant of behaviour outside the scope of Opposition or party control is the composition of the Parliament (i.e. the number of seats held by the Government vis-à-vis the Opposition): a miniscule return of members can have a demoralising or subduing effect, while an enlarged presence in the Parliament can do the opposite (van Hattem, 1984: 364; Turner, 1969: 14, 15). Although the number of seats in the House of Representative held by Labor rose from a miserable 49 after the 1996 federal election to a morale-boosting 67 following the next poll two-and-a-half years later, it is difficult to determine if this had any noticeable effect on Labor's strategy, independent of the expected surge of adrenaline such an improvement might be expected to bring on.

In the extreme case of a minority Government, Fraser (1999) likened the impact to a 'downpour in a desert', with the Opposition 'brought to life' by the additional resources conferred on them, as well as the wider range of tactics at their disposal: censures of Government action, no-confidence motions in Ministers, and, the *coup de grace*, the forced resignation of a Government through the gaining of support for a motion of no-confidence or the denial of Supply. In the British context, prior to the 2010 general election it was correctly predicted that hung parliaments would become more frequent occurrences (Kalitowski, 2008). After the experience of the Australian 2016 federal election, in which the Liberal-National Coalition was returned with the barest of (one seat) majorities, this observation may also apply to this country, with expected impacts on Opposition strategy.

Severe or successive electoral defeats, by contrast, have the tendency to spur drastic policy rethinks and reviews of party structure and policies, in the hope that this will increase an Opposition's likelihood of a return from the wilderness (Alderman 1968: 132). It was thus with the pain of the whip of multiple electoral defeats still searing in his marrow that British Labour leader Hugh Gaitskell 'set about revising the image and policies of the Party and, in particular, the controversial 'Clause Four' concerning public ownership' (Turner, 1969: 61). One of his political progeny, Tony Blair, similarly 'modernised' New Labor during the 'long

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<sup>10</sup>As of 1967, 18 years.

hegemony [1979–1997] of the Conservatives’ (Parry, 1997: 458). Perhaps an antipodean example of this is Labor’s dogged pursuit of more ‘responsible economic management’ under Bill Hayden, who sought to repudiate Whitlamism in the wake of a second consecutive crushing defeat at the hands of his Liberal opponent Malcolm Fraser in 1977. There may well be something to this, but, again, the empirical evidence suggests that this factor was subordinate to the changed economic context post-1974 as an explanation of Labor’s political direction under Hayden.

Political culture looms large as a major institutional determinant, and is partly, as we have already seen, the reason why countries with similar electoral systems can spawn very different party systems. Writing at a time when the word ‘culture’ had perhaps fewer unsettling connotations, Dahl attributes significant importance to cultural factors in explaining variations in the patterns of Oppositions across different countries, citing for example, Alfred Grosser, who argued that French people were more given to opposing than to supporting government. Problematic as any such generalisations inevitably are, Dahl is no doubt correct to say that patterns of Opposition in any given country will be affected by whether people are favourable towards the political system, whether people are generally trustful or suspicious towards their fellow citizens, whether they are cooperative in spirit or individualistic, and whether approaches to problem-solving are empirically based—that is, reliant on what is ‘practical’ and achieves the best outcome—or dogmatic (Dahl, 1966a: 352–355). Take just one aspect of this argument, Australia’s liberal political culture (Eccleston, 2002: 77). This might make Labor in Opposition more susceptible to free-market ideas, as seemed to be the case under Bill Hayden. This, of course, does not explain the hitherto more interventionist orientation of Labor—in contrast, an emphasis on the changes wrought by the end of the post-war boom can explain the apparent inconsistency—but it nonetheless could have acted as yet one more factor pushing Labor in that direction.

Dahl considers five other cultural-type factors to be instrumental. The first was subcultures, defined as ‘any difference in behaviour or beliefs [that] can lead to the development of so many special patterns of thought, language, identity, and other forms of behaviour’. Second, Dahl believes a country’s ‘record of grievance’, the extent to which its citizens are alienated or allegiant as a result of its record in redressing people’s grievances, to be another important factor. Third, he argues that political divisions derived from social and economic sources, or long-run changes in class, social status, occupation, religion, ethnic group or language social factors, could shape patterns of Opposition. Dahl lists as the fourth factor ‘[s]pecific patterns of attitudes and opinions’, or the ‘*patterns* of cleavage and consensus formed by the ways in which political attitudes are distributed over the population of a country’. Dahl argues, for example, that where ‘unequal salience of opinions on different questions among different opinion-clusters’ and ‘low coincidence’ (where individuals who agree on one question are highly likely to disagree on another) combine, the tendency of political leaders to conciliate and compromise is enhanced as a result of the need to gain majorities in the Congress or the Parliament, although he argues that the tendency is heightened under two-party systems. Fifth, political

polarization, the extent to which the population is divided on political issues, is the final main non-institutional variable cited by Dahl (1966a: 357, 359, 367, 371–381; emphasis in original).

These are all open to question. Taking just the third factor that Dahl cites, changes in socio-economic trends could be seen as highly relevant for our purposes. Some Australian political scientists contest, for example, that the relative decline of Labor's traditional blue-collar worker base, and the 'embourgeoisment' of society—highly simplistic assertions, as we shall see—help explain Labor's rightward drift in the 1980s (see Chap. 8). This resembles Otto Kirchheimer's famous point, made decades earlier, that one of the key factors in the so-called 'waning of Opposition' in Western democracies was the 'emergence of a substantial new middle class of skilled workers, the middle ranks of white-collar people, and civil servants', which contributed to the diminution of social and political polarisation. The rise of the 'consumption-oriented individual of mass society' threatened the *raison d'être* of the ideologically oriented nineteenth century party (Kirchheimer, 1957: 148, 153). Kirchheimer's arguments, however, rest on contestable assumptions: for example, the validity of his point about the rise in the number of white-collar workers depends on whether this constitutes a material reduction in class polarisation, or whether it simply changes the type of work undertaken by a portion of the labour force who essentially remain members of the same class, the same class which, a little over a decade later, put paid to the political scientist's prognostications in a most dramatic fashion by staging some of the largest working class rebellions ever seen in the advanced capitalist world (see Callinicos & Harman, 1987).

On safer ground are recent references to a 'much more intensified pattern of opposition since the late 1990s', highlighted in examples including, but not limited to, the rise of the Tea Party and the Occupy movements in the US on the right and left respectively, as well as the mushrooming of many anti-establishment parties across Europe, whose success owes much to the catastrophic effects of the economic crisis that set in towards the end of the first decade of the twenty-first century, coupled with the failure of the establishment parties to challenge neo-liberalism, whose lock-jaw grip on the policies of the self-same parties represents somewhat of a paradox in light of rising Opposition (van Biezen & Wallace, 2013: 293–4; Lavelle, 2014; Gamble, 2009: 1). More than merely the intensification of Opposition, others have argued that, as the number of parties achieving electoral support has risen in many countries—often without their achieving any representation in legislatures—there has been a 'fragmentation' of Opposition, the result being that the line between Opposition and extra-parliamentary Opposition is increasingly fine, potentially leaving Oppositions less well placed to hold governments accountable (Best, 2013). Suffice to say, in almost all of these cases individual Opposition parties have had little control over the events that have thrust them into the spotlight, which is not to say that their strategic and tactical choices have no bearing on what successes there may be (see Appendix).

Dahl's thoughts on the relative weight that should be assigned to the various institutional factors that shape Opposition patterns, which in turn mould strategies and tactics, are not clear. The question as to which are more important—party and



electoral systems and the constitutional structure, or the historical and socioeconomic developments specific to a given polity—is left hanging. Dahl did, however, seem to imply that effects of cultural factors were interrelated with those of party and electoral systems. For example, subculture was more pertinent in the case of Belgium because of the prevalence there of PR, which ‘has been used to guarantee a subculture that it will be represented in parliament’ (Dahl, 1966a: 358).

If anything, many commentators appear to lean toward ascribing greater importance to cultural factors, which tend to be reflected in the nature of the electoral and party systems to which they give rise. The cross-national survey in which Dahl’s aforementioned contributions appear, *Political Oppositions in Western Democracies* (1966), seems to bear this view out, with aspects of politics in countries as diverse as Norway, Sweden, Belgium, the Netherlands, and Germany possessing characteristics unique to their country, and which have proved stubborn to electoral or constitutional changes (Rokkan, 1966: 73, 74, 79; Stjernquist, 1966: 135; Lorwin, 1966: 147, 148; Daalder, 1966: 219; Kirchheimer, 1966: 239).

Yet, years of cultural heritage can pale into insignificance amidst major political and economic ruptures, which tend to induce the most drastic changes in Opposition behaviour. In one or both of the two world wars, coalition governments of sorts, sometimes comprising erstwhile bitter enemies, and which negated the standard function of the Opposition as a rival and an alternative,<sup>11</sup> were formed out of ‘national unity’ in numerous countries, including Sweden, Belgium, Britain, and the Netherlands (Stjernquist, 1966: 123, Lorwin, 1966: 165; Daalder, 1966: 210). In Australia, meanwhile, an Advisory War Council, comprising members of both the government and the Opposition, effectively ran wartime policy in the years between 1940 and 1945 (*The War Cabinet and Advisory War Council*, n.d.). A coalition government was also formed in Britain in 1931 in response to the Great Depression, which produced the miseries of mass unemployment and searing poverty (Punnett, 1973: 406). In Chile, in 1973, the hitherto constitutional Opposition put aside the niceties of bourgeois politics to back the armed overthrow of the democratically elected Allende Government, giving rise to the attendant horrors of the Pinochet years, including the grotesque spectacle of torture carried out at the soccer stadium cum prison camp, Estadio Nacional (Waldstein, 2015). According to one apologist for the coup, all this was defensible because Allende ‘had plunged Chile into the worst social and economic crisis in its modern history’ (Moss, 1973: ii).

By revealing the potentially dramatic impact of changes in the economic environment on Opposition behaviour, this provides grist for the mill for our argument about the collapse of the post-war boom’s enormous ramifications for the Hayden Labor Opposition—and, for that matter, for every other Opposition to follow in its wake.

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<sup>11</sup>In 1915 in the House of Commons, the Leader of the Opposition’s salary was suspended for the lifetime of the Coalition government (Punnett, 1973: 409).



## Non-institutional Variables

The preceding discussion highlighted the significant impact on Opposition behaviour potentially flowing from such variables as electoral systems, party systems, and political culture, however defined. It might be construed from this that, under a Westminster-derived system, a Labor Opposition, still reeling from defeat at the polls, might be expected to react, in attempting to regain office, not unlike its conservative predecessor, since both would be subject to the same electoral and party system, constitutional structure, and national political culture. Yet this would ignore the roles of party ideologies and leadership as determinants of Opposition behaviour. The literature indicates that factors such as these can at times be important determinants of what Oppositions do.

One obvious point is that the Opposition's agenda will be set to a considerable extent by the dominant political themes and crises of the day, and to a lesser extent by the issues on which the executive government elects to concentrate. Oppositions are, of course, not bound by the latter, and are free to embrace the notion that 'the world is what we make of it'. But the reality of the comparatively much greater resources in the hands of the Executive means that the crucial political issues will largely be decided for the Opposition, who makes choices 'but not in circumstances of their own choosing', something increasingly true of Labor, which in a growing number of people's eyes is increasingly reactive—if not reactionary—and passive, opting to follow rather than to lead (see Chaps. 12–16 and Appendix), though a certain tailism is apparent even during the Vietnam war years (see Chap. 4).

The influence of ideology and party politics more broadly can be seen in Stjernquist's (1966: 144, 145) suggestion that changes in the party system would alter the political context in Sweden only if there were greater political and ideological differences between the parties. Potter (1966: 29) argued that the British Conservatives' more strident Opposition to the Liberal Government prior to WWI vis-à-vis the Labour Government after WWII was a result of their bipartisanship with the latter on many key issues, including economic planning, tax, rationing, labour, full employment and inflation, and the need for the reorganisation of the coal, rail, and utility industries, with the nationalisation of iron and steel industries being 'the only nationalization measure of the Labor Government to which the Conservatives offered uncompromising opposition'. In the (admittedly much different) case of South Africa, Spence (1997: 531) noted that, as a result of the relative absence of ideological differences between the weak and fragmented Opposition parties and the dominant African National Congress (ANC), the inability of the former to pose as a viable alternative government had not produced the Opposition irresponsibility that might otherwise have been anticipated in such circumstances.<sup>12</sup> Thus, ideological factors jockey for influence with structural ones,

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<sup>12</sup>While the South African case can still be classified as a dominant party system, given that in this nominally democratic country the ANC is the only party expected to win government, Langfield notes that its grip on power has been weakening somewhat in recent times, amid the all too

notwithstanding the obvious dialectical relationship between structural pressures and ideology (see further below). For Kirchheimer (1966: 245, 248), a key factor in the secular decline of Opposition in Germany was the Social Democratic Party's (SPD) post-WWII embrace of market economics, which markedly reduced the differences between Germany's two main parties: 'The candidates' fights may be more in the nature of a collision between people obliged to squeeze through the same narrow thoroughfare to punch the clock before 8:45'. Bipartisanship on market economics was found to be a key element in the story of the Beazley Labor Opposition, as well as a significant influence on its adoption of the 'small target' strategy. The conspicuous absence of 'Opposition' to the Howard government was constantly decryed by commentators, particularly in the lead-up to the 2001 federal election.

In addition to ideology, there are many non-institutional causes of variations in behaviour of Oppositions in the British system. An Opposition's course of direction following an electoral defeat, for instance, would be heavily contingent upon its reading of the events preceding its loss of power. Perhaps pertinent to the experience of the Beazley Opposition was Punnett's point that if a party decided that it lost office because voters merely felt that it was 'time for a change', it 'might be tempted to sit back and merely wait for the wind of change to blow it back into office' (Punnett, 1973: 192). Indeed, there may well be cases where Oppositions are simply in the right place at the right time—opportunistically capitalising on the incumbent's fall from grace—giving the lie to Ball's proposition that there is a tidy recipe for victory consisting of such ingredients as, 'fresh faces', 'cohesion', 'visibility', 'efficiency', and 'adaptability' (Ball, cited in Bale, 2015: 61–2). But in the case of the ALP, as we shall see, the National Consultative Review Committee, established post-1996 election defeat by the party's National Executive, rated—incorrectly, as I shall argue—the 'It's Time' factor 'first as a rationalisation for voting against Labor.' Here compounding the 'wind of change' effect described by Punnett was the fact that the FPLP leadership nurtured a very benign view of Labor in power in the 1980s and 1990s—one clearly not shared by the voting public. However, this not only begs the question as to why the people wanted a change in the first place, but also what forces might lead an Opposition to come to terms with its loss of office in such airily complacent fashion. In the case of the Beazley Labor Opposition, the pursuit of a 'small-target' strategy, and a rosy perspective on its years in government, have to be seen in the post-cold war context of the ideological ascendancy of market economics, with all the attendant repercussions for rapidly diminishing policy differences between mainstream political actors. Similarly, Labor's enduring conclusion regarding the Whitlam government—that it had tried

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(Footnote 12 continued)

familiar (in the international context) signs of disillusionment with the ruling party, which she argues proves the capacity for strategic choices on the part of the Opposition to change its fortunes, and potentially to undermine a dominant party system (Langfield, 2013: 291). Even more recently there have been signs of the ANC's status as a dominant party coming under considerable challenge (e.g. Laing, 2016).

to do things ‘too quickly’, and must in future temper its ambitions for social change—took shape during a period of economic crisis, which notably dampened the party’s reformist mood.

Similarly, an Opposition’s misreading of a situation in which it is gaining on an incumbent can also distort its behaviour, a prime example being New Labour’s success in Opposition in the mid-1990s in the context of a widely reviled Conservative government. As Marquand (1999, 250) notes, the ‘psephological evidence suggests that New Labour won [in 1997] as Not Conservative rather than as New Labour’. Yet, because New Labour thought—or so it seemed—that its revisionist ‘modernising’ was the cause of its improved performance, Blair sped up the task of bringing New Labour closer to the Conservatives in policy terms, even when it was clear that the Tories were headed for oblivion (Callinicos, 1996, 3).

Party history and ideology have also featured in discussions about the varying styles of Opposition in Britain. British Labour Oppositions are said to be more placid and timid in opposing the government than are their Conservative counterparts. Jennings, for example, argues that, in contrast to the Conservatives, because Labour ‘may be accused of revolutionary tendencies, it must show itself [to be] more strictly constitutional’ than other parties. Other factors account for Labour’s docility in Opposition, according to Jennings, including MPs’ prior experience as trade unionists, which schools them in the art of negotiation; the fact that Labour might view government proposals as ‘instalments of its own policy’, and therefore wish a safe passage for the legislation; and, *inter alia*, because impeding government policies implied ‘long sittings and most Labour members are comparatively poor men who have to live in the cheaper and therefore more remote suburbs, and they cannot afford taxi fares. If a debate is kept up beyond midnight, they miss the last underground trains and omnibuses’ (Jennings, 1957: 179–180). No doubt, some of this data has lost its explanatory power over the years. Perhaps this is less true of Dowse’s emphasis on the representation among Labour MPs of former trade union officials, and the way in which this has led the party to strike a more conciliatory note. His argument’s persuasiveness is undermined, however, by the absence of an explanation for the non-trade union Labour MPs who similarly lacked an appreciation of the need for ‘extreme vigour in opposition’. Perhaps it relates to another ideological factor, that is the ‘the ease with which that party [Labour] has come to be dominated by the theory of responsible opposition’ (Dowse, 1960: 524–525).

Across the aisle, Punnett points to the ‘born to rule’ mentality of the Conservative party, which leads them to think and behave in Opposition as if they still rule the roost. Labor, on the other hand, is a ‘party of dissent and opposition, with a philosophy and attitude to authority that makes it more comfortable in opposition than in office’. Punnett cites Robert Rhodes James’s claim that in Opposition the Conservatives find themselves in unnatural surroundings, and thus are predisposed to division and internal bickering, the chief sacrificial lamb in the wake of defeat usually being the leader. The Labour Party, in contrast, subjects its Leader of the Opposition to ‘regular attack without necessarily wanting to overthrow him’ (Punnett, 1973: 6, 90).

Several commentators point to the tendency for Labour in Opposition to be more vulnerable to the influence of non-leadership elements, ‘extremists’, conferences, the trade unions, and the party machine in general, which in turn leads to greater internal strife compared with the disciplining effects of winning government, when the authority of Cabinet and the parliamentary leadership takes precedence (Powell, 1959: 340, 343; Rose, 1956: 129; Bilski, 1977: 307, 308; Pimlott, 1992: 173, 573, 728). This is why the need for formal disciplinary restraints on Labour members in Opposition is greater compared with when they are in government (Alderman 1968: 124). As has already been noted, this argument was key to explaining the Whitlam Labor Opposition’s susceptibility to the radicalising influences of the anti-Vietnam war movement and the trade unions.

Party leadership appears less important than one might instinctively have thought, even if we reject both the ‘great man’ view of history and the crude structuralism that permits individuals no decisive influence at historical junctures, and come down instead on the side of a methodology that suggests that, while structures do indeed shape individuals in dramatic ways, the actions and decisions of the latter can at crucial points be pivotal to the outcome of events (Barker, Johnson, & Lavalette, 2001). Few would deny, for example, that Tony Blair was influential in pushing Labour down a ‘modernising’ path that drove it further in the direction of Conservative nostrums. On the other hand, Labour’s general direction under his leadership is best understood in the context of the post-cold war era of free market triumphalism, the acceptance of ‘globalisation’ as a constraint on reformist ambition, and an internationally uncertain and downbeat economic environment that undercut the material base of redistributive policies (see Lavelle 2008: Chap. 7). Going back further in time, it has been suggested that, upon assuming the leadership of the Liberal Party, Lloyd George was, unlike his predecessor Asquith, reluctant to adopt the Shadow Cabinet model of Opposition (Punnett, 1973: 414; Turner, 1969: 42, 43). One of his Liberal predecessors, Gladstone, in Opposition after 1885, was similarly disinclined to convene Shadow Cabinet meetings because ‘no one in his senses could covenant to call the “late cabinet” together’ (Turner, 1969: 21).

The lack of importance assigned to leadership in this book as an explanation for the direction of Labor in Opposition is consistent with its absence in the literature relating to the British system, and perhaps beyond. In the British system, but also arguably in the Australian context, it seems unassailable that the autonomy of leadership as a non-institutional variable would be circumscribed by a range of other variables, such as the party’s ideology and constituencies, the historical changes occurring prior to any one leader’s tenure, and the economic forces, such as depressed conditions, that dictate political choices. For Opposition leaders in general, choices would be subject not only to these constraints, but also to the influences of electoral and party systems, the party’s strength in the parliament, political culture, and the constitutional architecture of the polity in question.

## Conclusion

In this chapter, we have examined a very wide range of factors that shape Opposition behaviour. While it is safe to conclude that it remains impossible to predict the exact behaviour of any one Opposition, the broader secondary research does offer some insights applicable to the case of the ALP.

To begin with, it is possible to determine the basic strategy of an Opposition. For instance, the Opposition in a majoritarian system such as the one in which the ALP operates will try to dislodge the governing party at the next election through a public campaign, while the Opposition party in a multi-party system in which none is able to govern in its own right will rely on bargaining. Countries with similar electoral systems may produce very different party systems as a result of peculiar historical and cultural factors. The role of ideology and party history will mean that a Coalition Opposition will act differently to that of a Labor Opposition, despite grafting away within the same electoral and party systems, and political culture. Even here, however, unusual events such as war and grave economic crises tend to produce analogous responses—coalition governments—among the different systems.

Other generalisations can be made. Oppositions that agree to work within parliament will be similarly constrained in their choice of options, although, again, extraordinary circumstances can lead to the adoption of unconstitutional methods (in the case of Chile in 1973, for example, support for a military coup). Opposition parties permanently isolated from office, and with a meagre representation in the Parliament, may be more willing to espouse extreme or experimental policies as a result of the unlikelihood of their ever being in a position to have to act on them. Parties with some recent experience of office, and who are on the receiving end of a particularly severe electoral setback, will often be convulsed by infighting, and look to make major policy and organisational change in order to make it look once again 'electable'. What policy and organisational changes are made to achieve this broad objective, however, will be determined to some extent by the wider political and economic context in which they are contemplated, as well as, of course, according to the party's history and ideology.

While no single factor can determine the direction of a Labor Opposition, the research does provide supporting evidence for some of the claims made in the ensuing chapters. For instance, British Labour's tendency in Opposition to be predisposed to extra-parliamentary influences such as trade unions and party conferences mirrors the experiences of the Whitlam Labor Opposition. Modern Labor's cautious and poll-driven approach is only partly a result of the growing dominance of the media over politics. Also, the research reveals that an Opposition's overall direction will in part be determined by the perspective adopted on its period in government, a striking case in point being the post-Whitlam Opposition. It was argued, however, that this was in turn dependent on other political and economic forces shaping that perspective. Kirchheimer's comments about the effects on the quality of Opposition caused by the German SPD's embrace

of market economics could easily have been offered in relation to the Beazley Labor Opposition's acceptance of key tenets of economic rationalism. If the catastrophic electoral defeats suffered by Labor in the 1970s, in conjunction with a very unforgiving assessment of the Whitlam Government, hastened Labor's adoption of 'responsible economic management' this would not be surprising, given the evidence of similar cases cited above. A hint of the importance of changes in the economic environment—regarded as crucial to the directions of all three Labor Oppositions surveyed here—is given by the examples of the formation of coalition government in Britain in 1931 following the onset of economic depression, and by the Chilean Opposition's support in analogous circumstances for the unconstitutional ousting of President Allende.

Despite the value of existing research, it is, not surprisingly, far from adequate in terms of providing a comprehensive explanation of what drives Labor in Opposition. By closely examining in the remainder of the book three separate periods of Labor in Opposition, we hope to extend, reinforce, and supplement what we have learned thus far about the kinds of factors that shape Opposition behaviour.

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**Part II**  
**The First Whitlam Opposition**  
**(1967–1972)—The Mood for Change**

## Chapter 3

# Introduction to Part II: The First Whitlam Opposition (1967–1972)—The Mood for Change

Chapters 3–6 examine the political character of the first Whitlam Labor Opposition—covering the period between Gough Whitlam’s election as party leader in 1967 and Labor’s historic return to power in 1972—and the political direction of the party during this time. Consistent with the party’s response historically to movements for social change when in Opposition, a notable shift to the left was engineered in order to reap electoral rewards from the political upheaval of the period, but also in an effort to channel the discontent in a parliamentary, non-revolutionary direction. Support for the general argument laid out in Chaps. 3–6 is garnered from case studies of Labor’s policies on the Vietnam War (Chap. 4), industrial relations, and the party’s relationship with the union movement (Chap. 5).

### The Dam Breaks: Australia in an Age of Protest and Rebellion

Australia in the 1950s and 60s was, like most advanced countries, marked by a lull in social conflict, partly as a result of the relative affluence and stability associated with a post-war boom that contributed in no small way to the record stretch of conservative Coalition rule from 1949 to 1972. Craig McGregor was only slightly overstating the case when he wrote in 1966 that:

Australians are convinced of the uniqueness and superiority of their way of life over all others. They are content with the present, eager to forget the past, optimistic about the future... The climate of class warfare is rapidly receding (McGregor, 1966: 15, 93).

As luck would have it, the Whitlam period of Opposition coincided almost exactly with the end of this period of social calm, and with the beginning of an era of great political and social upheaval. The period 1966–1972 is the subject of Donald Horne’s, *Time of Hope*, which argues that it was ‘these seven years, not the three [1972–1975] Whitlam years, [that] were the time of critical change’ (Horne,

1980: 7). Nineteen sixty-eight was a watershed, featuring the turning point in the Vietnam war, the Tet offensive in January,<sup>1</sup> which in turn roused opposition to the war in many countries; riots broke out in black ghettos across the United States in response to the assassination of Martin Luther King, Jr.; it saw the development of militant student movements; the civil rights movement in Northern Ireland began at this time; and France was the site of the largest general strike in history when 10 million workers joined rebellious students in resisting de Gaulle in May (Harman, 1988). The year 1968 may not have been world-changing in the manner of 1648, 1789 or 1917, but it nonetheless shook the world (Harman, 1988: vii). On the thirtieth anniversary of May'68, Australian radical Hall Greenland (1998: 14) looked back at a 'remarkable year, when world revolution seemed not only possible but actually in process'.

The immediate period after 1968 was one of great political unrest. The French May was followed by the 'Italian hot autumn' of 1969, Watergate, workers' rebellions in Poland in 1970–71, a miners' strike that brought down Britain's Conservative Government in 1974, a popular revolt followed by military coup in Chile in 1973, and revolution in Portugal in 1974 (Harman, 1988: viii).

The foundations of Australian society were shaken in the period leading up to Whitlam's election.<sup>2</sup> Like many other countries, a student movement developed alongside the growth of a mass anti-Vietnam war movement; a strike wave caused the highest levels of industrial disputation since 1929; militant protests dogged the South African Springbok rugby tour in 1971; Aboriginal land rights activists established a tent embassy outside Parliament House, which was the scene of fierce battles between protestors and police hellbent on shutting it down; the women's and environment movements were born; and in 1972 the conservative parties were ousted from federal government for the first time in nearly a quarter of a century. Former governor-general Sir Zelman Cowen captured the period in his George Judah Cohen Memorial Lecture in 1976:

There are challenges to authority in many areas... People mass, march, sit in defiance of government and law, there are clashes with police...involving the massed resistance of people protesting about various political and social issues...

There is a current and anxious debate on the propriety of the use of industrial power for objectives which cannot remotely be described as industrial... Not very long ago it was put in an editorial in a national Australian newspaper that the level of violence in western society has escalated to the point of an undeclared war. It was said that we were...at the

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<sup>1</sup>The Tet (festival of the Vietnamese New Year) offensive on 30 January 1968 saw North Vietnamese forces attack South Vietnamese and US Government installations. A major turning point in the war, it revealed the inability of the South Vietnamese government to retain power without the aid of US troops (Harman, 1988: 74).

<sup>2</sup>The ferment ebbed and flowed through to the mid-to-late-1970s, but for the purposes of this study we concentrate on the years 1966–1972.

beginning of a period in which the greater part of organized western society must think it is in the middle of a civil war with those forces which wish to overturn it. These are strong words, but it seems to me that they are not extravagant (1977: 5, 6, 8, 9).

This was ‘one of the most turbulent periods in Australian history’ (Langley, 1992: x). The tumult caused such disquiet in the ranks of the Gorton government that it gave consideration in 1969 to banning street demonstrations (Tingle 2000: 24). As Whitlam’s former private secretary Graham Freudenberg put it, Vietnam represented more than just the name of a country under attack: ‘It is the name for an epoch’ (cited in Langley, 1992: x). Burgmann and Burgmann (1998: 24, 25) found it ‘hard to encapsulate properly the euphoria which enveloped the left in those heady times’. According to Robert Manne: ‘[Between 1966 and 1972] New issues moved to the centre of political life—censorship, abortion, child care, pollution, environmental protection, Aboriginal land rights, the anti-apartheid struggle, Asian immigration and above all, the Vietnam War’ (Manne, 1999: 183).

Vietnam provided the catalyst for the transformation in political mood. The impact of the war and the movement against it was felt not just in the area of foreign policy: it stimulated ‘authentically anti-capitalist movements’ across the western world (Callinicos, 1994: 63). In Australia, it gave rise to a militant student movement, which began to relate the conduct of the war to an oppressive economic system (Gordon & Osmond, 1970).<sup>3</sup> As the leading left Labor figure at the time Jim Cairns put it: ‘The war in Vietnam seriously called into question the ... society which was capable of waging it’ (House of Representatives Hansard (HRH), 22 September 1977: 1529). The influence of the protest movement was also reflected in rising rates of industrial action, as workers came to recognise the efficacy of direct action (Bentley, 1980: 31). There were also significant ideological repercussions:

There has come to be a veritable passion for equality, marked by a growing impatience with privilege or authority, whatever its source... Equality and togetherness have been seen as important values; elitism and meritocracy as divisive and morally and socially abominable (Cowen, 1977: 4, 5).

The right-wing Institute of Public Affairs, lamented ‘an alarming amount of anti-business sentiment in the community and public criticism of the free enterprise system’ (cited in *The Australian*, 21 November 1972: 2). The period also spawned a ‘New Left’, whose ideology centred around personal liberation, participatory democracy, anti-racism and anti-sexism, direct action, community decision-making, and environmentalism (Burgmann & Burgmann, 1998: 25). It was in this context that political analyst Henry Mayer advised the Liberal Party following the 1972 election defeat to move to the left to revive its electoral fortunes (Mayer, 1972: 10).

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<sup>3</sup>Of course, the opening up of tertiary education to much wider layers of the population made the emergence of this movement possible (see O’Lincoln, 1993: 16, 17).

## With and Against: Labor in Opposition and Extra-Parliamentary Movements

The first Whitlam Opposition was radicalised by the aforementioned movements for change. Cliff and Gluckstein (1996), in their Marxist history of the British Labour Party, claimed that two factors invariably pushed Labour in a left-wing direction: being in Opposition, and extra-parliamentary pressure from trade unions and social movements. After losing office in 1970, for example, the party promised to tax wealth, to extend public ownership, to repeal anti-union laws, and to introduce worker representation on company boards. The authors attributed this radical shift to a coincident major upsurge in industrial militancy: strikes rose to their highest levels since the 1920s. A similar process, they observed, was identifiable at the end of WWI (Cliff & Gluckstein, 1996: 309, 313–318).

As a party with more in common with the British Labour Party than any other in the world (see Scott, 2000: 11–15), the ALP has historically been influenced by similar pressures when in Opposition. For example, just as ‘Clause 4’ reflected the militancy and discontent of the post-WWI era in Britain, the ALP’s 1921 ‘socialist objective’<sup>4</sup> coincided with election defeat in May 1917 and a period of great industrial militancy that began the previous year, when over one and a half million working days were lost to strikes. This was followed by a general strike (mainly in New South Wales) in 1917, and over eight million days lost in 1919–1920 (Turner, 1978: 65, 70). The period was characterised by ‘a general discontent with capitalist society as a whole’ (Rawson, 1966: 15). However limited its actual content, the Objective can be seen as ‘a gesture towards trade union militancy’ (Turner, 1978: 72, 73).

More generally, Gibson has suggested that ‘leftward movements within the Labor Party can be traced to mass activity initiated by other organisations’, citing as an example the swing by a majority of the ALP against conscription in 1916 following strong campaigning by the Industrial Workers of the World (IWW), socialist and pacifist groups (Gibson, 1971: 77, 78). In conceding to these popular left-wing forces, Labor, says Gaffney, acts in its own interests by ‘retaining working class support and containing the worker within the system’. Under working class pressure, Labor ‘may at times be forced to break from service to the capitalist class’ (Gaffney, 1972: 5). The particular institutional characteristics of the Labor movement<sup>5</sup> increase the likelihood of its leaders being forced to make changes in policy as a result of exertion from below.<sup>6</sup>

The prospects of Labor leaders responding to this extra-parliamentary pressure are enhanced when the party is in Opposition. In government, the FPLP enjoys a

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<sup>4</sup>On the socialist objective, see Chap. 7.

<sup>5</sup>This term refers to both the ALP and the unions, whereas ‘trade union movement’ refers specifically to the party’s industrial wing.

<sup>6</sup>The decisions of its leaders, according to Turner (1979: xvii), are subject to ‘direct and informed scrutiny’ and direct action which ‘cuts across or negates the intention of the leaders’.

greater degree of autonomy from the rest of the party compared to when it is in Opposition, when the federal executive, national conference and the trade union movement have the capacity to exert greater influence over party policy (Cole, 1982: 87). If the British Labour Party acted as a mediator between classes in Opposition, according to Cliff and Gluckstein, this was no longer the case when it formed government and took responsibility for the day-to-day management of the capitalist state, which exposed it to the conservatising influences of the civil service, the generals, and, above all, the constraints of the capitalist economy (Cliff & Gluckstein, 1996: 103). A recurrent theme in Chap. 2 was the greater opportunities for extra-parliamentary bodies and ‘extremists’ to influence British Labour in Opposition. Largely the same goes for the ALP. Former Whitlam minister Jim McClelland, who notes that the pose struck by Labor was more radical prior to winning office in 1972 than after, comments that the ‘luxury of doctrinal purity is easily afforded by politicians when they have no chance to put their noble solutions of society’s ills into effect’ compared to when it is ‘put up or shut up’ time (McClelland, 1988: 136).

## The Whitlam Labor Opposition

The impact of political and social upheaval—along with its associated ideological changes—on the Whitlam Labor Opposition is most observable in its policies on Vietnam and on industrial relations, and in its broader relations with the union movement. As we shall see, the Whitlam Opposition responded to unprecedented extra-parliamentary pressure by adopting more radical, militant, and anti-capitalist rhetoric, by making key policy shifts, and by displaying sympathy for—as well as *participating* in—direct action as a means by which to effect change.

Needless to say, the tumult of the times impacted on Labor in areas far beyond Vietnam and industrial relations. It heavily influenced Labor’s position on, for example, civil liberties. John Wheeldon, in the midst of debating in 1971 the Government’s Public Order (Protection of Persons and Property) Bill, stated that as his party saw it, ‘the primary right is the right for people to demonstrate and the right of free assembly, not the rights of those people who object to it’ (Senate Hansard (SH), 28 April 1971: 1077). Government threats to remove the Aboriginal tent embassy erected on the lawns of Parliament House led 25 federal Labor MPs to declare: ‘We intend to place ourselves between the Aboriginal people and the McMahon Government should it decide to act against them. It would have to act against us first’ (cited in Barnes, 1972: 1). Labor’s policy of reducing the voting age from 21 to 18 years was based not just on the hardheaded assessment that the votes of the young would overwhelmingly flow to Labor (McGregor, 1968: 41). As Whitlam put it, this would ‘not only remove discontent such as expressed in student power, but discontent in the rapidly growing areas of Australia’ (cited in *The Age*, 5 June 1970: 10). The political commotion of the times meant that Labor politics and rhetoric had a radical edge unlike at any time since. *The Sunday Australian* reported

on the way in which news of union plans to black-ban the visiting all-white Springbok rugby team was received at the ALP's 1971 federal conference:

When [ACTU President Bob] Hawke strode confidently back into the conference room [after receiving news by telephone of union opposition to the tour] Mr Gough Whitlam was in full flight, presenting a report on foreign affairs. Hawke asked for the floor. There was a buzz of excitement as Whitlam gave way.

Hawke made his report and the conference exploded in applause (*The Sunday Australian*, 27 June 1971: 11).

Whitlam's election, and many of the Government's post-elections reforms, were in sync with this mood for change: in relation to the international crisis in elite politics—characterised by fear and loathing towards all things smacking of politics—at this time there was less clear evidence of it. Although by 1972 Vietnam was less of an issue than at the previous election in 1969, still the loudest applause at Whitlam's election rallies was reserved for when he committed Labor to abolishing conscription and to releasing imprisoned resisters (Langley, 1992: 144; Hamel-Green, 1983: 127). Among Labor voters, Vietnam and conscription were nominated more than any other issues as motivators for their voting choice (Goot & Tiffen, 1983: 155). Jim Cairns commented that the anti-war movement did 'a great deal to create the euphoria in which that election [1972] took place' (cited in Saunders, 1983: 88). The Whitlam government's election and its ending of race as a criterion of immigration policy, health service improvements, support for equal pay, abolition of tours by racially selected sporting teams, inter alia, were expressions of:

the radicalisation of Australian society... The widespread feeling that change was not only desirable but possible, expressed in Labor's 'It's Time' election slogan, undoubtedly encouraged other ways - such as the green bans - in which people at this time, guided to differing degrees by New Left ideology, sought to improve both the world around them and their immediate circumstances (Burgmann & Burgmann, 1998: 25).

Altman (1980: 179) notes that Labor's election 'followed six years of politicization in Australia, in which the growth of the anti-war movement, of student radicalism, of feminism ... all played their part'. In 1982, Graham Freudenberg recalled fondly the atmosphere ten years earlier:

[T]he mood of the nation was one of the happiest of our history. I remember there was a national petrol strike in the June and July of 1972. I don't think there had been such a serious industrial dispute for many years that did so little to disturb the general mood of the nation at the time (cited in Steketee, 1982: 7).

The Whitlam Opposition had done little by the way of women's policy development prior to 1972, according to Labor's first woman federal minister, Susan Ryan: 'many of the dramatic changes made for women during the Whitlam administration were a response to the vigorously flourishing women's movement rather than the fruit of long standing work of Labor Party policy committees' (Ryan, 1993: 86). Whitlam's election as party leader in 1967 coincided with the birth of the women's, Aboriginal land rights, and environmental movements, and the former barrister successfully adapted Labor's 'policies to the needs of the social

movements. The Whitlam Government's achievements in these fields should be seen largely as *reactive rather than programmatic*' (Warhurst, 1996: 244, 250; emphasis added).

Of course, each and every policy of the Whitlam Opposition or the Whitlam Governments cannot be attributed to the pressure generated by the social and political tumult of the era. Some policies, such as Medibank, had been developed many years previously (Scotton, 1993). But, as Tietze (1997: 8) put it, 'Whitlam's program embodied the mood of the time'. The mood yearned for comprehensive social change, and the Whitlam Opposition appeared firmly to be in the mould of a classic reformist social democratic party with a platform dominated by the provision of pensions, unemployment relief, and public health and education, public infrastructure investment, and policies aimed at reducing workers' exploitation (Kerr, 2001: 4).

By giving primacy to the social movements of the time as prime factors shaping the character and behaviour of the Whitlam Opposition, and ultimately the election of the first federal Labor government in 23 years, this analysis is somewhat unorthodox. Bob McMullan has suggested that 'the old phrase that "a statesman is a politician who has been dead for a long time" might be paraphrased now to say that respect for periods of government in Australia are in inverse proportion to their proximity' (McMullan, 1999: 3). This is much less true of the Whitlam government from which Labor governments since have sought to distance themselves<sup>7</sup> (Warhurst, 1996: 243). On the other hand, the success of the Whitlam Labor Opposition has been more celebrated the further from memory it becomes. Thus, in the context of Labor's third successive federal election defeat in 2001, Atkins offered the Whitlam experience as a model for FPLP leader-elect Simon Crean to follow. In the sense that Whitlam's was a (partial) victory for policy and a preparedness to present an alternative—both manifestly absent in the Beazley Opposition (see Chap. 15)—Atkins' argument had merit. But he also significantly overstated Whitlam's role in the triumph when he stated that 'Whitlam shook up the party by taking on the notoriously defeatist Victorian branch and then laid down his "program for reform". When he took it to the people, they endorsed him and made him prime minister' (Atkins, 2001: 13).

Not only does this neglect the context in which the Government was elected, it ignores the fact that Whitlam on many occasions was unsuccessful in his objectives, and often had to reorient his own public statements for electoral and internal party political reasons. As we shall see, on key policy issues, in particular Vietnam and industrial relations, the party's position often was not Whitlam's. At times, he was humiliated by decisions that went against him (notably the vetoing by Caucus of the leadership's strike penalties policy—see Chap. 5). The example Atkins cites of Whitlam's battle with the Victorian branch was almost a Pyrrhic victory, for even after the federal executive approved in 1970 the ouster of its Victorian counterpart, Whitlam was dealt a bitter blow with the election in 1971 of George Crawford,

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<sup>7</sup>As opposed to Whitlam the man, who remains an iconic figure in the party.



president of the former ‘junta’, as chairman of the reformed branch, and Bill Hartley, former secretary of the executive, as the State’s number one federal conference delegate (Wells, 1971: 9). Furthermore, the ‘reformed’ branch successfully moved at the 1971 federal conference a motion effectively repudiating the intervention (Barnes, 1971: 1). It continued to act as a thorn in Whitlam’s side, by for example, preselecting the draft resister Barry Johnston as a candidate for the 1972 Election; and Whitlam was forced to condemn the branch’s statement of approval in 1972 of the National Liberation Front’s military successes in South Vietnam (cited in Hughes, 1972: 269).

In this sense, there is some wishful thinking on John Edwards’ part when he claims that ‘Whitlam took on the Left in the party and won’ (Edwards, 1996: 101). The dramatically transformed environment in which Whitlam operated prevented him from modernising the party to the extent that he desired,<sup>8</sup> even if he succeeded in his main objective of convincing the party that ‘national parliamentary power was the only way to achieve social change’ (Freudenberg, 1977: xi). The fact that he was even required to do so persuades the party is revealing. Then again, he himself oversaw the party’s downgrading of the importance of the Australian, New Zealand, United States Security treaty (ANZUS), whose pre-eminence just years earlier he had emphatically defended. It is the novel political circumstances of the late 1960s and 1970s that partly explains the Whitlam paradox: initially a resolute opponent of direct action, he came to support anti-Vietnam protests and trade union action over the Springbok tour in 1971 (*Sun-Herald*, June 27 1971: 4). As Robert Manne puts it:

He might have assumed the leadership of the ALP as a modernising socialist of the moderate right, but by 1972 he was in the process of becoming something rather different – the symbol of hope for a new generation of the cultural left (Manne, 1999: 183).

Thus, it can be argued that the first Whitlam Opposition shifted to the left in the years 1967–1972: by 1971, the left had a majority on both the federal conference and the federal executive, the party’s two most powerful policy-making bodies (*The Age*, 15 June 1971: 5).<sup>9</sup>

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<sup>8</sup>A hint of Whitlam’s approach is gleaned from his statement in 1969 that he regretted his party’s name on account of the electoral disadvantages of being associated with trade unions. He subsequently claimed to have been misreported (*The Age*, 10 June 1969: 1).

<sup>9</sup>If it can be argued that the factional labels ‘left’ and ‘right’ were at the turn of the twenty-first century anachronisms in terms of denoting ideological differences in the ALP (see Chap. 13), in the early 1970s, before the collapse of the Soviet bloc and the end of the post-war boom, they were certainly still relevant in demarcating such differences. The left at this stage could still accurately be described as anti-capitalist, and its positions on issues such as Vietnam and industrial relations were clearly distinguishable from those of the right, both in terms of content and tone.

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## Chapter 4

# The First Whitlam Opposition (1967–1972)—The Impact of the Vietnam War and Conscription

Vietnam was, to varying degrees, a burning political issue from the time of the dispatch of Australian troops in 1965 through to the 1972 federal election. For Labor, it was perhaps even more important. Then-federal Secretary Cyril Wyndham stated in 1968: ‘I sometimes wonder what the Party would take up if Vietnam ceased tomorrow—I think we would be rendered speechless’ (cited in Shepherd, 1968: 1). In 1971, most new party members had joined over Vietnam, according to Susan Ryan, in whose estimation the issue dictated the political fortunes of Labor MPs as diverse as Peter Walsh, John Wheeldon, Jim Cairns, and Whitlam himself, who she claimed, after toiling ‘without reward for many years in the fields of constitutional parliamentary reform, became popular enough to elect through his criticism of Australia’s involvement in Vietnam’ (Ryan, 1999: 106). Some commentators have argued that it was Vietnam that revitalised the party, and which created the conditions for its return to government in 1972 (Osmond, 1970: 183, 184; Hocking, 1997: 95).

Labor’s attitude to the Vietnam war, however, was not always one of immutable hostility. What was perceived as a position of unilateral withdrawal of Australian troops under Calwell at the 1966 election initially gave way to a more equivocal approach under Whitlam. The Tet offensive was the turning point in all aspects of the war, as well as in relation to Labor’s stance on the war: Labor’s attitude progressively hardened largely as a result of a major shift in public opinion. Thus, the policy that arguably distinguished it from the government more than any other came about primarily as a result of extra-parliamentary pressure. By the time of the 1972 election, Labor was committed to complete withdrawal from Vietnam, and to repealing the National Service Act, and was in favour of the conversion of the ANZUS treaty into an instrument for regional economic justice, peace, and human rights. These represented a shift to the left in the sense that Labor had arrived at positions originally held by the left, outside the party, if not within it.

The effects of this pressure were felt not just in policy terms, but also in the passionate debates in which Labor engaged in parliament, the lionisation of draft resisters, the backing of civil disobedience, the election of Labor MPs onto anti-war

campaign committees, and an increase in the degree of importance publicly attached to direct action vis-à-vis parliamentarism. In this sense, most commentators have understated both the impact of the anti-war movement on Labor, and in turn its efforts to reach out to it. They have also neglected to place it in the context of other significant movements for change, such as the emboldened trade union movement (see Chap. 5), and the general political discontent.

## Early Labor Policy on Vietnam

Labor's early policy on Vietnam tacitly supported American aggression against a heroic Vietnamese people who not even a decade earlier had driven from their country the remnants of the mighty French empire. When Australian military advisers were first sent there in 1962 and early 1963, the left-wing Eddie Ward was the only Labor MP to voice opposition (Beazley, 1983: 41). An August 1964 ALP federal executive meeting opposed not the deployment in Vietnam of Australian personnel as such, but rather 'the lack of any formal agreement to cover the[ir] presence'; a United Nations (UN) intervention to secure a negotiated settlement was preferred (cited in HRH, 25 March 1965: 348). When US bombing commenced in February 1965, Kim Beazley Sr. successfully moved a motion in Caucus in which American intervention in Vietnam was described as 'unexceptionable' (cited in Uren, 1994: 183). According to Whitlam, this statement, on which the left's Jim Cairns and Arthur Calwell, as well as the right's Kim Beazley Sr., had all left their fingerprints, had questioned 'the whole basis of American intervention' as well as trying 'to find a way to justify that intervention' (Whitlam, 1985: 36). In response to External Affairs Minister Paul Hasluck's suggestion in early 1965 that there was an anti-American campaign being waged in Australia, Calwell insisted that the only anti-American outfit in Australia was the Communist Party:

We want the American presence, strong and powerful, in Asia and the Pacific... It is precisely because we do not want America to be humiliated, because we want America to be in a position to negotiate from strength, that we are concerned about the dangers of her present course...

The United States must not withdraw and must not be humiliated in Asia (HRH, 23 March 1965: 241, 242).

A February 1965 ALP federal executive statement suggested that hitherto American actions in Vietnam deserved 'sympathetic Australian understanding', and warned that withdrawal from the region would ensure a 'Communist takeover of South Vietnam' and bring 'Communist control closer to this country' (HRH, 6 May 1965: 1250). Calwell laid down a bipartisan approach to ANZUS, to opposition to Communism, and to the defence of Australia (HRH, 23 March 1965: 242). This reflected the historic strength of nationalism within the ALP (Rawson, 1966: 4; see also McQueen, 1972). The latter was evident in Labor's policy on Vietnam throughout its evolution (Kuhn, 1997).

Referring to the debate (March–April 1965) during which Calwell’s comments were made, Kim Beazley Jnr (1983: 44) argued that some ALP ‘members were difficult to distinguish from government spokesmen,’ and that ‘Whitlam and Calwell...supported the American position’. The famous tensions between Calwell and Whitlam related more to party leadership rivalry than to differences over Vietnam (Freudenberg, 1977: 22, 23). Both gave qualified endorsement of US military action. Whitlam, like Calwell, was concerned to protect the US from itself, arguing that ‘America should [not] leave or abandon interest in the area... [S]he is at this stage the only effective counterweight to Chinese influence there’ (HRH 25 March 1965: 386). The strong undertones of anti-communism in such statements reflected Labor’s agreement with the government about the threat posed to security in south-east Asia by China and the nationalist Sukarno government in Indonesia, implying backing for US efforts to contain ‘communism’ (Strangio, 2002: 143, 144).

In the run-up to the 1963 and 1964 federal elections the leadership, including Calwell, made efforts to marginalise the left’s role in policy formulation (Beazley, 1983: 41). Jim Cairns was later to become ‘the most prominent opponent of the war’ (Kuhn, 1997: 163). But here he restricted himself to opposing any escalation of the conflict, and did not call for American withdrawal (HRH, 23 March 1965: 246–250).<sup>1</sup>

It is thus simplistic to suggest that the hardening of Labor’s Vietnam policy post-1968 involved simply the right moving to a position occupied originally by the left of the party (Langley, 1992: 126; Strangio, 2002: 148). Early on, ambiguity was widespread. The later policy changes, as we shall see, similarly reflected a leftward shift in attitude *across* the party, not just by those on the right of it. At this point, Labor was distinguishable from the Government only by its preference for a UN-sponsored settlement, a highly implausible solution in view of the geo-political realities, namely the likely veto of any resolution by one or more of the Security Council’s permanent members. Thus Clyde Cameron biographer Bill Guy misleads when he states that Labor’s response to Vietnam was ‘consistent from the start ... it opposed the war firmly even at the cost of electoral support’ (Guy, 1999: 201).

The dispatch of Australian troops to Vietnam did not fundamentally alter Labor’s position. Calwell and fellow Labor MPs opposed it largely on the basis that it was not in Australia’s interests (HRH, 4 May 1965: 1102; see also Bryant, HRH, 19 August 1965: 259; and Cameron, HRH, 21 October 1965: 2125, 2126). Not only was this not a principled condemnation of what would later become one of the worst atrocities of the twentieth century, it ignored the very real strategic interests of Australian capitalism potentially threatened by a successful national liberation movement in south-east Asia (Kuhn, 1997: 177). A more notable omission from

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<sup>1</sup>What does, however, appear to distinguish Cairns early on from his fellow Labor MPs—with the exception perhaps of Tom Uren, who along with Cairns had attended ant-war teach-ins in 1965 (cited HRH, 19 August 1965: 248), and Gordon Bryant, who had addressed at least one anti-conscription rally in 1965 (HRH, 20 October 1965: 2045)—was his participation in extra-parliamentary forms of opposition to the war (e.g. see Uren, 1994: 182; HRH, 6 May 1965: 1251).

Calwell's speech, however, was a call for the withdrawal of Australian troops; a promise to 'do our best to have that decision reversed' was inserted only at the request of Jim Cairns (HRH, 4 May 1965: 1107; Strangio, 2002: 150, 151). Indeed, the speech declared that if UN troops were sent, 'we would support Australian participation to the hilt', and restated its concern that the US must not suffer the ignominy of forced withdrawal (HRH, 4 May 1965: 1107).

## At Sixes and Sevens: Vietnam Policy in the Lead Up to the 1966 Election

It was not until Calwell's pledge in April 1966 to withdraw Australian conscripts serving overseas that the rift between the ALP and the anti-war movement began to heal (Saunders, 1983: 78). Then, at the Tasmanian state ALP conference, Calwell had promised that 'all conscripts then serving anywhere overseas...will be immediately brought home' (*The Australian*, 14 April 1966: 3).<sup>2</sup> Yet, it was not clear from this what role, if any, would remain for regular Australian soldiers in Vietnam. Nor was it clarified any further by comments from Jim Cairns, who 'said that if anything his party would encourage increased responsibility in Vietnam' (*The Australian*, 25 April 1966: 1).

Conflicting statements on Vietnam by ALP spokespersons abounded in the lead up to the 1966 election (Hudson, 1967: 3, 4). *The Australian* (11 May 1966: 10) newspaper noted that the ALP was committed to returning Australian troops, 'but we do not know how or when they would be brought home'. In an attempt to rectify this, a special press conference was assembled in May 1966 at which Calwell announced that a Labor Government would direct the army, 'acting with full regard to the safety and security of the Australian forces', to bring home without delay all conscripted Australians in Vietnam (Ramsey, 1966: 1). However, confusion reigned just as before. Three ALP politicians returning in July from a fact-finding mission in Vietnam pointed to the impracticability of withdrawing conscripts while leaving regulars behind (cited in *The Age*, 18 July 1966: 5). In an article critical of ALP foreign policy, Kim Beazley Sr. asked: 'How do you explain a strong defence policy while abolishing National Service? How do you explain respect for an alliance while withdrawing troops from the side of your allies?' (cited in *The Australian*, 15 September 1966: 9). In August, Victorian federal Labor MP Sam Benson suffered expulsion from the party for publicly supporting the war (Fitchett, 1966: 2). In his autobiography, Calwell (1972: 231, 232) acknowledged the policy

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<sup>2</sup>Later on *Four Corners* Calwell alleged that he had been misquoted; he now said that Australian troops would be withdrawn from Vietnam within six to nine months after Labor won office. Subsequently he claimed that both statements, in Launceston and on *Four Corners*, were correct (*The Sydney Morning Herald*, 10 May 1966: 4).

confusion, and expressed his gratitude to the press for not dwelling on it during the campaign.

In this context, and given the fact that Calwell had downgraded the party's pre-election commitment to pledging to withdraw conscripted men as soon as possible, with the remaining regulars being removed after consultation with the US, Whitlam's infamous Vietnam statement four days prior to the 1966 poll, that a Labor government might 'send regulars' in certain circumstances, attracted more controversy than was warranted (*The Australian*, 4 November 1966: 1, 22 November 1966: 1). In general, Calwell did take a stronger stand than Whitlam on Vietnam, but this owed partly to pragmatic factors such as Calwell's factional interests, and his intense opposition to conscription (Beazley, 1983: 46–51; Kiernan, 1978: 6). The point, however, is that the party lacked a clear, unified position on withdrawal. This partly explains the ease with which Whitlam was able to further water down the party's commitment to withdrawal following his ascension to the leadership in 1967.

## Vietnam Policy Post-1966 Federal Election

The devastating result for Labor at the November 1966 federal election constituted, according to Neal Blewett, 'probably the greatest debacle an Opposition has ever suffered in Federal politics' (cited in Saunders, 1983: 81). The ALP recorded its lowest House of Representatives two-party preferred vote (TPPV) since 1949 (43.1%), a result which it has bettered in every poll since (AEC, 199\_). At 40%, its primary vote was the lowest since at least 1940, and it retained just 41 seats in the House of Representatives (one third of all seats at the time), which constituted a net loss of nine seats from the previous election in 1963 (AEC, 1999: 68, 69).

As was noted in Chap. 2, severe electoral defeat can prompt parties to undertake drastic policy revision. Indeed, *The Australian* (26 January 1967: 8) editorialised that Whitlam, as a modernising leader, might 'have an affect as powerful as that of the late Hugh Gaitskell on the British Labour Party.' Whitlam was elected leader at the first caucus meeting of 1967 by a final count margin of 39 votes to Jim Cairns' 15. Editorials were effusive in their praise for Whitlam, the pro-capitalist, and a non-doctrinaire moderniser who would rein in left-wing extremists and make the party once again an electoral force to be reckoned with (SMH, 1967: 2; Johns, 1967: 2; Bennetts, 1967: 5).

A moderation of Vietnam policy was central to this process. Whitlam wrote in hindsight that his role was 'to ensure that foreign issues were no longer turned to the ALP's disadvantage', and that his prime concern was to 'de-escalate' internal debate on the subject (cited in Murphy, 1993: 207). Thus one of his first acts was to substitute himself for Jim Cairns as ALP spokesperson on foreign affairs, and he made a concerted effort through 1967 to soften Labor's policy on Vietnam, as well as sidestep the topic whenever the government broached it (Saunders, 1983: 81).



Whitlam, however, was not unaided in his conservatizing efforts. The Australian Workers' Union (AWU), for instance, attacked the electoral consequences of Labor's 'unrealistic and dangerous policy of isolationism' (cited in *The Australian*, 1 December 1966: 1). Then party federal vice-president W.R. Colbourne concluded in a post-election report that the party should desist from contesting polls on foreign political or military situations (cited in Nilon, 1967: 1). Only 'three or four' Caucus members supported a motion censuring Whitlam for his comment in early 1967 that it was an 'academic' question as to whether or not a Labor government would withdraw troops (Ramsey, 1967: 1). Deputy Leader Barnard demanded that the party take a 'hard look' at its defence and foreign policies in light of his observation from South Vietnam of large-scale troop incursions from the North (Stubbs, 1967: 1).<sup>3</sup> As Langley (1992: 126) correctly argued, 'efforts [by Whitlam] to modify the policy were generally accepted by the party.'

Labor's policy was consequently softened at the August 1967 federal conference to make withdrawal contingent upon allied failure to meet three conditions: (1) a cessation of US bombing; (2) a recognition of the National Liberation Front as a negotiating party; and (3) a change in war strategy to 'holding operations' (ALP, 1967: 18). While not Whitlam's preferred outcome,<sup>4</sup> it was 'one he could live with', since it reduced the likelihood of withdrawal (Oakes, cited in Saunders, 1983: 83; Albinski, 1970: 43).<sup>5</sup> Though probably correctly described as 'a small shift, rather than a swing, to the right', it was widely perceived as a major retreat from the apparent unilateralism of 1966 (Saunders, 1983: 83; *The Australian*, 1967: 6). The aim of the resolution essentially was to make withdrawal a last resort (Barnard, 1969: 10, 11). The 1967 conference also took a 'historic' step by softening the party's opposition to conscription, the wording of its defence policy being altered to commit Labor to the maintenance of 'strong defence forces' rather than 'voluntary defence forces' (Barnes & Barker, 1967: 1).

The dilution of Labor's official policy on the war continued through 1967 and 1968. In the lead up to the federal senate elections in late-1967, Whitlam stated in a party advertisement: 'Vietnam is no longer as black and white as it may have appeared last year' (*The Age*, 24 November 1967: 9). Upon returning from a tour of south and east Asia in early 1968, Whitlam stepped up his campaign to weaken ALP policy towards the war, including by alleging that Calwell had 'debauched'

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<sup>3</sup>He subsequently claimed to have been misunderstood (*The Australian*, 2 June 1967: 3). However, he made numerous conflicting and hedged statements on the conflict (see Hughes, 1967: 415, 416).

<sup>4</sup>Whitlam had endorsed the unsuccessful foreign affairs and defence committee resolution, which did not commit a future ALP government to withdrawal (Saunders, 1983: 82, 83).

<sup>5</sup>Thus *The Australian* reported less than four months after the resolution was adopted that the first of the stipulations 'commands world-wide support and is still likely to happen', while the second had been 'accepted by the U.S. for all practical purposes'. While *The Australian* has a point in arguing that the final of the three demands had less chance of becoming a reality, and that therefore Whitlam's position in the 1967 Senate election was 'only marginally better than was Mr Calwell's last year', what is important is that the new policy position was a marked departure from the previous emphasis on immediate withdrawal (*The Australian*, 1967a: 6).

the Vietnam debate in 1966 by putting forward a position equally as untenable as that of the government (Charlton, 1968: 4).

Such comments earned Whitlam the wrath of anti-war demonstrators during the Higgins by-election campaign in February 1968 (*Sydney Morning Herald*, 15 February 1968: 1). However, his position was yet to be subjected to serious challenge. From around 1968, this began to change as public opinion turned against the war.

## **Whitlam Meets His Match: The Australian Anti-Vietnam War Movement**

Early opposition to the Vietnam War was marginal. Strong support existed for the government's decision to deploy infantry in April 1965, and for the first increase in troop numbers in September (cited in Goot & Tiffen, 1983: 134). *The Sydney Morning Herald* (3 February 1966: 1) reported on an early 1966 attack on anti-war demonstrators that saw one protestor confined in a police van 'for his own protection'. It was not until late-1968 that a Morgan Gallup poll found less than 50% support for the war's prolonging (see Table 4.1).

The first anti-war march hit the streets in 1964 following the introduction of conscription (Hamel-Green, 1983: 105, 106). Youth Campaign Against Conscription (YCAC) and Save Our Sons (SOS), which formed in late-1964 and mid-1965 respectively, were the first organisers of anti-war opposition. This comprised, inter alia, of demonstrations outside US consulates in early 1965, as well as draft card burnings (Hamel-Green, 1983: 107, 108).

Despite Labor's equivocations, it managed to gain the support of anti-war activists in the 1966 election (Saunders, 1983: 79). Because the war was *the* defining election issue, Labor's defeat represented a stunning blow (Hamel-Green, 1983: 109; Picot, 1991: 115). YCAC subsequently collapsed, and in 1967 there were almost no demonstrations (Hamel-Green, 1983: 111).

However, an important corollary to the 1966 result was that by 'eliminating the electoral option [it] created a space for more radical politics' (Picot, 1991: 115). Thus, 1968 saw the formation of the militant Draft Resistance Movement (DRM). In contrast to its YCAC predecessor, which had strongly emphasised opposition to *overseas* service and a negotiated settlement of the war, the DRM was opposed to conscription *holus-bolus*, and would employ any means necessary to defeat it (Hamel-Green, 1983: 108, 113). Although enjoying a lifespan of only a few months, the DRM's militant direct action was taken up by a range of militant student groups, such as Students for a Democratic Society (SDS) at Sydney University, and the Monash University Labor Club<sup>6</sup> (Hamel-Green, 1983: 113).

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<sup>6</sup>No affiliation to the ALP.

**Table 4.1** Do you think we should continue to fight in Vietnam or bring our forces back to Australia? (cited in Goot and Tiffen 1983: 135)

Month/year	9/65	9/66	5/67	10/68	12/68	4/69	8/69	10/69	10/70	10/70
Continue (%)	56	61	62	54	49	48	40	39	43	42
Bring back	28	27	24	38	37	40 <sup>a</sup>	55	51	45	50 <sup>a</sup>
Undecided	16	13	14	8	14	12	6	10	12	9

<sup>a</sup>Bring back now

These groups were spurred on by the Tet offensive. Then-Prime Minister John Gorton indicated post-Tet that Australia would not be increasing troop commitments, and that it would be conducting a ‘strategic reassessment’ of the campaign (Cuddy, 1982: 347). The Tet was, as Whitlam (1985: 40) put it, ‘the political watershed of the war, in Viet Nam, in the US and in Australia’. The inspiring effect of the Tet was evident in the demonstration outside the US Consulate in Melbourne on Independence Day 1968:

For the first time in 25 years, mounted troopers last night were ordered at full canter into violent crowds in front of the U.S. Consulate-General in Commercial Road, Prahran...

The horses charged into the crowd at least a dozen times to the aid of police fighting savagely with demonstrators close to the building (Darmody, 1968: 1).

*The Australian* (3 July 1968: 1) described an anti-conscription protest in Sydney the previous day as ‘probably the most violent between students and police in NSW.’ This greater militancy continued throughout 1968 and 1969. The aforementioned radical student groups participated in and organised militant actions, including a series of sit-ins and raids on government offices (Hamel-Green, 1983: 113). Street-fights broke out between anti-war demonstrators and soldiers (*Sun-Herald*, 13 April 1969: 29). *The Age* reported a stoush between police and protestors at a demonstration in Sydney in March 1969:

Homebound public servants ducked for cover as the students, their ranks strengthened by trade unionists, poured into Chifley Square.

A flying wedge of police rushed at the students who charged forward, and the police retaliated with punches and kicks. Girls screamed as firecrackers exploded amongst the brawling bodies (*The Age*, 8 March 1969: 1).

In May, students pelted New South Wales Governor Sir Roden Cutler with tomatoes during a demonstration against the Sydney University Regiment, members of which brawled with students (MacCallum, 1969: 3). The July 4 demonstration in 1969 outside the US consulate in Melbourne again saw skirmishes between baton-wielding police and activists (Darmody & Hooper, 1969: 1).

The combined effect of the Tet, larger demonstrations, and debate in the media and Parliament about the use of torture by Australian soldiers against a female Vietcong member, was a stiffening of war opposition (Hughes, 1968: 240, 241; HRH, 14 March 1968). The shift is discernible from around the end of 1967

(Murphy, 1993: 207; Burns, 1968: 3). But, as Table 4.1 shows, it was not until late-1968 that for the first time less than half of all respondents (49%) wished Australia to continue fighting.

The year 1969 saw an increase in trade union opposition (Saunders, 1982: 69). This was a significant development on account of the power of workers at the point of production. A call for Australian soldiers to mutiny, issued by 300 Victorian union officials in December, suggested that ‘more and more unions were prepared to adopt a more militant stand on Vietnam than they had taken in the past’ (Saunders, 1982: 70). A similar sentiment underlay the Australian Council of Trade Unions’ (ACTU) reversal in late-1969 of its policy of not supporting industrial action against ships delivering the weapons of death to Vietnam (Hagan, 1981: 276).

Thus, 1969 was ‘the watershed year’ (Hamel-Green, in Langley, 1992: 123, 124). That year had the grisly honor of seeing combined US and Australian casualties surpass those suffered in Korea (cited in SMH, 1969a: 2). Now in its seventh year, it became what was then Australia’s longest conflict (Strathdee, 1969: 2). It was also the year in which the massacre at the south Vietnamese village of My Lai, where US troops slaughtered hundreds of civilians, was reported in extensive detail—a factor in the mobilisation of many demonstrators for the mass moratorium protests in May the following year (Murphy, 1993: 229) (see below). After My Lai, *The Australian* (1969: 10), always more opposed to the war than other major Australian dailies, urged ‘total withdrawal [from Vietnam] ... Morality demands it’.

## Labor Sniffs the Wind

It was with ‘textbook precision’ that the mood against conscription and war during WWI progressed ‘from the radical minority through the trade unions to the Labor Party’ (Turner, 1979: 97). This was largely repeated, it seems, in the ALP’s response to the anti-Vietnam war movement: a reluctant FLP was the last to be radicalised.

The ALP’s position hardened in concert with the shift in public opinion (Kuhn, 1997: 166). Labor MPs became more prominent opponents of the war, and the party extended its links with the movement against it. Post-Tet, the ALP left felt both that its opposition to the war had been vindicated and that its views were closer to the right’s, while both now considered Vietnam to be an electoral liability for the government. Significantly, Cairns now praised Whitlam’s speeches on Vietnam (Beazley, 1983: 53). A federal executive meeting convened in early 1969 called upon state branches to up the ante in anti-war campaigning (Fitchett, 1969a: 7). At the party’s national conference in July, it was determined that a Labor government would ‘phase out’ troops over a period to be decided in consultation with the US government (*The Sydney Morning Herald*, 2 August 1969: 1). This amendment was a compromise between the motion put by Whitlam, who argued against specifying a timetable for withdrawal, and Victorian delegate Bill Hartley’s proposal to

withdraw ‘immediately and unconditionally’ (Solomon, 1969a: 2; *The Sydney Morning Herald*, 2 August 1969: 1). Of the two, however, Hartley’s was more in tune with conference sentiment, for ‘Whitlam was beaten without even a show of hands’ (Chamberlain, 1998: 284).

The Conference also reflected the influence of the anti-war movement when it took a much firmer stand against conscription than did its predecessor, which merely expressed its opposition to conscription except in war-time periods (ALP, 1967: 35). By contrast, the 1969 conference reaffirmed its ‘uncompromising stand against the National Service Act and its undertaking to repeal the Act’ (ALP, 1969: 42).

While the position adopted by conference was not the equivalent of unilateral withdrawal, in his federal election campaign launch later that year Whitlam was, nonetheless, unequivocal: ‘Under Labor, there will be no Australian troops in Vietnam after June 1970’ (*The Sydney Morning Herald*, 2 October 1969: 11). Whitlam’s labelling of the Liberals as the party ‘which has lied and lied and lied just to keep that war going while thousands have died and died and died, with no other result than that the war has just been kept going’ demonstrated, according to Grant (1969: 6), that ‘if the Government was merciless on Vietnam in the 1966 election when the commitment to the war was strong, Labor can sniff revenge in 1969, when the commitment to the war has almost disappeared’. Whitlam’s rhetoric suggested to *The Age* that he had ‘conceded to the Left wing of his party’ (*The Age* 1969a: 7). On the 1969 election result, which saw Labor gain an additional 18 seats and a 7% increase in its TPPV (AEC, 1999: 69; AEC, 199\_), *The Sydney Morning Herald* editorialised that if Whitlam ‘had been able to impose a more responsible foreign and defence policy on the Left Wing of his party, nothing could have prevented a Labor victory’ (SMH, 1969b: 2). Although accurately seen as a concession to the left, the suggestion that the policy was an electoral liability is grossly misleading: by 1969 the Vietnam war had both increased in importance as an issue and become significantly more unpopular amongst voters (Goot & Tiffen, 1983: 150–155; see also Table 1. Thus, at year’s end the Gorton government announced a phased withdrawal from Vietnam, commencing in mid-1970 (Armfield, 1969: 1).

In addition to the strong showing by Labor at the 1969 election, the increased disenchantment with the war largely explains why there was to be no swing to the right on Vietnam as in 1966. Around a month later, eight federal Labor MPs violated the incitement provisions of the Commonwealth Crimes Act when they signed a petition urging a conscientious objector to defy the National Service Act (*The Age*, 26 November 1969: 11). At the same time, MPs Jim Cairns, Gordon Bryant, and Moss Cass attended a public demonstration where they took delight in setting fire to the National Service cards of draft resisters (*The Australian*, 17 November 1969: 1). Cairns’ biographer Paul Ormonde (1981: 105) wrote of an incident involving his subject in early 1969:

[H]e addressed about 500 people: ‘I think I have been urging and inciting people not to render themselves for military service. This has been deemed a breach of the Commonwealth Crimes Act and I could be arrested.’ Cairns then read to the crowd a section of a pamphlet which police had previously held to be a breach of the Act. Students

had been arrested for distributing it. 'I'm saying exactly what's in the pamphlet and I'm committing a crime under the Crimes Act,' he said. Police looked on, but took no action.

Cairns also played a key role in the rescission of a Melbourne City Council by-law prohibiting the distribution of pamphlets when he was arrested the same year for defying the law, an act which, *inter alia*, demonstrated the efficacy of civil disobedience (Ormonde, 1981: 106). This was a marked change from conscription's introduction in 1964, when '[n]o-one in the ALP...seemed prepared to attack the very legitimacy of the scheme' (Hamel-Green, 1983: 106). Ormonde attributed Cairns' actions to the continuance of the war, and the increasing numbers of young men prepared to resist their drafting (Ormonde, 1981: 105).

Difficult as it is to imagine any contemporary federal Labor MP behaving so outlandishly, let alone a future deputy prime minister, this was arguably as much a reflection of the realignment of the factional balance of forces inside the ALP as it was of the undoubted morale boost delivered by the election result and the unambiguous evidence of international anti-war sentiment in the form of a 250,000 strong protest in Washington, and thousands more around the world (Harwood, 1969: 1; *The Age*, 17 November 1969: 1). Cairns et al. could act in the knowledge that they carried the support of the majority of the FPLP. Whereas once Whitlam might have publicly admonished such obviously illegal activities, he was now either silent or approving. The capacity for him to exert his authority was noticeably reduced compared with 1967 when he achieved support for some party reforms (SMH 1969: 2). The shift inside the party against Whitlam was evident from as early as 1968 when he defeated Jim Cairns in a leadership contest by a derisory six votes (38: 32). This, it seems, was a great shock to Whitlam (Ramsey, 1968: 2). He then appeared to buck up, and was intent upon modifying his actions so as not to offend the left or provoke disunity (Chamberlain, 1998: 84). Whitlam's position deteriorated further following the 1969 election when three 'unswerving supporters' of his failed of re-election to the first Caucus executive, while two Left MPs were successful (Fitchett, 1969b: 8). In a further sign of the times, a year later Colin Jamieson, ally of Whitlam arch-rival 'Joe' Chamberlain, ousted Whitlam stalwart Kim Beazley Sr. from the federal executive (*The Age*, 19 December 1970: 3). Perhaps the most striking illustration of this loss of authority was Whitlam's humiliating retreat in 1971 over the retention of strike penalties (see Chap. 5). This seemed consistent with the left's capture of a majority of votes at both the federal conference and on the federal executive (*The Age*, 15 June 1971: 5).

In this more threatening inner party environment, Whitlam's concessions served his leadership interests. This appeared, for example, to be a factor in his half-hearted repudiation of the Victorian trade unionists' call in December 1969 for Australian soldiers in Vietnam to mutiny (SMH, 1969d: 2; *Sun-Herald*, 1969: 28).<sup>7</sup>

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<sup>7</sup>Whitlam merely pointed out that the motion passed at the meeting could never be ALP policy, and that people should not be under the 'false and damaging impression' that a Labor Government's foreign policy would be determined at mass meetings or by public petitions (Solomon, 1969b: 1).

*The Sun-Herald* (4 January 1970: 28) surmised that most FPLP members would have endorsed the measured tone of Whitlam's response, both because the mutiny call would not offend voters who had first supported the party at the 1969 election, and because it would help to avert an internal schism.

There is additional evidence of Whitlam's apparent radicalisation. Henderson (1970: 17) believed that Whitlam's speech at the Canberra Vietnam moratorium protest on 6 May 1970 'was a significant feather in the cap of the 'liberals', as he had previously stated that it was not befitting for the leader of the Parliamentary Labor Party to participate in anti-Vietnam activities not under the control of the Party'. Major controversy followed Whitlam's statement to Caucus in September that he would advise drafted men to disobey orders to go to Vietnam (Whitlam, 1970: 1–3). In the ensuing hue and cry,<sup>8</sup> Whitlam clarified that he was not advocating mutiny, despite his earlier comment 'that a young man on service in Vietnam who decided it was a bad war should notify his commanding officer that he could not conscientiously continue' (HRH, 24 September 1970: 1600; HRH, 13 October 1970: 2011). Whitlam's initial comments stunned both government and Opposition MPs, many of whom believed that Whitlam had violated party policy by condoning registering with the Act at all! (Randall, 1970: 1). However, the point, as Saunders (1983: 88) argued, is that it was 'impossible to imagine Whitlam making these statements...prior to the 1969 elections.'

Whitlam was, of course, far from the only Labor MP to shift in line with growing anti-war sentiment. For example, Jim Cavanagh was now arguing in effect that the withdrawal of Australian troops from Vietnam was not dependent on the election of a Labor government, and could be achieved through 'mass demonstrations': 'It is no use saying that governments cannot be influenced. Politicians are subservient to public opinion at any time' (SH, 6 May 1970: 1155).

Whitlam's actions and comments throughout this period reflected less a personal epiphany on his part than a keen sense of *Realpolitik*, for Whitlam was a highly pragmatic politician. Journalist Laurie Oakes commented on Whitlam's campaign during the Werriwa by-election in 1952: 'He would masquerade as a left-winger at Bundeena and Helensburgh<sup>9</sup>...but he'd be a moderate member of the middle-class in more select areas' (cited in Walter, 1980: 22). To a more radical student audience in 1972, Whitlam (1972) delivered a speech entitled 'Education: And the Rich Shall Inherit the Earth'. And, to the working-class readership of *The Daily Telegraph*

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<sup>8</sup>Whitlam's comments provoked a lengthy debate in Parliament on the 'Press Statement by the Leader of the Opposition' (HRH, 24 September 1970: 1600–1604; 25 September 1970: 1706–1739). A *Sydney Morning Herald* editorial considered this episode, along with Whitlam's comment that returned soldiers from Vietnam who were now serving in the NSW Police were likely to have been corrupted by their overseas experience, as damaging to his 'reputation as a responsible Leader of the Opposition and his credibility as an alternative Prime Minister' (SMH, 1970: 2). Such commentary proved, in the event, to be highly mistaken, emphasising the point that such comments by Whitlam were aimed at appealing to the shift in public sentiment against the war and conscription.

<sup>9</sup>Then-working class suburbs south of Sydney.



(21 February 1972), Whitlam could contribute a piece claiming that the McMahon government had ‘declared war on the wage and salary earners of Australia’ and: ‘IT’S TIME to restore the fairer distribution of the nation’s wealth’ (*The Daily Telegraph*, 21 February 1972; emphasis in original).

Orienting his statements and actions in a more leftward direction served Whitlam’s own interests as leader, and as head of a party wishing to shore up its electoral support amongst workers. As Cliff and Gluckstein pointed out, Labor leaders can encourage extra-parliamentary activity at crucial points, because it is not the commitment to parliamentary change that is the *sine qua non* of reformism, but rather its role of mediating between classes. If they ‘feel that parliamentarism is actually an obstacle to the process of mediation it may be put aside’ (Cliff & Gluckstein, 1996: 89–90). Murphy notes that the anti-war movement was ‘a social movement which for a time dwarfed parliamentary politics’ (Murphy, 1993: 253). Had Labor paid scant attention to this, and not shifted its policy and rhetoric, activists might have concluded that the party system did not provide succour. Attending and leading demonstrations achieved the two-fold objective of boosting Labor’s electoral stocks, and of confining the movement within constitutional boundaries. In terms of the first, Jim Cairns, commented in retrospect that Labor movement leaders’ identification with the anti-war movement ‘did something to help elect a Labor government in 1972’ (Cairns, 1976: 23). Labor voters cited Vietnam and conscription as the major reason for their voting preference in the 1972 election (Goot & Tiffen, 1983: 155).

An example of the second was Tom Uren’s proud recollection of a demonstration in 1966 at which he defeated calls by ‘super-Left elements’ to storm barricades erected to prevent people marching to Kirribilli House<sup>10</sup> (Uren, 1994: 188). In relation to Cairns’ role at the second moratorium protest in Melbourne in September 1970, *The Melbourne Sun* reported that, in preventing marchers from ‘causing chaos’, he had succeeded where the police had failed (cited in Dowsing, 1971: 138). Cairns’ biographer Paul Strangio writes that his subject wished to ‘harness the energy of the student radical movement, while restraining some of its more intemperate and doctrinaire elements. In short, a delicate balancing act was required’ (Strangio, 2002: 170). It was around the time of the Vietnam moratorium campaign (VMC) that ‘Labor succeeded in recapturing the momentum of the movement’ after the radicals had led it in the aftermath of the 1966 federal election when Labor was hellbent on softening its policy (Murphy, 1993: 210).

Whitlam’s more radical rhetoric and partial left-ward policy shifts reflected his desire to solidify support amongst fellow Labor MPs and ALP voters and to prevent people to the left of him within the party, and to the left of the party as a whole, from benefitting from the radicalisation. As an *Age* editorial argued, ‘Whitlam’s dilemma’ involved making concessions to the left in order to appear united in an election year, while at the same time not damaging his ‘Prime Ministerial prospects’ and ‘political stature’ (*The Age* 1969b: 7). Yet, if Whitlam’s gestures to the left

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<sup>10</sup>Home of the prime minister when in Sydney.



entailed certain risks—namely alienating editorialists—it is arguable that these were outweighed by the potential electoral rewards that establishment commentators were either oblivious to, or simply wanted to pretend did not exist. It was noted earlier, for example, that Whitlam's subdued response to the unions' 'mutiny' call probably assumed that many of the young people who had voted Labor in the 1969 election would not have been offended by the call. Also leaving him with little room to manoeuvre was the fact that Whitlam's leadership was on the line. Labor may not have been torn asunder as it was over conscription in 1916–1917, but an interesting question is: what fate would have befallen Whitlam had he followed the course of William Morris Hughes and not shown sufficient flexibility to shift from his early tacit support for the war? At the very least, he would certainly not have retained the leadership.

### **Better off Inside the Tent: Labor and the VMC**

The anti-war movement in Australia peaked with the mass VMC beginning in May 1970. Earlier that year, the ALP federal executive had exhorted the FPLP to lead a campaign against the war (SMH, 27 February 1970: 5). The FPLP's response to the VMC may not have constituted a formal heeding of the executive's call, but the evidence points to a less hostile and suspicious attitude to it than is sometimes suggested (Murphy, 1993: 253; Kuhn, 1997: 168; Saunders, 1983: 86; Catley, 1972: 342). Certainly, the involvement of ALP branches was uneven—New South Wales ALP, for example, had little to do with it (O'Brien, cited in Henderson, 1970: 6). But, if Murphy (1993: 210) et al. are correct, it is difficult to see how 'Labor succeeded in recapturing the momentum of the movement' while scoffing at the moratoriums. A radical anti-war activist in Queensland at the time, Brian Laver, considered the chief beneficiary of the moratoriums to be the ALP left, which persuaded activists that the war was not reflective of a wider, unjust social order (cited in Henderson, 1970: 4).

Twelve federal Labor senators attended the meeting out of which plans for the protests emerged (cited in HRH, 14 April 1970: 1053). All but thirteen of the 87 FPLP members signed a document declaring support for the VMC (HRH, 18 March 1970: 529). Federal or state Labor MPs were elected to moratorium committees in all States except New South Wales, and Jim Cairns was elected chairman of the all-important VMC (Saunders, 1983: 85). The ALP moved to have federal parliament begin sitting on Fridays from 15 May rather than 8 May (the day of the first Moratorium March) because '[s]ome honourable members on this side of the House have made very important commitments for 8th May' (Barnard, HRH, 16 April 1970: 1233). At the Canberra moratorium protest outside Parliament House on 6 May, Whitlam joined Arthur Calwell, Lionel Murphy, and Jim Cairns in addressing demonstrators (SMH, 7 May 1970: 4). This was possibly the first occasion on which Whitlam spoke at an anti-Vietnam war protest. As a known opponent of direct action, he came under considerable pressure to disassociate himself from the

campaign (HRH, 14 April 1970: 1056). However, when he led the Opposition in parliamentary debate on the VMC in April he was defiant:

He [Attorney-General Tom Hughes] asked me to ‘Denounce the methods of campaigning proposed by the honourable member for Lalor [Cairns] and their undoubted potential for violence’. In fact I shall address a meeting organised by the Canberra Vietnam Moratorium Committee (HRH, 14 April 1970: 1059).

Whitlam also successfully exposed the hypocrisy of the Attorney-General in accusing the Campaign of endorsing violence: ‘The supreme violence—the violence of all violence—is Vietnam. In Australia the Liberal Party is the party of Vietnam; The Liberal Party is the party of violence’ (HRH, 14 April 1970: 1060). Whereas Whitlam had earlier condemned direct action as a means by which to effect political change, he now defended protests: ‘Demonstrations, peaceful demonstrations, are as legitimate and as necessary a part of the democratic processes as elections themselves’ (HRH, 14 April 1970: 1057). The hitherto key difference between Whitlam and Cairns—the latter’s encouragement of mass political activity (Kuhn, 1997: 168)—had become, by the time of the Moratorium, much less apparent. If it was significant that after the Tet offensive Cairns began praising Whitlam’s speeches, it is perhaps more significant that by 1972 Whitlam had begun praising Cairns’ speeches (cited HRH, 18 April 1972: 1692). This was a marked turnaround from 1966, when Whitlam was heard to remark of Cairns: ‘It’s bastards like that who stop me from being Prime Minister’ (cited in Ormonde, 1981: 90). While refusing to sign the moratorium document, out of observance of his personal rule to not sponsor organisations for which he was not responsible, Whitlam stated that this did not detract from his support for the campaign’s aims (HRH, 14 April 1970: 1059). In fact, he was reported to have attended in 1970 a Queensland moratorium organising meeting (cited in HRH, 14 April 1970: 1061). These actions seemed inconsistent with the sentiment behind Whitlam’s pronouncement the previous year that foreign policy under a Labor government would not be determined by petitions and mass meetings (Saunders, 1983: 82).

As it happened, the Melbourne moratorium demonstration would be remembered for one reason only: it was, at the time, ‘the biggest anti-war rally in Australia’s history’<sup>11</sup> (*The Australian*, 9 May 1970: 1).

In Melbourne small protest rallies in various parts of the city in the morning were a prelude to an immense rally in the Treasury Gardens in the early afternoon; by late afternoon a crowd estimated at 100,000 strong had flooded into the city centre, closing all commercial activity and occupying the streets... In Sydney over 45,000 marched through the city centre. In small country towns and remote mining areas there were marches and strikes. In Melbourne a partial general strike closed the port and many industries, and stopped public transport... [T]he evidence of a rapid change in public opinion was now quite evident (McKinlay, 1981: 134, 135).

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<sup>11</sup>Anti-war demonstrations in the lead-up to the Iraq war in 2003 were significantly larger, involving upwards of one million Australians (Humphrys, 2013).

In the aftermath of the protest, rather than justifying intervention in Vietnam, the Government chose to focus on law-and-order issues surrounding the moratorium (*Australian Financial Review*, cited in HRH, 17 September 1970: 1359). In contrast, Labor was buoyed by the strong showing of opposition to the war. Mungo MacCallum, observing the triumphal tone of Moratorium-related questions that Labor put to the government in federal parliament, recalled having seldom seen ‘a smugger lot of next-of-kin than the Labor members assembled in the House of Representatives yesterday’ (MacCallum, 1970: 4). Even Jim Cairns (cited in Langley, 1992: 137, 138) was staggered by the size of the turnout in Melbourne, where his speech embodied the mood for direct action:

Parliament is only one form or one way in which you can govern yourself. In order to govern yourself you have to exercise power wherever power is, and Parliament is not the only place where there is power. Power also exists in schools, in universities, in factories, in Government departments, in banks and everywhere else... We have won our democracy by breaking laws, by campaigning in the streets. We have won our democracy by cutting off the heads of kings (cited in Hughes, 1971: 100).

Even more startlingly, federal president Senator Keeffe promised the Victorian ALP conference, held one month after the Melbourne events: ‘If the forces of darkness overcome us and a dictatorship is established, then it is our party that will supply the revolution’ (cited in Barnes 1970: 8). Of course, the reality would likely be very different: social democracy has generally acted to discourage mass revolts, both in Australia—as we shall see after the Whitlam dismissal (Chapters 10–11)—and internationally, with force where necessary, as evidenced by the SPD’s complicity in the murder of Rosa Luxemburg and Karl Liebknecht during a revolutionary period in Germany (Frölich, 1994, 300–302). Nonetheless, the capacity for Labor to tactically downplay parliamentary action at times is striking in speeches such as Cairns’ and Keeffe’s, which by invoking the spectre of ‘revolution’ summed up just how explosive the situation was.

Labor’s newfound enthusiasm for direct action was a product of the times. There had been little direct action content in the rhetoric of ALP MPs prior to the late-1960s and early 1970s. It was only late in his career that the party’s most prominent direct actionist Jim Cairns had become a convert. As late as 1965 he had suggested that, however imperfect the institution of Parliament was in dealing with private power and privilege, ‘it is by far the best we have’ (Cairns, 1965: 174, 133). Draft-resister Hamel-Green recalled that Cairns initially ‘was not in favour of civil disobedience’, but that he had been won round by the time of the moratoriums (cited in Langley, 1992: 135). This lends support to the point made earlier that, while there were differences between the ALP left and right on Vietnam in the initial stages of Australia’s involvement, the late 1960s saw a definite shift in attitude across the party. Cairns had, unlike elements of the student radicals who emerged then, been reluctant to desert parliamentary politics altogether. Only when collective action became more widespread did community-based change begin to assume a proportionately larger role in his politics (Strangio, 2002: 170, 172, 173, 188–189). Other ALP MPs are likely to have advocated direct action as it grew in popularity.

While it is true that support from ALP state branches for the somewhat smaller September 1970 moratorium demonstrations was considerably less than for the May ones—only Victoria declared its unequivocal support—Saunders' (1983: 86, 87) claim that the 'ALP's new enthusiasm for the activities of the peace movement had hardly developed when it began to dissipate' is an overstatement. The federal executive unanimously endorsed the September moratoriums, and it called for joint supporting action between the ALP and the ACTU (*The Australian*, 7 August 1970: 1). This was fulfilled in New South Wales at least, where the Labor Council and the ALP, which was in that state dominated by the right, staged a joint rally at Sydney Town Hall, addressed *inter alia* by Whitlam and Cairns (*The Australian*, 16 September 1970). The then-recently retired ALP federal president Senator Keeffe was questioned by police at the Canberra moratorium protest over his statement to activists that he would continue to advise young men against registering for national service. Other ALP figures to address protestors during Canberra moratorium activities included Whitlam, Tom Uren, Senator Wheeldon, and Gordon Bryant (*The Australian*, 19 September 1970: 1, 5). Among the 'first ranks of marchers' at the 50 000 strong protest in Melbourne were federal president-elect Tom Burns and federal secretary Mick Young (*The Australian*, 19 September 1970: 5).

## Labor and Draft Resisters

The Government's announcement in June 1971 that Australia's Vietnam commitment would conclude within six to eight months took some of the heat out of the issue (*The Australian*, 23 June 1971: 1; Saunders 1983: 87). Yet the effects of Vietnam on the party were still evident through its attitude to draft resisters, who were being prosecuted in increasing numbers despite the government's drawdown (Hamel-Green, 1983: 121). Jim Cavanagh expressed his admiration for them:

They [draft resisters] have a responsibility to the traditions of their forefathers and the freedom fighters of Australia... What alternative is left to our youth but to rebel? Are they not following the tradition set by their forefathers? Are they not great examples of Australia's heroic manhood? ...Should we not be proud of the members of the Victorian Labor Youth League who have set up an organisation to aid draft resisters? (SH, 6 October 1971: 1188).

In spite of government pleas for Labor to assist police in apprehending draft resisters, John Wheeldon could nominate 'no Australians for whom I have higher respect than those young Australians who have refused to comply with this vicious Act' (SH, 24 November 1971: 2026). The relationship between the party as a whole and draft resisters was reflected in the resolve of the National Young Labor Association Conference to 'urge, incite and encourage' young men to resist the draft, and in its pledge to give financial support to the Draft Resisters Union (DRU) (*The Australian*, 12 April 1971: 3).

The FPLP's response to the Victorian branch's preselection of draft resister Barry Johnston to contest the federal seat of Hotham at the 1972 election was instructive of Labor's support for draft resisting. In response to government attempts to have Johnston apprehended in order to embarrass Labor in the lead-up to the election, much of the defence of Johnston by Labor MPs was legalistic, and mounted on the basis that he was entitled to the presumption of innocence (e.g. Murphy, SH, 1 March 1972: 300–304). Yet, it was also at times political, such as when Whitlam flat-out denied that draft resisting was a crime (cited in HRH, 2 March 1972: 480). While Whitlam admitted to contacting Commonwealth Police to inform them of his willingness to 'assist them in their duties', how energetically he would have done so is open to question, since he continued to maintain that breaches of the National Service Act did not constitute crimes vis-à-vis murder or theft (HRH, 2 March 1972: 485–487). Whitlam had earlier promised that, in the event that a non-Labor dominated Senate thwarted the efforts of a government he led to repeal the National Service Act, he would not prosecute resisters (cited in SH, 1 March 1972: 313). *The Australian* described this attitude of Whitlam's as 'strange, illogical, and potentially dangerous', and the principle upon which it was founded as a potential threat to 'the whole legal basis of organised society' (*The Australian*, 1972: 8). When Whitlam proposed at a July federal executive meeting that Johnston give himself up to police and ask for an amnesty until after the election, 'almost no support at all' was forthcoming (Ramsey, 1972: 2). Instead, a much more defiant position was adopted: a telegram was sent to the Prime Minister condemning the government and calling for 'an end to the threats of arrest, prosecution and imprisonment of Mr Johnston and all these other young [draft resisters]' (cited in SMH, 5 July 1972: 1).

Labor's links with draft resisters were further suggested by federal Labor MP Bob McMullan's estimation that up to half his campaign team in 1972 was comprised of resisters (McMullan, 2001).

## The Winds of Change: ALP Policy on Vietnam and Conscription

The influence of the anti-war movement and strong opposition to the draft were expressed in concrete policy terms. Thus, while the 1969 conference undertook to repeal the National Service Act (ALP, 1969: 42), the 1971 conference went further by pledging to 'annul its penal consequences', and it endorsed the federal executive's support for Barry Johnston (ALP, 1971a: 41). Significantly, conference substantially moderated Labor's support for the ANZUS Treaty. Although not jettisoned in toto,<sup>12</sup> the policy wording was altered so that, for the first time since

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<sup>12</sup>Delegates rejected by a margin of three to one the Victorian branch's proposal to adopt a non-aligned foreign policy (Stubbs 1971: 6).

1957, the Treaty was no longer ‘of crucial importance’ (Hurst 1971: 5). In part, this can be seen as a sop to the anti-war movement and the left since Cairns had earlier nominated an ‘end to the principle that the US alliance is crucial’ as one likely result of left control of the ALP leadership (*Australian Left Review*, 1971: 10). Significantly, the successful foreign affairs and defence committee policy recommendation had been drafted by Whitlam (Hurst, 1971: 5). This new position marked a retreat from Whitlam’s position in 1967, when he argued that ‘the overriding, the paramount, statement on our foreign policy in the Australian Labor Party platform is that the American alliance is crucial’ (cited in *The Age*, 22 November 1967: 3). This change arguably reflected, if nothing else, the growing disquiet with US militarism in light of the horrors of Vietnam.

There were two other Vietnam-related policies adopted at the 1971 federal conference. One was to support the motion that the right’s John Ducker moved in support of the anti-Vietnam war movement, and which barely differed from the one put by the Left’s Tom Uren.<sup>13</sup> Furthermore, as in the case of the 1969 federal conference, Whitlam’s preferred Vietnam resolution was not carried (ALP, 1971b: 36). The second item of interest was a proposal to abolish under a Labor government the Australian Security Intelligence Organisation (ASIO), which had played a key role in persecuting anti-war activists. Remarkably, the motion to dissolve ASIO, which was established originally by the Chifley Labor government, tied at 22-all—a deadlock broken only by the casting vote against abolition by the conference Chairman Tom Burns (Randall, 1971: 3).

## Reasons for the Shift in ALP Policy on Vietnam

It has been argued that the shift in ALP policy merely corresponded with the commencement of US withdrawal in 1969 (Saunders, 1983: 84; Catley, 1972: 344). This begs questions about the origins of that country’s shift. In fact, this shift, like

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<sup>13</sup>The motion read:

- (a) Labor recognizes the importance of the anti-Vietnam Vietnam war movement in Australia and encourages members of the A.L.P. to participate in these activities insofar as they are consistent with the policies of the A.L.P. Conference affirms that the election of a Federal Labor Government is the most effective means of ending Australia’s involvement in the Vietnam war.
- (b) Labor reaffirms its support of the principle of Vietnam Moratorium demonstrations provided such demonstrations are planned and executed on a peaceful basis. Conference, in calling for greater participation in anti-Vietnam war activities, calls upon members of the ALP to express their support by co-operating in Vietnam Moratorium activities on a State and locality basis, under the control of the State branches (ALP, 1971b: 37).

The only respect in which Uren’s motion differed from Ducker’s was that it placed less emphasis on the need for the Vietnam moratorium activities to be kept under the wing of state ALP branches (ALP, 1971b: 36).

that which occurred in Australia, was attributable to the growth in anti-war sentiment. As former US Secretary of State Henry Kissinger recalled: ‘Nixon ordered troop reductions because of our domestic situation. The US appetite for withdrawal had become insatiable’ (cited in *Socialist Worker*, 5 October 2001: 5).

It is worth stressing that it was the Gorton Liberal government that commenced the process of withdrawal in Australia, not the Whitlam Labor government elected in 1972 (Whitlam, 1985: 41). As Picot concludes, a large part of the reason for withdrawal stemmed from the success of resistance in Vietnam itself, but the ‘decisive shift in public opinion and the massive mobilisations against the war forced the government’s hand’ (Picot, 1991: 122). So perturbed by the anti-war movement was the Gorton government that it considered in 1970 developing a civilian alternative to imprisonment for draft resisters in order to remove a ‘major rallying point’ for anti-war activists, who were receiving ‘significantly wider support and sympathy’ from ‘church folk’, trade unions, academics, and, increasingly, Labor politicians (Snedden, in Chan, 2001: 8; Snedden, in Parkinson & Marino, 2001: 5). The 1969 federal election result revealed Vietnam to be electorally damaging to the Liberal government, and perhaps it is no coincidence that not long after this the government announced its intention to commence withdrawal (Armfield, 1969: 1).

It is likely that the ALP, because of the growth of the anti-war movement and the increasingly palpable resentment towards the war, would have shifted its policy even in the absence of any change in the US stance. The argument that ALP policy was parroting the US government’s does not explain why, when the latter resumed bombing of North Vietnam in late-December 1972, Whitlam refused to condemn industrial action against US ships by Australian maritime unions. The Whitlam government itself ferociously attacked the bombing, with minister Clyde Cameron famously suggesting that ‘maniacs’ were in charge of US policy (cited in Saunders, 1983: 89). Saunders’ (1983: 89) own conclusion that this was a ‘sign to the peace movement that now it had assumed power the ALP would not renege on or renounce its allies in the peace movement’, lends credence to the argument that the change in American policy was not the crucial factor.

US withdrawal from 1969, along with other factors, did contribute to the change in ALP policy. However, for a number of reasons it can be argued that the key factor was the growth in the anti-war movement, and the correlated shift in public opinion against the war.

First, there is the fact that most anti-Vietnam war activists were either ALP members or supporters (Saunders, 1983: 83). By mid-1969, ALP voters were two to one in favour of withdrawal from Vietnam, compared to Coalition voters, who were two to one in support of continuing Australia’s participation in the war (*Sun-Herald*, 1 June 1969: 4). At the high point of the movement in 1970, 56.7% of activists signalled their intention to vote Labor (Mayer, 1970: 12). The effect of the large presence of ALP members and supporters in the anti-war movement no doubt was to exert significant pressure upon the party leadership.

Second, there is clear evidence that senior ALP figures were cognisant of the shift in public opinion. Early on, Labor believed Vietnam to be electorally



disadvantageous, and it sought merely to present its policy in a way that minimised this disadvantage (Freudenberg, 1977: 53). However, at the 1969 federal conference Whitlam confidently assured delegates: ‘Today, if anything, Vietnam is an electoral asset for the A.L.P.’ (cited in Solomon, 1969a: 2). As Langley (1992: 126) has argued, the shift to the left in ALP policy reflected the hardened sentiment against war:

It was not until 1968–1969, when the groundswell of opposition to the war became apparent, that the parliamentary ALP began to arrive at a genuine unified stance...

Right-wing members shed the ambivalence that had often characterised their opposition to the war... It was in this context that Gough Whitlam made his [1969] election pledge [to withdraw].

According to Fred Daly (cited in Langley, 1992: 126): ‘Whitlam had sniffed the breeze and being pragmatic, changed his attitude on Vietnam. Suddenly, he was making speeches against the war... Whitlam was astute and realised the growing disquiet.’ Labor MP Keith Johnson went even further in 1976, stating that:

[I]f it had not been for demonstrations around this world in the decade that led up to 1970, the world would still be involved in the holocaust that was Vietnam. It was the people coming onto the streets...that forced governments as powerful as the Government of the United States to withdraw its troops from Vietnam (HRH, 30 November 1976: 3001).

Activists within the movement themselves, too, could see with their own eyes that they had pushed Labor into opposing conscription and the war (Gibson, 1971: 77, 78; Gaffney, 1972: 5). One such activist, Hamel-Green, argued that Cairns’ shift to supporting civil disobedience around the time of the first moratorium was attributable to the work of students and SOS activists (cited in Langley, 1992: 135). This was in contrast to Cairns’ early conservatism on the issue. Moss Cass recalled the reaction to a hedged speech on Vietnam given by Cairns to ALP candidates prior to the 1966 election:

The left wing went berserk. Some of them thought Jim was a traitor. One woman candidate accused him of ratting on everything the party stood for. The left never forgave Jim for that (cited in Ormonde, 1981: 87).

According to Hamel-Green, even the survival of the Liberal government would not have prevented the abolition of conscription, such was the groundswell of opposition to it (Hamel-Green, 1983: 127). A police officer at the time of the war later reckoned that the protestors had ‘changed Australia’s history. It will be a very brave government that ever commits itself and its citizens to a prolonged war or a conflict again...’ (cited in Langley, 1992: 221).



## Conclusion

In his important study of the relationship between the ALP and the anti-war movement, Saunders (1983: 91) concludes that Labor ‘as a whole was always divided on and ambivalent toward the peace movement’. This conclusion implies that Labor’s overall position on the war was more or less consistent from beginning to end, ignoring in the process the fact that the party shifted its position almost unrecognisably from its earlier tacit support for US imperialism in Asia. One cannot conceive of any high figure in the party in 1969, let alone in 1972, uttering Calwell’s statement in 1965 that the US must not suffer the humiliation of a forced withdrawal. The significant policy changes, attendances at demonstrations and marches, the election of ALP MPs to campaign committees, the support for civil disobedience at the highest levels of the party, the preselection of a draft resister as a federal candidate, the impassioned defence of protestors during debates in Parliament—all these point to a party radicalised by a mass movement. It also bespeaks a party that sought to catch-up with the anti-war movement, and to channel its energies into electoralism, which it partly did after initially leaving the radicals to fill the vacuum created by Labor’s drift to the right following the 1966 election.

Saunders’ conclusion not only understates the movement’s impact on Labor, it also tells us little about the way in which the ALP’s whole political orientation and character in Opposition can be affected in the context of great social and political upsurges. To be fair, Saunders’ conclusion probably owes much to the necessarily narrow focus of his research brief, for the evolution of the party’s policy on Vietnam needs to be viewed in the context of the invigorating effects of other movements at this time, the trade union movement in particular. This is the subject to which we now turn in the following chapter.

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## Chapter 5

# The First Whitlam Opposition (1967–1972): The Sleeping Giant Stirs—Industrial Relations Policy and Labor’s Relationship with the Unions

Remarkably, given the attention paid to Vietnam, industrial relations was by 1972 considered one of the most important issues in Australian politics. It had dominated the agenda at the 1971 national ALP conference (Williams, 1971: 8). Labor had commenced its ‘mini-election campaign’ at the end of that year with a press conference on industrial relations (Farmer, 1971: 3). Whitlam was prompted to say in 1971 that ‘no element of human relations in this country [is] more topical, more crucial’ than industrial relations (Emy, 1993: 17; HRH, 12 October 1971: 2156). The prominence of this policy area largely reflected the then soaring levels of industrial disputation. The fact that industrial relations goes to the heart of the ALP’s *raison d’être*, and that its policy in this area serves as a gauge of its overall political and philosophical orientation, is further cause to examine the Whitlam Labor Opposition’s policy on industrial relations.

Industrial relations is the other policy area in which the impact on Labor from the radicalisation that occurred in Australia during the late 1960s and early 1970s is most starkly visible. Curiously, little has been written on the policy under the Whitlam Opposition, or on the party’s broader relations with the union movement prior to 1972. It is an extraordinary fact, for example, that Emy, Hughes, and Mathews’ *Whitlam Re-Visited* (1993) deals extensively with policy development in the lead-up to the election in areas such as law, health, economics, women’s policy, education, social welfare, foreign policy, electoral reform and human rights, but says nothing about industrial relations. Similarly, in *The Whitlam Phenomenon* (Fabian, 1986), a collection of papers on topics such as the evolution of ‘the Program’, the authors deign to mention trade unions on only five of the book’s 200 pages.

The true story of this policy area shows an ALP under concerted extra-parliamentary pressure: the highest levels of industrial disputation since at least 1929. In response, the ALP was compelled to change its policy, to advocate direct action as a means by which to achieve wage and other forms of social justice, and to adopt far more militant rhetoric. In supporting strikes around both industrial and ‘political’ issues, Labor moved leftwards: right-wing unions had traditionally

opposed these in favour of arbitration (Hagan, 1981: 251–252, 277–278). This was of enormous significance not just because Labor’s 1971 policy put minimal emphasis on direct action, but also because we are talking about a social democratic party whose very DNA is class co-operation, not confrontation. And yet, just as conceding to radicals over Vietnam made strategic sense in a context of rising rebellion, it was also the case here that encouraging workers spurred into taking action was not antithetical to the party’s interests. Labor sought to retain and restrain: to retain unionists’ electoral support, and to restrain them from activity that might threaten the existence of the political system in which Labor is a major player. To succeed at this, the party had to adapt. One consequence of this, however, was that the union movement found itself in a relatively strong position to influence party policy, somewhat foiling Whitlam’s desires to rid the party of its union associations (*The Age*, 13 March 1967: 3).

### **Arise Ye Workers from Your Slumbers ...**

At the time of Whitlam’s ascension to the leadership there was little sign that industrial relations would soon feature prominently in political debates. *The Sydney Morning Herald’s* industrial correspondent Fred Wells (1966: 2) had written the previous year that the two million strong trade union movement, while on ‘paper ... the largest and most powerful pressure group in the land ... actually it is woefully weak.’ No doubt this statement was based partly on the low levels of industrial disputation at that time (see Table 5.1). Not until over a year later, following strikes in June and July by rail and bus drivers, ferry stewards, waterfront clerks, and hotel workers—Australia’s ‘winter of discontent’—was there any suggestion that this period of class *détente* was drawing to an end (Curtis, 1967: 9). As the statistics in Table 5.1 indicate, over the next five years industrial disputation rose sharply.

Every indicator in the above table increased between the years 1967–1970. Even in 1971, when both the number of disputes and the number of workers involved fell, the number of working days lost was higher than three million.<sup>1</sup> In the election year of 1972, when the trends appeared to be reversing, two million working days were lost, nearly twice the maximum recorded in any one year between 1951 and 1968 (Turner, 1978: 110). Whereas on average just 13.2% of workers were involved in industrial action each year between 1952 and 68, in 1971 the figure rose to 29.6% (Bentley, 1980: 24). The rate of unionisation amongst Australian workers increased in the years 1970–75 (Rawson, 1978: 141). The growth in industrial conflict might help explain the rise, since it is during struggle that workers most keenly grasp the need to be organised. *The Sydney Morning Herald* (SMH, 1970: 2) warned in 1970 that industrial relations were reaching ‘a crisis point. Wage

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<sup>1</sup>To put this into some contemporary perspective, in the year to September 2016 a mere 106,500 working days were lost (ABS, 2016).

**Table 5.1** Industrial disputes in Australia, 1966–1972

Year	Disputes	Workers involved	Days lost/per worker	Wages lost (\$'000)
1966	1273	394,851	732,084/0.19	7302.5
1967	1340	483,274	705,315/0.18	7263.1
1968	1713	720,321	1,079,464/0.27	12,115.2
1969	2014	1,285,198	1,957,957/0.46	22,985.7
1970	2738	1,367,400 <sup>a</sup>	2,393,700/0.55	30,883.3
1971	2404	1 326,500	3,068,600/0.68	45,241.3
1972	2298	1,113,800	2,010,300/0.45	32,074.4

Sources CBCS (1970: 273), ABS (1974: 290), Rawson (1978: 131)

<sup>a</sup>From this year on, the ABS recorded both workers involved and working days lost in thousands, meaning that the figures given in Table 5.1 are approximated to the nearest hundred

demands, and the militant manner in which the unions are making them, threaten the traditional forms of our industrial society ...’ A year later, the same newspaper was even more alarmed: ‘[Australia] is approaching a situation intolerably close to industrial anarchy’ (SMH, 1971a: 6).

The upsurge in disputation spread to traditionally somnolent areas of the labour force. Sydney council workers in September 1967 and New South Wales cinema employees in 1970 engaged in industrial action over pay for the first time in 50 years (*The Australian*, 21 September 1967: 1; Thornhill 1970: 2). Even the military was not quarantined, with sailors and RAAF pilots effectively mutinying over pay the same year (Wain, 1970: 14; Williams, 1970: 2).

Women in occupations normally associated with industrial passivity, such as nursing and the airline industry, joined the groundswell (Jones, 1970: 2). Strikes by hitherto docile white-collar workers rose steadily from the late-1960s as a result of heightened class consciousness, a process of ‘proletarianisation’, and a recognition that militancy secured improvements in pay and conditions for blue-collar workers (Griffin, 1985: 206, 207; Hallows, 1968a: 9; Rawson, 1978: 135; Thomson, 1971a: 11). A stop-work meeting in December 1968 was the Australian Bank Officials Association’s first instance of industrial action in its 150-year history (Griffin, 1985: xi). Glascott (1970: 2) surveyed the scene in 1970: ‘Teachers, airline pilots, postal officials, nurses, bank officers, municipal officers, design draughtsmen, marine pilots, engineers and ships’ captains—all have been on strike in the last two or three years.’ In teaching, the ‘[m]ild-mannered Mr. Chips has gone into retirement and in his place has emerged a new man [sic] no longer politically malleable and easily crushed’ (Broderick, 1972: 12).

## When Industrial Relations Become Political: The O’Shea Dispute

The defining industrial event of this period was the eruption in May 1969 of mass strikes following the imprisonment of Tramway Employees’ Association Secretary Clarrie O’Shea over unpaid fines associated with the penal clauses of the Arbitration Act, which effectively made strike action illegal. Three hundred and fifty thousand workers struck in Victoria and New South Wales on the day following O’Shea’s incarceration (Wells, 1969a: 1). Wells (1969b: 2), who was on the scene at demonstrations in defence of O’Shea, described them as ‘the most intense since the coal strike in 1949. How widespread fighting and arrests were averted at Friday’s Melbourne demonstration I do not know.’ Symbolic of the growing unity of movements at this time was his observation for ‘the first time in a strike demonstration in Australia ... [of] banners inscribed ‘Worker-Student Power’.’ An *Age* editorial warned that Australia appeared ‘to be drifting towards total industrial disintegration’ (*The Age*, 1969: 7). The government bravado of previous years was conspicuously absent when one Coalition MP refuted the accusation that his party was deliberately fomenting industrial disturbance: ‘Nobody carrying any part of the responsibility of government could contemplate industrial unrest of the dimension reached today without a sense of great anxiety and intense regret ...’ (SH, 20 May 1969: 1374).

While one employer organisation and a Sydney newspaper, independently, had offered to settle O’Shea’s fines, a mysterious retired newspaper advertising executive<sup>2</sup> ended the dispute by using his lottery winnings to pay the \$8600 owed (Lloyd & Clark, 1976: 41; Whitehead & Lovell, 1969: 1). Over one million workers, drawn from every state in Australia, had been involved in what was described as ‘the most extensive strike in Australian history’ (Hurst, 1969: 9; McQueen, 1970: 64). Labor’s shadow industrial relations spokesperson Clyde Cameron recalled nothing like it since 1890 (Cameron, 1970: 1).

The most important effect of the strikes was the penal clauses’ effective obsolescence thereafter, as virtually no union paid another fine prior to Whitlam’s election three years later (Sheridan, 1972: 282). Labor MP Jim Cavanagh remarked that it ‘is realised that the solidarity of the trade union movement and its power’ mean that no matter ‘what we do in this Parliament, those penal provisions will not be enforced in future’ (SH, 18 June 1970: 2706, 2707). O’Shea himself recalled ten years after the dispute: ‘The working people realised the danger and they used their power’ (cited in Elias, 1979: 4).

In response to the O’Shea dispute, the ALP initiated in the House of Representatives a ‘Discussion of Matter of Public Importance’ (HRH, 22 May 1969). If nothing else, this indicated that Labor was ebullient enough to take the fight about strikes right up to the government. In the debate, Whitlam attributed the

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<sup>2</sup>The name of the donor has never been released, but rumour has it that he acted on behalf of the government (Jamieson, 2009).



conflict to the 'attempt to make industrial agitation or resistance a crime', something 'not done anywhere else in the English-speaking world' (HRH, 22 May 1969: 2119). For Clyde Cameron, the clauses violated the 'right to strike', which was:

the one thing that distinguishes the free man from the slave. The right to strike is the lifeblood of unionism because it is the only weapon with which organised labour can defend itself against greedy employers and biased industrial commissioners. Deprive the unions of this weapon and you rob them of their justification for existence. What could be more unjust than a law that fixes the price of the only thing that a worker has to sell - his labour power - but which places no restraint on the price of the things he has to buy? The savage penalties imposed upon unions whenever they attempt to meet rising costs contrast with the absolute freedom with which the employing classes may fix the price of the things they have to sell (HRH, 22 May 1969: 2115).

Then-Liberal MP Don Chipp attributed Cameron's comments to the fact that 'thousands of workers on strike in Australia are aware that this debate is taking place and no doubt are listening to it on their radios' (HRH, 22 May 1969: 2115, 2116). If Jim Cairns was the Labor MP most stung into action by the anti-Vietnam war movement, then Cameron, as shadow industrial relations minister, was most moved by the upsurge in class conflict. Witness his fury at a system that would fine 28,000 workers at General Motors \$212 million collectively for a 15-day strike, but which would penalise General Motors only \$7500 for imposing a 15-day lockout:

How can the rights of man be properly respected in a society which tolerates this kind of attitude to labour? There has always been a deep seated conviction in communities which call themselves civilised that in the last resort men should be free to refuse to work under conditions that are repugnant to them... All over the world, where any love of liberty survives the despotic tendencies of feudalism or monopoly capitalism, men cherish the right to throw down their tools in protest against some grievance too great to be borne by free men (HRH, 7 December 1971: 4197).

Even the right-wing Rex Connor used notably Marxist rhetoric when he situated the O'Shea dispute into the broader context of the 'fundamental problem in Australia today ... the struggle to sell labour': '[T]he only commodity the price of which is controlled in Australia today is labour' (HRH, 22 May 1969: 2121). Tom Uren similarly channelled the German revolutionary when he contrasted the protection afforded the 'monopolistic interests' with the mistreatment of workers:

This monopolistic group has used the courts of the land for frustrate [sic] the rights of workers to struggle for their rights and wage justice... A worker has only his labour to sell and he should be able to withdraw it. He should not be controlled by a legal dog collar put on him by this Government that forces a man to go to work against his own will (HRH, 22 May 1969: 2153).

References to class and exploitation were not confined to the O'Shea dispute but featured frequently in Labor MPs' comments during this period. Whitlam, for example, wrote in 1972 that the government had 'declared war on the wage and salary earners of Australia', and he posed the question as to the cause of the industrial unrest:

It is the profound conviction on the part of wage and salary earners that they are not getting a fair share of the wealth that their own country provides and that they produce...

Wages are to be repressed by the bludgeon of unemployment. Prices and profits are to remain untouched...

IT'S TIME to restore the fairer distribution of the nation's wealth (*The Daily Telegraph*, 21 February 1972; caps in original).

*The Sydney Morning Herald* castigated Whitlam for resorting to 'an old-time, unreal contest between worker and boss', and 'a mythical class war' (SMH, 1972a: 6). It is indeed extraordinary—at least by 21st century standards—to hear the ALP leader refer to workers and 'the wealth that ... they produce', which is only a short step to acknowledging that capitalism, a system in which the wealth produced by labour goes not to the labourer but to the parasitic boss, is fundamentally based on exploitation. Joining Whitlam with such allusions was Norman Foster, who explained the militant history of waterfront unions by outlining the system:

of exploitation by those of greed of those who were expecting a fair share of what they were entitled to for their work...

From this state of affairs grew the combined action of union men who expressed themselves in a very militant fashion... They came up against the system of the masters, the absentee employers, the shipowners, the shipowners' agents, the stevedoring companies, the shipowners' imported supervisors... (HRH, 12 June 1970: 3505).

Senator Albert Poke was more direct. Did the mine managers, big station owners, and executives produce the wealth, or was it workers? 'The worker ... produces the wealth of this country ...' (SH, 29 August 1972: 504). Keith Johnson, meanwhile, pointed to the Government's laughable paeans to free market theory:

[W]hat happens when a working man or group of working men take a free decision not to provide their commodity or services - that is their labour. They are driven to work with whips. They are dragged before the courts. They are fined and bludgeoned into providing the only service or commodity that they can sell - that is their ability to labour (HRH, 16 May 1972: 2586).

The fact that Labor in this period viewed the right to strike in positive terms—as an inalienable right whose expression was empowering to the worker, dispossessed of the wealth she produced—is of great significance, for it stands in stark contrast to Labor's more recent view of strikes as inherently negative, undesirable, and damaging. At the turn of the millennium, then-party leader Kim Beazley Jr. emphasised 'industrial cooperation and harmony', which strikes, with 'all the bitterness they leave in their wake', could only destroy (Beazley, 2000). This same attitude was reflected in the Accord policy (see Chap. 10).

However, the at times glowing admiration for striking workers did not lead Labor to oppose the wider system of wage labour, under which strikes can be seen as but a symptom of the clash between mutually exclusive interests that can never be reconciled in a capitalist economy. This was despite Labor often making a convincing case for the view that the labour market is inherently unequal and unfair:

The right to hire and fire gives to the employer an inbuilt power and discipline over every person he employs...

In the great maritime strike of 1890 it was starvation that drove the workers back to work. Starvation and now hire purchase as well stand on the side of the employer. The industrial tribunals are on the side of the employer. The law also is on his side and the court stands savagely behind the law (Cameron, HRH, 12 June 1970: 3550).

This makes it difficult to see how by simply removing the penal clauses 'industrial peace would become a reality in this country' (HRH, 12 June 1970: 3514).

The effects of the O'Shea dispute on Labor were more far-reaching than the production of militant rhetoric. Whitlam told the 1969 New South Wales ALP conference that the repeal of the penal clauses would be a major issue on which the party would campaign in the looming federal election (SMH, 16 June 1969: 4). The July ALP national conference, one month later, directed Whitlam to include in his election speech 'a promise to repeal sections 109 and 111 of the Act [penal clauses] and such other sections as the A.C.T.U. may recommend' (ALP, 1969: 37). This was a noticeably firmer position than that taken at both the 1967 conference, where no specific reference was made to the penal clauses, and at the 1965 Conference (ALP, 1965, 1967). As it turned out, Whitlam's policy speech for the October 1969 election had little industrial relations content beyond promising to 'put "conciliation" back into arbitration' (cited in SMH, 2 October 1969: 10). Whitlam went somewhat further in his 1972 election keynote when he pledged to 'reduce government interference in industrial matters, to put conciliation back into arbitration, and to abolish penal clauses which make strikes in Australia—alone in the English-speaking world—a criminal offence' (*The Australian*, 14 November 1972: 5).

## Do-It-Yourself: Labor and Direct Action

The aforementioned high levels of industrial disputation reflected a growing belief amongst rank-and-file workers in the efficacy of direct action as a means by which to advance wages and conditions. Commonwealth Conciliation and Arbitration Commission president Richard Kirby sounded the alarm in his annual report for 1969: '[T]he balance of power 'in the field' has swung more than ever one way and the temptation to take a short term view and rely on strikes, in times of tension, is often yielded to' (Kirby, 1970: 19). Pete Thomas points to the significance of the Coal Industry Tribunal's award of a 35-hour week to miners in 1970 when it had rejected such a claim only two years earlier:

[T]he Tribunal acknowledged that it had instituted the inquiry into hours when the unions' campaign on working hours had moved into 'direct action, in the form of strikes and threats of strikes, rather than resort to arbitration.' Mineworkers read this as confirmation of their belief that direct action had been decisive in winning the 35-hour week... (Thomas, 1983: 62, 63).

The tendency during this period for unions to by-pass arbitration did not reflect opposition on the part of union leaders to the principle of arbitration, that is that workers' wages should be set by well-paid officials meeting behind closed doors (Donn, 1983: 187; Hallows, 1968b: 11; Wells, 1969c: 2). Rather, it indicated the dissatisfaction among rank-and-file workers with the outcomes arbitration produced, and the belief that direct action achieved superior ones. As then-New South Wales Labor Council state organiser Barry Unsworth explained:

It is no small wonder that workers today can be encouraged to bypass lengthy award-making, of which they usually know or care nothing, in favor of the much speedier process 'walking out the gate' until their employer, who up to now has probably been sheltering behind the arbitration system, succumbs to their demands (*The Australian*, 19 September 1970: 4).

The widespread discontent with arbitration was also reflected in Labor's proposal in May 1971 to confine arbitration largely to the setting of minimum wage rates, with above-award rates to be reached by negotiation between employers and unions (*The Australian*, 1971: 8). As Howard writes: 'It did not seem grotesque when Mr Clyde Cameron unveiled an industrial relations policy based firmly on the principle of collective bargaining' (Howard, 1977: 255).

The militancy of workers had been evident during the O'Shea dispute, when *The Sydney Morning Herald* observed that moderate union leaders were 'being exposed ... to pressures from their own rank and file' (SMH, 1969: 2). Wells spoke of 'the militant mood of workers throughout Australia' (Wells, 1969d: 4). Some saw nothing less than a psychological change in attitude amongst workers in favour of strikes (Hince, cited in *The Age*, 11 November 1971: 8). Professionals such as nurses, Beckett (1970: 6) suggested, had come to the realisation that militancy was 'about the only thing that works in the present industrial relations atmosphere in Australia.'

One indicator of the rank-and-file thirst for direct action was the defeat by one Bob Hawke, nominally of the left,<sup>3</sup> of the right's Harold Souter in the contest for the ACTU presidency in 1969 (Pullan, 1980: 89). Despite his recent association with the pioneering of neo-liberalism in Australia, Hawke in his former life, although ever the crafty pragmatist, had taken a more aggressive approach to penal clauses, which were at this stage the trade union question on everyone's lips (Hagan, 1981: 270, 271). Similarly, rank-and-file militancy doubtless was an important factor in the espousal of direct action by even right-wing union officials, such as the New South Wales Trades and Labour Council acting secretary John Ducker, who, in response to Clarrie O'Shea's imprisonment, advocated that 'the ruthless and tyrannical penal

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<sup>3</sup>The simple categorisation of the two officials into left and right camps is somewhat problematic, as Hawke himself pointed out: 'On the floor of the Congress I could not win without significant support from the Right and, to the limited extent one could speak of such a category, the non-aligned'. In seeming justification of such a categorisation, however, Hawke conceded that 'my campaign lieutenants were all men of the Left' (Hawke, 1994: 47–48).

clauses' be met 'not ... by talk but by co-ordinated militant action in every city of the Commonwealth' (cited in SMH, 16 May 1969: 4).<sup>4</sup>

Rank-and-file confidence to act independently of trade union officials saw shop stewards and their committees feature more prominently in disputes (Colless, 1972a: 9; Glascott, 1971: 6). In this context, Clyde Cameron quite properly dismissed out of hand government claims that the introduction of secret ballots would reduce strike levels: indeed, in some cases ballots would see higher strike levels, since it was often the case that the union bureaucracy acted to smother rank-and-file desire for strikes (HRH, 7 December 1971: 4194, 4195; see also Bramble, 1996).

A combination of factors produced the high strike rates. A catalyst was the Arbitration Commission's December 1967 'absorption' decision<sup>5</sup> and the its subsequent back-down following a series of protest strikes, which only confirmed the power of direct action (Bentley, 1980: 27, 28). The O'Shea strikes' demolition of the penal clauses similarly demonstrated that unions 'could achieve their goals without assistance from parliament' (Walsh, 1979: 156). The Commission's determination to restrict wage increases throughout the 1950s and 1960s also was also a factor in the unions' shift away from arbitration (Howard, 1977: 269–272). Another factor was full employment, which improved substantially the bargaining power of workers. Turner has argued that Australian unions tend to use direct action in times of economic buoyancy, but then revert to 'political' action, that is parliamentary action, in times of economic downswing when labour supply far exceeds demand (Turner, 1979: 82). The relation between strikes and the business cycle is, of course, complex: the overall political climate, among other things, needs to be accounted for (see Trotsky, 1983). It needs to be remembered that the period of militancy described above set in towards the end of the post-war boom, not during its peak. This leads to an additional factor that needs to be considered: the coincidence of industrial militancy in Australia with similar workplace trends overseas, and the international political and social upheaval that characterised this era. Bentley has assessed the eventual impact of protests by students: many working class people might not have identified with the ragged, long-hairs throwing themselves at police, but their heroism, energy, and success illustrated 'the efficacy of collective action. A spill-over into the industrial relations area, whilst not measurable, seems almost certain to have occurred' (Bentley, 1980: 30–31). Jack

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<sup>4</sup>Again, a clear distinction between 'right' and 'left' unions is difficult to make. In this period, however, Hagan argued that right unions were generally supportive of compulsory arbitration, opposed to strikes (often a result of their industrial weakness), had more faith in the election of a Labor government as a solution to industrial problems, and opposed to strikes on political issues. The left, by contrast, was more committed to socialism, and more lukewarm in its support for the election of a Labor government. Left unions approached strikes either as an alternative to arbitration or as a means to educate the working class in order to prepare it for replacing capitalism with a socialist system, depending on how far left a position on the spectrum the union occupied. Left unions were more favourably disposed towards the use of industrial action for furthering political objectives (Hagan, 1981: 251–252; 277–278).

<sup>5</sup>The Arbitration Commission helpfully decided that employers could absorb increases in awards by reducing over-award payments (Bentley, 1980: 27).

Munday, leader of the exceptionally militant New South Wales Builders Labourers Federation (NSWBLF), reportedly believed that:

events overseas, such as the American black power movement, had ‘impressed’ builders labourers and that the activities of students in many countries (including Australia) ‘have also made an impact and been appreciated by advanced workers’ (Burgmann & Burgmann, 1998: 25).

The anti-Vietnam war movement thus had effects beyond foreign policy. The conscription crisis during WWI fused with wider class unrest (Turner, 1979: 113). The anti-Vietnam war movement, *mutatis mutandis*, infected, and was in turn buttressed, by the growing workplace discontent.

As with the movement against the Vietnam war, Labor MPs largely sought to benefit electorally from the industrial militancy by, first, espousing the desirability of direct action—if only in the absence of a Labor government, which would negate many of the reasons for its necessity—and, second, emphasising its apparent limitations. As Cliff and Gluckstein (1996: 50) noted of early British Labour leaders, by expressing sympathy for strikes they were better placed to control them. Thus, as early as 1968, Senator James Ormonde concluded: ‘Strikes, *plus parliamentary action*, are the best way to get things done for those people who still work for a living’ (SH, 23 October 1968: 1506; emphasis added). Even the right-wing Lance Barnard made concessions to the belief that more could be achieved through industrial rather than parliamentary action, even if it ignored the need for a Labor government to implement health, education, and housing reforms crucial to workers’ standard of living (cited in *The Australian*, 31 May 1969: 2). Jim Cavanagh suggested that ‘strike action to stop the profits of employers ... is the only action that the employer seems to understand when workers are under government domination’ (SH, 23 May 1972: 1937). When shift workers in the cement manufacturing industry in South Australia came to Don Cameron seeking his advice on the best way to obtain an extra week’s leave, he did not mince his words:

I said: ‘The only way you will get it is to go on strike. You will not get it any other way’. They went on strike. The matter came before the Commission and the same judge who had rejected applications by the Australian Workers Union for the extra week’s leave on 2 previous occasions...granted the extra week’s leave. That happened only after the employees had taken strike action (SH, 18–19 June 1970: 2716).

Clyde Cameron suggested at the time that the ‘strike is the only weapon for which the opponents of labour have real respect’, listing landmark gains such as the 8-hour day, reductions in the length of the working week, annual leave, paid sick leave, and paid public holidays, as achievements won directly through strike action (Cameron, 1970:1).

It is arguable that the support of strikes on both industrial and ‘political’ issues constituted a shift to the left by Labor, since right-wing unions had traditionally opposed these in favour of arbitration (Hagan, 1981: 251–252, 277–278). The latter was something on which Labor’s 1971 industrial relations policy put minimal emphasis.

Labor's espousal of direct action at a time of rising class struggle should not be surprising. As Cliff and Gluckstein pointed out in the British context, Labour leaders can at times encourage extra-parliamentary activity, because it is not the commitment to parliamentary change that is the *sine qua non* of reformism, but rather its role of mediating between classes; if they 'feel that parliamentarism is actually an obstacle to the process of mediation it may be put aside' (Cliff & Gluckstein, 1996: 89, 90). In order to successfully channel the desire for direct action into electoral support, Labor sought to do three things: to portray itself as the party that supported direct action, to pledge to reform the industrial relations system so as to negate the *necessity* for much of this action, and to state its limitations.

Labor did not merely support direct action, but also attempted to hold government policies responsible for the industrial unrest. Recall Jim Cavanagh's comment that strike action was necessary when 'workers are under *government domination*'. Presumably this 'domination' would cease under Labor. The ALP's pledge to remove penal sanctions was the prime example of its plan to remedy the causes of strike action. Consider also Clyde Cameron's claim that a system 'bogged down with legal technicalities and Government interference' had led workers to see 'the strike weapon as the only last resort open to them' (HRH, 10 May 1972: 2336). This ignored the fact that many countries had experienced around this time bigger upsurges in strikes than had Australia,<sup>6</sup> but such a stance suited Labor's objective of benefiting electorally from the upheaval.

This overlapped with the ALP's third objective of highlighting the limits of direct action. When Ormonde (see above) suggested that direct action ought to be coupled with parliamentary action, he spoke for the ALP as a whole. Thus, Ian Turner, an ex-communist historian and member of the Victorian Labor unity faction, challenged that state's socialist left faction leader Bill Hartley's supposed counterposition of direct vis-à-vis parliamentary action by on the one hand suggesting that history proved the futility of concentrating solely on the former. On the other hand, Turner called upon the Labor movement 'to find the way of so *combining* popular action and electoral and parliamentary activity that the present Governments of Victoria and Australia are put out of business' (*The Age*, 9 December 1970: 9). In reply to Turner's comments, even Ken Carr, an unabashed advocate of direct action, suggested that the ALP 'keep abreast of these trends [toward direct action] so it can be an *effective channel* for this activity. For the Labor Party to do this, it will have to orient its activities *both* towards pressure grouping and parliamentary action' (*The Age*, 16 December 1970: 9; emphasis added).

The difference between the left and right on direct action was largely one of emphasis. On occasion, the right were willing to concede that direct action rivalled in importance parliamentary work. Recall Whitlam's statement (see previous

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<sup>6</sup>Clyde Cameron himself cited figures from the International Labour Organisation (ILO) showing in 1970 the number of hours lost per 1000 workers. While Australia had lost 810, the US had lost 1390, Canada 2550, and Italy 4440 (HRH, 7 December 1971: 4198).

chapter) in 1970 that demonstrations were ‘as necessary a part of the democratic processes as elections themselves’. The left did identify more stridently with the uncooperative impulses in society, but in the process of social change it nonetheless saw a crucial place for parliament. Bill Hartley, for example, sympathised with the belief among young radicals that direct action was more effective than parliament, and that a revolution was needed to effect lasting change in society. But what kind of revolution? It would be no ‘dictatorship of the proletariat’; rather it would consist of ‘fairly extensive nationalisation of some of the major private enterprises in the country’ and ‘very considerable public sector activity’ (Hartley, cited in *Australian Left Review*, 1971: 12). Thus, the disagreement between Hartley and more conservative elements in the ALP turns out to be less about parliamentary action vis-à-vis direct action than about what parliament should do.

A further objective of Labor’s industrial relations strategy was to present itself as the party best equipped to reduce strikes. In one of his final parliamentary contributions before the 1972 election, Clyde Cameron warned, in a speech that contrasts sharply with the much drier content of contemporary *Hansard* reportage, that the government’s ‘law of the jungle’ industrial relations strategy could begin with unionists ‘tearing down private property, resorting to arson, destruction, [and] physical violence’ and end with something on the scale of the French, American or Russian revolutions, which ‘started because a few people in seats of power did not realise that right under their noses a revolution was erupting and could not see that when people were crying out for bread they could not be satisfied by being given cake when there was no cake to give them’ (HRH, 23 August 1972: 562, 563). This was what Labor meant by ‘putting the ‘conciliation’ back into arbitration’.

Business must not have been perturbed by such revolutionary talk: a factor in significant business support for a change of government in 1972<sup>7</sup> could have been Labor’s promise to reduce strikes because it ‘understood trade unions’ (cited in SMH, 3 November 1972: 2). Some employers may have wished for the ALP to have a pacifying effect on the union movement. As Barker (1972: 9) put it in relation to Chifley’s use of armed forces to break the 1949 coal strike, Labor’s strongest argument, even if it was loath to make it, was that ‘a Labor Government ... can take anti-union action which would not be tolerated if it was attempted by a Liberal Government.’

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<sup>7</sup>‘Business Executives for a Change of Government’ took out advertisements in major newspapers lamenting crises that had enveloped the government in recent times (see, for example, *The Australian*, 8 November 1972: 6).



## Where to Draw the Line? Political Strikes

A greater preparedness among elements of the trade union movement to opt for direct action extended to political issues.<sup>8</sup> Political strikes had occurred in the past (Silverman, 1966: 47). But, according to *The Australian*, there were more of these between 1966 and 71 than during any other five-year period in Australian history (*The Australian*, 1972: 8). As well as over the issue of the Vietnam war, trade unions had taken action against the Springbok rugby tour in mid-1971 (Harris, 1972: 216–224). The early 1970s also saw the NSWBLF use its industrial might to prevent construction on environmentally sensitive areas, but also to support women's entry into the industry, and to provide solidarity to other oppressed groups, including lesbians and gays (Burgmann & Burgmann, 1998). Perhaps most controversial was the ACTU strike against the budget in 1970—the first such action in the council's history (Sutherland, 1970: 1). Although only a small proportion of the 750,000 workers involved in the 3-h national strike attended the rallies on 25 August, the union action led *The Sydney Morning Herald* to describe the budget as 'the most dramatic ... in a generation' (cited in Hughes, 1970: 396). Indeed, the context of the ACTU action helps explain Labor's opposition to the budget in both Houses of Parliament for the first time since 1941 (MacCallum, 1970: 1). Whitlam declared defiantly:

Our purpose is to destroy this Budget and to destroy the Government which has sponsored it... In its social implications it is the most reactionary Budget since the 1930s... [W]e have no choice but to oppose it by all the means at our disposal (HRH, 25 August 1970: 463).

As in relation to direct action in general, when challenged Labor mounted a spirited defence of trade union action over political issues. In supporting the budget strike, Whitlam pointed to the impact of the budget on the living standards of trade unionists, and he exposed the hypocrisy of the government's claims about its impact on inflation by promising to 'deplore the so-called inflationary effects of today's stoppage [when the Prime Minister] protests about the inflationary effects of BHP's decision this year to raise steel prices' (HRH, 25 August 1970: 475). Whitlam was at one stage reported as opposed to political strikes (Barnes, 1971: 1). Yet, he went on to move a motion at a federal executive meeting in relation to the Springbok tour, pledging ALP support for trade union 'efforts to prevent such

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<sup>8</sup>'Political' strikes refer here to those against the Vietnam war and the 1970 budget, rather than those aimed at gaining improvements in wages and conditions. However, it should be noted that distinguishing an 'industrial strike' from a 'political' strike is problematic. Strikes aimed at securing improvements in working conditions can take on political dimensions when they are subject to legal restrictions. Having said that, the approach taken henceforth is to accept, subject to the above qualifications, the legitimacy of distinguishing between political and industrial strikes. As Hay writes: 'It may be that all trade union activity is ultimately industrial, but clearly not all such activity is ultimately political. A strike over unsanitary toilet facilities or an overtime ban in support of increased bonuses for instance, is not. A distinction between types of strikes can be made then, not on the grounds of whether the strike is ultimately industrial but on whether it is ultimately political' (Hay, 1978: 25).

visits' (cited in Randall, 1971a: 1). When the subject of political strikes was debated as a 'Matter of Urgency' in the Senate in August 1971, Lionel Murphy argued that unions had every right to be involved in actions against the Vietnam war:

Is it wrong that trade unions should...protest against something which is against their social conscience and which is important enough for them to say to their members: 'We ask you to stop work, to lose wages and to show how much you disapprove of this evil war, this genocide being committed against the Vietnamese people' (SH, 18 August 1971: 94, 95).

The former Trotskyist cum anti-communist and right-wing Labor MP Jim McClelland saw no valid distinction between political and industrial issues, citing the examples of housing, credit banking, and cooperative societies, transport, oil drilling on the Great Barrier Reef, and consumer protection as matters in which unions were entitled to express their opposition (SH, 18 August 1971: 111, 112). Senator Ron McAuliffe, meanwhile, exalted the trade union movement's history of opposing apartheid, its refusal to ship pig-iron to Japan on account of its anti-Chinese colonialism, its support for Indonesian independence, and its opposition to the war in Vietnam (SH, 26 August 1971: 409).

As in the case of its attitude to direct action in general, Labor might be prepared to endorse, even advocate, political strikes. But their limitations also needed to be laid bare. Thus McAuliffe, while lionising the union movement's proud history of involvement in political issues, at the same time he ventured the opinion that history also revealed the dependence of unions on the election of a Labor government for the fulfilment of their demands (SH, 26 August 1971: 409). This was a somewhat contentious claim: the demise of the penal powers after O'Shea was only the rawest demonstration of trade union power to effect political change. As Clyde Cameron pointed out, it was the 'strike weapon' that won landmark improvements in working conditions in Australia. Ironically, it was partly the long stretch of conservative rule from 1949 to 1972 that encouraged in unions a sense of independence reflected in the increased frequency of strikes over political and social issues (Rawson, 1978: 156; Thomson, 1971b: 9). McAuliffe's thesis is accurate to the extent that unions generally look to the ALP for the satisfaction of their demands. But, in periods when this is not an option, and in response to strong pressures from rank-and-file members, unions can become more self-reliant and more inclined to adopt extra-parliamentary means.

## **Struck Out: Strike Penalties**

Perhaps the most overt demonstration of trade union influence on Labor policy throughout this period was in relation to the party's proposal to penalise employers and unions in breach of negotiated industrial agreements. This would see unions subject to fines in the event of strikes occurring against agreements negotiated voluntarily between parties (over-award payments), but not when strikes were staged against decisions of the Arbitration Commission. Trade union opposition to

the policy as originally formulated by the party's industrial relations committee, which was chaired by Clyde Cameron and included Bob Hawke, saw it withdrawn even before the national ALP conference in June 1971 could debate it: 'Mr. Cameron, Mr. Hawke and others had got the message: Hands off the unions' (Hurst, 1971: 6). All references to penalties were removed, and the committee was forced to accept the ACTU's and its state branches' oversight of the observance of agreements (Randall, 1971b: 3). Guy (1999: 275) recorded the policy's treatment at Conference thus:

[It] came under attack from the more militant unions ... The Victorian bloc vote at the party conference, supported by delegates from other States, was sufficient to have the plan watered down into a mealy-mouthed and virtually meaningless recommendation that 'voluntary agreements, freely negotiated, be honoured by the parties thereto'.

An ingredient in union opposition to the penalties was the profoundly-held belief that it should be the ACTU Congress that determined penal sanctions policy, not the ALP (Hurst, 1971: 6). The NSWBLF quite properly defended the right to strike against negotiated agreements on the basis that a change in conditions—for example, an increase in inflation—would require a change in the terms of an agreement if livings standards were to be maintained (*The Builders' Labourer*, July–August 1971: 13).

The Committee's retreat, however, did not end the matter. In defiance of the decision of the 1971 conference, Whitlam and Cameron brought the policy back from the dead at the beginning of Labor's 'mini-election campaign' in October 1971. The new policy involved penalties (\$20) for individual employees and employers (\$200) who breached negotiated agreements. Whitlam promised that '[a] Labor Government will not be the unquestioning mouthpiece of union officialdom' (*The Australian*, 12 October 1971: 1). An additional reason for persisting with the policy was most likely the desire by the ALP to deliver on its promise to reduce strikes, and to ensure industrial relations stability.

Whatever their motivations for reintroducing the policy, it provoked a storm of opposition. Union leaders of various political persuasions strongly condemned Whitlam, and threatened to withhold funding for the election campaign (*The Australian*, 13 October 1971: 1, 2). After being similarly attacked by fellow frontbenchers at a shadow cabinet meeting, Whitlam threatened to storm out of the room, only to be told that the meeting would continue without him (Hurst, 1971: 1). Just two days after the press conference, Caucus vetoed the policy. 'The \$20 and \$200 fines are out', a humbled Whitlam conceded (cited in Ramsey, 1971: 1). The headline of the front page of *The Australian* (14 October 1971: 1) read: 'Whitlam Defeated on Strike Penalties'. One complaint of Caucus members was that the policy was aimed at conveying the impression that Labor would be tough on rogue unions. Cameron subsequently argued that a policy that did not contain strike penalties would be electorally damaging (letter to Mr. S.P. Hale, Oatley ALP Branch Secretary, 15 October 1971). Clearly, however, Caucus colleagues did not agree with Cameron, who revealed the scale of the defeat in a candid interview with *This Day Tonight* presenter Mike Carleton:

- Cameron I had my say. I had 45 min more than anybody else ... I got beaten ...  
 Carleton Were you badly beaten [?]  
 Cameron I would think badly beaten, yes. There was no vote taken, but I would think [if] there'd been a show of hands, I'd have been massacred, to use a political term (Cameron, 1971).

Reportedly, a solitary voice was raised in support of the policy in the final verbal vote (Stubbs, 1971: 6). In defending the rebuff to Whitlam, one Labor MP, demonstrating a healthy irreverence towards the FPLP leader, stated publicly that Whitlam's was only one of 85 votes that counted in Caucus (Bryant, 1971: 9). Cole (1982: 89, 92) described the episode as:

a rare illustration of union power being exercised in a relatively unanimous fashion, which indicated that unions could potentially press an alteration to party policy... It indicated the influence unions could bring to bear on the political wing.

In fact, the proposal was vetoed by 'all' sections of the Caucus, not just the one quarter of MPs with union backgrounds (Bryant, 1971: 9; Cameron, 1971). Cameron subsequently produced a new policy to allow agreements between employers and unions to contain penalties for breaches, but which would not enforce their inclusion (Cole, 1982: 92). Such events only invited claims that Whitlam's objective of decoupling Labor's links to unions had 'foundered on the ambitions of Mr Hawke and the refusal of the trade-unions to be pushed aside' (SMH, 1972b: 6). Whitlam's confidence to take on the unions, shown in his condemnation of unionists in 1967 who signed a petition against the brutal treatment of rioters in Hong Kong (*The Age*, 6 October 1967: 1), was by this stage all but eroded. *The Sydney Morning Herald* (1971b: 6) suggested that it demonstrated 'just how susceptible the political wing of the Labor Party is to pressure from the industrial wing.'

What the newspaper should have added, however, is that the degree of susceptibility is contingent on various factors. As was pointed out earlier, being in Opposition allows the FPLP less policy autonomy, and it permits trade unions the opportunity to exert greater influence. The overall political context in which the ALP-union interaction takes place is also important. During this period, Australian society was undergoing a general political radicalisation. The union movement had exhibited a high level of independence and confidence—not to say cockiness—illustrated in the high levels of industrial action. Indeed, Bob Hawke told an ALP federal executive meeting in 1972 that the ACTU's responsibilities to its members meant that it could not be expected to refrain from industrial action simply because it was an election year (Ramsey, 1972: 1). No doubt, this was gamesmanship on the part of Hawke, who proved only too willing to dampen union spirits after the Whitlam dismissal (see Chaps. 7–11). In addition, there was evidence of unions restraining members from industrial action in the months preceding the election (Colless, 1972b: 8). And yet, still some two million working days were lost through 1972 (see Table 5.1). Because of its high levels of independence and confidence,

and its willingness take up overtly ‘political’ causes, the union movement was able to exert significant influence on the political wing.

*The Sydney Morning Herald* correctly viewed the ALP as susceptible to union pressure during this period, characterised by high levels of industrial disputation, rank-and-file support for direct action, and a rise in union density that saw almost 60% of workers in unions in the year 1975<sup>9</sup> (Rawson, 1978: 141). Union density has been correlated with union influence on the ALP (Manning, 1992: 27). It seems not unreasonable to conclude from this, and in light of the foregoing analysis, that this was a period in which the union movement strengthened its bargaining position in its relationship with the political wing, enabling it to extract some key policy concessions. This resembles the process that occurred during the major industrial upheavals at the end of WWI, which saw the rise of the Industrialists<sup>10</sup> and the ‘reassertion by the mass unions of trade union independence of and control over the political party’ (Turner, 1979: 231). Granted, Whitlamism may have stood for a looser identification with the interests of organised labour (Emy, 1993: 17). But the resilience of the unions meant that Whitlam achieved—on notable occasions, with his tail between his legs—at best, mixed success in this regard.

However, the *Herald’s* assessment of the ALP’s susceptibility to union pressure arguably would not fair so well if applied to the period leading up to the election of the Hawke government in 1983 (see Chap. 10). Then, the union movement’s agreement to wage restraint via the Accord reflected its weakness in the new recessionary climate, and a lack of confidence to achieve change by itself. It thus turned to the FPLP for its salvation. It could be argued that the union movement’s lack of confidence in its own ability to achieve change through direct action in the lead-up to 1983 meant a corresponding weakening of its bargaining position in its relationship with the ALP. Then-FPLP leader Bill Hayden had effectively threatened unions with ‘[f]iscal and monetary measures [that] are extraordinarily brutal and inequitable’ if they did not agree to the Accord (ALP, 1982: 217). The unions could not but go down quietly in accepting the latter, unpalatable as it was (see further Chap. 10). This should be no great surprise, for the union movement is generally headed by officials who share Labor’s desire to reform rather than replace capitalism (Bramble, 1996).

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<sup>9</sup>Again, by contrast, in 2013, just 17% of Australian workers were members of a trade union in their main occupation (ABS, 2013).

<sup>10</sup>A section of the NSW Labor Party created by unions in 1915 to mount a block vote on issues before annual party conferences, and when it came to the election of party officials (Turner, 1979: 94).

## Conclusion

The effects on Labor of the biggest upsurge in trade union militancy since 1929 were notable. The most striking effect was the militant, class-conscious—if not Marxist—rhetoric of Labor MPs, who on occasion advocated direct action as the only alternative available to unions, and as historically one of the most successful means by which to achieve landmark gains for working people. By viewing strikes ('political' and economic) in positive terms—as an expression of an inalienable right—Labor's approach during the first Whitlam Opposition contrasts sharply with that of the ALP during succeeding terms in the wilderness. In policy terms, the O'Shea strikes resulted in a much tougher policy on the abolition of penal clauses, and Gough Whitlam and Clyde Cameron were forced spectacularly, as a direct result of union pressure on the FPLP, to retreat from the policy of retaining monetary penalties as a deterrence against strikes.

Thus, overall this period of Labor Opposition was one in which the industrial wing of the party achieved for itself more breathing space in the relationship between it and the political wing, making it less dependent on the politicians, and enabling it to extract from them some key policy concessions. Interesting questions raised by this analysis include how the strength of the industrial wing's position has held up in subsequent Opposition periods, and how a Labor Opposition would respond today to such an upsurge in union militancy. These are addressed in the remaining case studies.

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## Chapter 6

# Conclusion to Part II: The First Whitlam Opposition (1966–1972)

The standout feature of the first period of Whitlam in Opposition was the radicalisation that punctuated Australian and world affairs. It was a dramatic period of struggle, of questioning of dominant values and traditions, of political generalisation about the problems that society throws up, and, above all, of yearnings for change. At the epicentre of this was Vietnam, which was the catalyst for a number of movements, including the anti-war and tertiary student movements, but it also helped shape the combativeness of trade unions.

The radicalisation sparked by Vietnam shaped the direction of Labor between 1967 and 1972. Labor's policies on the war and industrial relations, and its transformed relationship with the unions, provide the strongest evidence of the party coming under the influence of powerful extra-parliamentary pressures. Numerous other policies subsequently legislated by Labor in government, if not products of the time, fitted the mood for sweeping improvements. Whitlam may have embarked on a less labourist vision for Labor, and hellbent on pushing the party to the right, but he was far from wholly successful in these endeavours. As Manne put it, the right-wing Whitlam ended up paradoxically a 'symbol of hope for a new generation of the cultural left' (Manne, 1999: 183). So sterile and bankrupt is the modern parliamentary political scene that Whitlam is viewed in retrospect as a hero by many on the left (Hocking & Lewis, 2003). Not only do such students of Whitlam often fail to glimpse his flaws and contradictions (see Chaps. 7 and 8), they ignore the fact that it was the strength of the extra-parliamentary forces that shoved a reluctant Whitlam into reinventing himself, and the ALP along with him.

In sum, Labor during this period was undeniably reformist, harbouring clear intentions to achieve significant social change on which it acted upon in office. Witness the optimism of Whitlam during the 1972 election when he declared that, with 'the help of the Australian people ... I do not for a moment believe that we should set limits on what we can achieve, together, for our country, our people, our future' (cited in *The Age*, 1975: 7). This case study vindicates the proposition, prominent in commentaries on British Labour Oppositions, that a party such as the ALP can be exposed to significant pressure from extra-parliamentary movements

when liberated from the strictures of running the state. As we shall see in the following chapters, however, Labor can be susceptible to drastically different pressures in Opposition, which can push the party far, far away from the reformist, change-oriented one depicted over the last two chapters.

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**Part III**  
**Back in the Wilderness:**  
**The Whitlam/Hayden Period**  
**(1975–1983)—‘Learning the Lessons’**

## Chapter 7

# Introduction to Part III Back in the Wilderness: The Whitlam/Hayden Period (1975–1983)—‘Learning the Lessons’

Chapters 7–11 examines the period of Opposition between the dismissal of the Whitlam government in November 1975, and the election of the Hawke Labor government in March 1983. Like the first period examined, the overall political and social environment in which the party operated emerges as the major influence on its policy evolution: in contrast to the optimism and energy that characterised the years 1967–1972, this period was one in which pessimism, caution, and restraint were rife. Many of the social movements present during the first period had, by the early 1980s, either dissolved, submerged into identity politics, or become more conservative. The union movement went into decline. The onset of what has come to be known as globalisation, by seemingly narrowing the scope for national intervention, might have tempered any remaining ambitions for grand reform plans inside the party. Meanwhile, the ascendancy of ideas later associated with ‘economic rationalism’ impacted on the ideological orientation of Labor.

During this time, it can be speculated, with the benefit of hindsight, that the crisis in elite politics in Australia—and perhaps abroad—while having deep roots, and complex sources, begins to take shape as both major parties steadily become committed to a free-market approach, which gathers pace in the 1990s in the post-cold war period, and which leads to growing inequalities and social polarisations seemingly impervious to government policy or alternations in power. Indeed, it has been argued that distrust in government tends to be cyclical, but that a high point was reached after the aforementioned dismissal (McAllister, 2011: 73). Labor’s gradual drift towards neo-liberalism, which meant, crudely, that no major party of Australian politics retained any desire to push for progressive social reform, can only have furthered this trend.

The factor key to understanding this, as well as the tenor of the post-Whitlam Opposition,<sup>1</sup> is the collapse of the post-war boom, which had previously enabled Labor to pledge wide-scale reform. The intractable recessionary environment of the

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<sup>1</sup>Although Whitlam remained FPLP leader until the 1977 election, the term ‘post-Whitlam’ is used henceforth in the sense of the post-Whitlam government (1975–1983) phase of Opposition.

1970s and early 1980s ushered in a paradigm shift in economic policy-making away from Keynesianism, which had allowed Labor to promise reform while staying true to economic orthodoxy. In this context, the FLP and state Labor governments abandoned programmatic-style reform; a rapprochement with federalism was initiated; and a re-alignment occurred in the factional balance of forces, in favour of the right. The historic socialist objective was further ameliorated.

This chapter begins with the ALP's response to the constitutional crisis and the dismissal, and examines the general trajectory of the party in this period. Chapter 8 discusses possible reasons for the retreat from Whitlamism, and maps out the main argument that the salient factor shaping Labor's direction was the depressed economic circumstances. The renewed importance now attached to 'responsible economic management' is illustrated in the policy examples of uranium mining (Chap. 9) and the Accord (Chap. 10).

## The Constitutional Crisis and the Dismissal

The constitutional crisis, culminating in the dismissal of the Whitlam Labor government on 11 November 1975,<sup>2</sup> was the harbinger of considerable political instability. Around 150 000 workers either attended protest rallies or struck in defence of the Whitlam government in the nine days following the Senate's obstruction of the budget on 16 October (Griffiths, 1997: 2, 3). Former Liberal federal council president Peter Hardie feared:

violent protests from a number of quarters – politicians of all persuasions, unions, intellectuals and the general community...it was clear that the unions would play a significant part but a substantial community uprising would be the dominant factor... (cited in Griffiths, 1997: 6).

Simultaneously, the Senate's actions occasioned a temporary revival of the government's fortunes, as shown in opinion polls (see Forward, 1976: 78). This context of trepidation, together with doubt about the constitutionality of the Opposition's actions, almost convinced several Liberal senators to vote with Labor to pass the budget (Maddox, 1985: 403). Without governor-general Sir John Kerr's intervention on Remembrance Day, according to one of these senators, 'the whole thing would have crumbled' (Missen, cited in Kelly, 1995: 238).

Kerr's decision to appoint Opposition leader Malcolm Fraser as caretaker prime minister, however, did not restore political stability: some 750,000 workers took

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<sup>2</sup>The Whitlam government was sensationally dismissed by Queen Elizabeth II's representative, the governor-general, Sir John Kerr, after a protracted parliamentary deadlock that saw the executive unable to pass its budget, jeopardising its continued functioning. In Australian politics, the governor-general is relegated to the role of a mere figurehead, but the position retains considerable powers under the federal constitution enacted upon federation in 1901 (Singleton, Aitkin, Jinks, & Warhurst, 2003, 31–35).

strike action in the following week (cited in Burstall, 1998: 281). The highly partisan *Australian* (see *The Australian*, 1975) newspaper—owned by Rupert Murdoch, who was so involved in the action that he rolled up his sleeves (anonymously) to pen some of the paper’s hatchet jobs himself—commented that a ‘Labor Party rally in Melbourne yesterday [November 11] erupted into one of the most violent demonstrations ever seen in the city with police and protesters brawling in the streets’ (*The Australian*, 12 November 1975: 1). In excess of 20,000 people protested on November 11, and at least 50,000 workers defied ACTU president Bob Hawke’s appeal for industrial calm—remarkable feats given that news of Kerr’s actions first filtered through at 2.05 p.m. AEST (Griffiths, 1997: 7; Hurst, 1975: 1).

The situation resembled a powder keg: armed forces were placed on alert, and police leave was cancelled (Beams, Adler, Grey, Moore, & Harris, 1976: 18). Whitlam minister James McClelland agonised over whether Australia was on the brink of anarchy: ‘It was touch and go whether we would have total chaos or not’ (cited in *The Australian*, 2 November 1976: 3). Fellow minister John Wheeldon drew comparisons with Spain in the 1930s (cited in Griffiths, 1997: 4). The country had come ‘within a wafer’ of civil war, according to Clyde Cameron (Cameron, 1982: 1).

The trade union response was swift. Maritime workers from all ports walked off the job in a 24-h strike; city and suburban building sites came to a standstill in both Sydney and Melbourne, with some workers resolving to demand a national strike; Melbourne metal workers, too, stopped; and in Newcastle 2000 workers from the state dockyards and the Cardiff railway workshops spontaneously struck (Beams et al., 1976: 17, 18).

The ensuing debate about the political implications of the dismissal extended beyond constitutional interpretations to ‘embrace the very legitimacy of our system itself, the crisis of 1975 receding to the status of a symptom of a deeper and more enduring malaise’ (Maddox, 1985: 399). Many Labor movement members concluded post-November 11 that ‘effective power in Australian society is the exclusive preserve of private capital interests which can call at will on the state to reinforce their power’ (Turner, 1978: 143). Demonstrators brandished placards warning, ‘Remember Chile’ (cited in Beams et al., 1976: 74).<sup>3</sup> At a rally on November 11, the state secretary of the Metal Workers Union (Queensland) announced the death of ‘the parliamentary system as it now stands’ (cited in *The Australian*, 12 November 1975: 9). Paul Kelly predicted that the ‘radical Left sections of the [Labor] party whose traditional strength has been Victoria will now seek the pursuit of political goals outside the parliamentary arena’ (Kelly, 1975: 9). As we shall see, however, Kelly’s concerns proved unfounded.

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<sup>3</sup>A reference to the military coup in that country in 1973 against the left-wing Allende government (see Chap. 2).

## **‘Real Power Lies Outside Parliament’: The FPLP’s Response to the Dismissal and the 1975 Federal Election Result**

A unanimous motion passed at the FPLP’s first meeting in 1976 gave voice to the latent outrage among Caucus members at the ruthless partisanship of the governor-general:

That this meeting of the Federal Opposition deplores the Governor-General’s speech ostensibly on Australia Day, but actually an apology for his squalid Establishment intrigue and his contemptible and deliberate deceit of his former Ministers. It affirms that it does not regard him as a neutral figure representing the prestige of the Crown, but as a man who has grossly abused the Crown prerogative [sic]. He has placed the prestige of his office in jeopardy and resignation is the only service he can now render the Crown (FPLP Minutes, 27 January 1976: 4).

Many Caucus members felt like victims not just of Kerr, but of the wider political economic system. In an early debate in the new parliament, Barry Cohen recalled having once taken umbrage with those who deride parliament as a talk shop, but his ‘faith in the parliamentary process and the democratic system was finally shattered by the events prior to and leading up to 11 November ... I am afraid that I for one have totally lost faith in the parliamentary process’ (HRH, 19 February 1976: 143, 144). The dismissal, according to Arthur Gietzelt, ‘seriously undermined public confidence as well as the confidence of the Australian Labor Party in *the whole of the system*’. For him the events of November revealed the ‘centres of power’ in society lurking beyond the ‘representative of the Crown’, whose influence transcended that of parliament, including ‘the board rooms of the big industries and centres of commerce, the board rooms of the big media centres’, and ‘the judiciary’ (SH, 24 February 1976: 177–178; emphasis added). On the dismissal’s first anniversary, Whitlam grieved not simply for his own career but ‘for the damage done to the democratic system and for the lost faith of those who believed in it’ (HRH, 11 November 1976: 2599). Martin Nicholls was ‘honestly and firmly of the opinion that parliamentary democracy in Australia suffered a great blow with the events of last year’ (HRH, 24 February 1976: 228).

There were other allusions to powerful interests behind Labor’s downfall. For Peter Morris, the Dismissal represented the ‘climax of an orchestrated campaign of conspiracy, deception and deceit ... It was a campaign in which the Government’s masters—the media proprietors and big business—backed and helped to coordinate’ (HRH, 9 September 1976: 899). Then-ALP deputy leader Tom Uren was asked at a public meeting in April 1976 whether the dismissal signified the failure of the parliamentary system. According to Uren (cited in *The Australian*, 4 May 1976: 8):

I said, ‘The real power lies outside the Parliament’...

The real power in this country lies in the multi-national corporations, the media and the Federal bureaucracy. The citadel of the Federal Bureacracy [sic] was the Federal Treasury.

Prior to the 1974 federal election, the Liberal Opposition and its backers—‘the great vested interests in Australia and the Press monopolies—had set out to destroy the Labor Government because the Labor Government was catching up on the need to make great welfare reforms in particular’ (Bishop, SH, 18 February 1976: 72). Lionel Bowen felt that ‘the whole of the establishment, the hierarchy and the wealth of this country [were] anxious to destroy us’ (cited in ALP, 1979: 360).

The long-term viability of parliamentarism was a cause of concern for some MPs. Ralph Willis, for instance, warned that if people came to regard parliamentary action as futile, the conservatives might ‘find themselves witnessing, not reform, but revolution’ (HRH, 4 March 1976: 601). The events of November 1975 had led others ‘to thinking about bringing about change outside this system’ (Hurford, HRH, 5 May 1976: 1945, 1946). Perhaps among the latter was none other than Labor MP Jim Cavanagh, who admitted his folly in thinking that Whitlam’s ascent to power had negated the necessity for direct action. In a remarkably frank assessment, he now signalled his intention not to stand for a shadow ministry position ‘because, in the remainder of my political life, if I am to be honest in my conviction to try to do something for the less privileged of Australia that work must be done amongst organisations and people and not in the Senate chamber’ (SH, 19 February 1976: 115, 116). After reviewing the forces ranged against the government, including the states, the Senate, the High Court and the Constitution, former federal attorney-general Enderby (1976: 44) expressed ‘a resulting feeling of frustration and pessimism’ about the possibility of social change. The more radical Jim Cairns saw local relevance in Perry Anderson’s observation that a British Labour government is ‘a spot-lit enclave, surrounded on almost every side by hostile territory, unceasingly shelled by industry, press and orchestrated “public opinion”’. Each time it has been over-run’ (Cairns, 1976: 7). Cairns’ retirement from parliament in 1977 in part reflected this disillusionment with the system (Strangio, 2002: 2).<sup>4</sup> Clyde Cameron claimed to have believed prior to the dismissal that parliament could deliver reform: ‘I now doubt it because I no longer believe that the forces of privilege will ever accept the legitimacy of an elected government that challenges the legitimacy of entrenched privilege’ (Cameron, 1978: 32).

Differing interpretations aside, Labor MPs seemed united in believing that the dismissal had either severely damaged parliamentary democracy or had pulled the cloak away from normally dormant interest groups and institutions that can come alive to exert their power in the event their interests are threatened. This cuts against one of the dominant understandings of the dismissal, which is that the key to understanding it ‘lies in the personalities and characters of Whitlam, Fraser and Kerr’ (Kelly, 1995: 2). Such a narrow perspective ignores the role played by wider

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<sup>4</sup>Cairns resurfaced to run as an independent candidate in the 1983 federal election (Molloy, 1983: 5). He was not successful in his attempt to re-enter parliament, but perhaps his desire to do so suggested that his disillusionment had as much to do with the direction of the ALP as it had to do with the parliamentary system.



ruling class forces including the media, state governments, the public service bureaucracy, and big business.<sup>5</sup> By 1975, a coalition of powerful ruling interest groups independent of the Opposition were hostile to the Whitlam government, and they played a significant part in its eventual destruction. As Connell remarked of Labor's downfall, there was 'hardly a clearer case ... of the way a threatened ruling class is able to mobilise fragments of state power, business connections, financial resources, and the legitimacy given them by the dominant culture, in a campaign to remove an offending government' (cited in O'Lincoln, 1993: vii). Thus, it is arguable that even if the Senate were stripped of its powers to block supply, any future government intent on genuine reform would be 'overrun'. Indeed, Freudenberg (1977: xi) has suggested that the dismissal vindicated Whitlam's critics 'in a way that Whitlam's old opponents within the Labor Party or the new Marxist critics could not.'

None of this lends weight to conspiracy theories sometimes espoused by sections of the left and the ALP: indeed, elements of the media and big business expressed opposition at different times to the denial of supply out of fear for its impact on political certainty (O'Lincoln, 1993: 40). It has long been believed that the Central Intelligence Agency (CIA) had a hand in Labor's demise (e.g. Strangio, 2002: 289). This, of course, ignores the indigenous opposition to the Whitlam government cited above, and no proof has ever been put forward to show that Malcolm Fraser did the bidding of the CIA. To believe he did is to overstate the reformist zeal of the government, which was not revolutionary, and never had any intention of subverting the status quo of class relations. Whitlam himself conceded that 'we made minimal attacks on entrenched privilege' (Whitlam, 1978: 10).

Yet, the combination of Labor's reformist bent, a deepening economic crisis, and the party's trade union connections—which hampered its ability to make pro-business reforms in the midst of a crushing economic downturn (see next chapter)—led business to back Fraser. Business had already in late-1973 been grumbling about reduced access to government (Connell, 1977: 118). Then the post-war boom came to a shuddering halt in 1974, and bourgeois discontent rose significantly (Strangio, 2002: 273). Thus, by 1975, business had 'declared war' on Labor (Ghosh, 1980: 230). Business could not have approved of the 1974–75 budget spending increases at a time of growing inflation, or of Treasurer Frank Crean's Budget Speech declaring that Labor would not be deflected from its reforms by a few dark economic clouds. A statement by Crean's successor Jim

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<sup>5</sup>For the media's role, see O'Lincoln (1993: 33–36), Kelly (1976: 151, 152, 267), and the editorials in *The Australian* (1975: 12) and *The Sydney Morning Herald* (SMH, 1975: 1) justifying the Dismissal. On the states' complicity, see Enderby (1976: 37–39), Groenewegen (1979: 55–62), and Sexton (1979: 127). Wilenski (1978) analyses the difficulties for the Whitlam government posed by the entrenched public service bureaucracy. For analyses of the wider power structures involved in the dismissal, see O'Lincoln (1993: 32–43), Enderby (1976), Sexton (1979), and Connell (1977: Chap. 6).

Cairns that the government might consider printing money to solve unemployment also would not have gone down well (Strangio, 2002: 298, 335). Business, instead, desired restraint in public sector spending, and stronger vigilance towards wage rises. Not that Labor could placate the union movement either, which had criticised the government for abandoning 'the program'. But, as Johnson put it, for business it was a case of doing 'too little too late. Business remained unconvinced that Labor would cut public spending sufficiently, or control the trade union movement' (Johnson, 1989: 81–88, 77). Even the contractionary Hayden budget (see Chap. 8) cut insufficiently deep, and was consequently derided by the Australian Chamber of Commerce (ACC) (cited in Ghosh, 1980: 230). By 1975, business could not be persuaded that Labor had what it took to revive the economy (Ghosh, 1980: 230). The government's standing in the wider electorate, too, had been damaged by the 1974–75 recession, creating a climate more conducive to its sacking (Catley & McFarlane, 1980: 301). Business's baying for the head of Whitlam, and its support for a party and a leader unrestrained by the unions, is best understood in this context.

## Labor 'Learns the Lessons'

The conclusions that Labor drew about the 'lessons' of government, and the reasons for its downfall, would have a large bearing on how it would reorient itself post-dismissal. As was noted in Chap. 2, the conclusions drawn about the reasons for losing office will affect the direction of any given Opposition. In hindsight, *The Australian* was paranoid in fearing that Labor would turn to direct action out of frustration with parliamentarism. The response of most ALP leaders to Kerr's intervention was, in fact, to pacify the outraged, and to urge them to campaign for Labor at the ensuing December federal election (e.g., see Whitlam, 1976a: 1, 2; Hawke, cited in Davis, 1975: 8).<sup>6</sup> While it is not within the scope of this book to discuss whether an escalation of the industrial and political upheaval generated in October and November 1975 would have been sufficiently destabilising to bring about Whitlam's reinstatement, it is worth noting that a persuasive case has been made to this effect (Griffiths, 1997). Labor fought hard throughout the election campaign to keep constitutional issues at the forefront of voters' minds, but as the weeks wore on attention turned to the state of the economy and the Labor government's (mis)handling of it, and Fraser was able to use the advantages of incumbency—along with significant media backing—to press his claims for the prime ministership (Lloyd & Clark, 1976: 251; McNair, 1977). The result on

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<sup>6</sup>Tom Uren was reported to have argued that a campaign of mass strikes and protests should have been waged in response to Whitlam's ousting (cited in *The Australian*, 1976: 18). But, in my survey of Labor and media sources around this time, he was inconspicuous in arguing this.

December 13 was the most one-sided electoral contest in Australian history (Maddox, 1985: 404).<sup>7</sup>

On the other hand, the sense of injustice perpetrated by the dismissal is perhaps one reason for the strong showing by the left in FPLP elections in January 1976. Uren, the left's most prominent spokesperson, was elected deputy leader under Whitlam, while the conservative Jim McClelland was defeated convincingly by Senator Wriedt and Senator Keefe, who was 'a strong left-wing identity', for the positions of Senate Leader and Senate Deputy Leader respectively (Hill, 1976: 1; FPLP Minutes 27 January 1976: 3, 4). *The Australian Financial Review* mused over the fact that the left was 'in effective control of the Parliamentary Caucus and will now come to dominate the main party machinery, the Federal Executive' (AFR, 1976a: 2).

However, if the left were dominant then, it was to be a short-lived reign, for by 1980 it filled not one of the four leading FPLP positions (*National Times*, cited in O'Lincoln, 1993: 197). In contrast to the period studied in the previous chapter, which saw a change in the party's factional complexion in favour of the left, the period 1975–1983 saw the right factions assume a commanding position, to the extent that they enjoyed a majority in both the Caucus and the federal executive (Schneider, 1980a: 5, b: 2).

Consistent with this realignment was the outcome of the debate about how the experience of government should best be understood. There were initially some signs that Labor was prepared to defend the government's aims and objectives, if not its record, with Whitlam (1976b: 8, 9), for example, insisting that most of the reforms were 'essential for the future'. However, Whitlam would soon be on the way out, and moves were afoot to revamp the party in a way that was decidedly hostile to Whitlamism, for alongside the quasi-Marxist conclusions about the dismissal there was inside Labor 'a constant soul-searching about the errors and style of the government itself which contributed to its defeat' (Button, 1998: 170). Labor's condemnation of the forces responsible for its downfall soon gave way to self-flagellation.

The enduring conclusion in the FPLP—evident from as early as 1976—became that it was Labor who was at fault, not the system it had attempted to reform: the dismissal was merely a 'bad error of judgement' (Hayden, 1978). Thus, *The Australian Financial Review* was delighted to be able to report at the end of 1976 that the party remained 'firmly and deeply committed to the parliamentary process', and that no 'anti-parliamentary group' had emerged (AFR, 1976b). Furthermore, journalist Maximilian Walsh noted that the 'reformist strain in Labor politics retreated with the dismissal of Whitlam. The conventional wisdom of the party was that it had lost office because it had tried to do too much too quickly' (Walsh, 1979: 87–88). Whitlam senator and future Hawke minister, John Button, recalled that the

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<sup>7</sup>The number of seats held by Labor in the House of Representatives fell to 36, down from 66 at the previous election in 1974. Meanwhile, the Coalition increased its seats from 61 to 91 (McAllister, Mackerras, & Boldiston, 1997: 90).

post-Whitlam Opposition 'did not look kindly on the policy legacy of the Whitlam government', and that the high interest rates, inflation and unemployment of 1975 led to a focus on economic management: 'It was the start of a new era in Australian politics, a retreat from the politics of imagination in favour of balancing the books ... There had to be a retreat from both the promise and the excesses of the Whitlam years' (Button, 2002: 51, 52). These two factors combined—the reaffirmation of faith in parliament, and the acceptance of the need for restraint out of concern for the health of the economy—meant that 'responsible economic management' thenceforth became the party's *modus operandi*.

The propensity for self-deprecation was evident early on in public statements by Labor MPs. Not long after the resumption of parliament in early 1976, Jim McClelland drew attention to the government's 'shortcomings', among which he included its affronting of 'the business community. I think that was a great mistake on our part' (SH, 18 February 1976: 57). John Wheeldon claimed to have counselled against increases in public expenditure in the final months of the Labor government (SH, 9 September 1976: 568). The most important role in stressing the importance of economic management in light of the sobering experience in power, however, was that of Bill Hayden, Whitlam's successor as FPLP leader from 1977 to 1983 (see below). Prior to winning the leadership Hayden foreshadowed the ALP's future direction in an interview in January 1976, in which he stated:

[I]f you're not successful in economic administration, you're not going to be successful at anything else...

Second, I think that, while the rate of change that took place brought about results which were needed immediately, that rate of change could not be continued any longer – it was too fast and too destabilising. And I would reckon that additions to programs can only be undertaken at a very modest pace henceforth (Bowers, 1976a: 7).

Journalist Brian Toohey correctly predicted that a Hayden-led ALP would downgrade the program's importance (Toohey, 1976: 1). In 1979, at his first ALP national conference as leader, the ex-leftist and economics graduate reminded delegates that 'as a government we disappointed and disillusioned many Australians by some of our actions, some of our individual excesses...' (Hayden, ALP, 1979: 348). In a similar vein, Hayden responded to a conference proposal for extensive government involvement and ownership of the minerals industry:

I would have thought everyone's recollection of the problems with which we were confronted in 1972 to 1975 would be fresh enough to still be raw and painful. Quite frankly, a number of important development projects just did not get under way because of the way in which people adopted rather dogmatic attitudes and the programmes were held up. That is bad for the country and politically it is bad too (cited in ALP, 1979: 336).

In Toohey's assessment, the self-described existentialist was 'regarded as one of the former ministers who has learnt from the mistakes made in Government while Mr Whitlam is still intent on defending virtually everything that has happened ...' (Toohey, 1977a: 4). Toohey was perhaps being too uncharitable towards Whitlam, who had done his own reassessments, which included the view that a future Labor government would need a smoother relationship with the public service (cited in

Grattan, 1977a: 5). Then-ALP national secretary David Combe regarded an unyielding commitment to implementing the policy platform as at the root of the problem:

[W]e set about implementing all of these things without paying sufficient regard to the economic consequences.

I suspect that what we're going to have here is a totally revised platform, a restructured platform, and a platform which hangs together as a whole with all the sections being subject to the overriding section which deals with economic management (cited in Grattan, 1977b: 9).

Along similar lines, Paul Keating reflected in 1977:

We moved too fast before. Definitely. We have to learn how to package our policies, sell them to the electorate; you have to be **with** the consensus, not ahead of it. The electorate is conservative, basically; you've got to market things carefully... (cited in McGregor, 1977: 4; emphasis in original).

Keating was not the only one to let Sir John Kerr and the system off the hook. As Wheeldon bluntly put it, Labor's difficulties were 'of our own creation' (Wheeldon, 1982: 40). Even the left's leading light Tom Uren was much the wiser in relation to 'economic management' after the fact (HRH, 4 October 1977: 1565).<sup>8</sup> In political retirement, Bob Hawke, with all the condescension of posterity, ridiculed the Whitlam government as 'economically inept to a degree which was almost beyond description' (cited in ABC, 1993). Evidence that the attitude to the Whitlam record hardened with time is also provided by Bill Hayden, for whom the Whitlam experience demonstrated the inability of Labor 'to govern':

by which I mean having an understanding of the proper management and administration needed to enact and make those policies work in practice. It is important to be able to anticipate the pace of rapid reform which the public is prepared to bear; to accept the rigorous discipline of setting priorities; to be able to rebuff over-enthusiastic ministers...; to instinctively sense in Cabinet, not just the political marketability of a set of decisions, but the wider ramifications of their administrative and economic consequences.

[T]he coalition parties had been in government for so long that Labor members, who had languished for just as long in the desolate gullies of Opposition, had lost touch with the practical art of government (Hayden, 1996: 165–167).

The clear theme running through these confessionals is the need to restrain ambitions for change in keeping with what the political economic system will permit. The idea of changing the political economic system, if necessary, to achieve the reforms, seemed not to occur to the likes of Hayden. While Hayden's and Hawke's comments are made with the benefit of hindsight, their message is consistent with the attitudes adopted by many Labor MPs at the time.

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<sup>8</sup>Although Uren did not spell out exactly what he had 'learnt', we can only assume that he, like his fellow MPs, felt that Labor's reforms had been implemented in a way that paid insufficient heed to the needs of the Australian economy.

This conclusion was evident in wider party circles. For example, the first state Labor government elected post-dismissal, the New South Wales Wran Labor government elected in May 1976, also bore the hallmarks of the attempt to 'learn the lessons'. Davis reported of Premier Wran: 'He acknowledged that he would not be attempting to achieve the rapid changes which had characterised the early days of the Whitlam Government' (Davis, 1976: 1). Wran's biographers included among the differences between he and Whitlam, the former's pragmatism and emphasis on the exercise of political power, his economic responsibility, and a lack of zeal for reform (Steketee & Cockburn, 1986: 106, 107). The Wran government was just one among several state Labor administrations in the post-Whitlam period—including to a lesser extent Don Dunstan in South Australia, but also John Cain in Victoria—that renounced Whitlamism (Chubb, 1982). As Toohey (1978: 4) commented in mid-1978: 'On present indications the Labor States will choose to let the Whitlam program sink.' This was by then a truism in leading ALP circles, regardless of what members felt about the new direction their party would pursue henceforth (see Chap. 16).

Of course, there is nothing inherently wrong with a party's critically reflecting upon the experience of government. The reflection in this case, however, was almost universally one-sided, and increasingly contrived sounding. One conclusion, for instance, could have been that the political-economic system had proven incapable of satisfying the party's ambitions, and thus an alternative extra-parliamentary strategy was called for—a conclusion consistent with, as we have seen, many comments made in the aftermath of the dismissal by Labor MPs. But, it was decided instead, as Bill Hayden put it, that 'additions to programs can only be undertaken at a very modest pace henceforth' (see above). And, that would be the final word on the matter.

This was to have major implications for policy-making post-1975. During this period, the ALP largely abandoned any commitment to wide-scale social reform. Steketee (1976: 6) anticipated a Labor platform that was 'likely to be more conservative, [and] much more cautious', and he expected that, rather than the party becoming more radical post-dismissal, 'the trend is rather the opposite':

This is not just a question of indifference, of exhaustion after the pace of the last three years; it is a widely held belief, although it is expressed in different forms. One of the most senior members of Caucus told me privately: 'One of the worst things the Labor Party could do would be to develop a comprehensive program of reform.'

Benchley (1976: 2) remarked on the ALP mid-1976: "Big Government" in the Whitlam mould is on the retreat'. Prior to the 1977 national conference, Steketee (1977: 7) noted that across all policy areas 'there has been a conscious effort to drop the practice of making a list of promises and to place more emphasis on establishing the general principles to be followed by a Labor Government'. *The Sydney Morning Herald* commented on Whitlam's policy speech in the lead-up to the 1977 federal election, the last he would contest:

The tone, compared with 1972 and 1974, is muted. There is less crusading fervour, nothing about the redistribution of wealth and the restructuring of society... To this extent, the sobriety of the speech is welcome (SMH, 1977: 6).

Whitlam was, according to Toohey (1977b: 1), 'making it clear to colleagues that a new Whitlam Government would be a much quieter affair in comparison with the flurry of decision-making which followed Labor's win in 1972.' Walter's political-psychological approach detected in the speech a consistent theme, 'the language of fiscal responsibility', which was concerned mainly with 'pragmatic measures aimed at economic stimulus' (Walter, 1980: 82).

Labor's rapprochement with federalism also reflected the hostility to anything resembling Whitlamism. In the lead-up to the 1977 conference, a common feature of many of the policy committee proposals was 'a devolution of responsibility to the States ... This is a radical departure from Whitlam centralism' (Steketee, 1977: 7). A similar bent was observable in papers produced by the NCOI, which was established in 1977 to investigate the reasons behind the 1975 and 1977 election losses and to make recommendations germane to the restoration of the party's electoral success (Weller, 1999: 107). One such paper concluded that '[o]ne of the major mistakes of the Whitlam government ... was the excessive centralisation of government expenditure decisions'. Although it added that these were necessary after 23 years of conservative neglect, it lamented the lack of 'far more decentralised government spending decisions within broad guide-lines and budget constraints set by the central government, not just at State levels but also at local government levels' (APSA, 1979: 59).

In truth, Labor down the years has gradually grown accustomed to Australia's federal structure after initially being strongly opposed to it: in 1971 the demand that all sovereign political power be transferred to the Commonwealth parliament was removed from the party's platform (Button, 1982: 82, 83). Nevertheless, the Whitlam government did seek to reassert Canberra's authority. For example, by using section 96 of the Constitution (Specific-Purpose Grants) it stipulated to the States how federal funding should be spent, it overtook certain State prerogatives, such as tertiary education, and in general it tested the limits of the constitutional powers of the Commonwealth vis-à-vis the states, incurring in the process the charge by conservative state governments of 'socialist centralism' (Button, 1982: 85-87; Groenewegen, 1979: 51). The post-Whitlam ALP's renewed embrace of federalism was, as Galligan and Mardiste pointed out, of a piece with the moderation of 'Labor's social and economic goals ... to ones that were congenial to middle Australia and private enterprise' (Galligan & Mardiste, 1992: 84). For, business traditionally has been a defender of 'states' rights', largely because of the lesser capacity of the states vis-vis the Commonwealth to interfere with commercial interests (Evans, 1976: 20).

The renoucement of aspects of the Whitlam record was also reflected in the NCOI process in general, the main outcome of which was a change in the structure and size of national conference in 1981 away from the previous federal model (see Weller, 1999: 125, 126). The fact that the NCOI papers reflected the broad political



direction of the post-Whitlam period was seen in one paper's assertion that in relation to targeting the 'crucial 30-year olds' voters, 'competence in economic management is the key consideration' (APSA, 1979: 82). A further consequence of the NCOI was an agreement to examine the relevance of the socialist objective at a special national conference in 1981, which eventually decided to further qualify the objective (see below).

## **A New Broom Sweeps Old Dust: The Role of Hayden as FPLP Leader**

Following his election as FPLP leader after the resounding federal election defeat of 1977,<sup>9</sup> Hayden continued the drive to rebadge Labor as the party of economic responsibility. Although emanating from the centre-left faction, Hayden enjoyed a reputation as an economic conservative largely as a result of his delivery of a watershed contractionary budget as Treasurer in 1975 (see Chap. 8). As was reported of his first press conference as leader, Hayden emphasised caution, restraint, and moderation:

[Hayden echoed] Mr Fraser's caution on such subjects as government spending...

[He was] trying [not] to rock the boat in any direction if at all possible...

[The ALP] wanted change to the extent that this was 'reasonable'.

By this he meant that change had to be bearable with the economic realities and within community acceptance.

The whole tenure of his press conference [sic] was to reinforce the idea that he wanted to lead a party after the middle ground... (Toohey, 1977c: 1).

Davis similarly described Hayden's leadership as about the 'explicit public jettisoning of the Whitlam inheritance and its rejection of the economic imperative' (Davis, 1979: 8). Hayden's task was 'to restore Labor's economic credibility with the *Financial Review* set following the fiasco of the Whitlam period', according to Graham Richardson, a minister in the Hawke government (Richardson, 1994: 67).

Comments implying that Hayden pushed the ALP in a direction diametrically opposed to that of Whitlam are misleading, however. The two did have different political styles (Walsh, 1979: 141). However, they shared similar political beliefs and ideologies (Murphy, 1980: 169). Whitlam also had been moving post-dismissal in the opposite direction of programmatic-style reform (see Chap. 8). Rather than representing a significant departure from the Whitlam era, Hayden took up from where Whitlam left off in 1977.

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<sup>9</sup>The result at the 1977 election was largely the status quo, which was disastrous for Labor given the drubbing it received in 1975: it increased its representation in the House of Representatives from 36 seats to 38 seats (McAllister et al., 1997: 90). Following the poll, Whitlam stood down as leader, before leaving the parliament in 1978.



Nevertheless, this era did seem to produce ALP politicians with more Machiavellian tendencies. Whereas in the previous Opposition period Labor MPs had often encouraged direct action, Altman noted in 1980 the ALP's retreat 'from involvement in any form of activist politics', save for a few individuals like Tom Uren (Altman, 1980: 179). *The Australian Financial Review* nominated in 1977 the ALP's 'tomorrow's men', including: Bill Hayden, Chris Hurford, Paul Keating, Mick Young, Don Grimes, John Button, and Peter Walsh (AFR, 1977a: 2). Adding Ralph Willis to the list, Toohey commented: 'Paradoxically, these politicians claim to have learnt the lessons of the last Labor Government better than many of the people who were actually ministers then' (Toohey, 1977d: 2, 3). The two lessons learnt by this new brash post-Whitlam generation, according to Paul Kelly, were the need to rectify the economic management problems experienced in government, and the need to emulate Fraser's guile (Kelly, 1992: 22). Kelly argued that what separated this brat pack of Labor politicians from their predecessors above all was their hunger for power, as well as their lack of idealism (Kelly, 1999: 226, 227). Their outward hostility towards the Whitlam experience led *The Australian Financial Review* to remark in 1977 that history would treat Whitlam better 'than do his contemporaries', who were 'simpatico with the sort of electorate that Malcolm Fraser has reached. Never has there been less radicalism, less socialism, in the Labor Party than there is now' (AFR, 1977b: 2). Coinciding with the rise of 'tomorrow's men' was the demise of yesterday's, in particular Jim Cairns and Tom Uren. Cairns' retirement marked, according to his biographer Paul Strangio, 'the dulling of any residual anti-capitalist sentiment within the party' (Strangio, 2002: 5). When asked in 1979 whether the left in the future would gain the ascendancy in the ALP just as it had during his earlier period in Opposition, Cairns responded:

Oh, no. No, the trend is the other way. The professionals are going to have it. Now, the professionals range from the heavy-handed secretaries or presidents of union organisations right through to the architects, the lawyers, an occasional doctor in Parliament and in the Labor Party branches...

And so the Labor Party is going...to go into the Federal Parliament, when it does, claiming that it can administer the capitalist economy better than Fraser ... (cited in Lipski, 1979: 11).

It would, of course, be mistaken to see the electoralism of the post-Whitlam ALP as something novel. One can identify instances of Labor sacrificing principle at the altar of electability as far back as the late 19th century (see Nairn, 1973: 168). Yet, pragmatism did become more obvious in the party post-dismissal, in concert with the weakening of the left. Writing in 1976, Peter Bowers argued that the 'Left has lost its intellectual and moral authority since Dr Cairns ceased to be a serious force in the party' (Bowers, 1976b: 6). Cairns' demise coincided with a wider shift in the Australian political environment from the mid-1970s onwards. His political career reached its zenith during the anti-Vietnam war movement (Strangio, 2002: 172). Cairns consequently suffered as a result of the decline of what Michelle Grattan (1977d: 9) called 'street politics'. Uren's failure to retain the position of deputy

leader following the 1977 election similarly was attributed to a 'shift in the caucus to a team that had a chance of changing the nature of the party' (Weller, 1999: 105). Furthermore, other than Uren, only two other definably left MPs, Moss Cass and Doug Everingham, were elected to the new 16-member shadow cabinet (Hoare, 1977: 5).

The position of the left deteriorated further throughout this period. The left-right composition of the federal executive reportedly fell from 8:10 in 1980 to 6:12 in 1982 (Schneider, 1982: 4; Summers, 1980: 3). At the 1980 post-election Caucus, the left won just five positions on the 24-member shadow executive (Uren, 1994: 316). What's more, on the eight-member 'Kitchen Cabinet' Strategy Committee, established in 1982 for the looming election, the left was represented by one lonely member (Grattan, 1982: 5). The change in the factional complexion of the party was also evident in the embarrassing defeats meted out to the left at national conferences. Anne Summers noted at the 1982 conference that the Left was defeated on 'every single major issue it put up' (Summers, 1982: 3). This represented a far cry from the heady days of the pre-Whitlam period, when the left won important victories over Vietnam and strike penalties.

A significant symbolic defeat for the Left was the further amelioration of the socialist objective at the special national conference in 1981, the first such alteration to the objective since 1957 (Scott, 1999: 108). The Victorian socialist left had pushed for the objective to be returned to its original state prior to the 1921 Blackburn Declaration, which drastically qualified the objective (Galligan, 1981: 10).<sup>10</sup> The result at the 1981 conference was a defeat for the left to the tune of 28–22 votes (Kelly, 1981: 2). Hayden had attacked the left's position on electoral grounds (Grattan, 1981: 6). But the result clearly reflected the party's shift away from the 'big government' associations with Whitlam: sitting among the 21 supplementary points that conference added to the objective were support for 'a competitive non-monopolistic private sector controlled and owned by Australians', and for the 'right to own private property' (Kelly, 1981: 2; Wise, 1981: 34).

## Conclusion

The post-Whitlam Opposition years were dominated by the repudiation of the reformist Whitlam style of government. The enduring conclusion was that the party had lost office because it had been economically irresponsible, and that this would have to be rectified next time round. In Opposition, Labor retreated from large-scale social reform, renounced many things attributable to Whitlam, renewed its embrace of federalism, became more pragmatic and power-hungry, all the while the left was

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<sup>10</sup>If the Victorian socialist left had its way, the objective would simply read: 'The socialisation of industry, production, distribution and exchange', without the qualification that this be done only 'to the extent necessary to eliminate exploitation and other anti-social features in those fields' (cited in Galligan, 1981: 8).

reduced to a sad rump within the party. There was one major explanation for almost all of this: the paradigmatic shift in the economic climate, to which we turn our attention in the next chapter.

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## Chapter 8

# ‘None of Us Knows What the Answers Are’: The Labor Opposition in a New Economic Paradigm

The previous chapter vindicated the proposition identified in Chap. 2 that the conclusions drawn by an Opposition about the reasons for its loss of office will inevitably shape its behaviour. However, Labor’s conclusion that it tried to do ‘too much, too soon’ was formed in the aftermath of the collapse of the post-war boom in 1974, and the wider economic and political context that evolved thereafter.

This chapter shows that the retreat from the program began in government in 1974, when the recession hit, rather than in Opposition. This is ultimately why alternative explanations, such as those emphasising electoral strategies to appeal to a mythical ‘middle-ground’, and those that focus on ideological shifts towards economic rationalism, are less convincing. Other factors such as the more conservative political mood of the late-1970s and 1980s undoubtedly contributed to Labor’s rightward shift, but most of these can be traced back to the economic seachange.

### The End of the Post-war Boom

In terms of its expansionary capacity, the post-WWII period was virtually unique in the history of industrial capitalism (Hobsbawm, cited in Callinicos, 1999: 227). World gross national product increased by three and a half times between 1948 and 1973 (Callinicos, 1999: 227). Even capitalism’s most trenchant critics could not deny this fact. One such critic, Michael Kidron, wrote that ‘[h]igh unemployment, fast economic growth and stability are now considered normal in western capitalism....’ Moreover, the speed with which capitalism expanded in the post-war period was ‘unprecedented’, allowing for a similar ‘rise in living standards’ (Kidron, 1970: 11, 12).

This pattern was largely mirrored in Australia (Bolton, 1970: 283). The boom featured long years of consistent high economic growth: the slow-downs that did occur had little of the disruptive effects associated with their contemporary variety,

and were viewed as errors of economic management rather than any natural functioning of the system (Windschuttle, 1979: 19). Thus, Nobel prize-winning US economist Paul Samuelson declared in 1970 that the 'National Bureau of Economic Research has worked itself out of one of its first jobs, namely business cycles' (cited in Harman, 1984: 10). The problem of high unemployment had been banished to economic history, it was thought, through the application of the ideas contained in British economist John Maynard Keynes' *The General Theory of Employment, Interest and Money* (Stewart, 1967: 251, 252).

These developments impacted significantly on Labor politicians. Whitlam, for instance, had believed that the prosperity associated with the post-war boom obviated the necessity for fundamental economic reform such as nationalisation, while Jim Cairns saw the gains enjoyed by workers as invalidating Marxist analyses of Australian society (Strangio, 1999: 42, 2002: 102).

When the prodigious growth of the post-war years ended in 1974 with the worst economic slump since WWII, the changes ushered in were of an epochal order. The IMF's Managing Director solemnly announced that the 'declines in output that have occurred in the industrial countries during 1974 and 1975, together with the associated increases in unemployment, are unprecedented in the postwar period as to both magnitude and duration' (cited in Hayden, 1977: 7). The Organisation for Economic Cooperation and Development (OECD) described the recession as:

remarkable not only for its length and depth – a third consecutive half-year of negative growth has now been recorded for the area as a whole...virtually every OECD country grew by less than its medium-term average rate in 1974, and no economy is expected to take up slack in 1975... The extent and simultaneous nature of the decline was unlike anything recorded in the post-war period (cited in Whitlam, 1978: 9).

One German industrialist darkly suggested that the 'political question today is not who owns the shop—it is how to keep the shop in existence' (cited in *The Australian*, 1978: 8).

By the end of the 1970s, there had been little improvement in overall conditions. The OECD conceded that the expectations of a restoration of 'normal' growth rates and a return to full employment by 1980 had been unfulfilled (Aboaf, 1981: 24). The IMF threw its collective hands up in the air and declared the world economy to be engulfed in a 'stagflationary morass' (*The Age*, 21 July 1981: 6). The new decade commenced with increasingly familiar bleak assessments for the economic prospects of coming years (Norman, 1981: 7).

The Australian economy in 1974–75 suffered declining growth, high inflation, and high unemployment (Dyster & Meredith, 1990: 221). It was, Breznjak and Collins (1977: 4) wrote, 'the most serious economic crisis in Australian capitalism since the Great Depression.' In hindsight, one could discern signs in the early 1970s of the immanency of the post-war boom's collapse (Walsh, 1979: 17). But there was little warning of a looming depression. Moreover, the economic concerns had seemingly been addressed by the time of Labor's election in late-1972; there were even signs of the beginning of an upturn (Lloyd & Clark, 1976: 85; Young, 1979: 76). But the boom officially ended in 1974 (Strangio, 2002: 285). After almost three

decades, full employment became a thing of the past (Willis, 1980: 89). The number of people officially unemployed in Australia rose from approximately 83,000 to 240,000 in the six months to December 1974 alone (Manne, 1999: 203). In percentage terms, between mid-1974 and early 1975 the unemployment rate rose, on a seasonally adjusted basis, from one and a half to four (Boehm, 1979: 30).

The combination of high inflation, low economic growth and rising unemployment ('stagflation') contrasted with previous slumps, which had been characterised by deflation (Bell, 1997: 91). The average rate of inflation in Australia was around five percent in the 1950s and 1960s, but at one stage in 1974 it surpassed 20% (Stilwell, 1986: 7). Together with unemployment, it was a 'new problem to which economists do not really have any answers' (Davidson, 1975a: 7).

It was realised in Australia by the end of the 1970s that 'the hard times were more than just a trough in a cycle. The problems had not gone away, and the outlook was confused and threatening' (Walsh, 1979: 169). The early 1980s recession was compared to the Great Depression (Clark, 1982). In February 1983, shortly before Labor once again took power, unemployment reached a staggering 10.1% (Mockridge, 1983: 3). Thus, virtually all the way through this period of Opposition the Australian economy remained in the doldrums (Willis & Langmore, 1983: 9). The dramatic transformation is shown in Tables 8.1 and 8.2.

These events produced considerable economic and political confusion. Encel was convinced that the 'internal contradictions of neo-capitalism are such that no government ... can resolve them' (cited in Patience & Head, 1979: 289). Then-Minister for Labour and Industry Clyde Cameron admitted that there was 'nothing anyone can do. I feel frustrated that no one can come up with a solution' (cited in *The Age*, 15 January 1975: 1). The crisis was so severe, according to a

**Table 8.1** Australia's economic performance, pre and post-1974 (Percent)

	Pre-1974	Post-1974	1974–83
GDP <sup>a</sup>	5.2	2.6	1.8
Inflation <sup>b</sup>	3.3	8.5	11.4
Unemployment <sup>c</sup>	1.3	7.0	5.6

<sup>a</sup>Annual average, calculated from 1960

<sup>b</sup>Consumer Price Index (CPI) calculated from 1953

<sup>c</sup>Figures calculated from 1953

Source Bell (1997: 88)

**Table 8.2** OECD economic performance, pre and post-1974 (Percent)

	Pre-1974	Post-1974	1974–83
GDP <sup>a</sup>	4.9	2.3	1.6
Inflation <sup>b</sup>	4.5	8.8	11.1
Unemployment <sup>c</sup>	3.2	7.4	6.4

<sup>a</sup>Calculated from 1960

<sup>b</sup>Data from 1960

<sup>c</sup>Figures calculated from 1953

Source Bell (1997: 89)



stumped Alan Day of the London School of Economics, that it forced people to 'rethink the whole nature of our economic and monetary system ...' (cited in Barraclough, 1974: 14).

The post-war boom's collapse induced a paradigm shift. Traditional Keynesian measures, such as public sector demand stimulation, budget deficits, and loose monetary policy, proved incapable of restoring previous growth and employment levels; and the emergence of stagflation, since it was neither anticipated nor explicable in Keynesian terms, constituted 'anomalies' for the paradigm in the sense outlined by the scientist Thomas Kuhn (Sawer, 1982: 1; Kuhn, cited in Hall, 1993: 284, 285). Even if governments did not prescribe policies based specifically on the *General Theory*, Keynesianism, owing to its association with the general policy approaches of governments in the advanced countries in the post-war period, was the chief intellectual casualty of the boom's collapse. Blinder (1988: 278, 279) commented that by 1980 'it was hard to find an American academic macroeconomist under the age of 40 who professed to be a Keynesian', something akin to an 'intellectual revolution'.

Following the demise of Keynesianism monetarist ideas became more fashionable. Based on the ideas of Professor Milton Friedman, monetarism stressed the importance of reducing the money supply in order to lower inflation, rather than seeking full employment, which was now, indeed, held partly responsible for inflation (Strangio, 2002: 290). This entailed reductions in public expenditure on items such as health and education, since these involved increases in the money supply (Scruton, 1982: 304). Monetarism subsequently fell out of vogue, however, when it failed to prevent recession in the late-1970s and early 1980s (Hywood, 1981). Yet, 'neo-liberalism', or 'economic rationalism' as it is known in Australia—and which arguably retains core tenets of monetarism, including an emphasis on the free market, deregulation, and smaller government—continues to dominate public policy today (Carroll, 1992: 7; Gourevitch, 1986: 215; see also Appendix). This is the enduring legacy of 1974.

## Labor's Response to the Economic Downturn

Keynesianism had been bipartisan economic policy in Australia (Walsh, 1979: 146). Yet, of the two major parties the ALP was the more vulnerable to the paradigmatic shift: the orthodoxy of Keynesianism had allowed the ALP to avoid having to choose between mainstream economics and intervening in the market to raise living standards (Strangio, 2002: 39). Keynesianism conveniently furnished it with a rationale for welfare provision and public sector expansion (Johnson, 1989: 96). As a result, the ideological fallout from its collapse was particularly acute for Labor, which was forced to recognise the worthlessness of Keynesian measures in the 1970s:

It was the universal experience of western governments during the past two years that old-fashioned remedies would simply not work as they had once done. Higher unemployment would not reduce inflation, nor would lower inflation reduce unemployment.

Higher interest rates, tax reductions, currency revaluations and other well-trying fiscal and monetary measures no longer produced the results expected, and they still do not do so...

[O]ur current economic problems are of a peculiarly novel and stubborn kind (Whitlam, 1976: 4, 5).

Chris Hurford, later a Hawke minister, doubted that 'the pulling and pushing of macro-economic levers, namely extra expenditures here, additions to the deficit there, lowering of interest rates somewhere else, by themselves' would reproduce full employment and restore price stability (HRH, 25 May 1978: 2474). '[T]he ability of governments to influence economic behaviour by traditional economic tools of budgetary and monetary policies is growing weaker and weaker', admitted Ralph Willis, an up-and-coming Labor politician (HRH, 14 October 1982: 2046). The ALP's economic platform in 1977 was prefaced with a disclaimer:

We no longer live in the relatively calm and quiescent economic world of the 1950s and 1960s. New forces are at work, both in Australia and elsewhere, generating more difficult economic problems, particularly with regard to unemployment and inflation... A Labor Government will accept full responsibility for achieving full employment and stable prices, but these will not be achieved simply or as a matter of course (cited in ALP, 1977: 10, 11).

Apparently influenced by the work of James O'Connor, perhaps best known for his book *The Fiscal Crisis of the State* (1973), Brian Howe attributed the economic crises in the 1970s to a ... 'fiscal crisis of the state', which overloaded governments with fiscal 'burdens that it cannot possibly bear' (cited in ALP, 1981: 66). The recognition that things were different now was evident in the 1980 maiden speech of the rising Bob Hawke, who was at pains to point out that one should not 'leave the impression that the problems of our society are to be seen in some simple one-dimensional terms. We all now live in times far different and more complex than those in which our assumptions, expectations and aspirations were framed' (HRH, 26 November 1980: 100). According to Barry Jones, a future Hawke minister:

One cannot go back to the formulas of the 1960s and find some magic form of words that will resolve the problem... We are all in degrees of comparative ignorance because we are dealing with a situation that we have never had to face before (HRH, 24 August 1978: 776).

Referring to the post-war buoyancy, Tom Uren predicted that '[w]e will never see those conditions again' (cited in ALP, 1979: 331).

For the post-Whitlam ALP Opposition, the new economic terrain posed terrible dilemmas since, by depriving the state of large amounts of surplus revenue necessary to fund social reform, it potentially threatened the party's *raison d'être*. The ALP has always been pragmatic and diffident when it comes to the constraints posed by existing political and economic structures (Carr, 1988; Nairn, 1973; Rawson, 1966). This time would be no different: Labor would adapt its policies to the changes in the outside world. In an era of economic crisis, this meant specifically the abandonment of the program, and of the belief that large-scale social reform was feasible. Labor politicians were increasingly cast as bearers of bad news and makers of 'tough decisions'. Thus, Whitlam delivered an unwelcome message

to the 1977 national conference when he informed it that the party's reforms would have to be shelved until further notice:

The growth economy in the fifties [sic] and sixties was both the *means and the justification* by which Labor could go to the electorate with promises of social reform through an expanded public sector... The economy in the seventies is a different story... We have to live with that. We have to *moderate our social goals both for the sake of the economy and for the sake of the programs themselves...*

[W]e have to live with *new realities*. And the challenge for this Conference is to *frame and adapt* our policies to meet *a new set of economic conditions*, a whole *new set of constraints...* We have to strike a balance in our policies...between the right degree of stimulus for the economy and the right pace of change in social reform; between the right measures of selective stimulation and the right measure of *responsible restraint* (1977: 7, 8; emphasis added).

As well as illustrating the point made earlier that Whitlam, like Hayden, had been rendered meek and mild when it came to ambitions for reform post-dismissal, these passages were remarkable in at least two respects. One was its contrast with the optimism displayed by Whitlam in 1972 when he refused 'for a moment [to] believe that we should set limits on what we can achieve, together, for our country, our people, our future' (cited in *The Age*, 1975: 7). Whitlam then appeared almost totally unencumbered by any hint of economic obstacles to the implementation of his Program. As his speechwriter recalled, in 1972 'there was no feeling at all that there was anything seriously wrong. There was no sense at all of any deep sickness, in either the Australian economy or world capitalism' (Freudenberg, 1977: 222, 223).

The other notable aspect of the speech is the statement that the post-war boom provided both the 'means and justification' of the Program: the possibility of social reform was contingent upon a strong economy. The program had been developed in the context of the economic robustness of the 1960s, and was therefore 'predicated on growth' (Freudenberg, 1986: 135, 136, 143). In hindsight, Whitlam lamented the failure to achieve power in 1969, which would have granted him an additional three years in which to implement reforms (Whitlam, 1978: 32). The comment also implies, however, that the program was justifiable not in and of itself, but by the degree to which the economy could sustain it. The dependence of reform on economic conditions Whitlam continued to reiterate up till his resignation as leader in 1977. In fact, in 1978 Whitlam argued that reforms such as free tertiary education—implemented at the beginning of 1974, before the slump had taken hold—could not have been undertaken in the changed economic circumstances (Whitlam, 1978: 28).

Widely shared in the party leadership was Whitlam's conclusion that the party would need henceforth to lower its sights. The most consistent proponent of this view was new leader Bill Hayden, who told delegates to the 1979 ALP national conference:

Too much has changed, both in Australia and overseas, to imagine we can wind back the clock to the heady circumstances of the early 1970s. The economic and political climate that incubated the Whitlam years of reform have [sic] simply gone...

We will not find the way back to government by trying to recreate the atmosphere and the issues of 1972 (cited in ALP, 1979: 349, 350).

According to Kelly, Hayden's mantra that Labor must outdo the Coalition at economic management 'took hold within the ALP' (Kelly, 1992: 23). While he denied that the new circumstances entailed an abandonment of the party's idealism, Hayden seemed to be saying just that:

Much and all as we may regret it, now is not the time for the visionary reform programmes of earlier years...

Within this new and different climate there are, I believe, certain fundamentals which must be acknowledged if we are to fully regain confidence to win the right to conduct the nation's affairs. First, and above all else, we must demonstrate beyond doubt that we are competent economic managers. That competence, and the public's recognition of it, is the absolute essential under-pinning of everything we want to do.

...Let us be quite clear on this point...I repeat, in the climate of today we cannot achieve social reform unless we competently manage the economy (cited in ALP, 1979: 351).

Elsewhere, Hayden was brutally honest in answering the question as to whether a Hayden Labor government would be more conservative than Whitlam's:

Of course. And the Whitlam style would be repudiated...

There are economic limitations on resources; you must make choices on resource use. If you are going to carry out reform you have to indicate how you're going to fund it. You either pay for it through increased revenue, or limit yourself to what economic growth will allow for. That will be small in the years of the near future (cited in McGregor, 1979: 7).

Another up-and-comer, Paul Keating argued in 1979 that, whereas the Whitlam platform was founded on a firm industrial base, assured growth, low inflation and low unemployment, the ALP now faced 'a difficult domestic economy' (cited in Grattan, 1979: 15). In addition to claiming that the problems of today were more complex than previously thought, Bob Hawke spoke of the 'need to expand the time-scale of some of those expectations and aspirations [for reform]' (HRH, 26 November 1980: 100).

The post-Whitlam ALP was not the first to sacrifice its reforms at the altar of economic responsibility. Perhaps the most infamous case in point is the Scullin Labor government's post-great depression adoption of the austere Premier's Plan, which involved, *inter alia*, real wage cuts of ten percent for the urban workforce, and reductions in general government spending, including pensions (Catley & McFarlane, 1980: 275). Labor's preference for restraint during economic dislocation logically flows from accepting the constraints imposed by the capitalist economy. As Head and Patience describe, reforms require financing:

A reform government's programme is likely to be very expensive, seeking rapid increases in expenditure in areas of relative neglect and in areas where previous governments have not intervened. Hence a reform government is unusually dependent on buoyant economic conditions to help ensure a rapid expansion of government revenues to avoid a crippling budget deficit. When the economy is on a downturn, there are few opportunities for expensive new reforms, and a Labor government is obliged to become more moderate (Head & Patience, 1979: 5).

Given that, as we have seen in Chap. 2 and in the first Whitlam period, Opposition temporarily frees a party from the constraints associated with managing the state, Labor theoretically could have chosen to ignore the changes in economic circumstances and continued to pledge reform. Through pledging increases in corporate taxation and cuts to big programs such as defence spending, it could have remained committed to reformism in a period of economic crisis. However, such options are far more likely to generate establishment opposition in tighter commercial conditions, and would necessarily have challenged the logic of capitalism. Because Labor has always confined itself to what is possible within capitalism, such measures are, a priori, ruled out. As the then-South Australian Labor attorney-general, Peter Duncan, put it, 'as alternative managers for the capitalist system a Labor government will be forced, in times of economic downturn, to use the same economic strategy as the Fraser Government is using now' (cited in Knez, 1978: 3). In other words, the Opposition had no choice but to adopt government policy.

An additional reason for abandoning the program was Labor's electorally-driven desire to convey the impression that it had learned from the Whitlam years. For this, and the reasons just mentioned, one party delegate informed the 1981 national conference that the economic crisis 'undermined the whole basis of the sort of broad reform programme that the Labor Party has so frequently attempted to advocate in the past...' (Robinson, cited in ALP, 1981: 16).

Thus, it was the collapse of the post-war boom above all that exhausted the social democratic project, which in post-war Australia involved high taxation, strong welfare provision, and an acceptance on the part of employers of full employment and state intervention to reach this goal (Bramble, 1996). Maddox's (1989: 64) nomination of 1974 as the year up to which Labor 'retained a reformist posture' also is explained by the boom's eclipse that year. The desertion of the program by both the post-Whitlam Opposition and state Labor governments, and the hostility evinced towards the Whitlam experience more broadly by FPLP members, is intelligible only in the context of this paradigm shift.

Thus, for Labor, the dominant political imperative in the post-Whitlam period was restoring the party's economic credentials (Hayden, 1996: 322). Economic management, for instance, occupied the key part of Whitlam's 1977 election speech (Grattan, 1977a: 1). In 1982, Hayden asserted that 'clear-minded and sensible management of the economy is the absolute necessary first step in all the actions taken by the next Labor government...' (cited in ALP, 1982: 235-237). In these all too common statements by Hayden, who took pride it seems in sounding like a broken record on economic management, we might speculate lie the origins of articles of faith for contemporary governments such as the need to stay 'on message' and deliver 'soundbites' (see further Chap. 16; and Appendix).

This preoccupation with economics was attributable not only to the party's desire to mend its poor reputation as an economic manager, but also to the fact that economics dominated political debate in the post-1974 era. The economy was, as Maximilian Walsh (1979: 40) wrote, 'the big story of politics in the 1970s'. This

was not because the major parties arbitrarily chose to focus on economic issues; it was simply a product of the fact that '[e]conomics inevitably becomes a dominant intellectual discipline in times of economic difficulty' (Barker, 1982: 11).

## Alternative Explanations

The evidence that economic circumstances were a major factor in the direction of the ALP post-1975 is incontrovertible. Yet, the retreat from Whitlamism is often misunderstood as a move by the ALP towards the centre of politics, or the 'middle-ground', aimed at attracting 'swinging' voters in marginal seats. This is reputed to be consistent with influential theories of electoral behaviour developed by the American economist Downs (1957). Downs argued that political parties were driven primarily by electoral success, not principles. Hence, a political party organised around a particular social group develops its ideology in relation to that group's *Weltanschauung*, but ensures that it is not so rigid as to reduce its attractiveness to other social groups. If the ideology of a party proves to be electorally successful, it will be imitated by its rivals, and the ideological distinction between the parties becomes less obvious. In two-party systems, Downs argued, assuming a particular distribution of electors, the potential loss of 'extremist' voters incurred through a move to the centre would not deter parties, since that is where the majority of voters congregate. Downs endorsed one analysis of politics in a two-party system which argued that a successful political party must appeal to 'voters of all classes and interests' (Downs, 1957: 110, 113, 117–118, 136–137).

The Downsian thesis can be faulted on the grounds that it assumes the existence of a great mass of voters attracted to 'centrist' policies, whereas in fact there could be radically different distributions of opinions at different times (Dahl, 1966: 372). It also simplistically depicts the electorate, which is not easily separable into left and right camps with like views on diverse issues: consider, for example, the erstwhile Liberal voters who deserted the party at the 2001 federal election because of its policies on asylum seekers (Steketee, 2001: 7). Recall also political analyst Henry Mayer's advising the Liberal Party after the 1972 election defeat to move leftwards so as to revive its electoral fortunes—the 'centre' was not what it used to be, and the conservatives had to adjust accordingly (Mayer, 1972: 10). Similarly, the nebulous 'centre' of politics during the first Whitlam Opposition was not the 'centre' during the second. Nevertheless, a Downsian-like approach has been influential in terms of explaining party behaviour in Australia (Webb, cited in Head & Patience, 1979: 3). That electoral motivations underlay the ALP's move to the right in the 1980s and 1990s is essentially the thesis of Battin (1992) and Jaensch (1989: 60–64), the latter citing the erosion of Labor's traditional blue-collar worker base, and the alleged embourgeoisement of society. Bill Hayden himself considered 'the most significant outcome' of the ALP's success in the 1978 Werriwa by-election, brought about by Whitlam's retirement, to be the fact that Labor could 'decisively capture the middle ground ... without any loss of support from

traditional Labor voters ...' (Hayden, 1978a: 1). Under Hayden's leadership, one observer remarked that, 'Labor has stuck like glue to what has become known as 'the middle ground'' (Barker, 1981: 6). Around this time, numerous psephologists, future Labor politicians, and academics were busy claiming that traditional class patterns of voting, along with voter loyalty to major parties, were being eroded (Aitkin, 1983; Carr, 1978; Kemp, 1980). To the extent that Labor accepted claims about changed patterns of voting, this could not but have encouraged ALP leaders to orient their policies away from their traditional constituencies (Hawker, 1980: 13, 14; Jaensch, 1989: 67; Weller, 1999: 109). Moreover, electoral motivations at least partly underpinned the party's more strained relationship with trade unions in the post-Whitlam period (see Chap. 10).

Alternatively, ideological shifts are often invoked to explain Labor's conservative direction after Whitlam. The ideas of the so-called 'new right' (including free-market enthusiasts, libertarian political thinkers, moral conservatives, religious fundamentalists, and biological determinists) had become more influential in Australia by the late-1970s (Sawer, 1982). The influential sociologist Michael Pusey reduced the contrast in the type of economic policies implemented by Australian governments before and after the end of the post-war boom to a mere switch from a 'social democratic political culture' to 'a much more self-referential, aggressive, and even "totalitarian" form of economics' (Pusey, 1994: 3). The Hawke Government's policies were based on New Right ideas rather than the 'party's policy traditions', according to Andrew Scott, as a result of the influence of conservative think-tanks, and of the absence of alternative left-wing economic strategies (Scott, 2000a: 80, 81).

Both Downsian and explanations reliant on changes in the dominant ideology, however, suffer from similar weaknesses. The middle-ground thesis would be more persuasive if the departure from Whitlamism occurred in response to the electoral victories of Fraser in 1975, 1977, and 1980: Fielding (2003, 8) points to the Downsian nature of electoral politics, where success by one side of politics tends to result in policy imitation by the other. In Australia, a Downsian effect could have occurred if Labor had imitated the ideology of the conservatives because of their electoral successes. However, the Downsian explanation is deeply flawed, not just because it ignores the vast array of evidence that the economic crisis and its consequences were foremost in the minds of Labor politicians at this time, but also because of the fact that the *volte face* occurred not in Opposition, but rather suddenly in government when the 1974–75 global recession took place (see below). Moreover, a desire to move the ALP away from the 'declining' working class was not something new, but can be traced at least as far back as Whitlam's election as leader in 1967 (Scott, 1991: 20, 22).

The influence of economic rationalist ideology, too, is not convincing as an explanation, since it begs the question as to why such ideas came to have influence at this time. It was the collapse of the post-war boom that generated a climate more receptive to these ideas (Callinicos, 2003: 2). Ideas are not unimportant, but they generally respond to changes in material circumstances. This is certainly true of the relationship between the change in economic conditions post-1974 and the rising



influence of economic rationalist ideas. Furthermore, like the Downsian explanation, this one overlooks the speed with which Keynesianism was discarded in 1974–1975 while Labor was in government (see below).

Other explanations that merit attention include the impact of globalisation, which Kelly (1989) held responsible for the ideological convergence between the two major parties in the 1980s. In Chap. 14 we examine the ALP's relationship to (anti-) globalisation in more detail, but here it is sufficient to say that there was growing evidence of the belief—or at least the articulated belief—by social democrats themselves that so-called globalisation had reined in their capacity to undertake reform on behalf of working people. Former ALP frontbencher Kerr (2001: 4, 6), for example, has linked globalisation's apparent weakening of the power of the nation state to the retreat by social democrats from advocating traditional social democratic programs. An NCOI discussion paper lamented the ability of foreign corporations to 'frustrate individual national government's policies and, indeed, entire strategies' (APSA, 1979: 56). A more detailed discussion of this issue can be found in Chap. 14, but suffice to say the circumvention of national reformist measures at the hands of capitalist opposition and market forces long predates the advent of globalisation (Callinicos, 2001: 23–28). An Australian case in point is the defeat of the Chifley government's attempts to nationalise the banks in the late-1940s (see Crisp, 1961: Chap. XX). Thus, it is not globalisation per se, a process evident as much during the post-war boom as during the 1970s and 1980s, that has led social democratic parties to shrink from reformist policies, but globalisation in an era of economic stagnation (Bramble & Kuhn, 1999: 26). Finally, like all other potential explanations surveyed above, this one does not account for the abruptness of the Whitlam government's retreat from the program in 1974.

## The Whitlam Government Gives Up

The ALP's renouncement of Keynesianism came, not in the reflective post-Whitlam Opposition years, as a Downsian approach might predict, but rather in government between February-June 1975 (Windschuttle, 1979: 20). This demonstrates the continuity between Labor in government and Labor in Opposition, under both Whitlam and Hayden. In January 1975, the Whitlam government executed in the face of deep recession some major policy reversals, including a retreat over the introduction of a Capital Gains Tax (CGT), a reversal over new taxes on company cars, and a hint of the prospect of more protection for television manufacturers. Whitlam signalled that these changes were aimed at restoring a business confidence battered by the recession (*The Age*, 30 January 1975: 4). They resembled similar overtures to the business community made the previous December, including a deferral of a \$500 million company tax payment involving around 64,000 companies, and a doubling of the tax deduction for the depreciation of plant and equipment (Kelly, 1976: 77). The government established an expenditure review committee prejudiced against any further increases in public spending (Wood,



1975: 9). It also issued instructions for the Prices Justifications Tribunal (PJT), an anti-inflationary body set up by the government, to 'go easy' on companies guilty of exorbitant price hikes at the same time as it demanded wage restraint to counter rising inflation (Haupt, 1975a: 4). Jim Cairns (who was not yet Treasurer, but nonetheless influential in the government on economic matters) shelved his objective of reducing inflation without creating unemployment, which was now seen as inevitable (Ormonde, 1981: 179). The acquiescent mood of the Government evident in these reversals prompted McDougall (1975: 1) to declare: 'The Government of reform has been transformed into a Government of *laissez faire*'. Paul Kelly described this as 'the most dramatic reversal in economic policy in the shortest possible time' (Kelly, 1976: 59).

The national ALP conference at Terrigal, New South Wales in early 1975 also bore the impact of the recession. Newspapers carried articles or editorials on the conference headlined, '1975 Kills Labor's Reforms', 'It's Power Before Principles', and 'Labor Retreats' (cited in Walker, 1975: 178). It marked, according to Ormonde, 'an historic change in Labor philosophy', while Barry Hughes referred to it as a 'pro-business orgy' (Hughes 1980: 105; Ormonde, 1981: 200). Whitlam's address to the conference, while insisting that the program would not be jettisoned, focused on the need to adapt party policies to changing economic circumstances, and on the difficulties the recession posed for a reforming party:

Of course, we are adjusting.

...Jim Cairns has spoken here, and around Australia, about the difficulties of economic management in a mixed economy. It raises special difficulties for a democratic socialist party. [W]e find ourselves now in a position of seeking ways of restoring profitability. We have to do that if we are to restore full employment (cited in *Rydge's*, 1975: 35).

Cairns himself spoke to a resolution recognising the importance of restoring private sector profitability, while an opposing amendment that sought a strengthening of the public sector carried so little support that its opponents did not bother to speak against it (Bowers, 1975: 6; *The Age*, 6 February 1975: 5).<sup>1</sup> In addition, underlining the growing concern to achieve wage restraint, conference empowered the government to seek constitutional power over prices, incomes, and interest rates, one of the decisions that led left-winger George Crawford, who had come under attack from Jim Cairns for opposing the decision, to wonder aloud whether he was at a Liberal Party gathering (cited in Jost, 1975: 1). Paul Kelly could recall no time in the previous fifteen years when 'the thrust of the left wing [had] been so dissipated and lost as a force. Its one-time champion Bill Hartley was defeated on almost every issue on which he took a stand...' (Kelly, 1976: 92). Robert Haupt for *The Australian Financial Review* observed it firsthand:

The 1975 conference of the Australian Labor Party has shown how depleted is the Party's drive towards fundamental social reform in Australia.

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<sup>1</sup>The amendment went down by a margin of 35: 10 votes.

Not for 10 years has the Labor Party appeared more demoralised in the face of the status quo, or less willing to interfere with the existing distribution of power in Australian society.

Terrigal will go down as the conference of compromise, accommodation and back-down (Haupt, 1975b: 1).

The other standout example of Labor's shift in office was the 1975–1976 budget brought down by Bill Hayden, which constituted a watershed in ALP policy (Catley, cited in Hughes, 1980: 114). Clyde Cameron later described it as a 'Treasury Budget' normally associated with a Liberal government (Cameron, 1990: 598). The budget's premise was, according to Paul Kelly, that 'Labor's programs must be sacrificed in an effort to control inflation' (Kelly, 1976: 243). In the lead-up to its design, Hayden had informed Cabinet of the need to slash spending programs by around \$2.5 billion. As things transpired, spending in most areas increased at a rate lower than inflation (Kelly, 1976: 235). In addition, cuts in real terms were made to areas such as urban and regional development, one of the signature policy areas of the government (Ackland, 1975: 5). As Hayden put it: 'We cut spending to the bone...' (cited in Steketee, 1975: 2). Pensions were linked to price rises rather than to wages, thereby reducing the amount by which they increased, and the goal of abolishing the means test for those aged 65–69 was deferred (Kelly, 1976: 236). Its twin aims were to cut government spending and to curb inflation (Davidson, 1975b: 9). According to Strangio (1999: 43), the 'era of economic rationalism had arrived'. Although more commonly associated with the Hawke and Keating governments, Oakes (1976: 125) used the term 'economic rationalist' as early as 1976 to describe Cabinet supporters of Hayden's budget. Witness the language employed by Hayden in his budget speech:

[T]here are firm limits on how far the public sector should be stimulated in this recovery phase. In framing the Budget, therefore, we have exercised the utmost restraint on government spending...

On the economic front, inflation is the nation's most menacing enemy.

...We are no longer operating in that simple Keynesian world in which some reduction in unemployment could, apparently, always be purchased at the cost of some more inflation. Today, it is inflation itself which is the central policy problem. More inflation simply leads to more unemployment (HRH, 19 August 1975: 53).

In shoring up Cabinet support for the budget, Hayden 'began with a pep talk about the state of the economy, stressing that there was no room for any option other than financial stringency' (Oakes, 1976: 125).

## Other Influential Factors

The changed economic environment was not the only factor that helped push the ALP away from anything remotely smacking of Whitlamism. By the end of the 1970s, a shift to the right in world politics was clearly discernible (Blewett, 1982: 35; Harris, 1983: 89). The 1976 defeat of the Swedish Social Democrats for the first

time in 44 years, and the elections of Margaret Thatcher in Britain (1979), Joe Clark in Canada (1979), and Ronald Reagan in the US (1980) were signs of the times (Steketee, 1980: 1). Even social democrats that took power in this era with different intentions, such as the French Socialist Party, ended up implementing a paler version of Thatcherism (Eiley, 1994: 19, 20). Analogous revisions occurred in social democratic parties in New Zealand, Italy, Spain, and Sweden (Kelly, 1992: 31). The end of the post-war boom also impacted severely on social democratic and labour parties in Germany and the UK (see Lavelle, 2008).

As well as a political and economic climate much less congenial to reformism, there were fewer radical sources of extra-parliamentary pressure on the FPLP during this period. The catalyst for many of the other social movements that emerged in the pre-Whitlam period, the anti-Vietnam war movement, had disbanded, its job seemingly done. Whereas the trade union movement had been a radicalising force on the party in the pre-Whitlam era, it was in decline during this period (see Chap. 10). The militant student movement of the late-1960s and early 1970s, with its radical critique of society and its global perspective, had largely dissolved (Connell, 1978: 1; Downes, 1981; Hanscombe, 1982). The national student union leadership in 1982, featuring future heavyweights such as Julia Gillard, took as its starting point opposition to the 'unrealistic and untenable infantile leftism' of the previous era (cited in Green, 1982). In sum, this was a period of withering radicalism, punctuated by defeats for the Labor movement (Connell, 1978: 1).

In contrast to the pre-Whitlam years, this was a period of pessimism about the future. Graham Freudenberg referred in 1982 to the 'sourness of the national mood and the national spirit', which was quite unlike 'the sense of enthusiasm or mission that pervaded every level of the party in 1972' (cited in Steketee, 1982: 7). Australia had now become, John Button found, 'an anxious and a crude capitalist society in its almost total absence of any sense of national identity or purpose' (Button, 1980: 135). Bearing out such downcast assessments was a *Sydney Morning Herald* survey conducted on the eve of the 1980s (see Table 8.3). The depressing political mood, and the enervated social and trade union movements, go a long way towards explaining the decline of the power of the left inside the ALP post-Whitlam: while the left's politics matched the tumultuous late-1960s and early 1970s, the right's dovetailed with the conservative political sentiment that set in in the late-1970s and 1980s. If Donald Horne's *Time of Hope* (1980) captured the optimism and progression of the late-1960s and early 1970s, then Max Walsh's *Poor Little Rich Country* (1979) perhaps best encapsulated the gloom that characterised Australia during this second period of Opposition:

[Australia in the 1980s] will be a land where the rich do get richer and the poor more numerous and poorer. It will be a country on the verge of losing its democratic values...

The policies and projects of a government pursuing a contractionary expenditure philosophy during a period of high unemployment will deepen the class divisions in society. A growing tendency to lawlessness will be met with increased resources being directed officially, and unofficially, to the defence of propertied interests... It is not a pleasant picture... (Walsh, 1979: 226).

**Table 8.3** Attitudes about Australia in the 1980s

In Australia in the 1980s	Total (2000) percent agreeing
Living standards will improve	18
Will remain the same	43
Will fall	38
There will be more personal freedom	12
The same amount of freedom	56
Less personal freedom	31
Life personally will be better	32
Will be about the same	52
Will be worse	15

Source *The Sydney Morning Herald* (28 December 1979: 9)

Needless to say, the pessimism flowed from the changed economic environment, in particular the re-emergence of mass unemployment and job insecurity.

The combination of the shift in economic conditions and the more conservative political scene affected significantly the stance taken by Labor in major policy areas. Two key examples of this—uranium mining and the Accord—re-examined in detail in Chaps. 9 and 10 respectively. Examples of this influence, however, abound. In an address to a women’s seminar in 1977, Whitlam ‘fended off [requests for more funding] ... with reminders about economic responsibility’ (Grattan, 1977b: 21). Hayden made it clear in the aftermath of the 1977 election that ‘[e]-conomic growth is necessary for us to be able to do all things we wish in the field of Aboriginal Affairs, Social Welfare, the Arts and many other areas’ (FPLP Minutes, 2 February 1978: 16). He similarly warned in 1978 that in the absence of substantial economic development, especially in the manufacturing industry, ‘most other social reforms, 4 day working weeks, improved social welfare programs, and so on, will all be delayed’ (Hayden, 1978b: 21). The 1983 federal election pledge to revive the original Medibank<sup>2</sup> was prefaced with the need for modification ‘where necessary in the light of experience and in terms of changed health needs and *economic conditions*’ (cited in Bowers, 1982: 7; emphasis added). Hayden had earlier ruled out such a move because it would cost \$600 million, which was just ‘not feasible’ (cited in Summers, 1980b: 7).

## Conclusion

The collapse of the post-war boom deprived Labor of the program’s economic base, which, it was noted, was predicated on the high growth rates of the late-1960s. In a sense, Labor was not forced to abandon reformism: it could have foreshadowed cuts

<sup>2</sup>A system of state-provided medical insurance developed under the Whitlam government.

to big programs like defence, and moved to increase taxes on the wealthy. Labor's historic pragmatism, and its commitment to working within the parameters set by capitalism, however, meant that it was likely to curtail its ambitions for reform in light of the dramatic change in economic conditions. An additional factor was that the party deemed a retreat to be in its best electoral interests, given the poor reputation for economic management it had earned in government.

Thus, while a number of factors can offer some explanation for the political direction of Labor in the Whitlam-Hayden period, one must turn to the diminished state of the Australian and world economies in order to understand the abrupt abandonment of the program engineered from 1974 onwards, with no turning back. Labor's consequent preoccupation with responsible economic management can be observed in the evolution of its policy on uranium mining, which is the subject of the next chapter.

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## Chapter 9

# Too Valuable to Waste: The Labor Opposition and the Uranium Debate (1976–1982)

The previous chapter illustrated the ways in which the collapse of the post-war boom was ultimately behind the single-mindedness with which Labor focused on economic management after the dismissal. The impact on Labor's policies is further examined in this chapter through a case study of the party's attitude to uranium mining. It is suggested that the key reason for Labor's decision in 1982 to drop its earlier opposition to uranium mining and export was fear of the potential economic fallout from not doing so, which might also harm the party's economic management credentials.

### Social Democratic Dilemmas and Progressive Reforms

Labor has often been caught in the grip of a debilitating political dilemma. On the one hand, it is expected to implement progressive and redistributive reforms popular with its support base. At the same time such expectations often conflict with powerful business interests, to whose needs it must pay close attention in order to sustain high rates of economic investment and profitability. The British Labour Party, likewise, in government has often been unable to adequately satisfy the desires of 'its traditional supporters and trade union militants or convince financial capital of the probity of its economic policies' (Burnham, cited in Hodson & Mabbett, 2009: 1045). Other commentators have couched the conundrum in slightly different terms, with Labor governments confronted with the question of whether it would 'work for the interests of its social movement base, the unionised working-class or would it seek to govern in something called the "national interest"?' (Massey & Massey, 1994: 52). Yet, given that the 'national interest' is largely synonymous with the interests of the capitalist class, essentially the same dilemma is in question. In this vein Ian Turner (1979: 76) has written of the 'contradictions and conflicts of loyalty' by which Labor governments have so often been marred. Prime examples include the Hughes government during WWI, the

Scullin government in power at the time of the great depression, and, of course, the Whitlam government. In each case, the policy preferences of much of the party's traditional constituencies collided heavily with the political and economic pressures associated with steering the ship of state.

Signs of such 'conflicts' are, however, also evident in Opposition, as reformist parties such as the ALP must earn the 'confidence' of business to govern (Miliband, 1974: 137). The previous chapter demonstrated that the dilemma is rendered more acute during periods of economic downturn, when pressure mounts for measures to restore the health of the corporate sector, and the steady stream of government revenue on which social democratic reforms are reliant slows to a trickle. Coates points to a catch-22 at the heart of the social democratic project: strong economic growth is necessary to finance social reforms beneficial to workers and the disadvantaged, but such growth can normally be generated only by policies amenable enough to capital and the wealthy—and, conversely, injurious to social democracy's base—so as to induce them to invest (cited in Birchall, 1986: 22, 23).

This dilemma of having to choose between satisfying the inclinations of party members and supporters and appeasing business interests was brought into sharp focus in the case of federal ALP policy on uranium mining in the late-1970s and early 1980s. In this case, the policy in question was not directly about an uplifting of working class living standards along the lines of the aforementioned traditional social democratic reforms. But the policy did enjoy substantial support among the party's support base, while at the same time posing significant negative implications for a section of capital. Some of the concerns about uranium, moreover, related to the health and safety of the workers mining and handling the resource. But such concerns could not be seen to override those raised by a potential economic backlash and a reaction from capital if the party did not observe contracts already negotiated by the time it next held the reins of power. Such a policy would also undermine the party's economic management credentials, which ALP leaders had dedicated themselves assiduously to restoring in the aftermath of 11 November 1975. The worsened international and domestic economic climates made political actors think twice about policies that might destabilise business. Importantly, this was the beginning of the neo-liberal era in which government policy has been reduced to improving the conditions for business investment in an effort to revive sagging profit and accumulation rates. Coinciding with—and, in some senses, a consequence of—this neo-liberal policy paradigm was the emergence of so-called 'globalisation', which many social democratic politicians have come to regard as detrimental to plans for social reform (see Chap. 14).

## **The Emergence of the Uranium Debate**

The case of Labor and uranium mining in the late-1970s and early 1980s has been sorely neglected. Discussion of the debate passes mainly for a footnote in accounts of the ALP in the years between the dismissal and the triumphant return to

government in 1983. In his memoirs, Bob Hawke, in characteristic self-aggrandizing fashion, buried the unprecedented quarrel over uranium policy at the 1982 national conference (see below) in a paragraph primarily concerned with the growing leadership tensions between himself and then-party leader Bill Hayden (Hawke, 1994: 112).<sup>1</sup> Hawke's deposed rival is no more reflective: Hayden's autobiography glosses over the policy change as a purely rational and electorally-driven decision (Hayden, 1996: 343). And in her otherwise invaluable contribution to our understanding of the issue of uranium mining in Australia, Sigrid McCausland has very little to say about the charged atmosphere surrounding the climax of the Labor Opposition's policy at the 1982 conference, and virtually nothing about the predominantly economic arguments of delegates, which tell us so much about why the policy unfolded in the way that it did (McCausland, 1999: 375–379).

This chapter sheds new light on our understanding of this fractious debate, whose outcome paved the way for the pro-uranium stance of the Hawke Labor government and the broader acceptance of uranium among political elites ever since. The decision by the ALP at its national conference in 2011 to expand sales of uranium to India—a nuclear power that is not a signatory to the Non-Proliferation Treaty—is consistent with decisions taken from 1976 to 1982, the historical context of which is critical for understanding the contours of current debates. As we shall see, the discussion inside the party also raised questions about the very viability of the social democratic reformist project.

In the 1970s, uranium became increasingly important both in Australia and internationally (Camilleri, 1978: 11). As measured by its political impact, some compared it to the Vietnam war (Chipp, HRH, 30 November, 1976: 2985; Cairns, HRH, 22 September, 1977: 1529). Some indication of its importance to the ALP is gleaned from the party's assembling of an information kit on the subject to be distributed to all members, as well as branches' organising to view a three-and-a-half hour uranium documentary (Uren, HRH, 31 March, 1977: 860; Grattan, 1977a: 8). Weller nominates uranium as 'the symbolic issue for the Labor Party between 1977 and 1985; it was the issue that determined the "leftness" of a member, the bona fide of radicalism' (1999: 130, 131).

Aside from the fact that Australia accounted for around a quarter of the world's uranium reserves, one reason for uranium's rise to prominence as an issue in Australia in 1976 was the handing down of the findings of the Ranger Uranium Environmental Inquiry, commissioned by Justice Fox at the behest of the Whitlam government (Hayes, Falk, & Barrett, 1977: 10; Forward, 1976: 398). The inquiry's first report, released in October 1976, focused on uranium mining and export in general, with the second report, released in May the following year, devoted specifically to uranium mining in the Northern Territory (Fox Commission, 1976, 1977). The controversy generated by the first report flowed in part from its

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<sup>1</sup>By comparison, Australia's involvement in the first Gulf War warrants some 15 pages in Hawke's memoirs (Hawke, 1994: 511–526).

somewhat contradictory conclusions: by advocating strict safeguards governing uranium's production and export, it was anti-uranium; by concluding that opposition to mining in toto was not justified, it was pro-mining (Fox Commission, 1976: 185). Hence the spike in uranium mining company share prices following the first report's release (*The Australian*, 29 October, 1976: 1).

The wider controversy was mirrored inside the FPLP. Whitlam, perhaps naively hoping to avert early rancour over the issue, informed Caucus that the party's uranium policy would be settled at the following year's federal conference, in 1977 (FPLP Minutes, 3 November, 1976: 10). At a Caucus meeting two weeks later, he moved the party executive's recommendation condemning the government for precipitately approving uranium without adequate debate, and in apparent ignorance of the commission's findings: 'The Party fully supports the delaying of any decision pending such a National debate on both uranium mining and the total nuclear industry' (FPLP Minutes, 17 November, 1976: 4, 5). There was, however, strong resistance to this position, led by John Button, who moved a four-point amendment:

1. that existing contracts for uranium mining should be honoured, provided that no new mining developments are permitted to take place.
2. that the Labor Party should continually press for stricter international safeguards and controls over the handling of nuclear materials.
3. that it be made clear that the next Labor Government will not be bound to honour any future contracts entered into by the present Government.
4. that if, in Government, the Labor Party is satisfied that the hazards associated with nuclear power have been eliminated and satisfactory methods of waste disposal developed the question of uranium mining be re-considered in the context of full public debate (FPLP Minutes, 17 November, 1976: 5, 6).

Seconding the amendment was Paul Keating, who, evincing early signs of the pragmatism with which he would come to be associated on the topic, raised the 'question of tactics', and argued that '[p]resent contracts had to be honoured under existing Policy. Supply, under these contracts, would go to Japan, the United States and West Germany which already had nuclear reactors' (FPLP Minutes, 17 November, 1976: 6, 7). Keating added that, while the Opposition's warning would deter new developments, it would also allow miners to escape after honouring present contracts (FPLP Minutes, 17 November, 1976: 7).

Even at this early stage it was plain to see that the issue split Caucus largely along factional lines. Tom Uren, who would become the party's most outspoken opponent of uranium, supported the executive motion, pointing out that Button's position had been defeated at the executive meeting, while the Caucus motion had been supported by the executive to the tune of 12: 8 votes. Uren further suggested that the honouring of existing contracts would require the opening of another mine (FPLP Minutes, 17 November, 1976: 7). Hayden's position—again, portentous—was supportive of Button's amendment, and like Keating's betrayed concern for the industry: '[E]xisting contracts [must] be honoured... To deny these contracts would

be to affect credibility' (FPLP Minutes, 17 November, 1976: 7). Mick Young, a future Hawke minister, supported the original motion out of concern that uranium would become just as divisive for the party as had State Aid (FPLP Minutes, 17 November, 1976: 8). The Button amendment achieved the support of Lionel Bowen, who served under both Whitlam and Hawke. He interpreted it as saying that 'there shall be not more mining irrespective of the Second Fox Report' (FPLP Minutes, 17 November, 1976: 8). The right-wing Frank Stewart moved a further amendment to be added as clause 5 to Button's condemning the government for its undue haste in determining the future of uranium mining (FPLP Minutes, 17 November, 1976: 8). Button and Keating agreed to this, with Button then indicating a wish for his amendment to replace the original motion (FPLP Minutes, 17 November, 1976: 8, 9). The anti-communist left-winger Richard Klugman then moved an amendment 'that all words after "Party" in the original resolution be deleted and the following words inserted: "recommends that no export of uranium be allowed for any except medical purposes".' Jim Cairns endorsed the original executive motion:

Amendment seems to emphasise that 'we' should honour contracts. Point 3, however, is inconsistent. If we refuse to honour future contracts why should we honour existing contracts? Hazards associated with nuclear power have not been eliminated, nor have satisfactory methods of waste disposal been developed. He [Cairns] objected to existing contracts being carried out by the Fraser Government (FPLP Minutes, 17 November, 1976: 10).

In opposition to him was Whitlam minister Rex Connor, who supported Button's amendment, adding that an undertaking to Japan in office had 'trebled income' (FPLP Minutes, 17 November, 1976: 10). Meanwhile Whitlam, in his formal reply, backed away from his support for the executive motion, arguing that discussion in parliament would mainly cover existing contracts. If they did not 'give a lead' on the issue, the spectre of a party 'special conference' loomed. There was consensus on opposition to new contracts that the party should not be bound by contracts entered into by Fraser, and 'that we all agree with a review of the matter if existing hazards and disposal of waste objections are met' (FPLP Minutes, 17 November, 1976: 11). As fate would have it, by a margin of 34: 23 the Button amendment was carried in place of the executive motion, with the Klugman amendment defeated (FPLP Minutes, 17 November, 1976: 11).

The factional divide over the issue was evident at this early stage. Those supporting Button were generally on the right or centre-right of the party: Button himself, Keating, Connor, Wheeldon, and Stewart. Hayden, while formally of the centre-left, generally supported the right. The position of Whitlam, also of the right, was less clear, but he was reported as having voted with Button (Hill, 1976: 8). Those most opposed to the Button position were among the ALP's most prominent left spokespersons, including Uren, Cairns, Moss Cass, Ted Innes, and Klugman (FPLP Minutes, 17 November, 1976).

It is not difficult to see why the left favoured the executive motion: Button was in favour of honouring existing uranium contracts, whereas the executive motion, by

delaying its position, left open the possibility of renegeing on those contracts. The Button position, furthermore, fell some way short of the federal executive's call for a moratorium (Forward, 1977: 77). And, while his stance did not rule out full-scale uranium mining in the event 'that the hazards associated with nuclear power have been eliminated and satisfactory methods of waste disposal developed', the executive motion did not preclude the possibility of arriving at a 'leave it in the ground' position following 'a National debate on both uranium mining and the total nuclear industry'. In short, the left probably wished to delay taking a position in the hope that ensuing debate would produce a more uncompromising standpoint. That the position arrived at was more pro-mining than not is evident from Keating's role during these early stages:

As Shadow Minister [for Minerals and Energy] he effectively stopped the move to get Labor to oppose uranium exports; instead he worked out a policy by which Labor has agreed to honour existing contracts which would preserve the Mary Kathleen mine – and rural votes. He...regards that as one of his major victories (McGregor, 1977: 4).

Keating explained the Caucus policy outcome thus: 'I took a big chance, and got a big win... As it is, the mining industry thinks now, here's a bloke who won't let you down' (cited in McGregor, 1977: 4). Don Chipp, meanwhile, derided the Caucus position as 'pathetic' and 'almost identical' to that taken by the government (Chipp, 1976: 9). Then still a member of the government, whom he indicated his willingness to vote against over the question, Chipp had endorsed Fox's recommendation of a two-year moratorium on uranium's mining and export (HRH, 30 November, 1976: 2985).<sup>2</sup>

In the period between the Caucus decision and the 1977 national conference, ALP spokespersons were united in emphasising the party's non-commitment to honouring contracts. Whitlam stated that Labor was 'under no obligation...to honour such contracts in future', and that 'no new mining development should be permitted unless a future Labor Government is satisfied that the hazards have been eliminated and satisfactory methods of waste disposal have been developed' (HRH, 30 November, 1976: 2979). Yet, being 'under no obligation' was not the same as a pledge to not honour contracts entered into by the Fraser government, as Keating later spelled out: 'This does not mean we will not honour any future contracts' (HRH, 21 April, 1977: 1158). As someone once in favour of the mining and export of uranium, Bill Hayden was optimistic that problems relating to waste disposal would eventually be no greater 'than the problems generally facing heavy industry... I believe that technology has the capacity to conquer those problems' (HRH, 30 November, 1976: 2996). Tom Uren had earlier in the year called upon railway unionists involved in strike action over uranium to keep it 'in the ground' (cited in *The Australian*, 1976: 8). Elsewhere he echoed the ACTU's call for a referendum on the subject (Owens, 1976: 3; Forward, 1977: 77). Then, early in 1977, he

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<sup>2</sup>Chipp went on to resign as a Liberal MP before founding the Australian Democrats in 1977. He later moved, unsuccessfully, for a two-year moratorium to allow for adequate public debate on the issue, a motion which was seconded by Jim Cairns (HRH, 21 April, 1977: 1163).

assessed that the full implementation of Fox's recommendations would render virtually impossible the future conduct of uranium mining in Australia, thereby implying that the ALP would not implement them (HRH, 29 March, 1977: 663).

The debate stoked the rivalry between Uren and Keating over the coveted position of deputy leader, which Uren won in the aftermath of the dismissal and held till after the 1977 federal election. Keating played a key role in moderating the party's position prior to the 1983 election, while Uren was the most resistant of this trend. Keating was 'hissed and booed' by supporters of Uren's call for a blanket ban after warning delegates to the New South Wales ALP council meeting in 1976 that the party's electoral prospects would suffer untold consequences as a result of any decision to renege on existing contracts (Colless, 1976: 3). At the 1977 New South Wales ALP conference, Keating goaded delegates by telling them that, by voting for a resolution calling for the repudiation of all contracts, 'you would close down a mine (Mary Kathleen) that has only five years to go, and make sure you never win a Queensland seat as long as you live' (*Sun-Herald*, 12 June, 1977: 4). Keating viewed calls for union bans on exports from Mary Kathleen as 'contrary to the spirit of the caucus decision', and believed that the fulfilment of existing contracts would require additional mining (cited in SMH, 22 November, 1976: 10). This seemed contrary to the Button resolution, which stipulated 'that no new mining developments are permitted to take place' (FPLP Minutes, 17 November, 1976: 5).

The decision arrived at by the 1977 national conference was not Keating's preferred position (Kelly, 1984: 193). It endorsed an indefinite moratorium on mining, with existing—though not future—contracts to be ratified (Grattan, 1977b: 1). By going beyond being 'not bound' to honour future contracts to confirming their repudiation, this outweighed the Caucus policy (Toohey, 1977: 1). Those more sympathetic to uranium could take solace from the defeat of a West Australian resolution advocating the repudiation of existing contracts, and they could tell themselves that the moratorium was effective only till the 1979 conference (Grattan, 1977b: 1). Yet, according to one commentator, the policy constituted a 'complete reversal of the [pro-uranium] policies pursued by the Whitlam government', whose record on the issue was a problem for the Opposition<sup>3</sup> (Forward, 1978: 76). Paul Kelly regarded it as the left's biggest victory since Vietnam (Kelly, 1984: 193). Post-conference Uren boldly declared the ALP's pledge to 'repudiate any commitment of a non-Labor government to the mining, processing or export of Australian uranium', and he sent a stern message to uranium miners that 'if they go ahead they do so at their own risk' because under Labor they stood 'to lose everything if our conditions are not satisfied...' (HRH, 25 August, 1977: 694).

However, this was not the only slant that party spokespersons put on the Conference outcome. Then-ALP national president Bob Hawke, for example, predicted that the policy would eventually pave the way for uranium's mining and

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<sup>3</sup>The Whitlam government's pro-uranium record was used repeatedly by the Fraser Government to question the sincerity of the Opposition's stance (eg HRH, 29 March, 1977: 665; 25 August, 1977: 652, 653; 6 September, 1977: 772).



export (*The Age*, 9 July, 1977: 3). Such statements earned Hawke a rebuke from the Victorian ALP administrative committee, which called upon all members, 'including the national president', to abide by party policy (Grattan, 1977c: 1). Yet, even Whitlam indicated his support for mining pending the adoption of adequate international safeguards (Grattan, 1977d: 19). In fact, he provoked controversy when he suggested that, if the International Atomic Energy Agency (IAEA) advised that safeguards had been developed, the ALP would accept this as an authoritative judgement, and he agreed that this would 'end the argument' (Whitlam, 1977: 2, 3). Prime Minister Fraser then cleverly used a statement from the IAEA saying that then-existing safeguards were adequate to claim that Whitlam's comments amounted to bipartisanship (cited in Bowers, 1977: 3).

The inconsistency of ALP statements post-conference was attributable not just to Machiavellian manoeuvring but also to the contradictory nature of the conference resolution. For those opposed to uranium, it offered the repudiation of new contracts, and, by virtue of an indefinite moratorium, no new mines or development. For the pro-mining elements, it offered economic responsibility by pledging the fulfilment of existing contracts, and by not ruling out the prospect that the party would assent to mining and export in the future once safeguards had been developed. The policy also offered a future Labor government an 'escape clause', in that it prohibited mining only 'until the ALP so determines, recognising that the authority of the Australian Labor Party can be vested in: the Conference, the executive, the Caucus' (cited in D'Alpuget, 1983: 325). As David Combe explained, 'should we win government, it would be a very simple proposition for the Caucus to say "the ALP has decided..."' (cited in D'Alpuget, 1983: 325).

Within 18 months of conference it was suggested that support for a strong anti-uranium policy 'within the party has deepened' (Hoare, 1978: 1). This seemed at odds with Hayden's deliberate exclusion of Uren from uranium-related shadow ministerial positions following the former's ascension to the leadership after the 1977 election (Simson, 1977: 1; Hoare, 1977: 5). Furthermore, in spite of the reaffirmation at the 1979 federal conference of the existing uranium policy, *The Australian Financial Review* was optimistic that 'the hard line on export of uranium which the Labor Party has taken will eventually be relaxed' (AFR, 1979: 2). Uren, when compiling a petition calling for the maintenance of the existing uranium policy, noted that the policy 'is now under attack both from outside and within the party' (cited in Walker, 1979: 5).

In the lead-up to the 1980 election, John Button raised the possibility that a Labor government might allow uranium mining to continue at the Ranger and Nabalek mines in the Northern Territory. It was impossible, he suggested, to 'ask them to put it back in the ground' (cited in *The Australian*, 14 October, 1980: 10). Bill Hayden sounded similarly positive sentiments, indicating his optimistic view that uranium safeguards would soon be developed, so that 'the mining and export of uranium can proceed' (cited in Summers, 1980: 6). These statements may have been related to the negative stock market reaction caused, apparently, by the party's uranium policy (cited in *The Australian*, 1980: 12; Frith, 1980: 10). This might also explain the absence of the uranium commitment from Bill Hayden's original



election policy speech, although it was subsequently amended to add a single line confirming ‘our policy of opposition to uranium mining pending the establishment of essential health and security safeguards’ (cited in Hoare, 1980: 70).

## The 1982 National Conference

The 1982 national conference saw the hitherto most far-reaching change in policy. The debate on uranium was the most dramatic since the opening of conference to the public 15 years earlier: it led to a very rare formal division, in one delegate’s experience the only party debate outside parliament to have done so (Kelly, 1984: 207; Richardson, 1994: 100). Events were shaped by the fact that the minerals and energy committee made no recommendation (ALP, 1982: 353). Debate consequently centred around a resolution from Victorian delegate Bob Hogg, which, ironically given its author’s membership of that state’s staunchly anti-uranium socialist left faction, sought to gain support for uranium sales contracts entered into by the Fraser government, allowing existing uranium mining and export to continue (Malone, 1982a: 1; Camilleri, 1982: 10). Hogg, however, steadfastly denied that his motion was in favour of uranium, neither ‘in its intent’ nor ‘in its words’ (cited in ALP, 1982: 409). His motivations, according to one commentator, were simply based on fear for the electoral prospects of the ALP in the event Hayden’s efforts to overturn the party policy with a more hardline position were rebuffed by conference (McMullin, 1991: 406).

The rationale for the policy change, as outlined by Hogg’s supporters, hinged on the catastrophic economic consequences they claimed would ensue from the status quo, and on the implementation difficulties arising from developments in the industry since the 1977 conference decision. Despite avowals about not being pro-mining, Hogg himself referred to the ‘considerable development...investment, jobs, etc’ at stake:

It [the current policy] very clearly says that we do not have a moral, legal or political obligation to compensation to the industry as such. But...[y]ou will understand the sort of pressure an incoming government will be under. You will understand the forces, if you read the front page of the *Fin Review*<sup>4</sup> this morning... We have to face up and understand the sort of forces that will be arraigned against us in implementing most of our policies, let alone this (cited in ALP, 1982: 407–409).

Northern Territory delegate Bob Collins, another future Hawke minister, whose stance was determined in no small part by the Narbalek and Ranger mines then operating in the Territory, pointed to the more than one billion dollars of investment in uranium mining there. For him, the policy called into question the very:

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<sup>4</sup>A reference to an article appearing in *The Australian Financial Review* purporting to uncover a ‘secret political campaign’ by the Australian Petroleum Exploration Association (APEA) against the ALP’s minerals and energy policies (Summers, 1982: 1).

capacity of a reformist Labor government to govern when in power.

...We have got heavy financial commitments... I say to you...in respect of a billion dollars worth of current investment that would be impossible to implement instantly without seriously damaging the reforms that our supporters across Australia want us to bring in...

You cannot simply whistle at a billion dollars worth of investment – and what sort of economy are we going to inherit in government? A buoyant one where we could hive off a billion dollars? Not at all...

[T]o simply have to in 24 hours close things down which our current policy provides for...I think in terms of economic management it really is nonsense (cited in ALP, 1982: 411–415).

Shadow environment spokesperson Stewart West, in opposition to the Hogg amendment, cited a report to the federal executive estimating that only \$26 million in compensation would be owed to mining companies if approval were withdrawn between 1 October 1983 and 31 December 1983, and only \$30 million thereafter (cited in ALP, 1982: 416–420). Similarly, Victorian delegate Joan Coxsedge predicted that the policy, if approved, would rightly be described as a ‘sell-out’, and, by presenting opportunities to the Australian Democrats, would be electorally unwise (cited in ALP, 1982: 421–423). Attempting to rebut these arguments, Graham Richardson, like Collins, concentrated on the \$1 billion in mining investment undertaken since 1977:

If we say that we will repudiate all of those contracts the companies will default due to that government decision on export licences and what are we faced with then [sic] – a billion dollars worth of compensation. It is all right to say that we have a legal opinion that says you do not have to do it. The moral responsibility for the Labor Party to do it is obvious; the political responsibility is inescapable. We all know that is exactly what a Labor government will be faced with and it is that which makes our policy so difficult to implement, and if we were to take the decision not to give any compensation for the \$410 million debt given to them by those banks, what sort of retribution do we think these banks will take? Do we think they will take it lying down? The answer, of course, is no. Investment into Australia will just dry up. Our capital inflow will stop and we will be faced with a balance of payments crisis.

[T]he disaster that will cause to our economy will see another Labor government self-destruct... If we do it we will look and act like a banana republic and we will be treated the same way. Our triple A rating will be gone (cited in ALP, 1982: 425, 426).

Matters financial were key to the strategy of Hogg supporters. It was on aspects of economic responsibility that Bill Hayden focused:

Handling the economy today is very difficult...

In the balance of payments we have a deficit and current account which is running in excess of \$8000 million dollars... Now, if you do not have something covering it – such as large capital inflows – then your balance of payment is completely out of equilibrium. You would have, as Graham Richardson said, only one recourse; a massive devaluation. It would bring the Australian economy to a halt overnight... It would be devastating in its effect. We would almost become a banana republic in the standards of the condition of the economy.

...You will have a very large flight of capital as a result of this...

[The banks] are going to start hauling their money out... (cited in ALP, 1982: 438).

It has been suggested that Hayden, in supporting the policy change, had in the forefront of his mind his leadership battle with Bob Hawke: specifically he sought to attract the vote of Paul Keating to boost his numbers (Roberts, 1982: 11). This overlooks the fact that Hayden's stance on uranium here was consistent with his penchant for responsible economic management, and with his pro-uranium statements all along.

That the two opposing camps at conference were inhabiting parallel universes is illustrated by the suggestion from one opponent of the Hogg position that, if the ALP were concerned about the importance of AAA ratings, then it did not deserve to win government (Ferguson, cited in ALP, 1982: 441). Ann Catling, who drafted the 1977 policy, argued similarly that, if the party were to bow to commercial pressure, it 'may as well turn around and scratch out every reference in that policy to the redistribution of income, wealth and economic power' (cited in ALP, 1982: 445, 447). Needless to say, there would have been more than a few delegates happy to do just that. Uren was fighting a losing battle, and conceded that the numbers were against him, but nevertheless attempted to swing the conference towards rejecting the Hogg amendment with a series of arguments about the electoral attractiveness of the policy, its strong rank-and-file support, and evidence of community opposition to uranium (cited in ALP, 1982: 453–455). Uren concluded with an impassioned appeal to vote with 'your conscience... against this proposal and stand by that principled, sane, just existing policy on uranium' (cited in ALP, 1982: 455).

In the event, whatever the sentiment of the wider party membership,<sup>5</sup> and however implausible the claims that Australia become a 'banana republic' following one decision involving an industry that even Keating accepted was in crisis, conference carried the Hogg amendment by a margin of 53: 46 (Keating, HRH, 22 September, 1982: 1721–1723; ALP, 1982: 476). This resulted in some confusion about the likely actions of an incoming Labor government (Malone, 1982b: 3). But in general it was widely perceived as pro-mining. Graham Richardson recalled that anti-uranium protestors in the public gallery 'hissed and booed and, in at least one case, spat upon' supporters of the Hogg position (Richardson, 1994: 100, 101). The mining industry, in contrast, welcomed the change (Durie, 1982: 2). *The Australian Financial Review* observed that 'a future Labor Government would not now be bound to repudiate existing uranium contracts and to close down uranium mining operations immediately... In other words, uranium mining operations in production or planned for the near future can go ahead' (AFR, 1982: 10). Hayden, meanwhile, later credited the policy change with enabling the Narbalek, Ranger, and Roxby Downs mines to survive a Labor government (Hayden, 1996: 346).

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<sup>5</sup>Roberts (1982: 11) suggested that 'there was no more popular position with the party rank-and-file than the anti-uranium policy.'

## Conclusion: Reasons for the Change in Policy

Arguments in support of the Hogg proposal often contained elements of classic social democratic retreat in the face of constraints imposed by the capitalist economy (for examples, see Callinicos, 2001: 23–28). It could be argued, therefore, that the uranium policy's evolution represented not just the primacy of economic considerations in the party's platform, but also involved the wider question of what social democratic parties practicably can achieve. Hogg conveyed elements of this in a post-conference interview when he raised the question as to 'how far can the Government act at any point?' He answered his question by pointing out that, while there may be no legal obligations to compensate, 'politically its [sic] a different question' (cited in Hutton, 1982: 6).

The question of what is politically 'achievable', however, is indissociable from the general economic environment in which the question is posed since the impact of economic crisis inevitably is to greatly narrow the reforming capacity of Labor governments. As Callinicos (1997: 17) put it, 'taking office in a time of crisis makes the reformist dilemma even harsher'. This, of course, was exactly the scenario then facing Labor. The outcome of the uranium debate might plausibly have been identical in more buoyant economic circumstances, but there certainly would have been greater resistance to a policy change, and the FPLP leadership arguably would have been less determined to press the issue. Undoubtedly, there would have been less fear-mongering over the loss of investment dollars and jobs. What is uncontested is that the general economic malaise of the 1970s and early 1980s shaped the perception of a need for a policy volte-face.

Electoral considerations were occasionally used to justify the policy change, even if the argument that public opinion supported uranium mining was not always supported by evidence. This was largely the rationale that Bill Hayden (1996: 343) provided in hindsight. The wider commitment to responsible economic management was no doubt partly motivated by electoral expediency, in the sense that Labor felt the need to convince the public—and more importantly bosses and editorialists—that it had sufficiently learned the appropriate 'lessons'. The expectation—false, as it turned out—of a federal election in late-1982 could only have increased pressures for a more pragmatic stance, particularly if the party hoped to avoid a repeat of the media scare campaign referred to by Hayden during the 1980 election. The very fact of economic management's importance as an electoral issue, however, had its roots in economics' domination of politics following the collapse of the post-war boom. On the other hand, there was no doubt that electoral considerations and economic pressures were interrelated: a campaign against a party's policies by sections of the mass media and large commercial organisations can be highly detrimental to its election prospects.

An additional factor was the parallel moderation of the unions' policy on uranium. The 1975 ACTU congress had endorsed a ban on the mining and transport of the material until the release of the Fox first report in 1976 (*The Australian*, 22 May, 1976: 1). Union division on the question, however, was evident early on. In

February 1977, the AWU's national governing body elected to support the mining enrichment and export of uranium, and opposed the imposition of bans on any such activities at the behest of 'outside bodies'<sup>6</sup> (*The Age*, 3 February, 1977: 16). The ACTU then modified its position in February 1978 to allow existing uranium contracts to be honoured, while at the same time banning new mines until 'adequate safeguards' were in place (Korporaal, 1980: 1). The ACTU Congress in late-1979, by reaffirming its opposition to the mining and export of uranium, did deliver a stunning rebuke to President Hawke's desire to see the union movement accept mining at Mary Kathleen, Ranger, and Nabarlek sites, depriving the Canberra-bound leader of his dream swansong (Martin, 1979: 487, 488). The effective end to the ACTU's opposition to uranium came, however, when the executive lifted the ban in 1981, largely because it regarded the policy as unenforceable (Bowers, 1981: 13). This only paved the way for the ALP to modify its policy. As one Labor MP put it: 'The ACTU Executive has accepted reality. I now hope the Labor Party will be just as sensible' (cited in Kitney, 1981: 3).

The unions' acquiescence on uranium mining was in part a consequence of the depressed economic environment, a major contributor to the weakening of unions in the post-Whitlam era (see Chap. 15). Furthermore, the unions had suffered during this period a number of important defeats on the industrial front, putting it increasingly on the defensive (O'Lincoln, 1993: 93).

The pressure exerted by anti-uranium activists could not overcome these hurdles. The protests against uranium mining were at times compared with those against the Vietnam war (Blackie, 1977: 3; Burgmann, 1978: 9). But they had not the radicalising effect on society at large, nor did they dominate public consciousness in the same way (O'Lincoln, 1993: 98, 99). Whereas Vietnam occurred at a time of general political radicalisation, uranium's opponents battled in an increasingly conservative political climate.

All these factors contributed to the eventual decision by the ALP to preserve the existing uranium industry. Arguably, however, they were all overshadowed—if not related—to the paradigmatic shift in economic circumstances in the mid-1970s. The 'guts' (Hayden) of the pro-Hogg camp's arguments was to convince delegates of the dramatic economic consequences that would flow from inaction, and delegates were reminded of the precarious state of the Australian economy as motivation to act: the policy change was consistent with the Opposition's quest to be a responsible economic manager.

There is, however, an important footnote to this case study, that which relates to the gathering crisis in elite politics. While it was frequently argued by Labor MPs that the uranium policy about-turn was electorally wise, what has become increasingly clear in more recent times is that significant sections of the public in many countries have become highly cynical of politicians who will do and say anything to get elected, with 'authenticity' becoming a steadily more craved—if rare—attribute in political leaders, which has led directly to the triumph of

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<sup>6</sup>Presumably a reference to anti-uranium protest groups (see below).

mavericks like Donald Trump, who portray themselves as ‘what you see is what you get’, their foul-mouthed common sense contrasted to the more sanitised and slick imagery of born and bred political elites. Regardless of whether we nourish illusions that politics in capitalist society can ever be anything other than the management of the interests of big business scions—with Trump et al bound to become bogged down in the same quicksand that propelled them to power—with the benefit of hindsight decisions such as Labor’s on uranium, with all the surrounding subterfuge, can only contribute to the growing antipathy towards mainstream political institutions and leaders, which has laid the groundwork for the emergence of Pauline Hanson and the Greens (see Chap. 13 and Appendix). Furthermore, the centrality of corporate power to the uranium decision touches on another key gripe many voters have with politics, namely the sense that ordinary people are unable to get a look in compared with the clout of the one percent—a point we shall revisit in further detail in the Postscript.

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## Chapter 10

# Policing the Unions: The Labor Opposition and the Accord

This chapter holds that the centrepiece of Labor's policy platform leading up to the 1983 election, the Accord, was as much about economics as industrial relations, in the sense that, by allowing the ALP to pledge a reduction in inflation via wage restraint, minus the confrontationalism of the Coalition's policies, it could promise 'responsible economic management'. Additionally, witness the relative security with which Labor could guarantee that economic recovery would not be derailed by strikes, from which unions would refrain as part of the Accord, whose evolution is unintelligible except against the backdrop of a depressed economic environment, and the attendant need for Labor to control the unions, lest wage increases threaten the goal of restoring profitability.

For the unions' part their partnership of the Accord indicated their weakened state in the harsher economic climate, which historically has led labour to seek 'political' solutions to its problems. This was in direct contrast to the militancy of the pre-Whitlam period, when unions were able to use their independence and strength to fight their own battles, and to press Labor for policy concessions where relevant. A trade union movement less able to influence the FPLP—in part, because of the now falling rate of union density—meant that what had been a radical source of extra-parliamentary pressure on the party in the lead-up to 1972 was gone. Thus, along with the changed economic environment, a weakened union movement emerges as an important factor in the direction of this Labor Opposition.



## The Development of the Accord

The main motivation behind the Prices and Incomes Accord<sup>1</sup> was to achieve what Fraser could not: wage restraint *voluntarily* exercised by unions, and aimed at reducing inflation, and improving the conditions for profit generation. What was ostensibly an industrial relations policy thus lay at the centre of the Opposition's overall economic strategy. Bill Hayden, when not panicking delegates in relation to threats emanating from uranium mining policy, told the 1982 national conference that the Accord would be 'the cornerstone of successful economic management for a Labor government...' (cited in ALP, 1982: 217, 219). The centrality of the Accord at this time matched the program's importance to Whitlam (Evans, 2001: 50). Hawke described it as 'the central core' allowing Labor to revive the economy and increase employment (cited in ALP, 1982: 225).

The first step in the prices and incomes policy's development was taken at the 1977 national conference, where delegates voted against ruling out the prospect of one being negotiated between a Labor government and the unions. Left-wing opposition, along the lines that unions ought to be free from government interference, was easily brushed off (*The Age*, 5 July, 1977: 13). The policy was further developed at the following conference two years later, where it was at the centre of a great spectacle. As chair of the committee responsible for developing the Accord, which involved the attainment of constitutional powers to control incomes as well as prices, Hawke was humiliated when Hayden brokered an alternative deal with the support of left-wing delegates (Rawson, 1980: 96). The acrimony generated between the pair over the policy did not, however, reflect deep-seated political or ideological differences. Hayden, drawing on the experience of 1974 when unions helped defeat the Whitlam government's attempt to secure constitutional power over incomes, stressed that the policy would be untenable without their consent (cited in ALP, 1979: 200, 201). The committee's proposal, by contrast, desired a referendum, with or without union support, to gain the necessary powers (Rawson, 1980: 96). *The Australian Financial Review* (AFR, 1979: 2) was among the few media observers to not get sidetracked by the leadership rivalry between Hawke and Hayden, which the former eventually won,<sup>2</sup> perceptively commenting that the policy outcome reflected 'an important realisation by the Labor Party that wage increases must be limited in current economic circumstances, and that some form of "social contract" with the unions is necessary for responsible economic

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<sup>1</sup>Negotiated in February 1982 between the peak trade union body, the ACTU, and the ALP, the Accord contained a number of elements, including price surveillance, changes to the tax system, a higher 'social wage', and indirect measures aimed at influencing non-wage incomes such as dividends, capital gains and rent (ALP/ACTU, 1983). As we shall see, however, its main function was to prevent wage rises.

<sup>2</sup>Hawke lost narrowly to Hayden in a leadership ballot in mid-1982 but the latter stood down, after being pressured to do so by colleagues, just prior to the commencement of the 1983 federal election campaign, meaning that Hawke was Opposition leader for a record short period of time before becoming prime minister.

management'. Economic spokesperson Ralph Willis included it as part of 'a credible anti-inflation policy'. He did also defend the policy on the basis that it was important for the purposes of redistributing wealth (cited in ALP, 1979: 128). But it would become clear later whereupon the emphasis would lie. Elsewhere, he argued:

The requirement for trade union co-operation stems from the fact that in order to avoid inflation and unemployment, unions may in some circumstances be required to make the sacrifice of refraining from pursuing [wage] claims that in the absence of the policy they would feel confident of winning (cited in Sorby, 1980: 9).

Clearly, wage restraint was the means to the end of inflation reduction. Then-Opposition leader Whitlam gave in 1977 cautious assent to the idea of a pay freeze partly because of the precarious state of the economy (cited in Grattan, 1977: 9). Hayden, at the same time, opposed it on the grounds that it may have inflationary effects in the future when pent-up demand for wage rises finally boiled over (*Sun-Herald*, 17 April, 1977: 72). He later predicted that the Accord, with its graduated effect, would be more successful in restraining wages than would wage freezes or pauses (HRH, 8 December 1982: 3065). According to Toohey (1977: 1), unions regarded Hayden as a 'bosses' man' because of his obsession with wage restraint. Indeed, in 1982 he had insisted that, without wage restraint, there would be no 'successful economic management' (HRH, 8 December, 1982: 3064). The possibility that unions might represent an obstacle to restraint even prompted some senior ALP figures to consider divorcing the industrial wing of the party (Kelly, 1984: 69).

*The Age* (1983a: 13) thus argued correctly that the policy was 'in fact concerned primarily with wage restraint'. The experience of the Accord in hindsight vindicated this analysis (Bell, 1997: 15). The one-sided nature of the policy was demonstrated when Hawke dismissed ACTU proposals for an 'excess profits' tax on the basis that such a proposal was unrealistic given the then poor state of the economy, and when he affirmed that the policy would not restrain profits (cited in Schneider, 1983: 1; Burns, 1983: 11). The formalised agreement between Labor and the ACTU, signed in February 1983, was notably vague and heavily qualified in its promise to restrain non-wage incomes:

In the absence of comprehensive prices and incomes powers there will be no federal power to directly control most of these incomes but a substantial array of indirect measures is available, the use of which *could considerably influence* the level of these incomes and ensure that they receive consistent treatment with other workers. These mechanisms *should ensure* that incomes of these groups *in general* do not move out of line with *movements* in wages and salaries (ALP/ACTU, 1983: 3, 5; emphasis added).

In practice, the Accord placed few restrictions on non-wage incomes; in fact, profits rose under the policy (Johnson, 1989: 102). The equation of wage restraint with that of non-wage incomes, however, was always flawed. As Cliff (1975: 43) argued in the context of the social contract engineered by Britain's Wilson Labour government in 1974, even if profit levels were restrained at the same rate as wages, a social contract would still be inequitable: 'For the points from which the worker

and the capitalist start are quite different. Five percent added to a weekly wage of 40 [pounds] is nothing like 5% added to a profit of 1 million [pounds]’.

Although it was often insisted that the Accord was not simply about reducing inflation but also redistributing wealth, it was clear that, in reality, the policy was little more than a variant of Fraser’s monetarist ‘fight inflation first’ approach. Hayden, for instance, argued that redistributing income depended upon strong economic growth, which would not be possible with high inflation; the Accord, in turn, would cut inflationary pressures (cited in ALP, 1982: 236). That the genesis of the Accord lay partly in the desire to develop alternative means of reducing inflation was also evident in the wording of the policy on whose dotted line the ALP and ACTU signed in 1983, and which asserted that full employment could not be achieved by relying on ‘conventional economic weapons of fiscal, monetary and exchange rate policy’:

[The Accord] offers by far the best prospect of enabling Australia to experience prolonged higher rates of economic and employment growth, and accompanying growth in living standards, without incurring the circumscribing penalty of higher inflation... (ALP/ACTU, 1983: 1, 2).

Industrial relations spokesperson Ralph Willis stressed that the Accord would help keep ‘inflation under control’ (Willis & Langmore, 1983: 16). The uniqueness of the Accord, according to Hawke, lay in its capacity to allow economic expansion to proceed without fuelling inflation (cited in Gittins, 1983: 7). In his 1982 budget-in-reply speech, Hayden stated that the Accord would enable the economy to ‘progress in a systematic, non-inflationary fashion’: ‘Its objective is that growth in wages will not exceed growth in productivity plus inflation...’ (HRH, 24 August, 1982: 849, 854).

In the process of arguing the importance of wage moderation to the goal of cutting inflation, the FPLP accepted both that wage rises were the primary cause of inflation, and consequently that wage restraint should be a lead remedy. Wage increases, to the extent that they are in turn passed on by employers in the form of higher prices, are, of course, one factor contributing to inflation. But it can be argued that wage rises follow price increases at other points of the economy. As Parkin puts it, in a labour ‘market’ wages are ‘just another set of prices and, if the prices of commodities are increasing, then the chances are that the price of labour will be increasing...’ (Parkin, 1976: 79). The 1974 ‘wage spiral’ occurred in the aftermath of the OPEC oil price hikes and the inflationary pressures of the Vietnam war (O’Lincoln, 1993: 236: 237). As Turner and Sandercock (1983: 132) have argued, it was therefore unjust to ask trade unionists to carry the burden of inflation since ‘the workers could not be held responsible for the free-enterprise system and its manifold deficiencies.’

Labor leaders emphasised the ‘voluntary’ nature of the Accord, but in reality the unions were presented with only one choice—Fraserist policies implemented by a Labor government. Hayden told the 1982 conference that without the Accord the FPLP would have at their disposal only ‘fiscal and monetary measures...quite brutal and severe in their impact’ (cited in ALP, 1982: 217, 219). Willis conceded

that, in the absence of the Accord, ‘we would be able to run a policy not terribly dissimilar from [that of] the present government’ (cited in ALP, 1982: 249).

It should by now be abundantly clear that the Accord was principally about wage moderation and reducing inflation. However, in essence, the Accord’s *raison d’être* was to achieve what Fraser could not: a reduction in wages through cooperation with the hapless unions, or what Hawke dubbed ‘peer pressure’ (cited in O’Lincoln, 1993: 228). As Korporaal (1980: 7) put it: ‘The ALP’s bargaining point in this scenario is that it is...in a far better position to control the pressure on wages because of its relationship with the union movement’. Hayden himself acknowledged ‘that moderation on both prices and incomes is essential. However, there is a different way to approach this matter...’ (HRH, 8 December 1982: 3061).

On behalf of the unions, ACTU secretary Bill Kelty made the remarkable comment that in the circumstances ‘wage and salary earners ought to be prepared to accept lower living standards that [sic] they would otherwise be entitled to’ (cited in Gordon, 1983: 1). This is, of course, precisely what occurred under the various stages of the Accord through the 1980s and 90s: real wages fell, while the profit share of national income rose, compensation for which was not adequately delivered in adjustments to the social wage (Bramble & Kuhn, 1999). Meanwhile, continued low economic growth provided the justification for cuts to public sector spending (Johnson, 1989: 97, 98).

That the unions were so willing a party to this<sup>3</sup> was a measure of the decline of the trade union movement post-1975.

## The Accord and the Union Movement

According to Peetz (2002: 66): ‘The Accord was widely and correctly seen by commentators as representing an increase in union power at the peak level.’ In fact, it can be argued that the trade union movement’s partnership of the Accord reflected its *lack of power* during the post-Whitlam period vis-à-vis the pre-Whitlam years when rising levels of industrial action were an indication both of the movement’s confidence in its ability to achieve through direct action significant improvements in wages and conditions, and of its independence from the politicians.

Unions historically have gravitated towards parliamentary solutions and away from direct action during economic downturns when the bargaining power of workers is considerably curtailed, and when employers are, owing to tougher commercial conditions, far more reluctant to grant wage rises (Turner, 1979: 82). The Accord thus represented a turn to ‘politics’ on the part of unions at a low point in the economic cycle. As Willis explained with refreshing candour: ‘In an emergency

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<sup>3</sup>At the national union conference convened to vote on the policy, only one delegate, Jenny Haines of the NSW Nurses Association, voted against it (Ellercamp, 1983: 1).

situation with rampant inflation and the prospect of complete economic dislocation, the acquiescence of the unions may well be forthcoming...' (cited in Sorby, 1980: 9). ACTU Advocate Jan Marsh conceded that high unemployment since 1975 had 'reduced the industrial muscle of some sectors of the union movement' (Marsh, 1981: 93). Although a revival in economic growth in the early 1980s, and the collapse of wage indexation in 1981, saw the unions respond with a 'wage push', the recession beginning in 1982 brought this to an end, serving only to demonstrate the underlying weakness concealed by the push (O'Lincoln, 1993: Chap. 11; Hearn, 1983).

Unions in such circumstances either accepted outcomes they would previously have resisted, or met them with tactics other than direct action. In 1982, in relation to an attempt by Norton Pty Ltd in Sydney to cut its workforce's wages, one union leader conceded: 'In normal circumstances, if times were good, there's no doubt about what you'd be doing about a proposal like this—you would be out the door so fast it wouldn't be funny' (cited in Taylor, 1982: 1). Thus, many unions chose to forego pay increases, and to accept voluntary retrenchments, early retirements and Christmas shut-downs in a desperate effort to protect employment (Hearn, 1983: 97; SMH, 1982: 6).

Clearly, the state of the union movement was considerably weaker than during the first period of Opposition studied. As late as 1975, in the aftermath of the highest ever number of working days lost to industrial disputes the previous year,<sup>4</sup> one manager urged business leaders to face the fact that 'organised labour has reached the stage where it can call the tune' (Clark, 1975: 7, 8). If the pre-Whitlam period was one in which the unions, by virtue of their industrial power and independence, partially regained control of the party, then the post-Whitlam period was one during which the politicians reasserted their authority. The acceptance of the Accord reflected both a lack of confidence in the union movement's capacity to independently achieve gains for its members, and its consequent reliance on the FPLP (Singleton, 1990: 2). Indeed, according to one account, the origins of the Accord lay in efforts by unions themselves to develop political solutions to the economic crisis and its effects on members (Stilwell, 1986: 8).

An additional potential catalyst for a turn towards 'politics' can be industrial defeat, the most dramatic illustration of which is the very formation of the Labor parties following the loss of the 1890 Maritime strike. Although plans had long been under way to form Labor parties (in New South Wales at least), 'the realisation of defeat re-sharpened delegates' determination and re-invigorated their zeal as they were...advised on all sides to go into politics' (Nairn, 1973: 39). Early trade union support for state arbitration also must be seen in this context (Howard, 1977: 261).

Industrial disputation, across most indices, remained high in the post-Whitlam period (see Table 10.1). But, taken on its own, this provides a rather misleading picture, even considering the few victories that were achieved (see Carr, 1979: 98, 99). Overall, the period saw labour suffer significant industrial setbacks, in line with

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<sup>4</sup>Around six million working days were lost in 1974 (ABS, 1977/1978: 181).

**Table 10.1** Industrial disputes in Australia, 1976–1983

Year	No. of disputes	Workers involved (000s)	Days lost (000s)/worker	Wages lost (\$'000)
1976 <sup>a</sup>	2055	2189.9	3799.2/0.773	114,552
1977	2090	596.2	1654.8/0.336	59,674
1978	2277	1075.6	2130.8/0.434	78,404
1979	2042	1862.9	3964.4/0.788	148,614
1980	2429	1172.8	3320.2/0.650	152,022
1981	2915	1251.8	4192.2/0.800	221,779
1982	2060	2158.0	2158.0/0.396	N/A
1983	1787	1641.4	1641.4/0.249	N/A

<sup>a</sup>Figures for this year are highly inflated by the strikes against Medibank attacks, which accounted for around 85% of working days lost (Hay, 1978: 32)

Source (ABS, 1983: 198, 202; ABS, 1985: 146, 147)

similar defeats incurred in other western countries such as Britain and the US (Callinicos, 2003: 2). In Australia, notable lowpoints were the defeats meted out to the Fairfax printers in 1976 and to the Latrobe Valley electricity maintenance workers the following year (O'Lincoln, 1993: Chap. 5). One account of the latter stressed the fact that, 'in the depressed economic circumstances, the strikers enjoyed the *goodwill* of other unionists...rather than *practical industrial support*' (Turner & Sandercock, 1983: 143; emphasis added). Opposition to uranium mining in the union movement, too, was eventually defeated, as we saw in the previous chapter. Furthermore, few of the celebrated 'green bans' of the early 1970s survived the building and construction industry recessions (Cupper & Hearn, 1980: 68).

Other factors, most notably poor union leadership (see further below), were crucial to defeats such as that in the Latrobe Valley (O'Lincoln, 1993: 77–93; Benson & Goff, 1979). Nevertheless, the point that the change in economic conditions affected the course of many disputes, and, indeed, the choice of tactics employed by union leaders as a result of the different environment, is indisputable. The overall effect of such defeats was to reinforce the notion that direct action was much less of a viable option in relation to gaining improvements in pay and conditions, and to increase support for political solutions. This was evident not just in the Accord and the greater dependence on the FPLP, but also in the revival of the authority of arbitration after the direct actionist sentiments that gained traction prior to 1972 (Howard, 1977: 269; Martin, 1980: 23).

Compounding the cyclical problems that confronted the union movement was the challenge of technological change, which led to large-scale redundancies for many blue-collar workers (Turner & Sandercock, 1983: 133–138). Furthermore, the expansion of union density in the years 1970–75 was checked in 1976 (Rawson, 1978: 141). This set in train a trend of falling unionisation that has continued up to the present—a significant development, given that the density rate is a major factor determining the overall strength of trade unions (Peetz, 1998: 1). Furthermore, the

influence of unions on the ALP could only have declined if union density is positively correlated with influence on the FLP (Manning, 1992: 27).

Combined with the general conservatism increasingly characteristic of politics as a whole, the effect of all these factors was to produce, in contrast to the pre-Whitlam period, a demoralised, chastened, and defensive union movement.

Lest the above analysis be considered economically reductionist, it must be emphasised that there were other important factors in the weakening of trade unions, which in turn led to an embrace of the Accord. Chief among these was the inherent conservatism of trade union officialdom, which accepts dominant assumptions about the 'national interest' and safeguarding the economy, and which tends to see itself as a responsible for the maintenance of productive industrial relations by, if warranted, making concessions on behalf of the workers it represents (Bramble, 1996). Whereas in the late-1960s and early 1970s this brake on militancy had in large part been negated by the buoyant economic conditions and the thirst amongst rank-and-file workers for direct action, during the downturn this re-emerged as a negative influence.

The change was epitomised above all by the new role of ACTU president and future prime minister Bob Hawke. During the pre-Whitlam period, Hawke had largely been associated—rightly or wrongly—with direct action, and was often the scourge of tabloid newspapers that flayed him for encouraging strikes. In the post-recession period, however, this was very far from the case (e.g. AFR, 1977: 2). Hawke had opposed the referendum initiated by the Whitlam Government in 1973, and which sought federal power over incomes and prices, but by 1979 he had reversed his position (Rawson, 1980: 96). Hawke made it clear in an interview given in 1976 that the shift to a high inflation and high unemployment economy required him to 'conduct myself in a way which is relevant to these changed economic circumstances' (cited in Walsh, 1976: 6). Seeking to establish his credentials as potential FLP leader, Hawke increasingly adopted a statesman-like posture, stressing the 'national interest'. This was the substance of, for example, the development of an ACTU plan for industrial peace presented to Cabinet in 1977 (Rentsch & Basile, 1977). Whereas Hawke once rejected the separation of political from industrial matters, he now warned unions to be 'careful' not to stray too far into 'political areas' (*The Australian*, 25 June, 1979: 3). During the pre-Whitlam years, the left had been Hawke's support base on the ACTU executive. Now, however, he enjoyed 'a 13–5 majority on most issues because of the combined strength of moderate and Right-wing officials' (Basile, 1977: 12). Hence, the increased frequency with which Hawke clashed with leftist union leaders (Colless, 1976a; Colless & Caruso, 1976; Colless, 1976b).

While mass movements and structures largely make historical change, individuals can at crucial points be pivotal to the outcome of events (Barker, Johnson, & Lavalette, 2001; Callinicos, 1989). Hawke's role, both in the union movement and the wider party, was important during this era. His impact, however, would have been greatly reduced were it not for the fact that he was not alone amongst union officialdom in urging caution and restraint at this time, for there was a general shift in the political complexion of the trade union movement to the point where the right



dominated ACTU congresses (Davis, 1977: 7; Martin, 1977; Taylor & Pemberton, 1981: 1). Building Workers' Industrial Union national secretary Pat Clancy identified in 1979 a section of the union movement 'which honestly holds the view that there should be no wage increases at all and that there should be some sort of wage contract, provided we get indexation' (cited in Martin, 1979a: 3). Astonishingly, the ACTU's official newspaper in late-1978 opened with the statement: 'Real wage increases in the immediate short term should be forgone...' (cited in Martin, 1979b: 3).

Witness the ACTU executive's 1982 offer to the federal government of a six-month wage freeze in return for, among other things, a seat at the table of the premiers' conference (Short & Martin, 1982: 1). This epitomised the unions' turn to politics. Even if it is accepted that the Accord conferred on unions privileged access to the policy-making process, what must be remembered is both the disappointing results produced in spite of this access, as well as the *a priori* sacrifice endured in order to get there—namely wage restraint, that is workers' accepting less of what was rightfully theirs.

## The Post-Whitlam ALP-Union Relationship

The Accord also reflected a more strained relationship between the political and industrial wings, as well as the latter's perception of the unions as an electoral liability (e.g. Cameron, 1978; Whitlam, 1978: 21; APSA, 1979: 87–90). Labor sought to nullify this liability by promising, via its 'special relationship', to achieve wage restraint through cooperation rather than confrontation (Kelly, 1992: 23). The ALP's first ever serious discussion of the reduction of trade union influence in the party occurred during the post-Whitlam period as part of the NCOI (Sanchez, 2002: 11). Indeed, some senior FPLP members, including Ken Wriedt and John Wheeldon, wished the party to sever links with unions because of the latter's apparent low standing in the community (Kelly, 1984: 69). As Fig. 10.1 demonstrates below, the FPLP's doubts about the worth of retaining its relationship with organised labour were widely perceived among (sexist) mass media proprietors.

The Accord also reflected the FPLP's judgement of the record of the Whitlam government, which, it was felt, had been unable to keep the ACTU on a short leash (Kelly, 1999: 233). Keating (1998: 50) later contrasted the success of the Accord in quelling union unrest with 'the industrial mayhem of the Whitlam period'. The Accord would help to avert strikes and wage increases considered irresponsible in precarious economic circumstances. If criticism by ALP politicians of industrial action was almost non-existent during the pre-Whitlam period—indeed, strikes were strongly defended—the response during the post-Whitlam period was very different, when strikes were frequently the subject of stinging attacks. Relations between the political and industrial wings had soured under the Whitlam government (Singleton, 1990: Chaps. 4 and 5). But clearly this did not change when Labor was liberated from the responsibilities associated with managing the state.





**Fig. 10.1** Labor and the unions under Hayden. *Source* *The Australian*, 14 June, 1978: 8

At a media briefing prior to the 1979 federal conference, Bill Hayden issued a stern warning to striking Telecom workers that, if they did not lift bans in accordance with the demands of the arbitration commission, they would not enjoy the ALP's support. Laurie Oakes wrote that:

ALP strategists listened to Mr Hayden's comments with some delight, convinced that they would help the party electorally. But there was also some surprise. No other Labor leader in recent years had been prepared to promise only selective support for industrial action by trade unions (Oakes, 1976: 6).

In a speech in parliament the same year Hayden made it clear that ACTU policy and ALP policy were not one and the same (HRH, 13 September, 1979: 1142). In strident terms, Hayden attributed defeat in 1979 at the South Australian state election partly to the 'foolish and disruptive behaviour' of some trade unions (cited in Bowers, 1979: 2):

In the past, it has happened that some unions have done silly things and there has been a tendency to automatically try to cover up or protect them.

Well, to hell with that.

If they do silly things, I am not going to see the Labor Party destroyed (cited in SMH, 19 September, 1979: 2).

Now safely ensconced in parliament, Bob Hawke took a line against unions equally as hard as that of his leadership rival, declaring that '[m]any strikes which

occur should not occur' (HRH, 12 March, 1981: 723). At the conference that ratified the Accord, Hawke reminded the unions who was boss:

We as a government will certainly not be your hand maiden and this historic document makes it clear you do not expect that... [T]here will be *just as much opportunity for consultation with the employers* as with you (cited in McGregor, 1983: 99; emphasis added).

Conflict between the political and industrial wings of Labor was not new; it went as far back as at least 1876 when the New South Wales Trades and Labour Council stopped the salary of politician Angus Cameron after he publicly claimed to be beholden to his electors rather than to the unions (Nairn, 1973: 17). Nevertheless, the tension between the two wings was more heightened during this period than during the pre-Whitlam period of Opposition. The Accord reflected this in the sense that the FPLP increasingly viewed the union movement as an electoral liability, which it sought to nullify by promising to deliver via its 'special relationship' what the Fraser Government could not. The Accord signified, too, Labor's desire to avert a potential threat to its capacity to preside over 'responsible economic management': unions vigorously pursuing wage claims with industrial action.

## Conclusion

Although generally viewed as an industrial relations policy, the Accord formed the centrepiece of Labor's commitment to responsible economic management. By using its links with the unions, Labor was able to promise lower inflation via wage restraint, without the confrontational aspect of Fraser's approach. Industrial 'peace', a concomitant of the Accord, would allow for economic recovery and healthier profitability.

That the unions so willingly accepted a fall in living standards on behalf of their members said much about the weakened state of the movement post-1974. Hurt by the economic climate, unions turned to the FPLP for their salvation, in contrast to the period prior to 1972 when unions acted independently of the political wing, and when direct action was often the first port of call. More subdued, less confident to independently defend its interests, and hit by declining density, the union movement was much less a source of radicalising pressure on the party, which in turn viewed its industrial partner with increasing suspicion because of the perceived electoral implications of closely associating with it.

The Accord was to prove costly to both the unions and the ALP. As we shall see in Part IV, the decline in living standards coincident with the Accord would not have helped Labor to retain the support of its traditional constituency, large numbers of whom deserted the party at the 1996 federal election. Falling density has also contributed to the increasingly fragile electoral position of the ALP. This, in turn, has fed into, directly or indirectly, the anti-politics of early 21st century

Australia, and shaped the terrain on which the rise of populists such as Pauline Hanson has occurred (see Appendix). The 1996 federal election was a catastrophe for the ALP, from which it has never really recovered—and the Accord bears some responsibility for that.

The union movement, for its part, continued to decline under the Accord years, and emerged at the end of it much worse for wear. This, of course, was the product of a range of factors, but the Accord clearly was a major one. The discontent sowed among trade unionists as a result of this contributed to the fact that, at the turn of the century, Labor-union ties were arguably more frayed than they had ever been. This, in turn, created a number of dilemmas for Labor, such as questions about what it stands for, and who its main constituency is (see Chaps. 16 and 17).

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## Chapter 11

# Conclusion to Part III: Chalk and Cheese: A Comparative Assessment of the Whitlam and Whitlam-Hayden Periods (1975–1983)

In the post-Whitlam period, the change in economic conditions was the central driver of Opposition behaviour. The politics of restraint and sacrifice—expected only of workers and the poor—infused every area of policy and debate. The significance of the destruction of the economic basis of the program wrought by the collapse of the post-war boom cannot be overstated. The party largely abandoned any pretence to major social reform on the basis that sound economic management was the overriding objective—and it has never returned to it, at great cost not only to many Australians but also to the party itself, from which many ‘true believers’ subsequently fled.

However, in hindsight this also means that a factor largely neglected in the examination of the pre-Whitlam period—namely the relatively buoyant economic conditions—was, in addition to factors such as political radicalisation, highly influential in the overall direction of the FPLP during those years. As was noted, the program’s genesis was in the late-1960s, and was predicated on the assumption of continued high economic growth. When the promise of this growth came to an end in 1974, Labor promptly abandoned the program.

As with the first Whitlam Opposition period, the ALP’s overall political direction in the aftermath of the dismissal and the subsequent election had much to do with the political environment in which the party was then operating. In contrast to the radicalising influence of the late-1960s and early 1970s, the post-Whitlam period was characterised by pessimism, caution, and self-discipline, largely caused by the sharp turnaround in economic fortunes. Any optimism about brighter futures gave way to bleak assessments of what lay ahead. Whereas Whitlam had proclaimed uplifted horizons for the Australian people, Hawke offered ‘no miracles’ (cited in Maddox, 1989: 84).

The return of mass unemployment recreated job insecurity, and workers accepted lower living standards. As a result, the trade union movement lost much of the bargaining power it possessed in the late-1960s and early 1970s, and density began its long fall in 1975, which in turn negatively affected the unions’ ability to influence Labor. Whereas the industrial wing was a radicalising force in the

previous period, it now at times (e.g. uranium) was a conservativising force. Increasingly tempestuous relations between unions and the FPLP grew out of the political wing's adoption of a more hostile stance towards the unions out of fear for the electoral repercussions of its associations with labour, as well as the potential threat they posed to 'responsible economic management'. Strikes, rarely, if ever, criticised in the lead-up to 1972—in some cases, they were praised—were frequently the subject of attack by senior Labor figures. Direct action was no longer seen as an expression of workers' inalienable right to defend their living standards, but rather as a threat to the prudent management of the economy.

The change in circumstances also altered the party's factional balance of forces in favour of the right, whose political inclinations swam with the conservatism of the tide of the late-1970s and early 1980s. Whereas left spokespersons such as Cairns and Uren were the public face of Labor in the late-1960s and early 1970s, they were usurped in this role by factional counterparts such as Hayden and Keating in the late-70s and early 80s.

The anti-Vietnam war movement, so important a radicalising pressure on the ALP prior to 1972, was no longer in the equation, and the student movement in the Hayden period distanced itself from its rebellious predecessors—further evidence of the general move to the right in politics, domestically and internationally, in stark contrast to the run up to 1972.

Whereas the Opposition's most recent experience in government was not a factor in the first period, the enduring conclusion in the ALP that the Whitlam government had tried to do 'too much, too soon' shaped considerably the direction of the Whitlam-Hayden Opposition. This vindicated one proposition arising from the broader research about the effects on an Opposition party's direction arising from its reflection on the experience of government. This conclusion about the Whitlam government, however, was forged in the dour post-1974 era, and for this reason—in addition to many others—can hardly be said to be the result of an autonomous choice by Labor about its future direction.

The Whitlam-Hayden period of Opposition demonstrated that the party does not necessarily shift leftwards when deprived of office and exposed to greater influence from extra-parliamentary forces. The chief reason it did not shift right, of course, was the markedly different economic and political conditions faced in the post-Whitlam period. Hawke's victory in 1983 in the midst of virtual economic depression prompted *The Age* to warn that Labor faced 'perhaps the most difficult year any Government will have had to face since the war', and it implored Hawke to 'dampen unrealistic expectations that his messianic appeal may have aroused among his followers' (*The Age*, 1983b: 13). The paper need not have worried, for the Hawke and Keating governments, in keeping with the direction pursued in Opposition, went on to become arguably the least reformist of all Labor administrations. The cumulative record of these governments both drove Labor back into Opposition in 1996, and, as we shall see in the next section, created a political and ideological quandary for it when it landed there—one from which it is yet to recover.

**Part IV**  
**The Party Under Beazley (1996–2001)—**  
**Another Step to the Right**



## Chapter 12

# Introduction to Part IV: The Party Under Beazley (1996–2001)—Another Step to the Right

In the wake of the crushing 1996 federal election defeat, Labor faced one major question about its future political direction: would it continue in the Hawke-Keating economic rationalist mould, or would it aim to recapture the ‘true believers’ by charting a more interventionist path aimed at, in the words of the party’s favourite son Ben Chifley, reaching the ‘light on the hill’, or ‘better standards of living’ for the ‘mass of the people’? (Chifley, in Crisp, 1961: 414).

Chapters 12–16 of this book demonstrate that the Beazley Labor Opposition chose the former. While Labor did initially distance itself from the Hawke-Keating model with some token proposals for re-regulation in industrial relations and a pause in tariff reform, it continued to argue the case for free trade, and for fiscal stringency, and was, like its Coalition opponents, largely a globalophile. Unlike the ALP Opposition that followed Whitlam, Beazley Labor did not repudiate its governing predecessors. Nor was there anything like the same kind of soul-searching about the party’s future direction. This was particularly the case in economics, where Labor stuck fast to the belief that its ‘reforms’ in government had been both unavoidable and fruitful. In sum, there was considerable continuity between the Hawke-Keating years and the Beazley Opposition.

The reasons for this are multifarious. While economic rationalism rarely gets a sympathetic hearing in the wider population, since the fall of the Berlin wall social democrats across the western world have been unable to posit alternatives to market economics. The overall economic environment, despite hype about the boom in the Australian and American economies in the late 1990s, was not conducive to a return to Whitlamesque ‘taxing and spending’: the crisis of profitability that first emerged in the late-1960s was not overcome. The advent of globalisation arguably placed even greater scrutiny on the fiscal policies of nation-states, with the effect, again, of militating against policy variations between political parties. Labor’s support for globalisation and economic rationalism rendered it unable to prescribe a genuine policy alternative to that of the government. This, in turn, hemmed Labor into the adoption of what became known as the ‘small-target’ strategy, which identified a path back to power in community anger towards the incumbent, rather than

enthusiasm for the Opposition. While there was a clear, identifiable theme running through both the first two periods of Labor in Opposition—respectively, a political radicalisation caused by the growth of social movements, and a retreat from programmatic-style reform as a result of operating in a new economic paradigm—it is perhaps not surprising that there lacked such a clear theme during the Beazley years, when Labor faced a barrage of criticism for not detailing its policies.

Another factor in the continuity between government and Opposition was the further decline of the trade union movement. The anti-capitalist movement that took centre stage at the Seattle world trade talks in late-1999 had, at least in Australia, neither enough of the physical size nor impact of, say, the anti-Vietnam war movement, to radicalise Labor, although this also partly reflects modern Labor's greater estrangement from grass-roots activists. The social and economic conservatism of Labor's leadership, in particular that of FPLP leader Kim Beazley Jr. (hereafter, Kim Beazley), would surely have contributed to Labor's rightward drift. But it is argued that the conservatism of the ALP's leadership reflected the crossroads at which Australia's oldest party was stranded at the beginning of the new century: compounding the ideological crisis inherent in the uncertainty about what contemporary Labor stands for was a declining and inactive membership, falling electoral support, and a narrowing in the social composition of its MPs.

This chapter begins by analysing the party and public reactions to its defeat at the 1996 election. Chapter 13 looks at the overall direction of Labor from 1996–2000. The argument that it continued in the Hawke-Keating vein is amply demonstrated in Chap. 14, where the party's attitude to globalisation is described and analysed. Chapter 15 details the 'small-target' strategy, the final stage of which was the party's 'me-too' response to the *Tampa* refugee crisis and the September 11 World Trade Centre terrorist attacks, events and themes that would come to dominate the 2001 federal election, where our coverage of this period ends.

## **On the Brink of Annihilation: The 1996 Federal Election and Labor's Response**

The ALP suffered an historic defeat at the 1996 federal election, one comparable in scope to the shattering demise of the Scullin government during the great depression, and the crushing losses to Malcolm Fraser in 1975 and 1977 (Carman & Rogers, 1999: 1; Bowers, 1996: 11; Gordon, 1996: 1). The party lost 31 seats, and its primary vote fell to its lowest level (38.75%) since 1931 (Ramsey, 1996: 37). The ALP's TPPV fared a little better (46.37%). But even here there still was a net swing against it of 5.1%: only the 1969 and 1975 polls recorded larger shifts in electoral opinion (Warhurst, 1997: 13; Jones, 1997: 1; Green, 1996: 4). Some 600,000 voters, 'people who all their lives voted Labor', according to then-national secretary Gary Gray, deserted Labor (ABC *Four Corners*, 24 February 1997). Eight former Labor ministers lost their seats, while Opposition leader-elect Kim Beazley

went perilously close to losing his own seat in Western Australia (Warhurst, 1997: 13; Chan, 1996: 7).<sup>1</sup> Beazley conceded that the ALP was almost ‘annihilated as a parliamentary entity’ (HRH, 19 June 2000: 17551).

A key feature of the post-mortem was the recognition of Labor’s loss of support amongst working class voters. Then-national president Barry Jones claimed that exit polling results demonstrated a dramatic fall in Labor’s vote among low-income earners, while those on middle-class incomes stayed relatively loyal to the ALP (Jones, 1997: 1). The Liberal Party’s campaign director Andrew Robb pointed to internal party polling indicating the Coalition’s winning of 47.5% of the blue-collar worker vote, compared to Labor’s 39% (cited in Jones, 1997: 1). While the swing to the Coalition was virtually across the board, the glaring statistic was the increase in the Coalition’s vote amongst higher-income, blue-collar workers, and lower-income, white-collar workers: ‘They were Labor’s base’ (cited in *ABC Four Corners*, 24 February 1997).

Robb’s assertions were supported by research in the state of Queensland indicating that the party suffered significant declines in support among ‘labourers and related workers’ (−13.7%), ‘tradespersons’ or retired tradespersons (−10.6%), and ‘plant and machinery operators’ (−4.5%) (Singleton, Martyn, & Ward, 1998: 4). Whereas in 1993 Labor enjoyed the support of 61% of Queensland voters from these three categories, compared with the Coalition’s 34%, in 1996 only 33% supported Labor, and 60% the Coalition. Singleton, Martyn and Ward conclude on the basis of this, as well as statistics showing a fall in support among those in Queensland classified as ‘clerks’ (−7.4%) or ‘sales persons and personal service workers’ (−9.9%), that the anti-Labor ‘revolt’ by low income earning voters may be the ‘root cause of Labor’s failure in 1996’ (Singleton et al., 1998: 4, 5, 8). Examining Australian Election Studies (AES) data, Bean (2000) similarly uncovered that, while the fall in support for Labor in 1996 was particularly salient among ‘manual’ workers, there is nonetheless a clear trend away from Labor among the ‘semi-skilled and un-skilled’, those in ‘trades’, ‘clerical and sales’, trade union members as well as non-members, and those who consider themselves working class (see Tables 12.1 and 12.2). On the other hand, the data also show that in 1996 Labor’s vote among ‘non-manual’ workers,<sup>2</sup> ‘paraprofessionals’, ‘professionals’, ‘managers’, and people who consider themselves middle-class either remained near what it was in 1993, or even increased. It seems clear from this that there occurred a major loss of support in 1996 amongst people traditionally considered as Labor voters.

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<sup>1</sup>Not until more than a week after the election was Beazley in a position to claim victory (Irving & McLean, 1996: 2).

<sup>2</sup>If we adopt the approach that the working class includes those who exercise little or no control over the production process, and that the middle-class includes those who retain more autonomy over their labour—such as managers or small-business people—then the category ‘non-manual’ is likely to include within it both working and middle-class people. The same could be said of the category ‘manual worker’, although it could be argued that this grouping would contain within it a lower proportion of middle-class workers owing to the nature of manual work.

**Table 12.1** The 1993 Vote  
(percentage support)

	Labor	Coalition	Other	Total
Manual	59	33	9	100
Non-manual	38	49	13	100
Semi-skilled and un-skilled	64	30	6	100
Trades	52	36	12	100
Clerical and sales	43	46	11	100
Paraprofessionals	38	47	15	100
Professionals	41	38	20	100
Managers	30	62	8	100
Farmers	7	87	6	100
Union members	61	28	11	100
Non-members	39	50	11	100
Subjective working class	55	37	9	100
Subjective middle class	35	53	13	100

Source Bean (2000: 76–79)

**Table 12.2** The 1996 Vote  
(percentage support)

	Labor	Coalition	Other	Total
Manual	44	43	14	100
Non-manual	36	50	14	100
Semi-skilled and un-skilled	47	39	13	100
Trades	40	46	14	100
Clerical and sales	33	51	15	100
Paraprofessionals	45	43	12	100
Professionals	41	42	17	100
Managers	29	58	13	100
Farmers	14	84	2	100
Union member	55	32	13	100
Non-member	31	54	15	100
Subjective working class	45	42	13	100
Subjective middle class	33	53	14	100

Source Bean (2000: 76–79)

The party's economic rationalist policies, and the pain they caused, were held responsible for the savage voter backlash. Labor MP for Melbourne Lindsay Tanner nominated economic insecurity, and the failure of enterprise bargaining to award just pay increases to many, drove voters away from the ALP (ABC *Lateline*, 13 March 1996). Fellow young gun MP and future party leader Mark Latham argued that voters, far from rebelling against Mabo or the perceived arts fascination of Prime Minister Keating, wanted Labor to prioritise 'basic standard of living issues

in working class areas, to grapple with the sort of uncertainty that people face...’ (ABC *Lateline*, 13 March 1996). Barton Labor MP Robert McClelland attributed ‘a lot of the blue-collar assault on the Labor Party’ to the ‘perception that every time they wanted a wage increase they had to sweat blood for it’ (HRH, 21 November 1996: 7231). Using terms such as ‘productivity’ and ‘efficiency’ around constituents was not a wise move, recalled Senator Nick Sherry: ‘[Y]ou would have thought I had poisoned their drink, as their eyes glaze over when I talk about these sorts of terms.’ Lauding productivity and efficiency was, he claimed, ‘a good way to end your life’<sup>3</sup> (SH, 2 September 1997: 6212).

Support for this conclusion is found in research by Singleton, Martyn and Ward, who surveyed Queensland ALP members who failed to renew their membership in the year preceding the election. They found that blue-collar workers were over-represented amongst the ex-members, and that around a third nominated as the reason for leaving the party the fact that Labor’s policies in government ‘didn’t help workers’, with approximately a fifth citing the ALP’s abandonment of ‘its traditional values’ (Singleton et al., 1998: 6, 7). One Labor electoral booth worker recounted his own personal story of retrenchment following the merger of Australian Airlines and Qantas—a decision taken by the Labor government without any discussion in the party, he complained—and he proposed to the defeated prime minister Paul Keating that the ALP needed to refocus:

on the real reason for the existence of the ALP which was to help ordinary people ... A secure job. A decent standard of living. And a good Australian way of life, rather than within the unlimited boundaries of the big picture which have no day-to-day relevance for them (Lambourne, 1996: 14).

Lindsay Tanner’s reduction of the result to ‘change fatigue’ ignores the fact that change can be either positive or negative (Tanner, 1996: 11). As Ross Gittins put it, change under Labor ‘hadn’t left us feeling better off. In some respects we were distinctly worse off’ (Gittins, 1996: 17). This is why it is mistaken to interpret the glowing economic data on the Australian economy produced around the time of the election as proof that economic factors were not central to the outcome (e.g. Thompson, 1999: 43). Kim Beazley himself conceded that the party’s core constituency had deserted it because it was ‘blue-collar workers and their families... who have carried the burden of technological and economic change in society over the last decade’ (cited in Gordon & Taylor, 1996: 1). Michael Carman and Ian Rogers cited some damning statistics at the end of Labor’s term in office: 800,000 people out of work, despite five years of post-recession economic growth; lower real wages, so that a process worker earned \$100 a week less (in real wage terms) in 1996 than in 1983; a two-hour increase in the full-time worker’s average working week; and the fact that less than half the jobs created post-recession were full-time. Carman and Rogers (1999: 1) ask: ‘With a record like this, was it any surprise Labor’s electoral base deserted the party in droves on March 2 1996?’ Journalist

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<sup>3</sup>In an eerie footnote to this comment, Sherry himself later attempted suicide after he was accused of rorting his parliamentary entitlements (Milliken, 1997).

and documentarian John Pilger drew attention, *inter alia*, to the rise in inequality—one percent of the Australian population now controlled 20% of the national wealth, up from 10% in 1983—under Labor (Pilger, 1996: 14).

Some analysts cited the Hawke and Keating governments' love affair with neo-liberal economic policy as a reason for Labor's loss of support amongst its traditional voters. Retiring federal MP John Langmore decried the 'dominance of market fundamentalism...and the influence this has had on some of my colleagues' (HRH, 5 December 1996: 7879). According to Keating's biographer Don Watson, none of the former prime minister's predecessors was 'more passionately pro-capital' (Watson, 2002: 14). In relation to the welfare state, public ownership, progressive taxation, public spending to achieve full employment, and pump-priming to stimulate the economy, former New South Wales Labor politician Rodney Cavalier put Robert Menzies to the left of both Hawke and Keating (Cavalier, 1997: 30). Buttressing the argument that the result reflected hardship caused by free-market policies, Malcolm McGregor pointed to the fact that 3.1% of the prevailing swing against Labor went to the Australian Democrats, who were opposed to economic rationalist policies<sup>4</sup> (McGregor, 1996b: 16). Similarly, a New South Wales ALP branch report attributed the election defeat to the Government's commitment to free-markets, and called for a return to the ALP's role as a 'champion of working Australians' rather than a vehicle for the channelling of wealth to 'profits and high-flyers' (cited in Nason, 1996: 4). A draft report of the party federal campaign consultative panel released in September 1996 arrived, *inter alia*, at similar conclusions, lambasting the 'doctrinaire attitude' to tariff cuts, changes in work practices, foreign ownership, privatisation, and industry policy: '[T]he government... keenly embraced a form of economic fundamentalism and a competition agenda...' (cited in Santamaria, 1996: 22).

The perception that there no longer existed significant differences between the major parties also rated a mention in discussions of Labor's defeat. It was, for instance, mentioned in the above-cited consultative panel report. Kim Beazley conceded that voters found it difficult to discern the policy differences between them (McGregor, 1996a: S6). As Simon Crean put it, 'Nine months ago, we had a bipartisan approach on just about every policy issue, quite frankly' (Field & Lewis, 1996: 4). The lack of differentiation between the two major parties was among the issues raised at a meeting between Barry Jones and 200 non-aligned ALP members convened in May 1996 as part of the post-election national consultative review process (Grattan, 1996: A7; see further below).

Many commentators and party figures cited the government's—and its autocratic leader's—perceived estrangement from the concerns of ordinary voters (Botsman, 1996: 19; Horne, 1996: 21; Green, 1996: 4). Gary Gray admitted their fascination

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<sup>4</sup>There is, of course, debate about what the term 'economic rationalist' means, but throughout this book, the author prefers, like many others, to associate it with policies that favour markets over state intervention, even if state intervention is sometimes required to defend 'free' markets. In this sense, while full of contradictions, it is best understood as a pro-corporate policy not bound by ideological consistency. (It is used interchangeably with the term 'neo-liberalism').

with the ‘big picture’ when the ‘pain was in the detail’ (cited in Millett, 1996: 5). A left policy document released shortly after the election, ‘New Directions for Labor’, criticised the Keating government for being ‘too esoteric and removed from the majority of Australian voters’, and claimed that ‘[m]any Australians did not personally identify with the benefits of Australia’s improving position in the world economy’ (cited in Burton & Barker, 1996: 5). Being out of touch with the electorate may have had something to do with the narrow social composition of the Keating Labor Caucus. Former federal Labor MP Barry Cohen calculated that, of the 110 Caucus members, 17 were lawyers, 27 were trade union party officials, and 37 were teachers or lecturers, with the remaining 29 covering miscellaneous trades and professions. And, most of the latter had not risen from the shop floor, but had ‘gone from university to research assistant to official and then to Parliament’ (Cohen, 1996: 9).

One of the most influential interpretations of the election result saw it as a victory against political correctness (c.f. Sawyer, 1997: 73). In assessing this explanation’s validity, however, it must first be pointed out that, if anything, this had less to do with Labor’s actual record in areas such as immigration, multiculturalism, native title, or welfare than with any perception that the government was too preoccupied in these fields. In terms of immigration, for instance, Cabinet meetings often bore witness to tirades and draconian policy proposals from then-Immigration Minister Gerry Hand, particularly in relation to refugees (e.g. Blewett, 1999: 43, 173). The policy of mandatory detention of asylum seekers in remote prison-like facilities, which was to cause considerable controversy under the Howard Government from 1999 onwards, was introduced by Labor in 1992, despite its violation of a number of international conventions to which Australia was a signatory (Marr & Wilkinson, 2003: 91). The annual immigration intake under Keating fell from 122,000 in 1991 to 70,000 in 1994, before increasing again to 92,000 at the end of his term in office (Jupp, 2002: 50).

In welfare, Labor had progressively toughened access requirements, abolishing the unemployment benefit for under-18s and employing ‘hit squads’ of fraud inspectors to harass people on long-term benefits (Bramble & Kuhn, 1999: 37). The vapid concept of ‘reciprocal obligation’, where recipients were forced to undertake often pointless activities or lose their entitlements, was introduced with the Keating government’s 1994 Working Nation program (Latham, 1998: 204).

In the area of land rights for Australia’s Aboriginal population, most egregious among the disappointments of the Hawke-Keating years was the capitulation in 1984 on the commitment to introduce national land rights legislation, after succumbing to pressure from mining corporations and the West Australian Labor government (Summers, 2002: 108). Keating’s Native Title Act (1993), which had produced not a single successful land claim by the time of his departure from office, was more about delivering stability for mining and pastoral interests in the wake of the High Court’s *Mabo* decision in 1992 than about indigenous control over land: the Act and the coincident establishment of a National Native Title Tribunal amounted to nothing less than further dispossession (Bartlett, 1996).



In other exclusive policy areas reputedly enamoured of the Keating government, such as the arts, there was just as little substance to the myths (Watson, 2002: 336). Clearly, if Labor lost the election for such reasons, it was because of perceptions with no bases in reality. As Sawyer (1997: 74) put it, it was not ‘feminists, multiculturalists or Aboriginal advocates who were pressing for greater deregulation or market exposure regardless of social consequences’.

The success of anti-Aboriginal and anti-immigrant candidates such as Pauline Hanson may not have reflected support for their policies. Indeed, Hanson’s success could later be attributed in part to the electoral backlash against Labor and to the broader sense that little separates the major parties in many policy areas (see Appendix). A post-election Newspoll, for instance, found that more than half of Coalition voters made their choice on the basis of dislike of other parties (Taylor, 1996: 2). The fall in Labor’s support occurred across the electorate: double-digit declines in the party’s vote were recorded even in its safest seats (Kitney, 1996: 11). In only five of the 148 seats in which Labor stood candidates did the party improve its overall vote (Ramsey, 1996: 37). The greater economic insecurity generated by Labor’s deregulatory policies surely played a role in the rise of anti-immigration politicians such as Pauline Hanson. But as Sawyer argues, it is likely that the blue-collar backlash against Labor resulted more from the party’s adoption of ‘economic correctness’ than from anger at political correctness. Sawyer pointed to the success of Cheryl Kernot in doubling the national vote of the Australian Democrats, who were both avowedly politically correct and anti-economic rationalist (Sawyer, 1997: 74, 78). Alongside this were the rather derisory results achieved at the 1996 election by Australians Against Further Immigration (AAFI) and other anti-immigration upstarts (see Jupp, 1997: 86, 87).

In general, the election result represented far more a rejection of Labor than any real enthusiasm for the alternative, especially given that its timing coincided with heightening antipathy towards politicians (Burchell & Leigh, 2002). There was an increased willingness to vote for Independents and minor parties at the 1996 election compared to 1993 (Bean, 2000: 76–79). Indeed, after losing the ‘unlosable’ 1993 election, the Liberal Party under John Howard engineered a number of policy promises designed to present it as more moderate, including retaining Medicare, no consumption tax, support for the Native Title Act, a commitment to retaining a wages safety net and the award system, and a pledge to not gut the public service (Watson, 2002: 623). By the same token, Keating’s ascription of Labor’s 1993 victory to the merits of the government rather than to fear of the Coalition’s agenda, encapsulated in his ‘true believers’ speech on election night, was a turning point in Labor’s demise (Cavalier, 1997: 23). In short, voters wished to punish Labor in 1996, rather than reward the Coalition.

While it is arguable that the Hawke and Keating governments were the hitherto least reformist of all Labor administrations when it came to delivering for their working class constituents, this is not the same as saying that they departed from a mythical ‘socialist’ tradition of the ALP, as some have suggested (e.g. Maddox, 1996). The right-wing nature of Labor in the 1980s and 1990s owed much to the unforgiving economic circumstances that characterised the post-Whitlam phase of



Opposition (Kuhn, 1991: 359, 360). As Chap. 8 revealed, economic circumstances dictate in the large the extent to which Labor is prepared to offer reforms to its constituents. That there is a degree of continuity between ‘old Labor’ and recent Labor governments has been well demonstrated (Johnson, 1989). It is difficult to think of a Labor Government or Opposition that would not endorse Chifley’s support for a ‘mixed economy’, under which, according to his biographer, ‘a large sector would still be left to the initiative of private enterprises, which would, however, receive not only encouragement and assistance but also, whenever necessary, regulation in the public interest’ (Crisp, 1961: 416). Cliff and Gluckstein’s point in the context of British Labour has relevance here: ‘The difference between old and new [Labour] lies in the external conditions in which this reformism operates’ (Cliff & Gluckstein, 1996: 13).

Despite these similarities, the Hawke-Keating record was a thorn in the side of Beazley Labor, which sought to bring back to the fold some of the party’s traditional voters repelled by the free-market direction pursued in office.

## Conclusion

The evidence that emerges clearly from this chapter is that the 1996 federal election owed much to Labor’s loss of support among traditional supporters, manual workers, and low-income earners, and that culpability for this bleeding of members and supporters rested in large part with the free-market policies pursued under Hawke and Keating. This appeared to be recognised at all levels of the party. The question was whether this recognition would produce a disavowal of the Hawke-Keating economic rationalist model, and spark a return to a more interventionist approach. This is the subject of the following chapter.

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## Chapter 13

# More of the Same: Labor's Political Direction, 1996–2000—Continuity Between Government and Opposition

Labor's historic loss at the 1996 election posed the question as to whether the party would turn its back on the free-market direction pursued in office. This chapter shows that, although rhetorically the party leadership distanced itself from the Hawke and Keating years in the lead-up to the 1998 election, the policy substance of those years was continued under Beazley. Labor continued to believe in small government: the ALP offered, in Beazley's own revealing words, 'parsimonious social democracy'. In contrast to the previous Opposition period, when Labor poured scorn on the Whitlam government, which it claimed had 'self-destructed', Beazley Labor mounted a strong defence of the Hawke and Keating governments and their 'reforms'. The post-election national consultative review committee, while not a whitewash, failed to adequately take note of the reasons for Labor's disastrous outing at the 1996 election, proposing mainly cosmetic organisational changes rather than political ones. The review even mentioned the perception that Labor had been coopted by 'special interest groups' as a reason for Labor's defeat, which might have had some validity if the groups being referred to were big business organisations. Such a conclusion appeared to resonate with sections of the party leadership, even if as an overall explanation of the outcome of the 1996 election it was wanting.

Overall, this chapter reveals the continuity between Labor in government and Labor in Opposition. It begins by tracing the party's direction in the immediate aftermath of the 1996 federal election through to the 1998 election. It then examines Labor's response to its second successive electoral defeat, and ends chronologically with the party's 2000 national conference.

## The Aftermath of the 1996 Federal Election

In the immediate period following the 1996 election, the Labor leadership set out to convey the impression that the party had listened and learned, showing a desire to recapture traditional voters lost to the Coalition. This seems to be one reason for Labor's decision early on to oppose the Howard government's designs on industrial relations reform, the privatisation of the government-owned telecommunications company Telstra (formerly Telecom), and public spending cutbacks (Gordon and Taylor, 1996: 1). In April, the federal left faction announced plans to seek a reversal of the free-market policies that had been Labor's undoing (Barker, 1996: 5).

The Opposition seemed buoyed by the angry reaction to the Howard government's agenda as it emerged shortly after the election, in particular the major 1996 budget cuts (see Kitney, 1996a: 13). Workers in tertiary education, the public sector, and the ABC struck over budget and staff cuts, as industrial disputation in May rose to its highest level in three years (Ellicott & Simper, 1996: 1; Carruthers, 1996: 5; Davis, 1996: 3).<sup>1</sup> Most sensationally, a 'riot' broke out on the steps of Parliament House in Canberra on Budget eve, as furious workers crashed through the building's front glass doors (Gordon & Chan, 1996: 1). This process of revival of industrial disputation reached its pinnacle with the 1998 maritime dispute, when the government's close connivance with Patrick Stevedores to sack in the dead of the night 1400 members of the Maritime Union of Australia (MUA), only to replace them with non-union workers, outraged many in a context of growing job insecurity and concern about corporate thuggery. Although Labor's position on this dispute was compromised by its bipartisan support for 'waterfront reform',<sup>2</sup> it sought to capitalise on the heightened sense of precariousness caused by the company's actions, which were underwritten by \$250 million of government money set aside for the sacked workers' redundancies (see Davies, Forbes, & Birnbauer, 1998; Williams, 1998; Davis & Murphy, 1998). The ALP suggested that no private sector employee was exempt from such a manoeuvre, and pledged legislative change to outlaw such corporate villainy<sup>3</sup> (Hannan & Wright, 1998: 4; Grattan, 1998a: 26; HRH, 8 April 1998: 2797; Daley, 1998a: 4).

The 'new direction' of Labor was also evident in the commitment given in July 1996 to achieving an unemployment rate of five percent (Murphy, 1996: 4). In October, Beazley invoked Chifley when he announced Labor's strategy of 'a strong and unswerving focus on jobs and job security' (Kerin, 1996: 4; Grattan, 1996: 5).

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<sup>1</sup>For 1996 as a whole, almost a million working days were lost to industrial action—close to double the figure recorded for the previous year (Davis, 1997: 3). Nonetheless, this was still well down compared to the previous two periods of Opposition studied.

<sup>2</sup>Beazley boasted of Labor's achievements in delivering 'reforms' in office that reduced the number of workers on Australia's waterfront from 10,000 to 3000 (HRH, 8 April 1998: 2729). See also Lindsay Tanner's pro-reform comments (HRH, 8 April 1998: 2819).

<sup>3</sup>This never materialised when Labor returned to government in 2007. In fact, Labor never again wanted to be associated with the MUA, refusing to release documents showing the Howard government's complicity in the conspiracy (Cook, 2008).

When asked whether he was in the ‘traditional’ or ‘modern’ mould of Labor leaders, Beazley replied unhesitatingly: ‘I’m a traditionalist’ (cited in Scott, 2000: 15). The emphasis on job creation was contrasted with Labor’s free-market approach during the 1991 recession when then-Treasurer John Kerin attacked an ALP national conference resolution calling for employment solutions to assume the government’s top priority (Tingle, 1997a: A7). Tellingly Kerin’s successor as Treasurer John Dawkins had ridiculed the concept of job creation as ‘a form of surrender’ (Blewett, 1999: 178).

More striking perhaps was the anti-free market rhetoric adopted. For example, party vice-president George Campbell was adamant that ‘as far as the Labor Party is concerned economic rationalism is dead’ (cited in ABC *Four Corners*, 24 February 1997). Beazley informed trade union delegates at an AMWU meeting that ‘free marketeering doesn’t work in the labour market. People are not commodities’; he lambasted the failure of the ‘conservatives’ defunct economics...to recognise the social importance of work—a vital importance which goes far beyond the determination of the price at which it is bought and sold’ (Murphy, 1996: 4). This was about as radical as Beazley got, but he was still a long way from deploying the Marxist language of Labor Opposition members leading up to 1972. But Beazley was not alone in throwing a few tasty morsels to the angry unionists and traditional party supporters. Former foreign affairs minister and deputy leader Gareth Evans, meanwhile, derided the Government’s approach to fiscal economic policy as a ‘dream come true for the so-called economic rationalists—those who approach economic management wholly in terms of numerical aggregates [and] accountancy numbers and simply do not worry about the people implications of what all these numbers mean’ (HRH, 5 February 1997: 140). Similarly, Bob McMullan stated ‘we should not allow these virtues [fiscal and economic responsibility] to blind us to the fact that, ultimately, we live in a society; we do not live in an economy’ (HRH, 5 February 1997: 146).

The free market evangelism of the Keating years seemed a distant memory. Louise Dodson (1997: 1) commented: ‘The days of ‘the market rules, ok’, appear to be over for Labor’. Battin (2000: 309), meanwhile, suggested that the ALP’s post-1996 revisions on the public sector suggested ‘something of a move towards Labor’s traditional view’, although he was yet to be convinced that Labor was returning to the pre-Hawke and Keating period.

A greater emphasis on state intervention was evident, too, in industrial relations. Labor signalled a readier acceptance of state regulation, and a reduced emphasis on enterprise bargaining. Industrial relations shadow minister Bob McMullan described the policy as different from that pursued in government, and as a direct consequence of the unmistakable message delivered by voters in 1996 (Taylor, 1997a: 3). The anti-union Office of Employment Advocate would be abolished, and the ‘excessive restrictions’ on union rights of entry to workplaces wound back (Murphy, 1997a: 6). Labor would also oppose the government’s plans to partly exempt small business from laws designed to protect a worker from being sacked

without due process (Murphy, 1997b: 4). Hannan commented that Labor was replacing 'deregulation with *re*-regulation', a throwback from the pre-Keating period (Hannan, 1997a: 19). The change was qualified, however, with McMullan adding that, while the new policy accommodated an enhanced role for the industrial relations commission and awards, 'people will still have to look to workplace bargaining for improvements in living standards' (Grattan, 1997a: 13; see also McMullan, 1998: 19). Unions, for their part, criticised it for not going far enough (Hannan, 1997b: A10). They wanted, *inter alia*, nothing less than the full repeal of the anti-union Workplace Relations Act (1996), introduced by the Howard government after taking power (Hannan, 1998: 3).

At the same time as Labor was making a pitch for the insecure worker vote, there was a simultaneous attempt to develop a more arms-length relationship with the party's industrial wing. Beazley asserted that the election had wrought a 'fundamental change' in the relationship, rendering the Accord obsolete (Millett, 1996: 1). Beazley told the 1997 ACTU Congress, rather elliptically, that Labor and the unions would 'forge different links in the future' (Beazley, 1997a: 9, 10). Beazley's opposition to a new Accord seemed to be based less on an assessment that the Accord had been deleterious for workers' wages and unions' organisation (see previous chapter) and more to do with not wanting to be closely associated with unions. Bob McMullan's appointment as shadow minister for industrial relations drew praise from *The Sydney Morning Herald*, which anticipated that his respect among employer groups would help allay concerns that the ALP was too enmeshed with the ACTU (SMH, 1996: 16). An illustration of the diverging interests of Labor and the unions came with their separate submissions to the national wage case at the end of 1996, when the ALP pushed for a wage rise smaller than that sought by the ACTU (Marris, 1996a: 4). This was reportedly their first major difference over wages since 1983 (Henderson, 1997: 9).

On the union side, however, there was also an expressed desire for a more independent relationship after the unhappy experience of the Accord (Marris, 1996b: 2; Norington, 1996: 8). Not for the first time some unions made threats to disaffiliate, or at least hinted at discontinuing support for the party over disillusionment with its direction (Hannan, 1997c: 4; Long, 1997: 10). After the 2001 federal election (see Chap. 15), some speculated that a 'separation' rather than a 'divorce' seemed likely (Manning, 2002: 241).

This process gathered pace following the 1998 federal election. In place of an Accord Beazley promised only a 'dialogue' and a 'sharing of information about the direction of the economy'. His motives for having such a dialogue appear to be no different than for having one with any other 'interest group' (*Workers Online*, 2000). Simon Crean spoke in vague terms about 'a relationship, an understanding, we'll still have to do something with the trade union movement' (Oakes, 1998). In 2000, he appeared to imply that Labor's relations with the unions would essentially be on a par with relations with business: 'We will have differences but we will

argue them out in the same way we will have a dialogue with the business community' (Walker and Lewis, 2000: 38). His comments elsewhere lent support to the idea that labour was just another lobbyist: 'we are as comfortable in the boardroom as we are on the shopfloor' (Crean, 1999: 97).

Labor also distanced itself from the tariff cuts of the Hawke-Keating years, though not from the principle of free trade (see Chap. 14). Labor called in February 1997 for a freeze on motor vehicle import tariffs at their scheduled 2000 level of 15%, which was to stay in place until 2005. The party adopted a similar position in relation to further tariff cuts in the textile, clothing and footwear industry in June (Beazley, 1997b; Beazley & Crean, 1997: 31). Both *The Australian Financial Review* and Gough Whitlam, who had overseen a large cut in tariffs in government, regarded this policy shift as a retrograde step, and anathematic to the internationalisation of the economy encouraged by previous Labor administrations (AFR, 1997a: 30; Whitlam, 1997: 29). Shadow Industry Minister Simon Crean, however, was quick to assert that the policy did not constitute a repudiation of free trade (Crean, 1997: 15).

Nonetheless, Labor viewed the Howard Government's eventual retreat on further tariff reform in mid-1997<sup>4</sup> as 'a humiliating backdown by the Government and a big win for Labor, and for Australia's automotive industry workers' (Crean, cited in Colebatch, 1997: 1). Not all Labor MPs were so enthused by this outcome, however, with the 'young Turks' Mark Latham and Lindsay Tanner expressing their frustration with this victory by populism and nostalgia (Tingle, 1997b: 15; Milne, 1997: 11). This revealed a minor schism between the rising, but too cocky, members of the FPLP and the older, experienced leadership more wise to the short-term electoral need to appease traditional supporters. Whatever internal debate occurred over this policy, little of it surfaced beyond the party room, which, again, seemed in contrast to previous periods of Opposition, when public debate occurred more openly.

Labor's new position on tariffs was widely seen as a retreat. Some commentators saw Labor's policy as targeted towards the 'battlers' who defected to Howard at the election (Toohey, 1997: 16; Hannan, 1997d: 35; McGregor, 1997: 17). Others felt Beazley was going back to the 1960s and 1970s (Grattan, 1997b: 15; Tingle, 1997c: 4). *The Australian Financial Review* even lamented a rerun of Keynesianism (AFR, 1997b: 18). Michael Gordon, meanwhile, sailed closer to the truth when he dubbed the car tariff policy shift as more rhetorical than anything else (Gordon, 1997: 23).

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<sup>4</sup>This included a freeze on tariffs at 15% till 2005, after which they would be reduced to 10%; a review in 2005 of the actions of other APEC nations in moving towards the goal of 'free and open trade' by 2010; the replacement of the industry's export facilitation scheme with a program consistent with WTO rules; the phasing out of lead fuel by 2010; and a \$20 million market development package to raise exports and lobby other countries to reduce their barriers to car exports (Colebatch, 1997: 1).



## Labor Defends the Hawke-Keating Record

The general perception undoubtedly was that Labor was making a concerted effort to recapture some of the traditional voters lost at the 1996 election. However, these shifts were largely rhetorical, as Michael Gordon suggested in the case of tariffs. The policy trajectory of the Hawke-Keating years to a great extent continued in Opposition: while some of the free-market zeal of the past was absent under a Beazley Opposition more aware of some of the sensitivities among the public, the policy substance was largely retained. Whereas the post-Whitlam Opposition did make a clean break with Whitlamism, the post-Keating Opposition put no such daylight between it and Keatingism. For this reason, it is highly unlikely the term 'Keatingite' will ever conjure inside the party negative connotations comparable those accompanying the term 'Whitlamite' post-1975.

For, Beazley Labor entertained an exceedingly charitable view of the party's record in office. Employing a form of 'there is no alternative' (TINA), it was said the ALP had no choice but to pursue the path of no return. In Beazley's rosy assessment, Labor had 'formed a good federal government for thirteen years. We implemented good programs and took this nation forward' (*Labor Herald*, June, 1996: 3). Elsewhere, he was more adamant: 'We were a good government and we are not going to apologise' (Gordon and Taylor, 1996: 1). In a revisionist tribute to Keating, Beazley credited his predecessor with carrying out 'essential and difficult economic reforms which modernised our economy, breaking the back of inflation and setting up Australia for growth and prosperity in the future' (Beazley, 1996). This conveyed no sense of remorse for the policies implemented in office, and nor could it account for why voters turned so violently against them. Thus Kitney (1996b: 15) noted the 'spirited' defence of Labor's record during Beazley's first six months as leader.

Beazley was far from alone in adopting such a benign view of Labor in power. His deputy Gareth Evans maintained that 'we don't have to be other than proud of our record.... Don't throw the baby out with the bath-water' (Evans, 1996: 13). A 'retreat from the broad direction of economic issues we pursued in government' would be 'absolutely the wrong lesson' to learn (Gordon, 1996a: 4). Evans added that 'the values and visions will remain basically the same' (cited in SH, 1 May 1996: 117). His biographer Keith Scott described the Opposition's strategy as 'attempting to marry the themes of economic change and the internationalisation of Australia—important to Evans in government—and of 'security'' (Scott, 1999: 357).

Numerous other party figures defended the Hawke-Keating record. Even the raffish intellectual Barry Jones could not rise above the necessity for the state to do what corporations want: 'Hawke and Keating took [a route that] was inescapable ...' (cited in *Labor Herald*, September/October, 1998: 3). Lindsay Tanner spoke of a need to 'reposition without repudiation' (Clark, 1997: 17). Battin noted that there had been 'no explicit admission or acknowledgement' by Labor that in government it had 'pursued policies...that paved the way for the present policies of the Howard

government' (Battin, 2000: 312). Under Beazley there was no clear acknowledgement of the mistakes and failures of that period (Bryan, 2000: 73). Perhaps there was no better example of this than the party's reaffirmation of its support for free trade (Walters, 1996: 2). Another was the promise that the level of state intervention would be only modestly greater than that recorded under the Coalition: 'We're not really going back to big spending in the 1970s world', McMullan insisted (cited in Dwyer, 1997: 8). Beazley, meanwhile, professed no belief in 'an omnipresent role for Government' (Beazley, 1997c: 2).

Labor's support for 'fiscal responsibility' demonstrated its ties to the economic orthodoxy of the Hawke-Keating era.<sup>5</sup> While seeking to capitalise on the discontent with the Howard government's budget cuts, Beazley had no truck with the 'argument that Australia's economic interests are well served by restoring the budget to balance' (HRH, 22 August 1996: 3620, 3621). This was in tune with the 'deficit-cutting obsession propagated by the financial markets and Treasury economists' (Mitchell, 1999: 23).

A startling pointer to the character of the Labor Opposition was Beazley's speech to the Committee for Economic Development of Australia (CEDA) in February 1998, in which he committed Labor to three balanced budgets during its first term of government, and *inter alia* to the Reserve Bank's target of a 2–3% inflation rate. He pledged neither 'large public sectors or high-handed centralism', and he scoffed at suggestions that Labor stood for 'some antipodean version of the Supreme Soviet'; rather, the ALP offered 'parsimonious social democracy'! (Beazley, 1998a). Indeed, Labor at times went so far as to present itself as the more austere of the two major parties (see Beazley & Crean, 2000: 2; Tanner, HRH, 29 May 2000: 16450). Thus, its draft platform, released in late-1997 with much fanfare, committed Labor to 'activist government', but it also promised to not increase revenue above the proportion of GDP recorded over the previous decade, and pledged to continue efforts to reduce public sector debt (Beazley, 1997d).

The importance of this was two-fold. First, it signalled Labor's continued belief in small government. Second, Labor's refusal to budge on 'fiscal responsibility' would drastically limit its policy proposals. Simon Crean in 2000 assured the *Business Review Weekly* that Labor's commitments to increases in health and education spending would defer to the need to maintain a Budget surplus (Skotnicki, 2000: 75). Despite occasional rhetorical flourishes, there was little evidence that social justice and equality would be prioritised ahead of fiscal prudence aimed at currying favour with the markets. One commentator advised, on the basis that neoliberal economics had never been so unpopular, that Labor should simply 'plead guilty to the tax and spend charge, and get on with improving health, education and the social infrastructure' (McGregor, 2001: 13).

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<sup>5</sup>While in the first two years government outlays as a proportion of GDP did rise, at the end of 1984 Hawke promised a trilogy: that tax as a proportion of GDP would not rise, that public spending would not grow faster than the economy, and that the Budget deficit would not rise as a percentage of GDP (Mitchell, 1999: 22).

The fact that Labor had not renounced the market was also evident in the party's unchanged attitude to privatisation. Labor in government was a privatiser of some distinction, and Beazley, when not pursuing photo opportunities perched in the cockpit of fighter jets as defence minister, earning him the moniker 'Bomber Beazley',<sup>6</sup> was 'one of the leading privatisers in the Hawke-Keating Government' (Davidson, 1998a: 17). He showed no remorse for any of these sell-offs (Davidson, 1998b: 13). Indeed, Labor's defence of its contradictory stances on the privatisation of Telstra, which it opposed, vis-à-vis the Commonwealth Bank and Qantas was not that it had been wrong to have privatised the latter two in government, but to say that the party's approach to privatisation was taken 'industry by industry, market by market', and that the party had 'no hang-up about ownership issues' (Latham, HRH, 7 May 1996: 467). Beazley argued for public ownership 'where it serves public purposes. If it ceases to serve public purposes...then out it goes' (HRH, 8 May 1996: 546). But Labor also rejected the option of renationalising Telstra, which according to one public sector analyst was one of only two feasible options for the company (the other being the further privatisation of Telstra, which was eventually fully privatised); a commitment to renationalisation 'would demonstrate that Labor could provide a clear alternative to the Coalition's policy agenda, and that Labor was willing to offend powerful interests, such as the financial markets, in the interests of good public policy' (Quiggin, 1997: 36). Labor, however, was not willing to offend such powerful interests.

The reluctance to critically examine the policy record of the Hawke-Keating period is also evident in the findings of the national consultative review committee, which was established post-election by the national executive to examine the causes of the defeat. The committee listed eight categories of factors it considered pivotal to the 1996 election outcome: (1) The 'It's Time' Factor (2) Priorities/Balance (3) Loss of Credibility (4) Accumulated Grievances (5) The Challenge of 1995 (6) Problems with the 1996 election campaign (7) Lack of progress on Affirmative Action and (8) State and Regional Factors. The committee rated the 'It's Time' factor 'first as a rationalisation for voting against Labor.' It is worth recalling Punnett's argument from Chap. 2 that if a party concluded that it had been ejected from office because voters merely felt that it was 'time for a change', it 'might be tempted to sit back and merely wait for the wind of change to blow it back into office' (Punnett, 1973: 192). This is what happened in this case, leading to the 'small-target' strategy, which essentially relied on an electoral backlash against the government to sweep Labor to power (see 'The 1998 Election and After' below and Chap. 15). And yet, it is arguable that Labor knew the real reasons for its

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<sup>6</sup>His fascination with matters military is legendary. John Dawkins recalled of the young Beazley: 'The other thing that you'd notice about him was that to avoid being conscripted—he was six years in the Citizens Military Force and he remained permanently a private, he wouldn't ever take promotions—so we'd see him wandering around in Army uniform, which again was pretty unusual' (cited in FitzSimons, 1998: 92). His love affair with the military continued post-political career: after a stint as ambassador to the US, Beazley went on to sit on the board of defence contractor Lockheed Martin (Tingle, 2016).

defeat—i.e. neo-liberal policy blowback—but also knew that it could not retreat from neo-liberalism (see Chap. 16 and Appendix).

Instead of acknowledging the fact that most people had not directly experienced the ‘economic successes’ of Labor’s administration, the committee was sufficiently out-of-touch to consider the possibility that ‘the success of our economic management may even have counted against us: that voters felt they could change parties without much risk.’ The committee did acknowledge that the privatisations of Qantas and the Commonwealth Bank were ‘deeply unpopular and raised questions about what Labor stood for’, but instead of criticising those privatisations, it suggested that Paul Keating should have made a clearer commitment to the public ownership of Telstra in 1995.

The committee more often than not dwelt on the symptoms of the problem rather than the cause. For instance, it noted Howard’s effectiveness ‘at reflecting the community sentiment’ with his statement about aspiring to a ‘comfortable and relaxed’ Australia, but did not mention the obvious reasons, including widespread job insecurity and workplace stress, why such a sentiment might find an audience.

The committee’s findings do not constitute a total whitewash. For one, it acknowledged that Labor was perceived as too pro-market. Yet, the committee’s recommendations are mainly of an organisational nature—aimed at producing a more effective campaigning machine—with little effort made to nudge the party in a different direction.

One aspect of the report that struck a chord with party thinking was the criticism of the alleged political correctness of the Keating government. Embodying a ‘blame the victim’ theme (Sawer, 1997: 79), the Review considered Keating’s perceived fascination with issues such as the Mabo land rights judgement, multiculturalism, and engagement with Asia, and the Government’s so-called willingness to court ‘special interests’ rather than ‘mainstream issues’, as a key reason for voter desertion of Labor. Remarkably, the government’s alleged softness on ‘welfare cheats’ also is partly blamed for the defeat (*Labor Herald*, September 1996: 22, 23).

As we have seen, the actual record of the Hawke and Keating governments in these areas was much less generous. Yet, the need to be less politically correct assumed some importance in the post-March 1996 ALP. Kim Beazley, for instance, warned that support for racial and gender equity must be couched ‘in a type of language that people don’t think they’re excluded from’ (cited in Gordon, 1996b: 26). Hence, his *sotto voce* repudiation of the racism of Pauline Hanson, and the reversal of Labor’s position on the construction of the Hindmarsh Island Bridge, which it originally opposed out of respect for Aboriginal Secret Women’s Business (Milne, 1996a: 9). Party figures considered Indigenous people to be among the ‘special interests’ who had captured Labor, and subsequently they were partly scapegoated for its downfall (Sanders, 2000: 325, 326). More crudely, Barry Jones elevated the need to ‘get the Anglos back’ as the party’s highest priority (cited in Milne, 1996a: 9, 1996b: 9). The ALP’s resistance to the government’s attacks on the already weak Native Title Act (1993) following the High Court’s *Wik* decision in late-1996 seemed to contradict this attitude (see Stone, 1997: 17). Yet, Beazley himself admitted that the ALP’s defence of its stance on the *Wik* issue would be

based around 'workability' rather than justice for Aboriginal people (Taylor, 1997b: 7). As Beazley told Parliament, with Labor's support the government was able to gain approval for 90% of its legislation, despite the fact that 'we disagree with many aspects of it' (HRH, 4 December, 1997: 12337). By voting for legislation with which it expressed philosophical disagreement, Labor was setting a precedent for its general behaviour in Opposition (see Chap. 15). It also cannot but have contributed to the growing sense that politicians are completely untrustworthy and cynical (see Appendix).

Such tactics were consistent with Labor's fear that it would suffer if it stood against racism and defended Indigenous people: senior ALP figures reportedly believed in November 1996 that the party was losing to Pauline Hanson three to four percent of its working class vote, leading them to wish for an end to the so-called 'race debate' that began earlier that year (Dodson & Kitney, 1996: 3). Labor research had revealed in 1997 significant opposition to Asian immigration, hostile attitudes to Aboriginal affairs, and anger towards welfare claimants. The research also supposedly showed Labor closing the gap between it and the government on economic issues, but found the Government to be closer to 'mainstream' opinion on social questions such as immigration (Grattan, 1997c: 14). Witness Labor's support for the government's decision in 1997 to cut the non-humanitarian immigration intake from 74,000 to 68,000 (Bolkus, HRH, 3 March, 1997: 1108).

At this stage, there were some discernible trends in Labor thinking. It desired to distance itself from the Hawke-Keating years with some interventionist rhetoric—though Labor kept to the substance of the neo-liberal agenda—seemingly intended to win back the support of some of the 'battlers' it lost at the 1996 election. The same group seemed to be the target of its approach to race matters, with the assumption being that Keating's apparent preoccupation with 'special interests' had cost them electoral support. The party seemed to assume that working class people, Labor's historic constituency, are racist.

This project of attracting the Anglo, blue-collar males was perhaps also visible in its scrapping of the 'three mines' uranium policy in favour of 'no new mines', which constituted a further weakening of the previous policy (Taylor, 1997c: 4).<sup>7</sup> Similarly, the Hawke-Keating economic rationalist approach to immigration policy was continued in Labor's 1997 draft platform, which reserved the right to restrict it according to economic dictates (Jupp, 2002: Chap. 8; Greene, 1997: 14). This was in keeping with its desire to appeal to workers thinking of throwing their lot in with Pauline Hanson. In the case of both immigration and uranium, just as with economic matters, the approach in Opposition was consistent with its record in government.

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<sup>7</sup>This was a continuation of the pro-uranium Hawke-Keating years since, by not pledging to close down new mines developed under the Howard government, it would mean that more than three mines would likely be operating by the time any Labor government was sworn in (Hordern, 1998a: 4, 1998b: 4).

## The Kernot Defection

The dramatic defection to Labor in 1997 by Australian Democrats leader Cheryl Kernot not only boosted significantly the party's electoral stocks, it also added weight to the perception that Labor was repudiating economic rationalism (Ward, 1998a: 233; 15; O'Reilly, 1998: 400). This owed mainly to Kernot's previously held positions to the left of Labor on policy issues such as tax reform, privatisation, uranium mining, and Work-For-The-Dole (Megalogenis & Harvey, 1997: 2). 'We [Labor] will not be obsessed with the pursuit of the Budget bottom line', Kernot commented, after conferring with her new colleagues (Taylor, 1997d: 3). At a press conference following the announcement of the move, Kernot stated that the party must 'advance the great founding tradition of caring egalitarianism. Labor now has a precious opportunity to keep the best of its ideological changes of the 1980s but learn from the mistakes of that period' (Kernot, 1997: A10).

Yet, it is doubtful that Kernot's move coincided with a genuine shift to the left by Labor, as some media commentaries argued (e.g. AFR, 1997a: 30). Her biographer (O'Reilly 1998: 404) perceptively noted that 'Labor could not completely junk its past—it was locked into international deregulatory and free trade obligations'. Kernot herself was no reforming Keynesian: she accepted 'the reality of the market'—seeking only to 'moderate the worst of its influences'—was not 'opposed in all cases' to privatisation, and believed that a budget surplus was an 'appropriate and psychological and symbolic goal' (Taylor, 1998a: 30).

In the end, the defection failed on two grounds: it produced no real shift to the left by Labor (see below), and the career of Kernot herself was barely advanced: she won in the seat of Dickson very narrowly in 1998, before losing the seat at the following election in 2001. For the scandal-obsessed mass media, she would perhaps be best remembered for some of the private dimensions to her political defection, the full circumstances of which only emerged some years later.<sup>8</sup>

## The 1998 National Conference: A Missed Opportunity

The 1998 national conference continued the theme of distinguishing Labor from the Coalition on the basis of its stated belief in an uplifting role for government. In his opening address, Beazley cast John Howard in the mould of a 'Gordon Gekko' with his 'greed is good' ethos from the 1980s. This was ironic, of course, since it was Labor leaders in government who had cosied up to barons and tycoons during that forgettable decade (McEachern, 1991). Beazley overreached again for the same reason when he celebrated the notion of community by taking aim at Margaret Thatcher and her infamous statement that there is no society, only individuals. The

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<sup>8</sup>At the time of her jumping ship, Kernot had been having an extra-marital affair with Gareth Evans (Secombe & Fray, 2002).

word 'community' thus peppered the text of his speech to delegates, and he loftily contrasted Labor's statist approach with Howard's dystopian vision of 'a world in which people make their way as isolated beings, and in which government is only there as a spectator in the great lottery of life, watching the fortunes of millions rise, or more often, fall' (Beazley, 1998b: 4–6, 8, 9).

However, the commitment to fiscal responsibility and moderation in economic policy belied the rhetoric. Labor refused an opportunity to map out a concrete alternative to the Howard agenda. For instance, when a West Australian delegate moved for the adoption of a wealth tax, citing the fact that ten percent of the population owned around 57% of the nation's wealth, Gareth Evans opposed it by raising the spectre of politically damaging headlines about death duties (Wright, 1998: 2). It was thus voted down. Beazley then locked in the ALP to 'fiscal discipline and an annual Budget surplus...in a direct appeal to the business community' (Ward, 1998b: 574). A razor gang (the 'Priorities Review Committee') was established to monitor the costs of any election promises (Dodson, 1998a: 4). Although the left was reportedly miffed about the statement in the platform that Labor would not 'seek to raise revenue beyond the proportion of GDP established over the past decade', it did not push the issue, possibly in deference to the leadership's concerns about the signals this might send (Taylor, 1998b: 4).

The real function of Conference thus appeared to be about conveying an impression of a policy shift rather than forging a genuine one.

## The 1998 Federal Election and Beyond

Labor ran in the October 1998 federal election on a modestly centre-left platform, pledging to spend \$1 billion to get down to a five percent unemployment rate, to cut child-care costs, to implement policies aimed at reducing greenhouse gas emissions, and to increase funding for hospitals, schools, universities, vocational training, and the ABC (Wear, 1999: 257; Rollins, 1998: 11). In total, Labor would increase spending in its first term by \$9.3 billion, most of which would be spread between jobs, health, and education (Hudson, 1998a: 8). Unemployment benefits for 16 and 17 year-olds, which had been removed under the government's Common Youth Allowance, would be restored (Mitchell, 1998a: 8).<sup>9</sup> Labor's tax policies were geared towards those earning between \$30,000–50,000, in comparison to the Coalition's policies, which Beazley claimed would see someone earning \$100,000 per year gain an additional \$64 per week, compared with just \$2.54 extra per week for the unemployed (Kingston, 1998: 12).

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<sup>9</sup>However, work-for-the-dole (to be renamed 'Training for Jobs') would be more punishing, with 18–24 year-olds required to do six months' compulsory work as opposed to three months under the Coalition (Mitchell, 1998b: 9).



These policies were part of the general strategy of distancing Labor from the days of Keating (Wear, 1999: 256). To the Whitlam minister Susan Ryan, ‘Kim Beazley sounded more like a traditional Labor leader than his two predecessors...’ (Ryan, 1999: 255). There is, of course, the small issue of deciding how to define a ‘traditional Labor leader’. Nevertheless, the leader himself restated Labor’s commitment to interventionist government in light of the message he received loud and clear from the election result (Grattan, 1998b: 5; Lagan, 1998a: 6). Conservative commentator Gerard Henderson was convinced that, while Labor under Beazley had not shifted to the left in the way he claimed most Labor Oppositions had, the ALP was now more regulatory than under either Hawke or Keating (Henderson, 1998a: 17).

However, Labor was more intent on promoting the impression that it had learned from the Hawke and Keating years than on actually doing something radically different. It accepted, for example, that the rate of corporate tax should be kept as low as possible (Lagan, 1998b: 8). As Toohey (1998: 21) discovered, Labor’s tax policy was still highly regressive, with those on \$30 000 paying a higher effective marginal tax rate than those on \$300,000. Labor’s spending plans, too, were modest. Louise Dodson (1998b: 37) commented that, ‘in a strange reversal of roles, Labor is being far more financially cautious than the Coalition’, which meant that ‘business and markets should not fear a return of irresponsible Whitlam-style heavy spenders’. Beazley distanced himself from what he disparagingly called ‘old Labor’, which, allegedly, ‘talk[ed] about nationalisation and controlling the command economy. Today Labor talks about intervention...as a government in the control of reciprocal obligations’ (Daley, 1998b: 13).

The emphasis on ‘reciprocal obligation’ here was significant. As a policy for a social democratic party, it had little to recommend it. It differed little from the Coalition’s ‘mutual obligation’, which required the unemployed to undertake certain activities in return for receiving benefits, and by mistakenly implying equality in the relationship between government and the unemployed—the unemployed cannot be assumed to have entered into such a ‘contract’ freely of their own choosing, since in not doing so they would suffer great hardship—it failed the test of fairness (Hamilton, 2000: 41). Mark Latham contended that ‘[m]utual responsibility—or as John Howard calls it, mutual obligation—is, in fact, an age-old Labor agenda’, citing Ben Chifley’s avowed intolerance of ‘slackers in the community’ (Latham, 2000a: 37). He may well have been right, for Chifley as prime minister, while trying to nationalise the banks—mainly in the interests of Australian capitalism as a whole—had also stared down internal opposition to Australia’s joining the IMF and World Bank, and had established ASIO to spy on communists (see Crisp, 1961). But overall, Labor’s ‘mutual obligation’ smacked of a punitive attitude to the unemployed, who are always ripe for scapegoating (Hamilton, 2000: 41).

For all the rhetoric of interventionism, Beazley assured business that he would not talk down to them (Grattan & Dodson, 1998: 5). The unemployment target of five percent would not be achievable in one term (Evans, cited in Hudson, 1998b: 13). A number of commentators also argued that Labor’s campaign followed



Howard's 'small target' strategy (Henderson, 1998b; Johns, 1998; Botsman, 1998; Quiggin, 1998: 12). This was reflected in the large number of Coalition policies to which Labor expressed opposition, but at the same time pledged to retain in some form, including the regressive Goods and Services Tax (GST), the private health fund rebate, the 'hopeless' Job Network (Beazley, in Grattan, 1998c: 3), and the anti-union Workplace Relations Act (1996). A lack of policy decision-making was also evident in the plethora of inquiries, audits, and commissions foreshadowed by Labor, and which came across as a stalling tactic (Lewis, 1998a: 10).

The contradictory nature of Labor's policies can perhaps best be explained by the twin sources of pressure to which it was exposed. On the one hand, in the wake of the 1996 election it was under pressure from its own supporters for interventionist policies. Yet, business expected from Labor policies that would not upset investor confidence. The overall economic context also was not conducive to a return to 'tax and spend' policies (see Chap. 15). Despite the modesty of Labor's proposals, their tone and rhetoric was enough to convince business to stick with the Coalition. Business's very low opinion of both Beazley and Labor was revealed in surveys of chief executives (Skeffington, 2000: 40, 41). The attitude of the bosses was perhaps best summed up by Australia's then-richest man Kerry Packer, who when asked what Beazley needed in order for his party to be ready for government, replied peremptorily: 'Another few years in the wilderness' (cited in Jeppesen, 1999). Not surprisingly, Labor received less than a quarter of the \$29 million donated by Australian businesses to political parties in the three years from 1995–96 to 1997–98, compared to 64% for the Liberal Party (Dodson, 2000a: 3).

The result of these twin pressures was that Labor sought to regain voters lost in 1996 with some increases in spending on health and education and a weaker emphasis on enterprise bargaining, while simultaneously pledging to balance the budget, to not raise taxation rates, and to be pro-business.

However, notwithstanding the absence of significant differences between the two parties, the disquiet with life under the Coalition was sufficient enough for Labor to almost win the election, which is characteristic of the increasing volatility of elite politics over the past two decades. This has less to do with any increased fickleness on the part of the average voter and more to do with the parties' policy convergence and the watering down of their ideologies, which discourages loyalty to any one side, since voters can discern little difference between them. In the British context, Hay makes a similar point: consistent cross-class appeals by New Labour have contributed to the so-called dealignment that is frequently said to have caused it to make such appeals (Hay, 1999: 36). With both major parties claiming to represent everybody—though, in reality their policy programs represent only the wealthy and company directors—people are more willing to shop around with their votes, which fuels some of the political instability apparent in recent times.

As it transpired, Labor won more seats than the ruling Liberal Party (67–64, which was more than any other first-term Opposition), and secured 51.3% of the TPPV compared with the Coalition's 48.7%. It also received 270,000 more votes than the Coalition, with an average of just 570 voters in six marginal seats in three states (Queensland, Western Australia, and New South Wales) returning Howard to

government (Dore, 1998: 4). The swing against Howard was greater than that against Keating in 1996, but the vagaries of the electoral system gave Labor insufficient seats to take power (Henderson, 1998b: 17). However, the fact that the electorate had not re-embraced Labor was suggested by the meagre improvement of 1.3% in the party's House of Representatives primary vote compared with 1996 (Mackerras, 2000: 213). According to Bean and McAllister (2000: 180), Labor had made only 'modest inroads back into its occupational heartland'.

An explanation for the defeat popular among Labor strategists was that the party's promise to tax four-wheel drive vehicles at the same rate as passenger cars, and to extend the CGT to assets purchased pre-1985, had alienated 'aspirational voters' in marginal seats in the three largest capital cities, Sydney, Melbourne, and Brisbane, costing the party votes where it most needed them (Wilkinson, 1998: 40; Johnstone, 1998: 6). Party figures, especially from New South Wales, nominated seats such as Eden-Monaro and Hindmarsh, both of which Labor narrowly lost, as seats that Labor might have won had it targeted swinging voters rather than the party's traditional base (Dodson, 1998c: 5). Similarly, Henderson (2000: 34) attributed Labor's loss to its failure to win 'lower-middle to middle-class swinging seats' such as Gilmore, Makin, Petrie, Lindsay and La Trobe. In reality, Labor's proposals were modest, with the CGT changes, for example, applying only to post-1 January 1999 increases in the value of pre-1985 purchased assets (Kroger, 1998: 15). Kim Beazley, citing internal party polling, denied that the policy had cost Labor victory, but decided against pursuing the tax given the propensity for it to be demonised by Labor's opponents, and the little revenue it would yield (Greene, 1998: 3).

One problem with the 'aspirational voters' thesis lay in the difficulties associated with defining the typical 'aspirational voter' (see Walker, 2001: 75; Button, 2002: 68–9). It also can be argued that the seats identified as 'aspirational' were in fact much less middle class than was often implied, and that by Labor more closely aligning its politics with those of the conservatives it would do little to increase its chances of winning such seats. Take for example Gilmore, a Liberal-held rural seat in NSW. At the time of the election, though a rural seat, less than five percent of its labour force was employed in agriculture, compared to ten percent in manufacturing and 20% in government. Nearly half of all families earned less than \$500 per week, and only around 7% earned more than \$1500 per week, making it the 9th poorest of the 148 seats contested at the 1998 Election (AEC, 1998: 35, 310, 311). A similar story could be found in Makin, an outer metropolitan Liberal-held seat in South Australia. The seat was, in fact, held by Labor from 1984-1996, which raises the question of whether its loss in 1996 was part of the backlash against Labor's economic rationalist policies. Around 17% of its labour force was employed in manufacturing and around one-fifth was in government employment. Just over ten percent had tertiary qualifications, and around 28% of all families earned less than \$500 per week, compared to just nine percent earning above \$1500 per week (AEC, 1998: 273). The seat of Dickson in Queensland, on the other hand, which new recruit Cheryl Kernot won at the 1998 election, and which Anne Henderson put in the same 'lower-middle to middle-class' category as the above seats, was

considerably less working class. It was in the top 20 wealthiest seats, with a median weekly family income of \$1041. Over 15% of residents possessed tertiary qualifications (AEC, 187, 310, 311). The fact that Labor won this seat in some respects puts a lie to the claim that the party did not appeal to the 'aspirationalist' voters.

Supporting this analysis is the fact that there were a number of seats held by Labor between 1983/84 and 1996 that were lost at the landslide 1996 election—including Makin, Calare, Eden-Monaro, Hughes, Lindsay, Macarthur, Herbert, and Leichhardt—but not regained in 1998. Also, Labor held the New South Wales seat of Parramatta between 1977–1996, and did not regain it in 1998 (AEC, 1998: 75). Robertson in New South Wales had been ALP-held since 1969, before it fell in 1996; it, too, remained in Liberal hands after 1998 (AEC, 1998: 87). Needless to say, had Labor regained these seats it would have won the 1998 election. Of course, the same reasons may not underlie Labor's loss of these seats in 1996 and its failure to regain them in 1998, but Labor strategists expressed little interest in understanding the failure to win them back. Perhaps it was attributable to the party's inability to recapture the support of the erstwhile Labor voters who deserted it in 1996.

But regardless of the vacuousness of the 'aspirational voters' thesis, it formed the basis for Labor's strategy post-election: following the poll, it was reported that Labor figures conceded the need to target industry policy towards upper middle-income earners ('aspirational voters'), rather than the lower to middle-income earners who were apparently the target market in the election campaign (Lewis, 1998b: 6). Labor's shadow minister for small business and tourism Joel Fitzgibbon seemed to have the 'aspirationalists' in mind when he argued for Labor to become the party of 'creative small firms—be they run by the former public servant, mine engineer, Telstra employee, teacher, tradesperson or computer buff. This will require the production of policies that reward enterprise, innovation and effort' (Fitzgibbon, 1999: 20). The strongest evidence of the 'aspirationalists' strategy in action to date came with Labor's bipartisan support for halving the CGT rate and cutting the corporate tax rate from 36 to 30% (Toohey, 1999: 18; Henderson, 1999a: 1). Both of these could only deplete the revenue base historically so inimical to social democracy reform plans. The CGT cut in particular was grossly regressive, benefiting the wealthiest sections of the community (Latham, HRH, 24 November 1999: 12512).

One of the most controversial instances of Labor's targeting of the 'aspirationalists' was its support for the passage of the Coalition's schools funding legislation in 2000, which, according to Labor predictions, would grant an extra \$46 million per year in funding to the 63 wealthiest schools in Australia (HRH, 5 September 2000, p. 20152). Labor voted in the Senate to pass the legislation unamended (Martin, 2000: 5). This was the last straw for one Labor voter who charged the party with betraying the 'thousands of former supporters who send their kids to our once great Public School system'—all because Labor was more interested in kowtowing to the private school lobby (McDermott, 2000). His argument

that Labor was trying to appease the private schools was credible enough given Beazley's political history on the issue.<sup>10</sup>

This was also part of the small-target strategy: Labor would pass the legislation and reckon on the government being held electorally accountable for it (Shanahan, 2000a: 30). The method in Labor's madness, according to Shanahan, included making overtures to its traditional supporters by opposing such policies rhetorically, only then to support their passage in the Senate in the interests of appealing to the 'aspirational voters' whose children attended private schools (Shanahan, 2000b: 32). There is real doubt about the sincerity of Labor's opposition to the bill. If it were really opposed to the legislation, then why did it forewarn the Government of its intention to allow passage of the legislation should Labor's amendments prove unacceptable? (Beazley, HRH, 27 November 2000: 22772). As Greens senator Bob Brown argued, there was a strong likelihood that the Government would have been compelled to accept the Opposition's amendments had it persevered with them (SH, 30 November 2000: 20245).

Labor's approach to the Howard Government's Goods and Services Tax (GST) embodied both this strategy of appealing to 'aspirational' voters, as well as the wider 'small-target' approach: Labor would try to reap electoral gains from opposing the tax, but then retain it in modified form in government. Despite the considerable unpopularity of the GST,<sup>11</sup> Labor would not repeal the tax on the spurious grounds that one cannot 'unscramble the eggs' (see Latham, 1999: 21). That it was part of its 'aspirational' voters strategy was evident from the fact that Labor's propaganda dealt more with the plight of small business owners arising from the GST than with what Labor planned to do in terms of rolling it back on health and education (Beazley, 2000: 15). Joel Fitzgibbon admitted candidly: 'Labor is chasing the small business vote [on the GST]' (HRH, 14 August 2000: 18846). The Opposition wanted, as John Button put it, the best of both worlds—'capitalising on the unpopularity of the GST while doing little about it except for making a feeble and vague commitment' (Button, 2002: 11).

That the 'small target' approach was gathering force was shown in the comment towards the end of 1999 by senior ALP strategists that Labor after 1996 'nearly fell into the trap that John Howard managed to avoid when he was in Opposition. You never release policies too early' (Dodson, 1999: 49). This strategy, Brian Toohey pointed out, indicated Labor's lack of confidence in beating the Coalition on its own merits, relying instead on the government's propensity to kick own goals (Toohey, 2000: 24). In this sense, it contradicted the traditional characterisation of Labor as the party of reform and initiative—particularly in Opposition, when there

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<sup>10</sup>Neal Blewett diarised about a Cabinet meeting in July 1992: 'It looks as though Beazley will get his way with extravagant demands for capital and recurrent funding for the Catholic schools. The bishops must be kept happy at all costs' (Blewett, 1999: 195, 196).

<sup>11</sup>According to McAllister and Bean (2000: 389): 'Following the [1998 federal] election and the preparations for the introduction of the tax, support for the GST fell away considerably and, by mid-1999, opponents of the tax outnumbered supporters by almost two to one'.

is more freedom to innovate—vis-à-vis the reactionary and resistant Coalition (Button, 2002: 10).

In response to the criticism that he was deliberately withholding policy, Beazley invoked the essential task of Her Majesty's Opposition, which oscillated between being critical to providing an alternative, depending on what stage of the electoral cycle the party was in at any one time (Taylor & Walker, 2000: 22). Elsewhere, he raised the spectre of the Government's stealing Labor's policies and the prospect of the Prime Minister going the full term of office as reasons for not releasing policies prematurely (Grattan, 2000a: 17). This did not really explain, however, Labor's decision, as we have seen above, to support the government's position on a series of policy issues: simply opposing some of its policies and voting against them would not have undermined the institution of Opposition.

In line with the move to target the 'aspirationalists' went a notable shift away from the anti-free market tone of post-1996. Scott suggested in 1999 that, following the previous year's election, Labor had taken the view that 'it is time to return to the serious business of implementing the neo-liberal agenda and giving the people what is good for them' (Scott, 1999: 25). Beazley disputed Scott's arguments, asserting that the 'ALP I lead is about families, it's about fairness and the future', and that government had a key role to play in securing these. But Beazley neglected to spell out exactly what 'fairness' involved or how it would be achieved through its ongoing commitment to economic rationalism (Beazley, 2000: 15). But Scott's views seemed vindicated by Beazley's affirmation in late-2000 that Labor remained committed to balanced budgets, and 'to an Australia open to the world, and competitive in the international market place' (Grattan, 2000b: 8).

## The 2000 National Conference

This vice-like grip of neo-liberalism and globalisation was evident at the 2000 ALP national conference. The draft platform contained a statement applauding the deregulatory Hawke and Keating years: 'The direction Labor pursued in the 1980s and 1990s of internationalising the economy and reducing protection cannot and should not be reversed' (Lewis, 2000: 8). As Kevin Rudd put it, 'Australian Labor is embracing this new globalisation agenda with gusto...' (Rudd 2000a: 15). This largely free-market attitude somewhat undermined the credibility of Beazley and national president Barry Jones's (2000: 109) nomination as the platform's central theme Labor's promise to ensure an even distribution of the benefits of globalisation. However, 'social tariffs', as then advocated by AMWU national secretary Doug Cameron, and which involved penalising trading nations with poor labour, environmental or human rights standards, were ruled out by shadow trade minister Peter Cook, who accused Doug Cameron of waging a 'populist, demagogic campaign' (Pearson, 2000: 8; Grattan, 2000c: 4). There were, of course, sound reasons to reject social tariffs from a pro-rights perspective (see Bramble, 2001). But Labor's reasons appeared to be rooted more in economic rationalism.

If free trade and pro-globalisation sentiments pervaded conference, so too did the emphasis on sound economic management. Thus, apparent signs in Beazley's keynote speech of a fondness for 'collectivist values' reminiscent of Whitlam were accompanied by a rather unWhitlamite 'absolute commitment to fiscal responsibility' (Barker, 2000: 4; Walker, 2000a: 73). Lindsay Tanner implied that Labor would countenance increases in health and education spending insofar as they were 'fiscally responsible' (Allard, 2000a: 4). The pledge to dismantle all trade and investment barriers by 2010 led Michelle Grattan to comment that 'Labor under Beazley isn't deserting the economic rationalism of the Hawke and Keating governments' (Allard, 2000b: 4; Grattan, 2000d: 4). Labor's promise to make the wealthy pay their 'fair share of tax' was notably vague (Taylor, 2000: 5). Moreover, hopes for more equitable tax arrangements were dashed when the question of whether high-income earners would be taxed at a higher rate to fund spending increases elicited the spin that Labor was 'about the business of lowering the burden of tax on people' (Lewis, 2000: 3). Beazley did reject the notion of a trade-off between maintaining the 'economic fundamentals' and 'fairness' (Barker, 2000: 4). But what if, as in the example cited above of public spending on health and education vis-à-vis 'fiscal responsibility', the two did come into conflict? All the evidence suggested that Labor was more interested in economic orthodoxy. Appearing to escape Labor's attention was opinion polling evidence revealing that 70% of Australians would rather the gap between rich and poor be narrowed than have higher economic growth (*The Weekend Australian*, 2000: 1).

This was further evidence of the disconnect between mainstream political actors and the citizenry that has contributed to the rise of Pauline Hanson and the Greens, and added to the sense of a political system in turmoil. In this sense, what the evidence shows is that people are increasingly turned off not just by the policies implemented by elites, but also the way they conduct politics (see Appendix). Thus, aside from its economic rationalist character, perhaps the most striking aspect of Conference was its highly choreographed and media-driven nature, which ran contrary to expectations that differences between the ALP and the unions on industrial policy and free trade would make for the most divisive conference since 1982, when the opposition to uranium was overturned (Dodson, 2000b: 47). Indeed, the only policy put to a formal vote, free trade, was actually resolved by the factions behind the scenes in an effort to avoid 'damaging headlines' (Walker, 2000b: 5). So rare was an actual vote at ALP conferences that President Barry Jones struggled to recall the precise process used for counting votes (*The Australian*, 2000: 5). There was virtually no dissent throughout the conference, with arguably the most important section 'The Economic Challenge: Growth for a Just Society' dealt with in a mere ten minutes, and allowing only one speaker, shadow treasurer Simon Crean (Ramsey, 2000: 13). Labor had become, Paul Kelly wrote, 'a model of managerialism, discipline and caution', with a platform that 'bows before the constraints imposed by financial markets, the opinion polls and limits to politics', and a Leader 'the most conservative and cautious...for decades' (Kelly, 2000: 25).

In the wake of conference, numerous commentators remarked that the differences between the parties were virtually meaningless (Stretton, 2000: 13; Manne,

2000: 12). Others claimed that what mattered now in politics were opinion polls, market research, and leaders' images rather than political ideologies (Sheehan, 2000: 32; Seccombe, 2000: 33; McGregor, 2000: 11). The latter may partly be a result of the effects on politics, as mentioned in Chap. 2, of the increasingly dominant role of television and the media, but is also likely to be attributable to more fundamental problems in the party and in the practice of politics more generally (see Chap. 15). Thus, by the end of 2000 Labor faced fundamental questions about its purpose and strategy (Shanahan, 2000b: 32).

### **The Third Way: New Route or Well-Trodden Path?**

No account of the Beazley Labor Opposition would be complete without some brief reference to the impact of the Third Way. A Third Way of one version or another has been advocated by all manner of movements and politicians, including French fascists (Callinicos, 2001: 4). The most vigorous proponent of a Third Way inside Labor was Mark Latham, who portrayed the Third Way as an alternative to both laissez-faire capitalism and its apparent rejection of a role for government (e.g. Thatcher's Britain), as well as to bureaucratic state capitalism (e.g. the Soviet Union, and to a lesser extent western Europe) with its intolerance of the private sector. The Third Way involved a number of attendant assumptions, including a belief in the obsolescence of the labour-capital divide, and a celebration of the 'information age'; and it borrowed heavily from the practice of Tony Blair's New Labour and Bill Clinton's Democrats by strongly emphasising 'mutual obligation' in welfare policy and education (Latham, 1998: xix, xxx, xxxi).

A common criticism of the Third Way has been that it is an 'ideological shell of neo-liberalism' on account of the prominent role it affords to markets, and that it represents the continuation of the Thatcherite agenda by a different name (e.g. Anderson, cited in Callinicos, 2001: 8; see also Pierson, 2007: 564). Even Lindsay Tanner, himself at one time a Third Way advocate, describes the label as superficial and as an 'empty quest for the swinging voter and the middle ground' (Tanner, 1999: 51, 52). Latham's bitter resignation from the frontbench following the 1998 election, and his vigorous promotion of the Third Way thereafter, also is likely to be a reason for the leadership's lukewarm response to the project.<sup>12</sup> Arguably a more important reason for this is the perception that the Hawke and Keating governments pioneered it, with Blair's New Labour following in their footsteps. Paul Keating, in particular, often made formulations that sounded uncannily Third Wayish (see Watson, 2002: 359, 411). Uneasy about being associated with it, Beazley took

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<sup>12</sup>He claimed that Beazley had tampered with his policies as shadow education minister.



credit on behalf of the ALP for the invention of ‘the third way, and that was essentially the philosophical underpinning of the Hawke and Keating governments’ (Secombe, 1999: 33).

The political necessity for Labor to distance itself from its past in the aftermath of the 1996 election meant that it shied away from the Third Way and its economic rationalist associations. A reluctance to flirt with the Third Way would have been reinforced by politically-driven Coalition celebrations of the ideas of Latham and Tanner (Costello, HRH, 30 March, 1998: 1842; Fahey, HRH, 8 February 1999: 2054). These included the former’s brazen call for consideration to be given to a scheme whereby recipients of unemployment support would be eventually required to repay their benefits (Latham, 1998: 227).

In practice, however, just as Labor has retained the substance of the Hawke-Keating neo-liberal approach, it has also put forward policies arguably Third Way in guise. In launching the ALP’s 1997 draft platform, for example, Beazley portrayed Labor as steering a path ‘between large-scale government involvement in the economy and government as a cheer-leader for markets or as a prosecutor of social Darwinism’ (cited in Battin, 2000: 309). The centrepiece of Labor’s policies was ‘Knowledge Nation’ (Beazley, 1999). Emphasising the importance of education, it had strong Third Way connotations: here education emerges as a supply-side solution, whereby a citizen has no right to expect state intervention to create jobs but is instead expected to boost their employability by undertaking training that is attractive to prospective bosses. Beazley’s desire to be seen as the ‘Education Prime Minister’ also bore similarities to the politics of Tony Blair and Bill Clinton (Armitage, 1999: 5). According to *Australian Financial Review* writer Stephen Long, Labor’s employment strategy, *Workforce 2010*, unveiled in February 2000, had ‘New Labour thinking’ so written all over it that it could have been authored by Blair himself (Long, 2000a: 4). Furthermore, it involved a repudiation of ‘old-Left’, Keynesian style fiscal stimulus and heavy emphases on the public sector; *Workforce 2010* pledged, instead, ‘fiscal responsibility’ and balanced budgets (Long, 2000b: 4).

Thus, Labor may not have consciously or openly pushed the Third Way, but it can be argued that many of their policies shared its pro-market bias. Either way, whatever its impacts on the ALP during this period in Opposition, we can safely say now that the Third Way has been consigned to the proverbial dustbin, its very mention leaving a bad taste in the mouths of social democrats everywhere, indissociable as it is from the disasters of Blairism, including the dramatic losses of electoral support and members, and the catastrophic invasion of Iraq in 2003 (see Lavelle, 2008: Chap. 7). In this sense, it forms part of the mounting evidence of discontent among voters everywhere, who see the likes of Latham and Blair promote a marketing-driven fad with sinister obsessiveness, only to abandon it when it no longer has much purchase.



## Conclusion

This chapter has revealed a good deal of continuity between Labor in government and the Beazley Opposition, despite efforts rhetorically to distance the party from Hawke and, particularly, Keating. In striking contrast to the experience of the Whitlam-Hayden Opposition, whose attitude to the Whitlam government was far from merciful, a notable aspect of the period under review is the party leadership's highly favourable attitude to the record of the Hawke and Keating governments, despite the abysmal rating the public scored the latter in the historic defeat of 1996. The continuity between Labor in government and in Opposition is particularly evident in relation to the party's entrenched support for economic rationalism. The end result of this was that the differences between the Coalition and Labor by the close of proceedings at the 2000 national conference were, at best, minimal.

The party's approach to globalisation under Beazley also was an extension of its record in office. This is the subject of the next chapter.

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## Chapter 14

# Beazley Labor and Globalisation: There Is No Alternative

Globalisation emerged during this period as arguably *the* topic of political debate—both domestically and internationally—or at least as the political issue around which all others appeared to revolve. The attitude that Beazley Labor adopted on globalisation would indicate how far it genuinely departed from the globalising Hawke and Keating governments (see Conley, 2001: 225–227; Kelly, 1999; Latham, 2001: 55). It would also determine to a large extent how different the major political parties actually are.

It is argued below that there was considerable consistency between Labor in government and in Opposition, as shown, for example, in the party's attitude to free trade, one of the key planks of the 'Washington Consensus' (Williamson, 2002). Labor viewed globalisation overwhelmingly as a force for good—but also, perhaps contradictorily, as non-negotiable, irreversible, and as imposing significant limits on the range of policies social democrats can contemplate. This acted as a further impediment—if one were needed—to Labor's offering reformist policies. Finally, Labor joined its conservative opponents in ridiculing the anti-capitalist/globalisation movement that first burst on to the scene in late-1999.

### The Free Trade Debate

Free trade undoubtedly comprises a significant element of the globalisation debate. It would have been a popular move for Beazley Labor to have opposed globalisation (Henderson, 1999: 2; Manne, 2000: 12). But, perhaps more significantly, it would have signified a departure from the Hawke-Keating years, during which 'Australia became one of the industrialised world's most zealous and committed free traders' (Stewart, 1999: 238). Labor in Opposition, however, was an ardent free trade enthusiast, often going so far as to criticise the government for its tardiness in pursuing trade liberalisation. Most assiduous in this respect was the gung-ho shadow trade minister Peter Cook, who called in late-1998 for a round of talks that

continued ‘the eternal push for freer markets, but [which would] deal as well with competition policy, trade in services, information technology and the new exotics like trade in genetic materials’ (Cook, 1998: 18). Cook was unmoved by the militant show of opposition to free trade at the World Trade Organization (WTO) meeting in Seattle at the end of 1999 (see Danaher & Burbach, 2000). For, the following year, he echoed the standard free trade line that the policy had ‘contributed to lifting an estimated 3 billion people out of poverty’ and had ‘boosted global welfare’: ‘Labor’s trade policy is guided by one simple goal—to tear down barriers and open markets’ (Cook, 2000: 2, 3).

Cook was far from alone in the FPLP in selling free trade (e.g. Emerson, 2000: 41). But Labor’s stance was in stark contrast to that of the trade union movement, a schism exposed most glaringly at the 2000 national conference. The unions’ opposition was led by AMWU national secretary and future federal senator Doug Cameron, who described Labor’s policy as ‘shallow, conservative and [reflecting] the worst aspects of Labor in the ‘70s and ‘80s’, and one that was no different in substance to the government’s (Lewis & Pearson, 2000: 13). The anti-free trade camp was made up entirely of trade union officials—in addition to Cameron, lined up to oppose the politicians was John Sutton of the Construction, Forestry, Mining and Energy Union (CFMEU), and Wendy Caird from the Community and Public Sector Union (CPSU).<sup>1</sup> Opposing the unions were heavyweight politicians: Beazley, deputy leader Simon Crean, shadow trade minister Peter Cook and Victorian premier Steve Bracks. The makeup of the unionists opposing free trade reflected the fact that their members—miners, manufacturing workers, and public servants—have disproportionately borne the brunt of globalisation, free trade, and economic rationalism. Cameron blamed the trade liberalisation carried out under the Hawke and Keating governments for the loss of 60,000 manufacturing jobs, as well as for widening inequality (Ramsey, 2000: 42). For John Sutton references in the platform to ‘core labour standards’ was mere lip-service, and he pointed to the electoral successes of Pauline Hanson’s One Nation (PHON) party (see Appendix) as evidence of the prevalence of economic insecurity:

Factories were closing in the suburbs. Workers were being thrown out of work....people were suspicious that mainstream politicians were only giving them economic mumbo-jumbo that was doing nothing to improve their lives...

We are not in the business of selling out our own people just to keep editorialists and economic Neanderthals happy... The harsh reality is that all too many redundant workers are driving taxis or getting casual work in the manual industries, picking up scraps of work.

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<sup>1</sup>Cameron’s position reportedly had ‘substantial support’ within the parliamentary left, whose opposition to free trade had apparently stiffened after Seattle (Lewis & Pearson, 2000: 13). Unions received the backing of parliamentarians such as regional development spokesperson Martin Ferguson and shadow justice minister Duncan Kerr, but it is not known whether or not this was purely out of factional loyalty (Barker & Lewis, 2000: 6). Ferguson’s later description of the argument over free and fair trade as a ‘false debate’ suggests that he was merely shoring up support in his factional power base (*The Canberra Times*, 28 August 2000: 1).



It has not been the liberation from the production line and the joys of skilled IT jobs for large numbers of workers in the suburbs and depressed regions of our country (cited in Ramsey, 2000: 42).

Journalist Alan Ramsey reported that ‘Cameron and Sutton won the debate ... [but] lost the vote’ (105: 82), because ‘Beazley had to be seen to win’. In response to the officials’ arguments, the Labor leadership ‘had no real answer, except for the usual mantra of the “necessity” for Australian living standards of “internationalising” the economy’ (Ramsey, 2000: 42). Symbolising the continuity between Labor in government and in Opposition was Paul Keating’s weighing into the debate prior to conference in favour of free trade (Norington, 2000a: 15).

Labor also adopted a largely laissez-faire attitude to foreign investment, after mooting in 1997 some tightening of rules governing foreign ownership as part of its early attempts to distance itself from the Keating years (Greene, 1997: 14). Now, it believed that it was overwhelmingly beneficial to the economy. In early-2001, Lindsay Tanner assured the editorialists that Labor would ‘not be sucked into the mad, ultra economic nationalist, ‘close down the shop’ view that One Nation and others associated with it have been peddling’ (HRH, 27 February, 2001: 24531). This failed to consider the position which neither sides with the neo-liberal proponents of the ‘benefits’ of foreign investment, nor advocates opposition to it on nationalist grounds that can only play into the hands of arguments for restraining workers’ living standards and conditions in the interests of ‘the Australian economy’ (e.g. Lavelle, 2002). But, significantly, Labor’s favourable attitude to foreign investment continued the highly deregulatory, free-market stance taken by the Hawke and Keating governments (O’Faircheallaigh, 2002: 196–197).

## **TINA: Beazley Labor’s Attitude to Globalisation**

Also indicative of the negligible change that had occurred in Labor thinking in the post-Hawke-Keating era was the approach to the more general question of globalisation, of which there are many competing and overlapping definitions and types. We are largely concerned here with economic globalisation, which has been the major area of controversy. Panitch and Gindin define it as ‘essentially the geographic extension of competitive markets, a process dependent on the removal of state barriers to this and the overcoming of distance through technology’. They go on to say that ‘[t]he liberalization and expansion of finance was essential to the making of global capitalism, yet it came with a degree of volatility that threatened economic stability’ (Panitch & Gindin, 2014: 369–70, 395–6). Pierson argues that specific aspects of globalisation that have (often mistakenly) been widely associated with the demise of traditional social democratic politics include freer trade, an increase in capital mobility, and a shift in the division of labour from national to international levels (Pierson, 2001: 68–89). From a different perspective John Gray suggests that, whether measured by rising cross-border trade, capital or migration or

‘as a massive extension of processes of marketization of social life that have long been in evidence within national economic cultures’, the result of globalisation is the same: it renders unviable the traditional ‘distributional goals’ of social democracy and the ‘Left project of egalitarian community’. Among the other elements of globalisation he cites as contributors to the death of social democracy is the impact of ‘footloose’ global capital (Gray, 1997: 13, 28, 29).

Garrett takes issue with this position, insisting that ‘there remains a leftist alternative to free market capitalism in the era of global markets based on classic ‘big government’ and corporatist principles’ that is both politically and economically tenable (Garrett, 1998: 4). However, not only is this position way out of step with where the mainstream political class generally sits—in Australia, and elsewhere—his discussion of the impact of globalisation on social democracy is framed around similar themes to those invoked by Gray: the impact of globally integrated goods, services, and capital markets, and increased capital mobility.

The crux of the debate is over the resulting political consequences (Callinicos, 2001: 16). Parry (1997: 460) has posed the critical question for the subject of this book: ‘If, as is sometimes claimed, globalization has narrowed the capacities of government to act autonomously, may it also have reduced the ability of oppositions to come up with viable alternatives for their electorates?’ And yet, globalisation is as much about politics as it is about economics: for Hay, globalisation discourse conveniently acts to suppress voters’ expectations of governments eager to shed their responsibilities (Hay, 2006: 1–2). Moreover, numerous authors have challenged the assumptions in Parry’s question about the ways in which globalisation has impacted on states (for example, Harman, 1996; Hirst & Thompson, 1996). As we posited earlier in relation to the post-Whitlam Opposition, it was not globalisation per se that pushed Labor rightwards, but globalisation in a period of economic decline.

Beazley Labor readily accepted some of globalisation’s negative political consequences—narrowed reform capacity, for example—while at the same time helpfully insisting it was non-negotiable. In other words, it largely accepted the baton passed from the Hawke and Keating governments, who were extreme globalisation enthusiasts. A wide range of reforms enacted during Labor’s period in office were justified in the spurious terms of global economic competitiveness, including financial deregulation, privatisation, a tightening of welfare eligibility, reductions in tax rates for the wealthy and corporate sectors, freer trade, and labour market deregulation (Conley, 2001: 225). Keating would not have endeared himself to many working class supporters when he invoked the rather unappealing metaphor of the ‘long-distance race—a very long distance race ... Like the modern marathon it gets faster and faster. But unlike the marathon it has no finish line’ (Conley, 2001: 228). This well encapsulates the Keating government’s view of globalisation as an unstoppable juggernaut, one that crushed old policy assumptions lying in its path (cited in Wiseman, 1998: 46). At the end of Labor’s term in office, party leaders firmly held to the view that there was no option but to introduce free market policies—greater economic competitiveness demanded it (Kerr, 2001a: 3). In fact, Keating and Hawke had arrived in office girding their loins ‘with a greater

belief in markets than our conservative counterparts' (Keating, 1999b). There was no recognition yet of the devastation unleashed by such policies, such as the recent global economic recession beginning in the second half of the first decade of the 21st century, which has done so much to boost the prospects of electoral fringe dwellers (see Appendix).

Since his emphatic defeat at the 1996 election, Keating has predictably defended his government's deregulatory stance as 'the only way in which we can hope to prosper' (2002, 1999b). Should globalisation deliver less prosperity than Keating promises, he reminds us that we have little choice anyway: such is the relentlessness of globalisation only nuclear war could stop it (Keating, 1999c). A feature of Keating's globalisation stance which, as we shall see, his successors have also adopted, is TINA: globalisation needs to be accommodated lest Australia descend into 'irrelevance and decline' (Keating, 1999b). Beazley (see below) would have concurred with Keating's (1999c) assertion that the number of people who win from the process of globalisation exceeds the number on the losing end, an obviously utilitarian position which, even if accurate, would be of cold comfort to those among the losers. The possibility that this also might have contributed to Labor's historic defeat in March 1996 seems to have escaped Keating and his successors as party leader.

While Labor under Beazley did at times recognise the downsides to the further expansion of capitalism across the globe, in general it argued that it was both unstoppable, and that it closed off some policy options open to social democrats. Shadow minister for justice and customs Duncan Kerr, for instance, outlined a two-fold solution to the heightened insecurity and increased inequality within and between nations caused by globalisation. At the local level, he argued for a restoration of the safety net 'within the existing constraints of the global economy', which led him to endorse Labor's policies for the forthcoming election. Given the self-imposed straightjacket of fiscal responsibility, however, it is doubtful that these would have had much impact. At the global level, which he considered crucial to achieving progressive social change, he called for dialogue and agreement between nations on minimum social and labour standards (Kerr, 2001b). For a myriad of reasons, including the competition at the heart of the international capitalist state system, this is, at the very least, a dim prospect. Another Labor frontbencher and future leadership contender Anthony Albanese credited globalisation with offering 'enormous potential opportunities for the benefit of all', adding the customary rider that a vigilant state was required to nurse these along, and to ensure that the benefits did not fall into the hands of a few. He also implied a connection between inequality and globalisation, and stated that governments should be willing to consider such options as inserting social clauses in trade agreements in order to safeguard human rights, and a Tobin tax<sup>2</sup> on speculative investment (HRH, 30 August 1999: 9384; HRH Main Committee, 16 March 2000: 14959). Albanese, however, left few clues about whether Labor would adopt such a tax as policy. Andrew Theophanous, who

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<sup>2</sup>Named after Nobel laureate James Tobin.

subsequently left the ALP to become an Independent, suggested, like Kerr, that greater agreement at the international level was the most likely way to 'humanise the globalised economy' (HRH Main Committee, 21 June 2000: 17976–17979). In sum, the few in the FPLP who did not accept globalisation uncritically were either vague about what could be done to challenge its negative effects, or they viewed international agreement as the chief method of achieving social justice, in the process lending credence to the notion that the nation-state had few cards up its sleeve.

A much more hegemonic view in Caucus was that globalisation was overwhelmingly beneficial, but also inevitable. This was true even at the beginning of Labor's term in Opposition when it was supposed to be lengthening the distance between itself and the then-maligned Hawke-Keating governments. Bob McMullan, in May 1996, for instance, argued that for 'very good and inevitable reasons, the Australian economy has been opened to international competition and once opened it cannot be closed' (HRH, 30 May 1996: 1829).

Kim Beazley's contribution deserves special mention. In 1997, Beazley singled out the closure of the BHP steel plant in Newcastle as having 'captured a mood in Australia' (Beazley, 1997a: 711). He further claimed that 'everyone in their heart of hearts sees in the word [globalisation] a shorthand for stress, fear and competitiveness versus faceless millions 'out there' in the international economy'. Yet, Beazley shared Keating's belief in the unavailability of globalisation: '[It is] inevitable. It hurts, but it will happen' (Beazley, 1997b: 3). Moreover, it was impossible to 'shut ourselves off' from the global economy, in which case the important question was what the government did do (Syvret, 1998: 6). But, as he was unable, or unwilling, to put forward any real solutions to address the pain and insecurity he recognised it caused, and so his words rang hollow, and appeared mainly to be designed to pacify the restive voters. Only as an afterthought did he add that globalisation could be tamed, positing a contrived choice 'not between globalisation and isolation' but between 'globalisation which leaves people behind, or globalisation which includes all our fellow citizens' (Toohey, 1999: 24). What this would mean in practice was left hanging. Chair of the federal Caucus policy committee on national security and trade, future party leader Kevin Rudd quoted favourably French Prime Minister Lionel Jospin's comment that 'Globalisation is a fact', adding that the question was whether one supported an unrestrained globalisation or one with government intervention. Rudd counselled against either a 'simplistic genuflection or demonisation' of globalisation, but indicated that he viewed the former as the lesser of two evils when he urged social democrats to 'resist the psychological temptation to join the barricades in Seattle and Davos' (Rudd, 2000b: 40). Yet, as is shown below, there is evidence that the demonstrators were possessed of a more nuanced view of globalisation than that for which they were being given credit. Again indicative of the continuity between Labor governments and the Beazley Opposition was Simon Crean's statement in 1999 that the 'path Labor set down in the 1980s and 1990s of opening the economy and reducing protection cannot and should not be reversed' (Crean, 1999: 96).

Hand-in-hand with a perspective that viewed globalisation as inevitable was a belief that it drastically limited the available policy options. Gareth Evans, for instance, regarded the capacity of states to run independent macro-economic policies as 'largely a dead letter' on account of the risk of capital flight (cited in Button, 1999: 4). Similarly, Barry Jones, regarded as one of the few thinkers left in the party, mused that globalisation posed 'threats to national political, economic and technological autonomy' (Jones, 1999: 15). While restating social democrats' fears about a 'race to the bottom' in labour standards or taxation, Rudd concluded that 'the volume and volatility of global capital imposes unprecedented constraints on what reformist governments can do', which only raised questions as to how the nation-state, whose sovereignty is now 'under challenge', could withstand the pressure to join in such a race (Rudd, 2000b: 40).

What the left sceptics and the globaphiles thus shared was a view that globalisation hampered state intervention. Whereas in the case of the former, the desire to challenge globalisation was undermined by such a view, in the case of the globaphiles their inclination to leave the architecture of world power unchallenged posed no real dilemma: either way, inertia is the result. Furthermore, Labor thinking here could be seen merely as an extension of the belief cemented during the Hayden period of Opposition, namely that changes in the economic context reduced the ability of states to promise significant reforms. In both cases, however, there was almost certainly a gross exaggeration of the decline in the modern state's regulatory powers (Keating, 2000: 45). It would be foolhardy, of course, to deny the existence of significant restraints on the autonomy of individual nation-states under capitalism, which has always been a global system (Marx & Engels, 1985: 83–85). As we pointed out earlier, startling instances of social democratic governments' succumbing to pressure from capitalist institutions long predate the period associated with globalisation (Callinicos, 2001: 27). Yet, still there are a number of ways to fund an expansionary program that would not likely frighten the horses, including hypothecated taxes, clamping down on tax rorts, retargeting of existing spending (e.g. the private health rebate), and regulation (see Argy, 2001: 11). Governments often use the 'inevitability' of globalisation and the risks of harming investor sentiment as a rationale for implementing economic rationalist policies to which they are committed for ideological and other reasons (Harman, 1996: 25, 26).

## **A Critique of Labor Views on Globalisation**

As alluded to in the previous section, much Labor thinking on globalisation is open to question. For instance, it is a Labor truism that globalisation creates increased economic opportunities and that it benefits the majority of working people. John Weeks has found to the contrary: the nations most evangelical in their promotion of trade liberalisation, capital deregulation, and orthodox fiscal and monetary policies recorded lower growth rates during the period 1985–98 compared to the more protectionist period 1961–80. Globalisation has not benefited most workers, who

have suffered during the less employment-generating period of the 1990s, and there is no evidence of a positive relationship between openness to trade and wage gains. Weeks goes on to argue that unrestricted trade has failed to deliver many of the benefits often ascribed to it, including the efficient allocation of resources, less exchange rate volatility, and equilibrium of the balance of payments. He also notes the failure of countries' shares of exports to rise commensurate with the lifting of trade barriers in the 1980s and 1990s (Weeks, 2001: 264–266, 269, 280).

Not just on economic matters have the 'benefits' of globalisation been found wanting. According to the Center for Economic and Policy Research (CEPR), the 1980–2000 period recorded less progress on life expectancy, infant and child mortality, and education and literacy compared to the 1960–1980 period (cited in Callinicos, 2003: 22, 23). The latter period, as we have seen, is one of marked deterioration in the health of the global capitalist economy—a point ignored by future party leader, Mark Latham, who credited free trade with engineering 'the greatest poverty reduction program in the history of humankind' (Latham, 2000: 29). At the time three billion people, or half the world's population, were eking out an existence on less than \$US2 per day (Wolfensohn, 2001: 11). The gap in standard of living between the developed nations and the Third World grew under so-called globalisation, and in some parts of the developing world majorities of people were worse off (Marfleet, 1998). Income inequality widened, both within and between nations (Faux & Mishel, 2001). Moreover, the environmental crisis has accelerated along with capital flows (Shiva, 2001: 113).

These realities of globalisation help explain the increasing evidence of public hostility to it (see below). It would be mistaken to conclude that globalisation has had no beneficial outcomes for working people, a point Burchill made while referring to the writings of Marx and Engels, who wrote in *The Communist Manifesto* of both the destructive and progressive effects of what we now call globalisation (Burchill, 1998: 17; Marx & Engels, 1985). The difference, however, is that while Marx and Engels recognised the revolutionary advances capitalism brought with it, they also understood that the contradictions of the profit motive precluded the possibility that these advances could ever be fully developed and accessible to all—only a completely new economic system could harness the fruits of labour power, as well as produce and allocate resources based on the needs of people and the planet, rather than the profit of a few. The collapse of the regimes in the eastern bloc does not demonstrate the futility of this project, for Marxists have critiqued those regimes by arguing that they were in fact state capitalist: rather than individual capitalists' exercising control and ownership over the production process, as in the west, in that part of the world it was in the hands of a state, whose exploitation of working people was every bit as gross as that which occurs elsewhere (Callinicos, 1991; Cliff, 1988).

As yet, however, Labor has shown scant interest in the anti-capitalist movement (see below). This is arguably because Labor believes that globalisation is irreversible, which leads conveniently to TINA, and to hostility to those who did not share this view. In this sense, Labor were convinced of the mistaken view held by many conservatives about the inevitability of globalisation (Conley & Wanna,

2002: 45, 46). As Gittins put it, claiming that globalisation is inevitable ‘is something its advocates say when they can’t think of a better argument’ (Gittins, 2000: 12). The inevitability thesis is used to undermine ‘attempts to discuss alternative political ideals and strategies’ (McBride & Wiseman, 2000: 1).

Globalisation is very far from inevitable. It is the cumulative result of the dismantling of barriers to trade and investment made possible through government policy, and could be reversed by the actions of states, as happened in the inter-war period (Blainey, 1999: 17; Gittins, 2000: 12). In asserting that globalisation could not be prevented ‘without enormous costs to our living standards’, Tanner seemed to be suggesting that it *could* be stalled, just with negative repercussions. Keating himself wrote that it was less a case of Labor in the 1980s and 1990s being *forced* to deregulate and liberalise the Australian economy than its doing what was necessary to stave off a decline in living standards (Keating, 1999a: 17). This means that globalisation, far from being inevitable, is largely dependent upon the actions of legislators, whose obstruction or facilitation of globalisation involves a subjective assessment of its costs and benefits. In Labor’s case, both in government and Opposition, this assessment has largely been rosy.

## Globalisation and Policy Options

The belief that globalisation is irreversible is inter-related to the assumption—widely held in the FPLP—that globalisation has rendered state intervention less viable. This is richly ironic, given that historically reformist parties have given short shrift to Marxist arguments about the inability to achieve fundamental change through the parliamentary system (Freudenberg, 1977: xi). Yet, Labor MPs have often exaggerated the *globalisation-induced* decline in the policy-making powers of the modern state, whose reach and capability varies from case to case (Keating, 2000: 45; Weiss, 1998). It is true that the negative reactions of global financial markets can devastate governments’ entire policy programs (Eiley, 1994; Grahl, 2001: 8). States are ultimately beholden to global capital. But it is a different kettle of fish to say that *globalisation* means states are unable to implement policies other than those prescribed by neo-liberalism. Indeed, neo-liberalism is better understood as a response to the crisis in capitalism than as a result of globalisation—if anything, as Weeks (2001: 281) notes, the deregulatory and free trading bent of neo-liberalism created globalisation rather than the other way round. Moreover, there are, in fact, instances of social democrats succumbing to pressures from capital that long predate globalisation, including the effect of the ‘bankers’ ramp’ on the MacDonal government in Britain in 1931 (Callinicos, 2001: 23–28). Labor overstates the extent to which capital is ‘footloose’ and truly transnational in its outlook. The obstacles to most firms relocating quickly also mean that the state retains some degree of bargaining power vis-à-vis corporations (Harman, 1996: 14, 15, 19; Hirst & Thompson, 2003: 102, 103; see also Castles, 1996: 68–71). Kerr’s argument that the retreat from traditional social democratic programs was brought



on by globalisation ignores the role of recession in the mid-1970s in depleting the base of reformist programs (see Chaps. 7–11). Low levels of economic growth—along with the broader illhealth of the global capitalist system—arguably are much more damaging to social democrats’ aspirations for reform than is globalisation.

Clearly, there remains some scope for progressive reforms despite globalisation. One does not need to agree with Garrett’s (1998: 4) argument that ‘big government’ remains a viable option in contemporary conditions to accept that Labor could implement higher marginal tax rates or abolish the private health rebate without provoking major capital flight or significantly harming ‘investor sentiment’.

And yet, Labor’s pessimism about the impact of globalisation on state intervention underscores the contradiction in its position. On the one hand, it sees the capacity of states to intervene in the economy as having been drastically curtailed. On the other, it still asserts that the key difference between itself and the Coalition lies in its willingness to intervene in markets to make globalisation fairer. Kevin Rudd epitomised this contradiction when he urged against any ‘race to the bottom’ in response to globalisation, while simultaneously concluding that ‘the volume and volatility of global capital imposes unprecedented constraints on what reformist governments can do’ (Rudd, 2000a: 40). There is another possible way to interpret such contradictions—that is that Labor simply deploys rhetoric about the policy-limiting effects of globalisation to justify a neo-liberal political program, the merits of which it has increasingly come to accept (see below).

In sum, it can be said broadly that governments have promoted globalisation not because they had no choice in doing so, but because they either thought—at least they publicly stated this—that it was the best way to maximise living standards; or, alternatively, they believed that to challenge the logic of globalisation would bring them into conflict with capital and the mainstream media, which in a sense amounts to their having no choice. This is, at the very least, a significant exaggeration, the power of capital to resist government policy notwithstanding.

## **The Great Brush off: Labor’s Response to the Anti-capitalist Movement**

Labor’s unswerving commitment to globalisation partly explains why it took a very hostile stance towards the so-called ‘anti-globalisation’ protestors, who first exploded on the scene in late-1999 at the WTO trade talks in Seattle (Danaher & Burbach, 2000). They subsequently enjoyed solidarity in Washington, Millau, Okinawa, Melbourne, Prague, Seoul, and many parts of the developing world (World Development Movement, 2000). *The Australian’s* Robert Garran, reporting live from Seattle, accurately summed up the divide between the protestors and the entourage that accompanied the WTO in Seattle when he described the latter as people who believe ‘that free trade has brought a vast increase in living standards for countries that have followed its precepts’, while the former were convinced ‘that



free trade reflects a blind acceptance of a process of globalisation that benefits the rich, harms the poor and wrecks the environment' (Garran, 1999a: 10). The emergence of this movement did bear some resemblances to the anti-Vietnam war movement of the late-1960s and early 1970s, even if it did not have the same lasting impact, notwithstanding connections to the later Occupy movement (Lavelle, 2015). The Seattle activists shared with the Vietnam generation a desire to generalise politically, or to connect the dots between the world's problems (see Charlton, 2000).

The protest was widely accepted as heralding a significant shift in public sentiment away from economic rationalism and globalisation (Hartcher, 2000a: 9; Walker, 2000a: 53). More generally the movement typified a much wider discontent with the associated neo-liberalism (Harman, 2000: 3). This, of course, foreshadows the crisis in mainstream politics caused in part by the gap between the policy preferences of ordinary people vis-à-vis those of elites (see Appendix). But from the mid-1990s onwards there was a notable rise in the number of people who oppose privatisation and deregulation, who believe that business does not fulfil its social and community obligations and that corporations have become too powerful, and who are more sympathetic to trade unions; some 60% surveyed regarded globalisation as 'dangerous and a threat to our way of life' (Long, 2001a: 27). Even in the most capitalist of countries, 72% of people agreed that corporations were too powerful, according to a *Business Week* poll, while six out of 10 Americans felt that their president was more preoccupied with the welfare of big business than with that of ordinary citizens (Hartcher, 2000b: 55, 2001: 1). Paul Krugman, for his part, suggested that 'Seattle Man' believed globalisation to be 'purely and simply a way for capitalists to exploit the world's workers' (Krugman, 2000: 23).

Evidence suggests that the protestors' views were more complex and varied. After mingling with 'Seattle Man', Robert Garran listed his grievances as including environment and labour-related issues, as well as the WTO's anti-democratic character and its capacity to override state sovereignty (Garran, 1999b: 7). An anti-WTO web-site at the time reeled off a list reasons to oppose the trade body, including the WTO's prioritisation of trade and commercial considerations over other values, its subversion of democracy, its exploitation of Third World nations, its intolerance of diversity, and its covert *modus operandi* (cited in AFR, 1999: 48). The routine depiction of the protestors as 'anti-globalisation' ignored the fact that many of them were not opposed to international environmental, labour or human rights laws, nor the sharing of cultures (Disney, 2000: 12; Kelly, 2000a: 5). As Stephen Long observed of the national anti-stock exchange protests in Australia in May 2001, the activists could be 'more accurately described as anti-corporate than anti-globalisation' (Long, 2001b: 2). It is arguable that the movement can be better characterised as 'anti-capitalist' given the way in which it viewed the system of global capitalism as responsible for most of the world's problems (Callinicos, 2003: 14). In this sense, they seemed not to share the right-wing's simplistic and often xenophobic opposition to globalisation: according to Callinicos (2003: 146), '[q]

uite apart from the movement's international character, on the issue of asylum and refugees it is well to the left of the official consensus.'

Labor's attitude to this movement was largely hostile, with sympathetic contributions from backbenchers such as Harry Jenkins the exception (HRH, 6 December 1999: 12905; HRH, 16 February 2000: 13611). Shadow foreign affairs minister Laurie Brereton captured FPLP concerns when he lamented the damage done by the derailment of trade talks in Seattle (HRH, 8 December 1999: 13091). Senator Peter Cook's contribution on the issue was in a similar vein (SH, 8 December 1999: 11454–11456). However, Cook went further and urged then-Trade Minister Mark Vaile to concede on labour and environment standards in the interests of progressing the round of bargaining (Cook, 1999).

Highly instructive was Labor's response to the mass protests in September 2000 ('s11') against the World Economic Forum (WEF) meeting at Crown Casino, Melbourne, which lured representatives of some of the world's 1000 most powerful corporations—a 'talkfest' for the world's 'rich and powerful', as its organiser Klaus Schwab candidly put it (Walker, 2000b: 12, 13). This would provide another concrete opportunity to gauge the FPLP's attitude to global capitalism and the growing antagonism towards it. Shadow trade minister Peter Cook leapt to the defence of the event, which he described as simply 'one section of an economy—the business elites—holding a debate about the world from their perspective'; 'other sections should do the same as well', he suggested (SH, 6 September 2000: 17468). In doing so, he missed the point that what distinguished the WEF from any other 'talkfest' was its political influence—given the economic resources at the disposal of the delegates—reflected in the high degree of support lent by the state to the event. Martin Ferguson echoed Prime Minister John Howard's call for students, who were thinking of joining the protest, to put their heads down and stick to their studies: 'Don't be used as cannon fodder in a false debate about free or fair trade' (*The Canberra Times*, 28 August 2000: 1). The large numbers of people who attended the protest (est.10,000–20,000) led the Victorian police to use extreme brutality to push through picket lines buses transporting WEF delegates. Labor premier of Victoria Steve Bracks told protesters injured by police that they 'deserved everything they got'. Kim Beazley, who remained silent at the time of the protests, showed little interest in engaging with the protestors' concerns, dismissing them as being out for 'a confrontation', and recycling stories appearing in the mass media about protestors coming 'loaded to bear: marbles, bags of urine, the works.' He even put a quasi-psychoanalytical spin on events when he claimed that the demonstrators' actions had been motivated by the fact that Labor was in government in Victoria: 'They do not like to see social democratic parties in power because they think it lessens them' (Beazley, 2000). Beazley appeared to have given no consideration to the idea that some of the protestors might in fact be Labor constituents. He may have been unaware of reports about the police violence by protestors, some of whom were ALP voters, or of threats by ALP members to tear up their membership cards if Premier Bracks went ahead with plans to host a thank-you barbecue for the police (Hannan & Rollins, 2000: 4; Houston, 2000: 31).

Beazley's backbench colleague Harry Quick accompanied his daughter to the demonstration, which he described as 'positive and non-violent', in contrast to the cops who:

charged the protesters, without warning or provocation... The officers...launched themselves at the crowd and began to relentlessly beat and punch the protesters with fists and batons, aiming for their heads and faces.

Mounted officers then attacked from behind, forcing protesters forward into the line of police who were armed with batons... Police lashed out at everyone in their path, beating many violently. Many protesters were trapped in the crush caused by the police, and attempts to escape were met with further violence (Quick, HRH, 5 October 2000: 20947, 20948).

Beazley was subsequently proven to be disgracefully wrong about the protesters, 47 of whom were later awarded a total of \$700,000 in compensation by the Victorian government as a result of the injuries they endured at the hands of rampaging officers (Iltis, 2007). But perhaps what most stuck in the craws of Labor members and supporters was the spectacle of a party leader siding with the forces of the state and big capital over people whose social power was so limited that they had to resort to street protest. In response to Bracks' claim that the protestors were 'fascists' and 'un-Australian', and that they 'deserved everything they got', Quick asked: 'Is this a Labor Premier? Do he and I really share the same ideals?' Noting that Bracks' attitude was virtually identical to that of west Australian Liberal premier Richard Court, who had attended the forum, Quick asked: 'Is this what ALP supporters in Victoria have fought so long for: the replacement of Jeff Kennett with "Jeff Bracks"?' (HRH, 5 October 2000: 20947, 20948). Although Quick did not address such remarks to his federal colleagues, they could just as easily have been directed towards some of them. Former trade union official John Halfpenny felt that 'Labor Premiers should have more in common with the concerns and aspirations of the demonstrators than with those attending the Forum' (Halfpenny, 2000: 30). The fact that the party leadership made no effort to construct a dialogue with the movement, or to assuage its concerns, particularly given that many of its grievances with corporate capitalism were arguably shared in the wider population, did seem remarkable, but it was a pointer to the narrow social composition of the contemporary Labor leadership and its aloofness from the concerns of ordinary people, as well as its policy inclinations since the 1980s (see Chap. 15).

The occasion also served to further highlight the gulf between the FPLP and the union movement, sections of which attended the protest (Norington, 2000b: 4; see also Burrow, 2001). Victorian Trades Hall Council secretary Leigh Hubbard described the cops' actions as the 'the worst savagery by police in 25 years' (Norington, 2000c: 4; Schubert, 2000: 29). While the unions may not always have endorsed the tactics or even the views of the demonstrators, they often shared their dark assessment of global capitalism (Wynhausen, 2000: 31). Paul Kelly nominated three messages from the protest of concern to the ALP:

that a new Left coalition with potential mass appeal is mobilising on an anti-globalisation rhetoric; that the trade union movement is increasingly ideologically divided from the ALP;

and that a Beazley government would face a deep philosophical rift among its institutional supporters (Kelly, 2000b: 5).

Labor's embrace of globalisation meant that the differences in practice between the Coalition and a Beazley Labor government would likely have been small. Labor's claim that the main difference between itself and the Coalition lay in its belief in a role for government (e.g. Evans, 1997) overlooked the fact that most conservatives do not believe in a totally free market. It is arguably as much a caricature today to say that Labor governments aim to nationalise the commanding heights of the economy, as it is to say that Coalition governments believe in *laissez-faire*. Thus invoking Menzies' 'forgotten people', Petro Georgiou rejected the idea that government could help the poor 'while subjecting them to unfettered market forces.' He added that, while there were limits to the usefulness of the state, 'there are also basic obligations' (Georgiou, 1999: 17). Even the more senior Coalition member and future Prime Minister Tony Abbott suggested that the Howard government was pro-market, but knew 'their limits', and that liberal democratic governments worldwide had combined a free market with 'the social security systems which guarantee the minimum necessities of life for everyone' (Abbott, 2000: 30). Presumably, Abbott would have no quarrel with Labor MP Rodney Sawford's remark that '[w]hile markets have an important role in our economic system, the rules of the market are insufficient for the government of a society' (HRH, 3 April 2000: 14992).

Labor would, of course, refute the suggestion that its policies differ little from those of the Coalition. Labor MP Colin Hollis took issue with this view as it related to the policy area of industrial relations, where he saw the differences as 'stark, clear and decisive' (HRH, 30 May 2000: 16604). Yet, Labor's proposals to abolish AWAs (of which there were then about 100,000 such agreements signed in Australia), and to enhance the powers of the Industrial Relations Commission, were hardly revolutionary. As the conservative academic Mark Wooden put it: 'The question is how significant are these changes. I think it could be argued they're not going to make that much difference' (*Workforce*, 13 October 2000: 1).

Questioned around this time was the suggestion that voters find it difficult to differentiate between the two major parties (e.g. Goot, 2002). Yet, the inability to distinguish between the two major parties' policies was nominated as a burning issue by ALP members as part of the Hawke-Wran review conducted following the 2001 federal election (Hawke & Wran, 2002: 8). And, if recent history is any guide, a Beazley Labor government would have meant the status quo in terms of economic management, arguably the most important indicator of a government's political orientation in the 21st century. Not surprisingly, one study of ALP and Coalition governments over the period 1975–2000 (13 years Labor, 12 years Coalition) found little to choose between the two sides when assessed across indices including employment growth, budgeting, government spending and taxation, inflation, unemployment levels, and foreign debt (Koukoulas, 2001: 1, 60, 61).

## Conclusion

This survey of Labor's approach to globalisation demonstrates the falsity of Michael Costello's characterisation of the Beazley Opposition as outside the neo-liberal 'Hawke-Keating economic tradition' (Costello, 2003). In sum, there was far more continuity than disruption. As the next chapter shows, the lack of difference between the two major parties on key issues such as globalisation and economic policy was a standout feature of the 2001 federal election. As long as bipartisanship continues on these questions, the party will struggle to answer those critics who query what it is that the party stands for, and it will squander opportunities to attract the support of those opposed to global capitalism and economic rationalism. By accepting the irreversibility of globalisation it also means that Labor will continue to moderate its policies on the basis that social democratic parties are badly hamstrung in government.

In the process, Labor's intransigence on globalisation and neo-liberalism only adds to the appeal of political outsiders, one of whose strongest selling points is that major parties offer no alternatives to the people, whose wishes are constantly ignored by out-of-touch insiders more concerned with bowing down to corporations and the financial markets.

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## **Chapter 15**

# **Beazley and the ‘Small Target’: The Tampa, September 11, and the 2001 Federal Election**

This chapter deals with the dying days of the Beazley Opposition, when the ALP wrote itself out of history by adopting a bipartisan stance in relation to the *Tampa* refugee crisis and the September 11 terrorist attacks, which came hot on the heels of the party’s failure prior to these events to develop attractive alternative policies on domestic issues, which put it in a position of significant disadvantage at the 2001 federal election.

The second part of the chapter tries to get to grips with the apparent electoral irrationality underlying its adopted defensive ‘small-target’ strategy, which was designed to keep it out of the limelight, and was observable since losing office in 1996, but particularly notable from 1998 onwards. Of key importance, it suggests, is social democratic parties’ acceptance in the wake of the fall of the Berlin wall of the unassailability of liberal capitalism and the free market. In a sense, Labor was hemmed into the ‘small target’ strategy because of its support for globalisation and neo-liberalism. Moreover, the economic environment was not so buoyant as to permit a return to ‘tax and spend’ policies.

On the issue of asylum-seekers during this period, it is worth noting again that the actions of the major parties—who were at one—were partly responsible, as we shall see, for spawning offshoots in the form of minor parties such as PHON, on the right, and the Greens, on the left, in the process contributing to the crisis in elite politics.

### **Loomings: The Lead-Up to Tampa and September 11**

In the months prior to November 2001 federal election, the perception that Labor lacked policies gathered momentum. Prior to the actual campaign, the ALP was audaciously non-committal when it came to specific pledges. In May, Beazley stepped up to give his budget-in-reply speech, only to outline a mere three measures to be taken by a Labor government under his command: government spending to be

cut and redirected to fighting cancer, more money to be spent on public schools, and rolling back the GST as it applied to charities (The Australian, 2001a: 12). Even in areas of priority—health and education—it was widely criticised for failing to offer policies that would make serious inroads into neglect (e.g. Yaman, 2001: 4; Davidson, 2001a: 19). In addition, Beazley planned to reallocate to public schools a mere 0.03% of the money given to private schools by the government under legislation passed in 2000 (Davidson, 2001a: 19). A \$545 million dollar boost over four years for the underfunded public hospital system paled into insignificance alongside the annual \$2 billion private health subsidy, which Labor planned to retain (Dodson, 2001a: 1). The party’s education policy, moreover, was the butt of jokes. Officially known as ‘Knowledge Nation’, it was later lampooned as ‘noodle nation’ when few people were able to decipher the congested mass of circles, lines, and arrows that was the accompanying diagram designed by Barry Jones (Farnsworth, 2001). Moreover, it would take some 10 years to implement (Henderson, 2001a: 2). And, the funding for it would not be specified until the campaign proper (Shanahan, 2001a: 1).

Towards the end of June, just five months out from polling day, Paul Kelly claimed the burning question in national politics to be ‘how would a Kim Beazley Labor government actually govern—an issue still cast in shadow’ (Kelly, 2001a: 23). As Marr and Wilkinson (2003: 90) wrote: ‘Labor was not campaigning for a new Australia, only a new leader’. The unusually high number of voters in early 2001 uncommitted to either side of politics, while part of a long-term trend, nonetheless reflected the lack of choice available (Henderson, 2001b: 2).

Thus, when the issue of asylum-seekers and the ‘war on terror’ took centre stage from August onwards, Labor was already in a position of weakness as a result of its failure to put forward a distinctive alternative.

## **Opposition Overboard: Labor and Asylum-Seekers**

Shortly after taking power, the Howard government indicated its intention to curb the rights of asylum-seekers (Millett, 1996: 5). Close to five years later, Immigration and Multicultural Affairs Minister Philip Ruddock lamented that the government had tried over the course of the intervening years—only to be thwarted, he claimed, by Labor in the Senate—to address the perception that Australia was a ‘soft touch’ for asylum-seekers (AFR, 2001: 62). The government’s campaign against asylum-seekers had been ramped up in 1999 in line with the modest rise in the number of boatpeople arriving on Australian shores (Mares, 2001: 30). In November of that year, Ruddock warned of a ‘national emergency’ posed by the prospect of ‘whole villages’ in the Middle East setting their sights on Australia (MacDonald, 1999a: 1). The following year, in an effort to deter would-be asylum-seekers, the government produced some ‘video nasties’ aimed at depicting Australia as a dangerous country inhabited by sharks, snakes, and crocodiles (Niesche, 2000: 3). In 2001, Ruddock raised the risk of disease amongst refugees as

a justification for the policy of mandatory detention, claiming that ‘Australians would not want [such] people released amongst them’ (Mackinolty, 2001: 4). Just months out from the election, the government floated the idea of extending the principle of Work-for-the-Dole to the meagre benefits provided to asylum-seekers (Crawford, 2001: 5).

The government was unwilling to listen to rational argument that its policy was inhumane. Allegations that Australia’s treatment of asylum-seekers in the Woomera detention centre—referred to by former Liberal Prime Minister Malcolm Fraser as a ‘hell hole’—was in violation of a number of international human rights agreements to which Australia was a signatory were treated by the government with disdain (Jackson, 2000: 6; Spencer, 2000: 2). An all-party committee, chaired by a Liberal senator, investigated Australia’s detention centres in 2001, and found that conditions were worse than in some prisons (Taylor & Gordon, 2001: 1). No doubt this underlay the unrest among detainees themselves.<sup>1</sup>

The Government’s determination to maintain its policy was consistent with the view that its actions were part of a conscious electoral strategy to deflect attention from other political issues causing it some grief, such as health, education, and the GST. In fact, targeting asylum-seekers was—and remains to this day—a strategy commonly used by politicians seeking to shore up political support by scapegoating them for complex social and economic problems, for which they themselves were either substantially responsible, or about which they were unwilling or unable to do anything by way of mitigation. Then-UN High Commissioner for Refugees Lubbers (2001) attacked not only ‘[e]xtremist politicians [who] have been quick to exploit public fears—stereotyping refugees as economically motivated, a burden, a danger to public health, a social threat’, but also ‘mainstream political leaders seeking short-term electoral advantage [who] adopt—and thereby legitimise—these views’. The latter comment was apposite in relation to the Howard government’s appropriation of certain PHON policies, such as the Temporary Protection Visa (TPV) (see below).

The Opposition’s response to the refugee ‘problem’ largely was to side with the government lest it be portrayed as weak on border protection, a cornerstone issue in Australian psychopolitics, with its history of anxiety about foreign invasion by non-whites. In 2001, shadow immigration minister Con Sciacca admitted that during the past two years ‘the opposition has shown a great deal of bipartisanship’ in relation to ‘the government’s attempts...to reduce Australia’s attractiveness as a destination for illegal immigrants...’ (HRH, 6 February 2001: 23910). Sciacca himself frequently used the emotive and specious term ‘illegal immigrant’ (see HRH, 6 March 2000: 13977). This ignored the fact that it is not a criminal offence to seek asylum in Australia, and that those granted asylum are released from

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<sup>1</sup>According to the Minister for Immigration’s own figures, there were 78 separate hunger strikes by detainees in the period 1 January 1999–19 December 2000 (HRH, 26 February 2001: 24462). Some asylum-seekers in detention centres sewed their lips together as a form of protest at their condition (Egan 2000: 3). There was also a mass break-out from Woomera in June 2000 (Spencer, Saunders, & Eccleston, 2000: 3).

detention with no criminal charges brought against them (O'Brien, 2001: 11). Meanwhile, the number of 'illegal immigrants' who originally arrived on tourist visas, only to overstay them, outstripped the number of boatpeople by a figure of seven to one (Shanahan, 1999: 3). As Labor backbencher Colin Hollis pointed out, they were treated much more hospitably (HRH, 23 August 2001: 30134). This was despite the fact that in 1998–99 roughly 97% of Iraqi and 92% of Afghan boatpeople who arrived in Australia were found to comply with the UN's highly restrictive definition of a refugee (Crock, 1999: 21).<sup>2</sup> Yet Labor was offended by the idea of 'queue jumping', a grossly simplistic notion that overlooked the infinitesimally small odds of being granted refugee status after going through the 'proper' channels via a UN refugee camp in Pakistan, the prospects of success through such an avenue being akin to 'winning the lottery' (Schacht, HRH, 24 November 1999: 10607; Saunders, 2001: 3).

Labor's bipartisanship would largely continue all the way through to the 2001 federal election, reaching its apogee in late-August with the *Tampa* crisis (see below). In fact, Labor was 'as tough as, if not tougher than, the government when it comes to illegal immigrants' (Sciacca, HRH, 28 June 1999: 7599). Thus Labor proposed the building of a maximum-security detention centre to house 'trouble-makers' (Barker, 2001a: 55). The Opposition fuelled public fear by backing the Coalition's claim that Australia was seen as a 'soft touch' (see Sciacca in Gray, 1999: 1; Hollis, HRH, 2 June 1999: 5828). Sciacca was quoted by Ruddock as admitting that the situation constituted a 'national emergency' (HRH, 8 June 1999: 6266). This was despite the fact that the numbers of people seeking asylum in Australia were then, as now, comparatively tiny (Steketee, 2001a: 13).<sup>3</sup>

Labor was not unaware of the political strategy underpinning the government's actions (e.g. Albanese, HRH, 18 June 2001: 27740). Sciacca accused the Government of playing 'wedge politics', and of 'pitting minorities against minorities' (Marr and Wilkinson, 2003: 174–175). Yet, he reminded Parliament that the Opposition had voted for 90% of the Government's legislative proposals on the issue (HRH, 6 March 2000: 13980). One example of this was its support for the government's introduction of TPVs, which would see refugees granted only a temporary stay in Australia while the situation in their home country was monitored

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<sup>2</sup>The UN Refugee Convention (1951) defines a refugee as a person who: '...owing to a well-founded fear of being persecuted for reasons of race, religion, nationality, membership of a particular social group or political opinion, is outside the country of his nationality and is unable or, owing to such fear, is unwilling to avail himself of the protection of that country'. This definition is highly limited in the sense that it does not provide protection to those fleeing countries where generalised violence and repression is inflicted on large sections of the population, as opposed to ethnic or political minorities: thus, the more likely a person is to suffer torture or violence the less chance there is of being recognised as a refugee (Mares, 2001: 5, 117).

<sup>3</sup>In 2000–01, 13,015 refugees sought asylum in Australia, compared to 97,660 in Britain, 78,760 in Germany, 43,890 in the Netherlands, and 42,690 in Belgium (Steketee, 2001a: 13).

on an ongoing basis (MacDonald, 1999b: 1). The significance of the TPV policy was that it mirrored a ‘solution’ advocated previously by Pauline Hanson, and which the Liberal Federal Minister for Health Michael Woodridge had then condemned as ‘one of the most dangerous ways to add to the harm that torturers do’ (cited in Mares, 2001: 26). In fact, the idea had first come from Labor, who trialled it in government in response to the Chinese refugees who arrived in Australia following the Tiananmen Square massacre in 1989 (Jupp, 2002a: 51). According to Mares, this time Caucus supported the legislation because it feared that in the event of more arrivals, and a failure by Labor to back the government, it would cop the blame (Mares, 2001: 27). This policy decision was to have tragic consequences: TPV holders were denied family reunion rights, which meant that whole families were required to make the treacherous journey by boat if they wished to stay together. The hundreds who died in the sinking of the ‘SIEV X’ in October were thus, in part, victims of this policy (Marr & Wilkinson, 2003: 91, 241).

Labor’s response to the refugee issue reflected the leadership’s perception that there existed little sympathy in the community for ‘illegal immigrants’ (see Mares, 2001: 156–158; Marr & Wilkinson, 2003: 92). Yet, Labor did little to educate the public otherwise. Robert Manne pointed to the Kosovar refugees fleeing Serbian aggression in 1999, and the post-independence ballot East Timorese seeking asylum the same year, noting how favourable media coverage and widespread knowledge of the respective traumas experienced by the peoples contributed to strong public support for their joining the Australian community (Manne, 1999: 15). Some of the blame for any lack of sympathy for the boatpeople could also be apportioned to Labor given its role, as noted above, in helping to fuel public anxiety, and given its history on the issue: Labor introduced mandatory detention, as well as employing inflammatory rhetoric under the Hawke and Keating governments (Mares, 2001: 67, 78, 79, 180).

Labor was not without its criticisms of the government’s handling of the issue. Beazley, for instance, accused Philip Ruddock of having achieved ‘world’s-best-practice hysteria’ (Saunders, 1999: 4). Anthony Albanese, meanwhile, likened the policies of Philip Ruddock to those of Pauline Hanson, attacked the notion of ‘queue-jumping’ for its ignorance of the chaotic realities of countries such as Afghanistan, and scoffed at suggestions that some refugees were drug smugglers or criminals (HRH, 6 February 2001: 23928, 23929; see also HRH, 18 June 2001: 27739). Backbencher Roger Price put into context the seriousness of the crime of ‘people-smuggling’ by pointing out that, had his Jewish grandparents been unable to pay people to assist them to leave Austria during WWII, they may well have perished in a Nazi death camp (HRH, 22 August 2001: 30028).

In the end, however, the Government faced far more opposition to its refugee policy from newspapers such as *The Australian* than it did from the ALP (e.g. *The Australian*, 2000: 12; 2001b: 12; 2001c: 10). This is especially the case when we consider the aforementioned consistent legislative backing afforded the Government.

## The *Tampa* Crisis

The government’s full-frontal assault on refugees reached its pinnacle in late-August when it deployed the Special Air Service (SAS), the elite wing of the Australian military, to prevent from disembarking in Australia the Norwegian freighter *MV Tampa*, which was carrying over 400 asylum-seekers rescued from their damaged vessel. The Liberal-leaning psephologist Malcolm Mackerras regarded this as ‘the most contemptible political stunt ever engineered by an Australian politician in my lifetime’ (Mackerras, 2002: 303). Beazley, however, assured Parliament that he considered the actions ‘appropriate and in conformity with international law’ (HRH, 27 August 2001: 30235). This was despite there being an overwhelming legal case to the contrary (Marr & Wilkinson, 2003: 82). Marr and Wilkinson noted that Beazley asked no questions about the safety of the crew or of the passengers, the impact on future sea rescues, the potential damage to Australia’s reputation, or the prospects for settlement of the asylum-seekers in another country (Marr & Wilkinson, 2003: 94). Two days later Beazley, perhaps feeling under pressure to offer more resistance, declared that what the situation demanded was not a ‘carping opposition’, but an Opposition ‘understanding a difficult circumstance in which the government finds itself’ (HRH, 29 August 2001: 30518, 30519). In supporting the government’s stance, Labor was effectively endorsing the Hansonite solution of ‘turning the boats around’ (Barker, 2001b: 22). Reports by the freighter’s Captain Arne Rinnan that his vessel contained people needing urgent medical treatment had no impact on Beazley’s assessment (Garran & Carson, 2001: 1). The fact that the asylum-seekers were predominantly from Afghanistan, the oppressively run country with which Australia would very soon be at war, appeared to go unnoticed (The Australian, 2001d: 2).

There was some disquiet amongst the wider Caucus, however, with backbencher Colin Hollis claiming that the government’s refusal to allow the asylum-seekers to land in Australia was racially-based, while his backbench colleague Graham Edwards raised concerns that the government’s actions would cause ship owners in the future to think twice about rescuing beleaguered craft (Henderson, 2001c: 2). In the midst of the *Tampa* stand-off Hollis made the case that the Swedish model—then involving community housing of asylum-seekers rather than detention—was more humane than Australia’s, but he refrained from criticising the government’s or Labor’s stance on *Tampa* (Hollis, 2001: 15). Hollis was reported elsewhere, though, as declaring that it was wrong to ‘have put the troops on the boat’ (Dodson, 2001b: 17). During the adjournment debate in Parliament, Labor backbencher Michael Danby lamented the sight of the *Tampa* being ‘taken back out into international waters by members of our armed forces’, and recalled the tragic fate of those Jewish refugees on board the ship *St Louis*, which after setting sail from Nazi Germany in 1939, was denied entry to the US, among other countries, and subsequently forced to sail back to Europe, where a significant proportion of them later perished in death camps (HRH, 29 August 2001: 30580). This gave a hint of the misgivings held by some within the FLP. Interjections in Parliament by Labor MPs included,

‘Shame’, ‘History will judge you’, and ‘Carn the wedge’ (Price, 2001: 2). The left’s Anthony Albanese shouted ‘Sieg Heil!’ to a government backbencher holding forth on *Tampa* (HRH, 30 August 2001: 30704). In what could have been misconstrued as a veiled attack on Beazley, Albanese further claimed that the *Tampa* crisis required leadership, but ‘leadership is not about responding to every poll. Leadership is about doing what is right’ (HRH Main Committee, 30 August 2001: 30729). One shadow minister confided off the record that he had been reduced to tears while battling with his conscience over the *Tampa* and its stricken passengers (Macken, 2001a: 6).

In all, however, it was reported that just three MPs argued initially in Caucus for Labor to take a more compassionate approach to the *Tampa*’s cargo (Koutsoukis & Cleary, 2001: 5). Apparently not a single Labor MP directly opposed the decision to support the government, although three Caucus members had ‘raised serious concerns about the move’ (Dodson, 2001c: 2).<sup>4</sup> John Button claims that within the FLP and the shadow ministry ‘some were profoundly dismayed’, but inevitably toed the party line in the course of the election context (Button, 2002: 17). Labor joined with the Coalition in the Senate to defeat an Australian Democrats-sponsored motion calling on the government to honour its international obligations, and to allow the asylum-seekers to be brought ashore and assessed as to their refugee status (SH, 28 August 2001; 26797). Greens Senator Bob Brown, who was seemingly the only politician to oppose outright the government’s *Tampa* response when it first unfolded, lambasted the ‘big parties [for] fuelling the fear and vilification of these human beings’ (Oquist, 2002: 145; SH, 28 August 2001: 26803). Brown’s speech in parliament doubtless would have appealed to the humanitarian instincts of many an ALP member, who might once have been led to believe that theirs was a party that stood up for the underdog:

On this occasion the asylum seekers are no different from those taken ashore in recent months and recent years, except for one fact: we have a government going to an election badly needing a distraction. In doing so, it is prepared to play to the basest motive of fear in the people...

[I]n a country which is rich by any standards less than \$1 million has gone from this government to help those 1.2 million people [in Afghanistan] suffering in despicable circumstances in the last year. In that same time, \$120 million has been spent in detention centres very little different from jails here in Australia for people like them who have managed to make it to our shores without appropriate papers...

We have a government that, above all, promotes globalisation, because it wants to make money out of being in the global community. But when it comes to the movement of people, rather than money, it draws the line, because in these circumstances money is more important than people (SH, 28 August 2001: 26820–26822).

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<sup>4</sup>These MPs included the left’s member for Sydney Tanya Pliberserk, and the Melbourne-based right-wingers Michael Danby and Nicola Roxon (Carney, 2001: 1).

Plainly, Labor’s tactics throughout the course of the *Tampa* exercise, and in the period leading up to the 2001 election more broadly, were governed by the desire to not alienate the large majority of the public, as shown in numerous opinion polls, that supported the government’s hardline stance (e.g. Dodson, 2001d: 1). Probably it also sought to keep the focus off issues perceived as advantageous to the government. However, on one account Beazley’s stance was driven not just by opportunism, but also by his own personal belief that Australia was a geographic ‘anomaly’ whose borders were vulnerable to external threats (Adams, 2003: 13). It is also likely that there were some, possibly a majority, within Caucus in genuine agreement with the government’s stand.

There was a slight break with bipartisanship when Labor opposed the government’s border protection bill in the midst of the *Tampa* crisis, which was not surprising given its extreme nature.<sup>5</sup> But at the same time Beazley reaffirmed Labor’s position that the asylum-seekers should not be permitted ashore, and should instead be processed in Indonesia (HRH, 29 August 2001: 30570–30573). Labor also endorsed a Commonwealth appeal (eventually successful) against a Federal Court decision declaring the detention of the asylum-seekers on the Norwegian vessel unlawful (Cleary, 2001: 5; Murphy et al., 2001: 4). A day later Beazley restated in Parliament as a reason for not supporting the new laws his belief that additional legislation was superfluous to the government’s desired course of action (HRH, 30 August 2001: 30680–30682). He also offered Howard support for ‘*Tampa* specific’ legislation on condition that a safe haven was found for the asylum-seekers, and later emphasised that Australia ‘must not allow our immigration policy to be subverted by unchecked arrivals. We must protect our borders’ (Lewis & Murphy, 2001: 8; Marr & Wilkinson, 2003: 98). In the process, Beazley exposed the hollowness of his 1999 New Year salutation, in which he celebrated Australia’s ‘old-fashioned ‘mateship’ and ‘egalitarian spirit’, meaning, supposedly, that when ‘people are in need, face hardship, or experience tragedy...we all pitch in to help’ (Beazley, 1998).

Still, Labor reversed in mid-September its opposition to the amended Border Protection Bill, which allowed ‘the government to forcibly turn away from Australian waters ships carrying asylum seekers’ (The Age, 2001: 16). Only two Labor MPs in Caucus were reported to have opposed this move, though even they could not bring themselves to cross the floor of Parliament to vote against it (Murphy & Towers, 2001: 8). It is likely that this change of position had much to do with the ‘great deal of, if you like, political hurt [suffered by Labor] out there in the electorate from not supporting that bill’ (Sciacca, HRH, 19 September 2001: 30955).

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<sup>5</sup>It empowered the Government to seize ‘any vessel’, using force if necessary to remove the ship and its crew and passengers ‘outside the territorial sea of Australia’, all of which—including any consequent deaths or injury—would not be subject to ‘any other law’ or criminal or civil proceedings (Marr & Wilkinson, 2003: 87, 88). This, however, did not prevent certain sections of the party advocating a vote for the bill. The New South Wales branch was reported to have told Beazley: ‘Just pass the fucking thing and repeal it when you’re in power’ (cited in Marr & Wilkinson, 2003: 100).



In the responding to the *Tampa* in the way that it did, Labor had backed itself into a corner for the looming election campaign. When former New South Wales Labor Premier Neville Wran accused Howard of playing the race card, Beazley distanced himself from the comments, which could just as easily have been directed towards him, a point seized upon by the Prime Minister (Gordon, 2001: 3; Milne, 2001a: 13). Late in the campaign, Beazley sought to reassure any voters concerned by the prospect that Labor would be more compassionate towards asylum-seekers: ‘The good news is you don’t have to keep the Government’ (Henderson & Gilchrist, 2001: 1). From initially arguing that *Tampa* was an isolated case, Labor, like the Government, now promised to continue the use of naval vessels to turn around asylum-seekers and dispatch them to Pacific island nations (otherwise known as the ‘Pacific Solution’), and it pledged to not weaken border protection laws, committed to an ‘orderly’ immigration process, and promised to retain at 12 000 the cap on asylum-seekers admitted annually to Australia (Pearson, 2001a: 8; Shanahan, 2001b: 1). Beazley claimed that being tough on asylum seekers was ‘very old Labor Party policy’ (Henderson & Gilchrist, 2001: 1). Such a position was in fact in violation of the policy passed at the 2000 national conference, as a disgusted Gough Whitlam pointed out in a letter to the *The Age* newspaper in which he cited some particularly damning text from the party’s platform:

Labor will ensure that Australia’s international obligations towards asylum seekers and refugees are met, and Labor will positively promote the rights of refugees and asylum seekers. Refugees, including those who arrive as asylum seekers, and persons admitted under humanitarian programs, some of whom have suffered torture and trauma before arriving in Australia, will receive appropriate support, including counselling for trauma (Whitlam, 2001: 14).

When the government in early October made the claim that some asylum seekers had deliberately thrown ‘children overboard’—a claim later shown to be completely false—Beazley rushed to judge harshly this ‘outrageous act’ (Taylor, 2001: 1).

## September 11

When Labor’s bipartisanship was extended to the government’s military response to the terrorist attacks on the World Trade Centre in New York on September 11, 2001 it was a neat fit with its stance on ‘border protection’ in relation to asylum-seekers, who the government later warned might be infiltrated by terrorists who would use boatpeople as a ‘pipeline’ (Reith, cited in Adams, 2001). In the circumstances, it was not unreasonable to suggest that US foreign policy—specifically support for Israel’s occupation of Palestine, the blockade of Iraq (prior to the 2003 invasion), and close ties with dictatorships in the Middle East—had contributed to the bitterness and anger among many Muslims, and led directly to the events of September 11. Taking into account the impact of the later Iraq war, in his testimony in 2005 to a US House of Representatives Committee on anti-Americanism in the Middle East, Director of Pew Research Centre for the People and Press, Andrew Kohut, stated that:

Anti-Americanism in the region is driven largely by aversion to U.S. policies, such as the war in Iraq, the war on terrorism, and U.S. support for Israel, in addition to the general perception that the U.S. fails to consider the interests of countries in the region when it acts in the international arena...(Kohut, 2005: 1)

Similar points were made not infrequently in Australian media commentary on the attacks (e.g. Ali, 2001a: 15; Burchill, 2001: 8; Toohey, 2001a: 26; Walker, 2001: 20; Woollacott, 2001: 19). Yet, the Labor leadership decided that they would simply not go there. Instead, during ‘debate’ surrounding the associated condolence motion moved by the Prime Minister in Parliament, Beazley remarkably attributed the events of September 11 to the US’s altruistic preparedness ‘to see its people as a target, perhaps of nuclear devastation, in order to defend values of freedom and the security of the nations who were its allies in World War 2 and those who subsequently emerged’ (HRH, 17 September 2001: 30743). Among Labor contributors, only the left’s Tanya Plibersek allowed herself any mildly negative references to foreign policy blowback, pointing out that when the US ‘initially backed the Mujahadeen in Afghanistan in the hope of fighting communism, they created part of the monster that we are dealing with today’ (HRH, 17 September 2001: 30768).

Labor’s strictly policed bipartisanship was even more telling during the campaign proper. When Labor’s (unsuccessful) candidate for the seat of Gilmore, Peter Knott, a former one-term MP, dared to suggest that on September 11 the US was reaping what it had sown, Beazley immediately repudiated Knott, and forced him to apologise and to retract his comments, adding that Knott was ‘completely wrong’, while his own position was ‘amply clear’: ‘It is a clear-cut support for Tony Blair and for George Bush and the struggle against terrorism...’ (Dodson, 2001e: 8). Knott was placed under virtual ‘house arrest’ following this episode (Verity, 2015). *The Australian* warned in light of Beazley’s actions that success in the ‘war against terrorism’ must not come at the expense of cherished ideals such as freedom of expression (*The Australian*, 2001e: 20). This act of censorship by the Labor Leader was all the more astonishing in light of the fact that views similar to Knott’s had been widely aired in the mainstream media (see above), but it was indicative of the risk-aversion so frequently associated with elite politics: the party hierarchy sprang into action to silence a candidate widely regarded as an eccentric and as no ‘machine man’ (Verity, 2015). This was someone very different from the ‘white-bread politicians’ the ALP was increasingly churning out (see Chap. 16). By silencing him for his straight-shooting, the party was once again contributing to the growing sense of elite politics as run by unprincipled and colourless people who cock one ear to the wind before deciding which way to go on any given issue.

Labor’s bipartisanship on September 11 took a major turn in October with its support for Australia’s involvement in the war on Afghanistan. This was in spite of the fact that most of the terrorists directly involved in the attacks had emanated from the oil-rich western ally, Saudia Arabia (Ali, 2001b: 5). Moreover, there existed significant levels of concern in the community in relation to the all-too-easy commitment of troops (Barker, 2001b: 22). Also, there appeared to be no consideration given to the possibility that Afghan civilians—who must count themselves as among the world’s unluckiest peoples, living in a strategically significant location fought

over by the world's major empires—would be the chief victims of war, rather than the mastermind of the New York attacks, Osama bin Laden. As the first 150 SAS troops were farewelled, Beazley missed a unique opportunity to differentiate himself from Howard, according to Brian Toohey, who suggested that the Opposition leader could have pushed for restrictions on the virtually unlimited license to kill granted to the SAS, or lobbied against the bombing of power stations and the water supply in Kabul, which could hurt only innocent people and likely fuel further terrorism. But, as Toohey (2001b: 6) pointed out, Labor's tactics 'do not allow any hint of criticism of Howard on the war'. Instead, Beazley assured Howard that he stood 'shoulder to shoulder' with him (Hudson & Dodson, 2001: 5).

At his policy launch, Beazley reaffirmed that border protection and the 'war on terror' were 'largely common ground in this election' (Henderson, 2001d: 1). Labor's stance on September 11 was partly another component of the 'small-target' strategy, but it was also consistent with the position taken throughout its period in Opposition of falling in behind the Government's foreign military expeditions.<sup>6</sup>

Labor's wider strategy during the election campaign was thus twofold. First, just as it aimed to portray itself as the party best equipped to secure Australia's borders from boatpeople, Labor also promoted itself as the party most suited to fighting the 'war on terror'. Hence the frequent playing up of Beazley's credentials as a former defence minister and military hardware buff (Beazley, 2001: 5; Martin, 2001: 15; McMullin, 2001: 19). Labor also pledged an extra \$62 million in funding, and 150 additional agents for the Australian Federal Police (AFP), on top of the creation of a coastguard; and it borrowed the US government's idea of a Home Affairs Office (Chulov, 2001: 6).

Second, Labor sought to steer debate away from issues considered favourable to the government—border protection and national security—and on to issues considered more likely to win Labor support, such as health and education (Walsh, 2002: 131). In the post-9/11 climate this was grossly naïve. But it meant that, during his speech at the party's policy launch, Beazley chose to devote only two of the 40 min of his speech to terrorism and asylum seekers (Henderson, 2001d: 1). Seemingly, it was hoped that voters in agreement with the government's crackdown on asylum-seekers, but at the same time unhappy with its performance on domestic issues, would support Labor. But the fact that there was little to separate the major parties on domestic issues lent a sense of irrelevancy to the election. As *The Australian* lamented, the contest pitted, in Howard, a 'man resting on his laurels', against, in Beazley, 'one who has yet to find his':

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<sup>6</sup>For example, Labor unqualifiedly supported in 1998 the Government's deployment of defence personnel to the Gulf in earlier action against Iraq (see Beazley, HRH, 2 March 1998: 23–25). Labor also backed in 1999 the North Atlantic Treaty Organisation's (NATO) bombing of Serbia, ostensibly on the grounds that it was necessary to put an end to the ethnic cleansing carried out by Serbian forces in Kosovo, and it also called for armed intervention in East Timor in 1999 prior to the federal government's dispatching of troops (Beazley, 1999b).

On GST, health, education, boatpeople and even Telstra, there's little or no choice. On reconciliation, superannuation and family policy, there's nothing worth noting. And on economic management, the Coalition and Labor are playing games with budget numbers... (The Australian, 2001f: 12).

Numerous political commentators largely endorsed this view (Brett, 2001: 15; Pearson, 2001b: S8; Quiggin, 2001: 62; Salusinszky, 2001: 15). Robert Manne could spot only one point of demarcation: Labor's aim to use any budget surplus to extend, ever so slightly, the welfare state, whereas the Coalition would opt for a tax cut (Manne, 2001: 15). However, it is doubtful that this constitutes a significant difference. Industrial relations was perceived to be an area where major differences still existed between the parties, though this arguably was overstated in light of both major parties' commitment to a largely decentralised system that leaves the power of labour incomparable to that of capital. In any case, its prominence as an issue declined during the campaign as each party neglected to pay it much attention (Manning, 2002: 237, 238).

If the overarching 'small-target' strategy was flawed—if only from the Realpolitik perspective of the party's electoral ambitions—so, too, it can be said was the bipartisan pose that Labor struck on *Tampa* and September 11. It is perhaps indisputable that once the *Tampa* crisis had begun Labor could not have shifted public support away from the government's position, even had it made a concerted effort to do so. However, it is arguable that, had Labor adopted on boatpeople an alternative position far earlier in the piece, it would have been in a better position to nullify the government's wedge politics. Arguably the ALP, first choice among approximately 40% of the nation's voters, and whose links to the union movement provide it with the potential to influence yet more, has a considerable capacity to shape public opinion, which if utilised early on in Australia's 'refugee crisis' could have led to a rather different outcome in relation to the *Tampa* and the fate of its long-suffering passengers. The outcome of the election appeared to both confirm the craftiness of the government's strategy and reveal the folly of Labor's, for it lost not just to the Coalition many blue-collar PHON-leaning voters, but also to the minor parties the 'non-manual' voters disappointed with Labor's mimicking of the government line (Barker, 2001c: 51; Bean & McAllister, 2002: 276, 277). A strong stance against the government's attacks on asylum-seekers could have seen Labor retain at least the latter, whereas its bipartisanship saw it lose both. This, of course, ignores the unassailable argument for a principled commitment to compassion and humanitarianism, irrespective of the electoral consequences. Perhaps what was most glaring was the absence of any attempt by Labor to appeal to both its core constituencies (as identified above) by adopting the approach advocated by Mark Latham in 1996, namely to explain that it was not minorities (in this case, refugees) on whom working people should vent their anger, but 'the Treasurer's big business mates' and 'corporate crooks and tax avoiders' (HRH, 9 September 1996: 3762).

The danger to Labor's long-term electoral base arising from its stance on refugees was underlined when former Labor stalwart Tom Uren campaigned for Greens Senator Bob Brown on the basis that the latter was honourable and not

poll-driven (Flanagan, 2001: 9).<sup>7</sup> Indeed, this was the Greens' breakthrough election—at which they more than doubled their support to capture almost five percent of the vote—and it was scarcely possible without the ALP's me-tooism on asylum-seekers and September 11. Indeed, defections from Labor, and to a lesser extent the Liberals, led the Greens to secure between 10 and 15% support in some inner-city seats (Steketee, 2001b: 7). The boosted Greens vote in the second-largest state of Victoria was almost certainly a protest vote against the ALP's asylum-seekers position (Economou & Costar, 2002: 180). However, this related not just to the stance on refugees, but also to the fact that the Greens allied with campaigners against neo-liberalism and corporate globalisation (see Appendix).

In many ways, Labor was responsible for the invidious quandary in which it found itself. The timing of *Tampa* and September 11 was fortuitous for the government, but what mattered were not just the Opposition's responses to these events, but also the strategic decisions made before they occurred. Labor was the clear frontrunner early in the election year, based on consistent polling data, a series of defeats for conservative state administrations, and all the signs of a federal government in strife, reflected in veteran journalist Paul Kelly's article, 'Howard Needs a Miracle' (Kelly, 2001b). Perhaps this bred complacency about Labor's small-target strategy: the real problem, Davidson argues, was not Labor's failure to make its health and education policies clearer earlier on, but its early bipartisanship on balanced budgets and fiscal responsibility, which in turn saw Labor's staple bread and butter policies largely mirror those of the incumbent (Davidson, 2001b: 23). In which case, why make a change? As Dean Jaensch wrote during the campaign: 'Labor has a self-inflicted wound—it decided to be a policy-free party until the campaign started. Now it has trouble getting its policies to displace the daily headline reporting of the "crises"' (Jaensch, 2001: 12).

In one sense, refugees were *the* issue of the campaign,<sup>8</sup> made so by Liberal strategists who decreed that the party's polling booth posters and final newspaper advertisements would feature a quote from Howard at his Launch: '*We decide who comes to this country and the circumstances in which they come*' (Johnson, 2002: 35; italics in original). Given the importance of the issue to the campaign, and the bipartisanship that existed on this question, there seemed no reason to vote out the government. As Milne (2001b: 13) cuttingly observed, in the end the voters rewarded the 'author rather than the plagiarist'.

Opposing the Government on refugees would not by itself have elected Labor, as some have argued (Brown, cited in Murphy, 2001: 11). The electorate may have chosen to reward conviction, as they seemed to do with the independent MP for Calare Peter Andren, who was returned comfortably despite speaking out about the government's *Tampa* stance (HRH, 2001: 30574; Nason, 2001: 6). Tony Harris

<sup>7</sup>Uren did, however, state his preference for Kim Beazley as prime minister (Flanagan, 2001: 9).

<sup>8</sup>Although 'leadership' was found in post-election polling to be the most important motivation for voting Liberal, as Jupp (2002b: 261) argued, this was 'a code word for firm action on the border protection issue'. While Bean and McAllister's (2002: 285) research indicates that border protection issues were not the most important ones to voters, they 'did help the Coalition win'.

recalled that Labor was eventually rewarded for the unpopular position taken in 1966 against the Vietnam war (Harris, 2001: 63). This is somewhat inaccurate, given Labor’s stuttering on the war that ended only when the anti-war movement took wing (see Chap. 4). Button (2002: 19) makes the important point, however, that Labor might have suffered defeat on an even bigger scale had it opposed the government on *Tampa*, but what is certain is that Labor at least would have been ‘more respected in the minds of deeply concerned voters, and the Coalition isolated in its own grubby opportunism’. Furthermore, as Rodan (2002: 15) argued, by providing bipartisanship on economic issues, Labor gave those lower-income voters who supported Howard on refugees no reason to vote for it out of economic self-interest.

Many Labor supporters and members echoed such comments in the wake of the election. Doug Cameron accused Beazley of pandering to ‘racism, populism and xenophobia’, which left ‘many [party] supporters disgusted and demoralised’ (Bachelard & Nason, 2001: 4). Hawke and Wran (2002: 5) wrote in their post-election National Committee of Review report<sup>9</sup> that no ‘policy issue arose more frequently in our listening to and reading submissions from Party members than that of boat people and refugees’.<sup>10</sup> The CFMEU (Mining and Energy) and the MUA (2002: 3) in their joint submission to Hawke and Wran reported that the ALP’s emulation of the Coalition’s 1996 ‘small-target’ strategy ‘grated heavily on virtually every party member and affiliated union’ because Labor was reputed to be the ‘a party of vision, opportunity and progressive change, or at the very least different from the Coalition... [T]he small target strategy was morally corrosive and demobilising’. For former frontbencher Carmen Lawrence, the campaign was a ‘tightly controlled presidential-style’ one, in which ‘voters were offered little real choice and were asked to cast their votes on the basis of fear, not hope’ (Lawrence, 2001: 17). Rejecting the idea that the *Tampa* and September 11 were solely responsible for Labor’s loss, Tanner (2001: 13) instead homed in on the deeper issue that was the party’s ‘reactive’ and ‘defensive’ strategy. Of the 20 elections in which Barry Jones had cast his vote, this was for him the most depressing, because it was fought ‘in the context of a complete moral vacuum’. Labor, he concluded, needed to dispense with ‘convergence politics’ (Jones, 2001: 15). Others, such as Kevin Rudd, exhibited no such qualms about the strategic choices of the party, seemingly believing that it needed to go further by (re)inventing ‘New Labor’, which would involve an appeal to the ‘new centre of Australian politics’—‘aspirational’ voters, working families, and small business owners—and scrapping the socialist objective, to be replaced with a generic statement of social democratic values, and a belief in reward for effort (Rudd, 2001: 75). This provided an early taste of what was to come later under Rudd’s leadership (see Appendix).

<sup>9</sup>A review of the party’s organisation, structures, and internal processes announced by new leader Simon Crean following the 2001 federal election loss (Hawke & Wran, 2002: 6).

<sup>10</sup>The party had received heated feedback from members on both sides of the argument (see Marr & Wilkinson, 2003: 155, 156). Yet, it is unlikely that members would have raised the question as part of the review if they were supportive of the line adopted by the leadership.

## Explaining 'Parsimonious Social Democracy'

Commentators correctly singled out the 'small-target' strategy as a contributor to Labor's election defeat and its broader ideological and moral torpor. This strategy dictated Labor's policies (or lack thereof) on issues as diverse as the private health rebate, private school funding, CGT reform, GST rollback, and Work-for-the-Dole. Labor's unwillingness to present itself as a 'big target' meant that it opted for bipartisanship on many of these questions, or provided the policies with a safe passage through the parliament. This only raises the question, however, as to why Labor opted for the 'small-target' strategy itself, or why it did not offer 'prosperous social democracy' instead of 'parsimonious social democracy'.

In theory, it had the option of repudiating free market policies and of returning to a Whitlamesque 'big government' orientation, or at the very least a more redistributive model. Yet, the economic context was not conducive to this. Just as the sea-change in economic conditions was the key factor in the political direction of the Hayden Opposition, the direction of Beazley Labor must be seen against the background of the world economy's failure to emerge from the 'crisis of profitability' that first set in during the late-1960s (see Appendix). The days of full employment and consistent high economic growth never returned. As Table 15.1 shows, the performance of the Australian economy in the 1990s was only marginally superior to that of the 1980s, and equal to the recessionary 1970s, while largely the same can be said for the world economy. By the end of 2001, the euphoria surrounding the 1990s US-led boom had evaporated, with the IMF (2001a: 1) dismally commenting that the September 11 terrorist attacks had 'exacerbated an already very difficult situation in the global economy'.<sup>11</sup>

Labor's meagre health and education proposals must be seen in this light. Making significant inroads into these areas necessitated tax increases or cutting programs such as defence—always an unlikely prospect given Beazley's military predilections and the portfolio's 'privileged arrangement' (Blewett, 1999: 19). Reformist government, as we noted earlier, is expensive: Labor was unwilling to countenance tax increases for the wealthy and the corporate sector, or indeed any tax increases at all, for fear of alienating business.

This period also saw an increase in the volume and volatility of capital flows, which added to the pressure on Labor for business-friendly policies. Australia's historic reliance on foreign investment means that politicians must heed the sentiments of markets (Ravenhill, 1997: 292). Labor's capitulation to global economic pressures may not have been inevitable, but it is worth recalling Harman's point that social democrats 'accept the constraints of the system' (Harman, 1996: 25). A considerable number of the tools could be used to fund an expansionary program, including hypothecated taxes, retargeting of existing spending (e.g. the private health rebate), and clamping down on tax avoidance (Argy, 2001: 11). These would

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<sup>11</sup>For an analysis of the contradictions of the American boom, and the underlying fragility of the world economy around this time, see Harman (2001).



**Table 15.1** Australian and world economic performance, 1960s–1990s (annual average percent)

Australia	1960s	1970s	1980s	1990s
Real GDP growth	5.3	3.5	3.3	3.5
Unemployment	2.2	4.2	7.6	8.9
Inflation (quarterly)	2.5	10.1	8.3/8.1 <sup>a</sup>	2.3/2.8 <sup>b</sup>
World GDP growth	5.0	3.6	2.8	3.0 <sup>c</sup>

Sources Gruen and Stevens (2000: 3); Thurow (1996: 1); IMF (2001b)

<sup>a</sup>Excluding interest

<sup>b</sup>Excluding interest

<sup>c</sup>Based on figures in IMF (2001b)

not likely engender significant capital flight nor seriously spook the financial markets. Yet, the poor underlying economic conditions, and the pressure on nation-states to boost investor sentiment, place a premium on governments deregulating, cutting business taxes, producing budget surpluses, and continuing economic ‘reform’—in short, the so-called ‘race to the bottom’. Callinicos writes that any ‘national challenge [to neoliberalism] would soon find itself up against an extremely powerful constellation of social forces, embedded in the existing structures of globalized finance and transnational investment and backed up by the US and the other leading capitalist states.’ He was thus skeptical about the prospects of such a challenge succeeding ‘except as part of an international movement and through tremendous upheavals’ (Callinicos, 2003: 120, 121). Governments’ prioritisation of the health of the economy above all other policy issues is explained by the fact that competition among nation states to attract more mobile capital has intensified against the backdrop of the world economy’s continued underlying woes. Thus, at the annual WEF meet in Davos, it is the politicians who court business leaders, rather than the way around (Handy, 1997: 52). In response to the question as to why Tony Blair’s New Labour (then in Opposition) had kept to a largely Thatcherite policy agenda despite a modest revival in trade union strength and an ideological shift to the left in society, Cliff and Gluckstein reason that after the fall of the Berlin Wall the ‘counter pressure of capitalism has also grown’ in the form of the ‘system’s insistence on higher exploitation and cost cutting at all levels’ (Cliff & Gluckstein, 1996: 421).

The union revival in Australia around the time of Beazley was even more modest than that in Britain (see below), and it is unclear whether there had been ‘a shift to the left’ ideologically in society, though there is some evidence of anti-economic rationalist and anti-globalisation sentiment (see also Appendix). Yet, arguably for the same reasons mentioned by Cliff and Gluckstein, the widespread opposition to economic rationalism and the development of the anti-capitalist movement did not produce in Labor more interventionist and reformist policies.

There was, as has been noted, a significant weakening of the public acceptance of neo-liberal policies, as a result of which even the IMF conceded that its past free-market prescriptions had sometimes been ill-conceived (Cornell, 2001: 7). Yet, because of the discrediting of Keynesianism in the wake of the post-war boom’s collapse and the demise of the Soviet bloc, social democrats have had little to



trumpet as an alternative. Many on the Labor left (wrongly) believed that the state ownership and bureaucratic planning characteristic of those countries represented some form, however distorted, of socialist alternative. When those models collapsed they were ideologically stranded, unable to offer an alternative to the market. Emy (1993: 18) has written of the impact of the fall of the Berlin wall and the dissolution of the Soviet Union:

[It] created an intellectual deficit on the political Left... Those who believed in social justice, in building a better and fairer society through cumulative, gradual reforms all drew to some extent on the conceptual resources of socialism. The latter's eclipse...has left reformist parties with a critical shortage of ideas with which to oppose the rise of neo-classical liberalism in the 1980s with its fervent espousal of the individual and markets. The general problem on the Left is to know what will succeed socialism: on what to ground the critique of capitalism, and what reformist strategies to adopt.

Resonating with key Labor figures such as Gareth Evans and Mark Latham was Fukuyama's (1989) influential argument that the collapse of the Soviet bloc heralded the 'end of history' and the triumph of the free market. Evans described Fukuyama's widely discredited thesis as 'genuinely brilliant' and 'compelling' (cited in Scott, 1999: 217). Latham was even more triumphalist than Fukuyama himself. In a debate with CFMEU organiser Stephen Roach, Latham, responding to his opponent's question as to what was wrong with 'talking ideology', answered: 'Well, it was lost 11 years ago... With the fall of the Berlin Wall, your alternative, your so-called 'socialist objective', was lost. The market is here to stay' (cited in Ramsey, 2000: 42). Latham (2003, 12) conceded elsewhere, however, that since 'the fall of the Berlin Wall we've had trouble redefining ourselves'. Fellow MP Kelvin Thomson recalled that the event 'had an impact on us...because if you don't stand for a socialist objective, what do you stand for...some of the intellectual underpinning foundation that we have seemed to suffer a bit after the fall of the Berlin Wall' (Thomson, 2005). Accordingly, in his budget-in-reply speech in 2000, Beazley stated: 'We all now largely agree on...the need for fiscal discipline, an independent monetary policy, deregulation of financial markets, the floating of the dollar, low inflation and a more open economy' (cited in Clark, 2003, 58, 59).

The ideological consensus on the free market since the end of the Cold War is therefore one reason why Labor politicians now have such an uphill battle explaining what distinguishes them from their conservative counterparts. As a social democratic party, for which national economic intervention was at one time regarded as essential, the discrediting of Keynesianism (see below) and events in eastern Europe rocked the ALP's ideological foundations.

Thus, the fact that Labor was locked into the logic of economic rationalism and globalisation impeded its ability to develop an alternative politics to that of the Coalition, which in turn led Labor to rely on the 'small-target' strategy. They had nothing else, for the policy well had dried up. Although in Chap. 13 it was noted that Labor nominated the 'It's Time' factor as first among reasons for voters rejecting Labor in 1996, it is important to understand the political and ideological context in which this conclusion was reached. The impact of the universal acceptance of liberal capitalism by all major political players in the wake of the fall of the

Berlin Wall was, as Callinicos (2003: 3) put it, 'to take the politics out of politics ... political debate could only centre around minor technical issues and the presentation of personality'. Recall that in Chap. 2 several writers alluded to the impact that ideological differences (or lack thereof) would have on an Opposition party's stance vis-à-vis the government's. Glenn Milne in 1996 presciently commented that the 'pressure of global economics' prevented the new Labor Opposition from abandoning economic rationalism: 'Which leaves us with the cheerless scenario that, in the wake of the collapse of the cold war, ideas in politics really have become a thing of the past.' Australian politics, he predicted, would stoop to the superficial level of its American counterpart, where arguments revolve around 'who can best manage the economy'. Beazley was thus keeping 'his fingers crossed' that a Howard blunder just might be enough to get him elected (Milne, 1996: 23).

## Other Factors Influencing Beazley Labor

It was not inevitable that Labor would move in a conservative direction during this period. But it was highly likely given the pressures any contemporary ALP Opposition working within the constraints of capitalism is likely to be under, in addition to the impacts of the parameters set by what type of party it is—that is, one situated in the reformist tradition that accepts the limits of the system, regardless of how narrow they are at any one time. One factor that might have served to offset Labor's conservatising tendencies is a resurgent trade union movement, which can in Opposition exert greater influence over the FPLP. Despite efforts on the part of both wings to pursue in the last period studied a looser relationship in Opposition, unions retained some power and influence, given that they continued to occupy an indispensable role in the party in terms of providing much needed funds, supplying foot soldiers to work during elections, and underpinning the factional system (Manning, 2000: 232). The trade unions under Beazley were, however, if anything in an even weaker state than they were under Hayden. The period was not without its successes—including the MUA's defeat of the federal government's 1998 assault. The government's failure was a morale boost, even if the union's was a Pyrrhic victory (see Bramble, 2008, 181–198). Another notable victory of sorts included the Victorian construction unions' successful negotiation in 2000 of an agreement with major employers for a 36-h week and a sizeable pay rise (see Field, 2000: 18; Long, 2000: 22).

Overall, however, strike rates remained at historic lows (see Table 15.2). This reflected still comparatively low levels of union confidence in a context in which there was no foreseeable end to the general employer/(federal) government offensive—reflecting ruling class confidence, which was notably low during the late-1960s and early 1970s—against wages and conditions (see Ellem, 2001). The general perception was that unions were in crisis (Griffin, 1999). Density fell sharply from around 35% in 1996 to 24.7% in 2001 (Cooper, 2002: 249; Pocock and Wright, 1997: 129). This, of course, was interrelated with the weak overall

**Table 15.2** Industrial disputes in Australia 1996–2001

	Disputes no.	Employees involved	Working days lost
		'000	'000
1996	543	577.7	928.5
1997	447	315.4	534.2
1998	519	348.4	526.3
1999	731	461.1	650.5
2000	698	325.4	469.1
2001	675	225.7	393.1

Source ABS (2003)

economic conditions and high levels of job insecurity, as well as factors detrimental to workplace organisation, such as casualisation, contracting out, and structural changes in the economy (Ellem, 2001: 199).

Low levels of union density and passivity affect the ability of the union movement to shock the political wing into radical action. A significant revival in the trade unions may have had radicalising consequences for ALP policy. McQueen (2003: 23) has estimated that the ALP's adoption of policies such as redistributive taxation would require 'a shift in the balance of class forces throughout Australia, indeed across the globe'. Labor's response to the 1998 maritime dispute showed what might have been possible with more sustained action. Although heavily compromised by its support for the neo-liberal sounding 'waterfront reform', when Patrick Stevedores and the federal government set out in 1998 to drive the MUA off the docks of Australia, Labor denounced it in strong, class-ridden terms:

This is a stage in a gradual process of turning the clock back to before the Great Depression.

This is to go back to the dog collar act. This is to go back to the master and servant relationship of the 19th century. This is to go back to the situation where all you had was individual contracts (Tanner, HRH, 8 April 1998: 2819).

Beazley rightly claimed that the government's aiding and abetting of the attack on the union was less to do with waterfront reform in particular and more to do with its desire in general to 'target a particular union and seek to destroy the lawful rights of [all] the workers to organise' (HRH, 8 April 1998: 2727). Such was the explosive potential of the 1998 waterfront dispute that it was compared to the ferment created by the jailing in 1969 of Clarrie O'Shea (Long, 1998: 4). Beazley was galvanised into committing his party to what Manning called a 'classic blue-collar struggle' (Manning, 2000: 231). Beazley and deputy Simon Crean joined other Labor MPs fraternising on the picket lines (Hannan, 1998: 1). One is entitled to be cynical regarding their motivations for turning up there, but the bigger problem was that such industrial dispute was limited, and did not lead to a general union revival: in fact, as Table 15.2 shows levels of struggle headed downward as the years of the Beazley leadership wore on, with the Canberra riot of 1996 turning out to be not a precursor to greater working class unrest under Howard.

Something similar could be said of pressures exerted by grass roots movements for change. It might have been expected that the anti-capitalist movement would exert radicalising pressure on Beazley Labor in the same way that the anti-Vietnam war movement did on the Whitlam ALP. In truth, it would take an almighty social movement to match the impacts of what happened in Australia as people resisted that most horrific of unjust wars. While, as we noted earlier, the anti-Iraq war protests of 2003 were the largest Australia had witnessed, they were not sustained once the invasion commenced, and their effect would never be remembered in the same way, for reasons there is not the space to discuss here. Suffice it to say, the movement against global capitalism did not attract, in Australia at least, the large numbers of people who participated over many years in the anti-Vietnam war movement: it had difficulty attracting union support, and it did not permeate public consciousness on the same scale as did Vietnam. The largest anti-capitalist action in Australia was the protest against the WEF meeting in Melbourne, September 2000 (see Chap. 14). Estimates of numbers attending that protest range from 10,000 to 20,000 people (*Socialist Worker*, 22 September 2000). This is a significant number, but this was where it peaked. Not only did the number of anti-Vietnam protestors at the peak of that movement far exceed this—especially when one takes into account population increases since then—it had real staying power. Moreover, the anti-Vietnam war movement coincided with a period in which there was a much clearer political shift to the left, and, owing to the strength of the economy, much less of a concerted desire by bosses to attack unions, which were comparatively strong in any case. One other consideration is that the anti-Vietnam war movement coincided with (admittedly the latter stages of) the post-war economic boom, which gave Labor more room to offer reformist policies. The trend in politics overall at that time was in an unmistakably more radical direction.

There was talk of a modest revival in student activism in the late-1990s (Cervini, 2001: 6; Hogarth, 1998: 43). Again, however it was neither consistent nor large enough to begin to affect the FPLP. Moreover, the FPLP's roots in the community have withered since the 1960s and 1970s—owing to the growing crisis in elite politics—and the party is more detached from popular movements than it has ever been (see Chap. 16 below), meaning that its responses to any movements are likely to be much more delayed, hesitant, and minimal.

One final factor influencing Labor's direction was the party leadership's conservatism. Beazley was, as we have seen, an economic rationalist in spite of any claims to being a 'traditional Leader'. Aside from his eccentricities as somewhat of an armchair general, and his support for economic rationalism, his economic conservatism was reflected in the fact that, apart from Gareth Evans, then-Prime Minister Bob Hawke, and Susan Ryan, Beazley was the only other minister in 1985 in favour of then-Treasurer Paul Keating's 'Option C' consumption tax, an early intellectual antecedent of the Howard government's GST (Kelly, 1992: 161). Beazley was also extremely conservative on social issues: he was one of the few ministers in the Keating government to defend the exclusion of gays from the military (see Blewett, 1999: 269). John Dawkins recalled the puritan young Beazley: 'what we always used to say, was 'if Kim is as conservative as this now,

how conservative is he going to be when he's his father's age? Everyone was to the left of Kim in those days' (cited in FitzSimons, 1998: 93). Beazley aspired to be, in his own words, 'the most conservative Labor leader since Chifley' (Milne, 1999: 15). This might help explain Beazley's more general penchant for the 'small target' strategy.

However, as an overarching explanation for the general tenor of Beazley Labor it will not do, not just because of the other influential factors described above, but because Beazley's personal conservatism was an accurate barometer of the ALP at the end of the twentieth century: as the old adage would have it, the ALP got the leader that it deserved.

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## Chapter 16

# Conclusion to Part IV: Flogging a Dead Horse—the Beazley Years (1996–2001)

Former federal minister John Button described in 2002 the demoralising atmosphere at his local Victorian ALP branch, a meeting attended by just eight people, two of whom were MPs:

Lindsay Tanner, the federal member, spoke about the last election and then about the problems besetting the ALP ... The party had a very low membership in outer suburbia: members felt ignored and couldn't see the value of membership. 'We have', he said, 'a good brand name but a bad product.' He sounded like a visiting clinician describing the effects of chronic fatigue syndrome. There were, he warned, no quick fixes, no wonder drugs. It was an honest analysis but depressing ...

The branch whose meeting I'd attended has a long history. It used to meet in the town hall and if there weren't forty or fifty people present it was a bad night (Button, 2002: 1–3).

Button cited the case of a 'rusted-on' Labor voter who had been a member of his branch for 24 years, and who had participated in all the usual party activities of letterbox dropping, distributing how-to-vote cards on polling day, as well as promoting the party among her friends. She told Button, however, that she no longer attended branch meetings, and did not feel that the party still represented her kind: 'I think there are a lot of people who think like me, but these days there are more of them outside the Labor Party than in it' (Button, 2002: 75). Peter Botsman has similarly commented that 'if you are a good policy person, if you have a world view, and if you go to an ALP branch and talk about it, people will laugh at you' (Clark, 2001: 52). These anecdotes speak to the perception of the party as soulless and hollowed out, which is borne out by other data.

## Falling Membership and Voter Support

As is the case with other social democratic parties around the world (see Lavelle, 2008), Labor's neo-liberal policy record has contributed to membership bleeding. ALP party membership fell from nearly 300,000 around the time of WWII to just 38,000 in 2003 (Clark, 2001: 52; Johns, 2006: 47). Around the same time Senator Chris Schacht nominated a lower figure of 30,000 members—fewer than the Adelaide Crows Australian Rules football club, he claimed—only a third of whom were active (Gray, 2001: 1). While Kevin Rudd more recently nominated a figure of 44,000, a separate investigation came up with a lower number between 37,000 and 40,000 (Alexander, 2013). This was prior to the introduction of a new rule regarding leadership changes following the acrimony of the Rudd-Gillard leadership battles, which gave members some say over who was to head the party, though as expected the parliamentarians would continue to exercise the greatest influence: 54,000 was the new claimed membership number (Bramston, 2015). But, even if accurate, the rise is likely to constitute a short-term boost that is unsustainable over the long-run, given the absence of policies that would produce an influx of new generations of members. We may see something similar to what occurred in Britain where the Labour Party's membership rose from 266,000 in 1993 to 400,000 in 1997, only for the decline to begin almost immediately under the prime ministership of Tony Blair, whose policies demoralised so many people that by 2005 it was reported that 200,000 members had left the party over the previous five years (Katwala & Brooks 2005: 10; Kimber, 2005; Seyd, 1998: 66).

What we can say for certain about the ALP membership numbers is that they are grossly misleading. For one, the majority of them are passive. In terms of 'active' members, figures are difficult to come by. Former leader Mark Latham estimated that in his electorate—Gough Whitlam's old seat of Werriwa, in western Sydney—there would be 'no more than 50 active members', while across Australia there would be only around 7500 'real members', barely 'enough to fill a small suburban soccer ground' (Latham, 2005: 7, 8, 398). Rodney Cavalier reckons on there being fewer than 3000 active ALP members in Australia. Some 49 ALP branches, it is worth noting, closed between 1999 and 2006 (cited in Donovan, 2006: 29).

Of course, among Australian political parties, declining membership is not peculiar to the ALP (Jaensch, 2006: 28, 29). Some Labor MPs maintain that the losses are not entirely policy-related, and partly reflect modern consumerism and the new indoor privatised forms of entertainment it offers through the internet and television, which Kelvin Thomson (2005) suggests is the 'largest culprit'. In addition, Duncan Kerr (2005) argues that contemporary political issues are becoming increasingly international, whereas party memberships and meetings are still based around dusty old local halls and rooms, and thus potentially irrelevant.

It goes without saying that there are likely to be many varied and complex reasons for why members choose to resign or not renew their membership of a

party.<sup>1</sup> There is clear evidence, however, of a relationship between membership decline and discontent with party policy, which in turns contributes to a withering of roots in the community. For instance, in the 1980s Labor's membership decline after 15 years of membership growth between 1967 and 1982 was attributable in part to disenchantment with the economic rationalist policies of the Hawke government:

Several official inquiries conducted within the Party show that the membership slump since 1983 [when Labor was elected] has occurred largely because Labor in office has embraced policies which run counter to the Party's platform... In 1988, nearly 40% of the ALP rank and file in Victoria who did not wish to renew their membership, and more than 50% of those in Tasmania, indicated that their decision resulted from actions of the Federal government ... (Scott, 1991: 45).

The neo-liberalism of the major parties is on the nose in the community, which leads to a loss of members and supporters, and produces a governing class more estranged than ever from its subjects, which explains why candidates come increasingly from such narrow strata of community (see below). Federal Labor senator John Faulkner points to wider political trends involving the use of campaign techniques that require less member involvement, but he also argues that 'there are a lot of alienated activists as well. Mainly as a result of the period that we had in federal government between [19]83 and [19]96' (Faulkner, 2005). When asked if the Hawke and Keating governments had added to the membership losses through the disillusioning aspects of some of their policies, Labor MP Lindsay Tanner (2005) responded: 'I think that's true but I think some of the policies also inspired the rank and file members'. There was little evidence of this inspiration, however, at the 1996 election in the lead-up to which significant numbers of members left the party (see Chaps. 12–16).

The simultaneous membership decline of the major parties may reflect common trends, namely their shared embrace of neo-liberalism in the late-1970s and early 1980s (Marsh, 2006: 125). It has been argued that the decline in voter support for both major parties flows from the fact that they both support 'the economic rationalist approach to government policy' (Singleton, Aitkin, Jinks, & Warhurst, 2003: 270). Braunthal (1994: 353) put forward a related explanation for simultaneous declining memberships among major parties in Germany. Both major parties in Australia are tarred with the one brush of safety, conformity, and conservatism (see Barns, 2003). Thus there may seem little point to membership of either party. More recently Alexander commented that 'Australia's political parties are on the nose as they desperately try to sandbag dwindling membership' (Alexander, 2013). The review conducted after the post-2001 election gave voice to members who called upon the party and its leaders to give them 'something to believe in' distinct from the Coalition's ideology (Hawke & Wran, 2002: 8).

Yet, membership decline in Australia is not quite universal. According to Greens adviser Ben Oquist (2005), the party's membership in the early 21st century was

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<sup>1</sup>A disclaimer: the author was once a member of the ALP.

‘booming towards 7000–8000’. Any general reluctance of people to join parties, or the impacts of television and the internet, were not evident in the case of this political organisation. Moreover, it is not just the quantitative, but also the qualitative, decline in Labor’s membership, which has become over the years increasingly middle-class and professional (Scott, 1991: 36–50). Only roughly a quarter of ALP members are said to be of working class origin (Warhurst, 2002: 197).<sup>2</sup> Lindsay Tanner describes the party membership as ‘chronically low, ageing, only sporadically active and corrupted by branch-stacking in a number of areas... These problems have contributed to a culture of disillusionment and declining participation’ (Tanner, 1999: 195–197).

On the wider issue of partisanship, Beazley Labor was inhabiting much shakier political terrain. Support for Labor has been in long-term decline, something which is also true for the conservatives in Australia, as well as political parties in other parts of the world (McAllister & Bean, 1997: 174–177; see also Lavelle, 2008, Ch.4). This suggests that it is part of a broader public distrust of politicians and the political system (Lawrence, 2000: 57, 58). The decline in party support, according to pollster Rod Cameron, is simply part of a wider trend in the community, namely looser affiliation, reflected in reduced allegiances to sporting teams, less loyalty between employers and employees, declining union membership, falling church attendance, and higher divorce rates (cited in Macken, 2001: 13).

The fact that a declining proportion of the voting population identifies with the ALP presents no less of a problem simply because a similar phenomenon is experienced elsewhere. Labor’s primary vote at the 2001 federal election (37.8%) was lower than at any time since 1906 (Hawke & Wran, 2002: 9). At the succeeding 2004 federal election, the ALP lost a further five seats, and its primary vote fell slightly again to 37.6%. As National Secretary Geoff Walsh admitted at the time, Labor is ‘experiencing a dangerous decline in its primary vote’, making it more reliant on the unpredictable preferences of minor party voters (Walsh, 2002: 132). Furthermore, this decline is often occurring in Labor ‘heartland’ seats such as Kingsford-Smith and Werriwa, meaning that seats once won on primary votes, now are decided on preferences (Thompson, 2002: 164, 165).

This trend has continued since the Beazley Opposition period. The proportion of ‘life long Labor voters’ in the electorate fell from 32% in 1969 to 22% in 2010 (cited in *Solidarity*, September 2013). At the 2013 federal election, the party secured its lowest primary vote in 80 years. The party’s average primary vote in 12 elections between 1945 and 1975 was 47%; in 2013, it was just 33%.

These are the raw numbers of an organisation in crisis.

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<sup>2</sup>Warhurst’s definition of ‘working class’ is not clear. If he does not follow the author’s approach of including as working class white-collar process workers who do not exercise control over the production process, the figure may be somewhat higher. Indeed, this suspicion is heightened by the fact that elsewhere he argues that a quarter of ALP members are blue-collar workers, thus potentially conflating blue-collar workers with the working class (Parkin & Warhurst, 2000: 26).

## Rage Against the Machine Men: A Less Democratic Party

Related to the trends of declining membership and voter support is the less democratic character of the modern ALP compared to, say, the party of the Whitlam era. Cavalier has awarded the ALP with the dubious prize of being ‘one of the most undemocratic and unrepresentative parties in the world of parliamentary democracy’ (Cavalier, 2002: 113). Discontent with party democracy can be traced at least as far back as the 1960s (Warhurst, 2002: 197). But it is clear that in recent times it has become more acute. The inability to influence party processes and policy was the commonest complaint raised by Labor members as part of the post-2001 election Hawke–Wran inquiry (Hawke & Wran, 2002: 8). We have seen that the role of the contrived and stage-managed national conference essentially has been reduced to showcasing the leader’s authority, with virtually no debate or discussion permitted. Part of this can no doubt be attributed to the impact of greater media scrutiny in the aftermath of the first televised conference in 1967, but even the conferences in the 1980s were far more lively and spirited affairs than those under Beazley. It is arguable, too, that, in keeping with international trends in relation to parties becoming more tightly managed and controlled, the ALP Caucus is now far more deferential to the leader. In terms of comparisons, the closest equivalent of Whitlam’s defeat over strike penalties in 1971 would have been a rebuff of Beazley over the *Tampa* affair—something largely unthinkable. When one federal Labor MP in 2003 relayed to former Labor minister Barry Cohen the practice whereby the FPLP leader Simon Crean and a few shadow ministers decided before each sitting day of Parliament what questions would be asked and who asked them, Cohen recalled having ‘heard nothing like it’ in 20 years’ experience as an MP, such was its denial of what he regarded as the democratic rights of the member (Cohen, 2003: 11).

The effect of all this is that the party leadership’s views of the world tend to dominate over the lower levels of the party, making it more detached from the life experiences of ordinary people. In the wake of the 2001 election, Kenneth Davidson opined that there was nothing new about the existence of the ALP political opportunist who was willing to subvert principle to achieve power. However, whereas in the past, democratic pre-selection processes and a variety of checks and balances in the party organisation eliminated the worst of these, today because of the entrenched power of factions and the ‘tribal and familial processes that decide preselection ... they hang on ferociously to their paid offices’; the atrophy of the branches, the state and federal executives and the parliamentary caucuses had so combined to erode party democracy that the members had virtually no input, giving priority of place to all manner of hangers-on such as opinion pollsters, advertising agencies, and public relations experts (Davidson, 2001: 17).

The absence of observable dissent at party conferences and in Caucus is partly a product of the commonly acknowledged reduction in ideological differences between party factions (see Button, 2002: 28, 29). Cavalier has recently described factions as mere ‘executive placement agencies’ (Cavalier, 2002: 106). One left

wing rank-and-file Labor member in Canberra wrote in 1998 that the left Caucus stood for policies no more radical than tariff protection and industry regulation, views that would ‘not be out of place at any meeting of a Menzies Cabinet’ (Baxendell, 1998: 9). In fact, it is doubtful that many federal Labor left MPs stand even for such relics as protectionism, so drastic has the rightward shift in the party been: Anthony Albanese, one of the FPLP’s most prominent left-wing politicians, thus ruled out a ‘return to protectionism’ (HRH, 30 August 1999: 9385). In this context, outgoing National President Barry Jones remarked that in the 1960s ‘I was seen as a fearful right-winger. Now I find it hard to identify anyone who is to the left of me’ (*Labor Herald*, October 2000, p.12). The left is now far more compliant, pragmatic, and power-hungry. Whereas it could once justifiably be accused of putting principle before office, now this is almost never the case. Left-wing member for Sydney Tanya Plibersek thus pledged ‘to do whatever I can to make sure Kim Beazley is the next prime minister. And if part of that is going on *Good News Week*,<sup>3</sup> then I will do that’ (cited in Lumby, 2000: 46). The FPLP’s most powerful faction, Brett Evans argues, is the ‘get-back-into-government’ faction (Evans, 2001: 55). The risk of upsetting Labor’s prospects of winning in 2001 was undoubtedly one reason why the left was largely impotent during the *Tampa* crisis.

An important underlying reason for the factional convergence is the impact of the collapse of the Soviet Union and the Eastern bloc, which, as we have seen, had hampered Labor’s capacity as a whole to develop an alternative economic model to that of the Coalition. Thus, the left was unable to respond effectively to the pro-market Third Way. When left-winger Anthony Albanese raised the idea of a government-owned bank as a solution to declining banking services in rural communities, his right-wing rival Mark Latham could point to the failure of the state banks and the Commonwealth Bank to provide adequate services in the regions of Australia: ‘Albanese has fallen for the tired old answer of public ownership and big government spending’ (*Daily Telegraph*, 12 February 1999: 11). The left’s inability to respond to such arguments has in turn contributed to the absence of ideological discussion—let alone debate—inside the FPLP. In turn, this has helped create an increasingly monolithic, power-driven, and colourless organisation.

## **The Bland Leading the Bland: A Party of ‘White Bread Politicians’**

There is a dialectic relationship between the conservatism and absence of ideas within the party and its unrepresentative character: the lack of any radical content in modern Labor can only but attract a narrow social stratum of Labor MPs, whose domination of the organisation in turn further contributes to the lack of spark in the

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<sup>3</sup>A satirical ABC television program, which is no longer on-air.

party. John Button has calculated that, whereas the Caucus of 1978 contained a relatively healthy mix of MPs from different occupational backgrounds, over half of the 96 members of the post-1998 election group came from jobs in party or union offices, 10 were former members of state parliaments, while nine described themselves as political consultants, advisers, or lobbyists. In Button's eyes a recent development is the party hierarchy's control by 'a new class of labour movement professionals who rely on factions and unions affiliated to the party for their career advancement. These people come from the ranks of political advisers, trade union policy officers and electoral office staff' (Button, 2002: 22, 23). Walker surveyed 37 new federal Labor MPs (including those elected in 1996 and 1998 as well as the successful candidate in the Ryan by-election of 2001) and discovered that 25 of them (close to 70%) had a background either as a union organiser or political staffer, or both (Walker, 2001: 83). The same gentrification of the party is reflected in the delegates to the national conference: state and federal politicians, union officials, political staffers, and party officials comprised 90% of the ALP members elected to determine party policy at the 2000 conference (McGregor, 2000: 11).

Barker correctly points out that this transformation reflects not merely the embourgeoisement of Caucus, but wider structural change in the economy since the time of the first federal Caucus in 1901 when men backgrounded in manual labour filled the party's ranks (Barker, 2001: 80; see also Macintyre, 2001: 19–24). Yet, were the problem wholly one of structural changes in the working class and wider labour force, one would expect to see today a few bank tellers, secretaries, call centre workers, and flight attendants rising up to become MPs. Plainly this is not the case. Something has gone drastically wrong in the party if Rodney Cavalier is right when he says that former Labor Prime Minister Ben Chifley would not get pre-elected to stand today as a candidate for the ALP on account of his humble background as a railway worker (Cavalier, 2005).

Arguably, the cumulative result of all this is that the party's policies and politics reflect the narrow and relatively privileged strata of the labour force that predominate, so that the watchwords of modern Labor are caution and moderation. The party produces in spades what former National Secretary Gary Gray calls 'white bread politicians': lacking diversity in background or experience outside the Labor Movement, they aspire to climb the ranks and become career politicians from an early age (cited in Walker, 2001: 83). As an example of this common stock, *par excellence*, Walker nominated Labor's candidate in the Aston by-election in July 2001, Kieran Boland: a son of a former trade union general secretary, Boland was 'young, well connected...conventionally behaved, moderately well educated, with relatively little real job experience and—most importantly—factionally aligned' (Walker, 2001: 83). Walker added that Boland's job was to not 'say anything controversial, stick to the script, stay below the media's radar screen: whatever you do, don't under any circumstances reveal independence of mind or, heaven forbid, spirit' (Walker, 2001: 83). Beazley's leadership was symptomatic of a party shot through with 'white bread politicians' such as Boland.

All of these problems suggest that any electoral successes Labor may enjoy in the future will not detract from the long-term decline into which it appears to be



spiralling. Former president of the Australian Workers' Union Jim Doyle is in no doubt that the 'Labor party is morally, philosophically and ideologically in deep trouble' (cited in Jaensch, 2002: 209). Perhaps the central problem for Labor—particularly in relation to falling electoral support and membership—is the widespread confusion about what contemporary Labor stands for. This was reflected in the review conducted by Hawke and Wran, who reported that members called upon the party and its leaders to give them 'something to believe in', a set of principles that distinguished Labor from its conservative opponents (Hawke & Wran, 2002: 8). This is a problem that is a hangover from the 1996 defeat, and which has been put off for forever and a day.

In the absence of a Vietnam-like effect on today's Labor—recall from an earlier chapter that one perspective attributed Labor's revival after the Menzies era to Vietnam—the party is likely to continue to experience falling membership levels and voter support, and to go on being dogged by the question of what it believes in, beyond winning the next election. On the other hand, it is doubtful Labor is capable of responding to something like the anti-Vietnam war movement today in the fashion it did during the 1960s and 1970s. Such an impression is lent credence by the fact that it has not seized upon the opportunities presented by the growing opposition to global capitalism—quite the opposite, it displayed remarkable hostility to the activists, some of whom were ALP members. The party's acceptance of the limits imposed by managing the nation-state in a competitive global economy means that its policies will continue to be attuned broadly to the needs of corporate profitability, notwithstanding occasional electorally-motivated platitudes: the 'light on the hill' may still serve as a rhetorical device for Labor leaders seeking the support of a jaded membership, but a discussion of what that would mean in 21st century terms, and what policies would be necessary to achieve it, can be expected to receive scant consideration.

## Conclusion

Labor's bipartisanship on the *Tampa* and September 11 represented the tragic denouement of the 'small-target' strategy. It may be that it would still have lost the election had it opposed the Government on *Tampa*, but had it adequately convinced the electorate in the lead-up to 2001 that life under a Labor government would be substantially better, it would have been in a much stronger position, particularly given that early in the election year it was widely regarded as the favourite to win; it failed to make the most of that momentum with a positive outline of alternative policies, and chose instead to put its head down and hope for the best in a cynical early example of the standard practice of 21st century politics that has contributed to the collapse in support for mainstream political institutions. The decision to support the government on 'border protection' lost the party votes to the Greens, many of which it may never see again, as the Greens have gone on to cement their

place in Australian politics as the third force. More than that, the party's behaviour raised further question marks over the contemporary party's moral purpose.

In this sense, on the issue of asylum-seekers during this period, it is worth noting again that the actions of the major parties were responsible, as we shall see further in the Postscript, for the growth in support of minor parties such as PHON (buoyed, no doubt, by the government's and Opposition's stealing of its policies in this area), on the right, and the Greens, on the left, in the process contributing to the yawning gap between political elites and the people, and creating fertile ground for populists such as Pauline Hanson.

The Beazley period of Opposition was, of course, different from both of the other periods examined in this book. However, if anything it shared more in common with the second than with the first. Both were periods in which the unions were weak if not in decline, economic conditions were not conducive to an expansionary platform, and general politics were sliding rightwards (even if there is some evidence the people during the Beazley years were moving to the left on issues like globalisation and economic rationalism). In both cases, these were strong contributory factors to Labor's conservatism.

In one notable respect, however, the Beazley period contrasted sharply with the Whitlam-Hayden years: apart from a brief spurt of introspection following the 1996 election, there was little of the soul-searching or scorching internal debate about Labor's time in office that characterised Labor politics after the dismissal. In the FPLP, if not the wider party, the overall view of the Hawke-Keating years was positively glowing, and the strong defence mounted of the decisions made by those governments stood in stark contrast to the ritual finger-wagging about Whitlamism that took place post-1975. Whereas considerable discontinuity was evident between the policies of the Whitlam government and the Labor Opposition that followed it, Beazley Labor continued on in many respects from where Hawke and Keating left off. It is thus not entirely accurate to characterise Beazley Labor as lacking policies: the party exhibited unfailing loyalty to the free market and to globalisation, which more or less spoke for themselves in relation to their dominance of virtually every area of economic and social policy.

The key reason for this continuity, it has been argued, is that, like most political parties, in the aftermath of the fall of the Berlin Wall Labor was convinced of the unassailability of the free market, and of the virtues of globalisation, which compels all citizens to imagine themselves competing with everyone else for survival in the international marketplace. The global economy, moreover, had not recovered from the trailing off that began in the late-1960s, followed by the end of the post-war boom; and while the Australian economy was performing marginally better during this period than in other parts of the western world, the period was one of continued economic uncertainty and anxiety coupled with further depletions of the revenue base for reformist policies as a result of corporate tax cuts. Labor's adoption of the 'small-target' strategy, the associated trend towards 'presidentialised' politics, and the domination of opinion polling and spin doctoring, is indissociable from these facts.

Overall, the Beazley period ended with Labor at an ideological and organisational impasse: there was a lack of clarity about the party's purpose, along with a steadily eroding membership and support base. The pervasive gloom in and about the party during these years must be set in this context.

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## Chapter 17

# Conclusion: Labor in Opposition— Contrasts and Continuities

Opposition has been a neglected area of research both in Australia, and internationally. This is mirrored in the case of the ALP, where little effort has been directed towards examining what Labor does—and does not—do in Opposition, or why it moves in a particular political direction, both in relation to its own behaviour previously when it was in office, and to the government of the day. This book has sought to make a contribution to filling some of the gaps in the research to date. By examining three concise periods of Labor in Opposition, it was possible to move beyond propositions about the behaviour of Oppositions in general (and about social democratic parties, in particular, such as the British Labour Party) referred to in the wider literature to identify some of the key factors that shape the ALP when it loses government.

### The Three Periods Compared and Contrasted

Each of the three periods of Labor Opposition studied in this book is unique in numerous respects. First, the Whitlam Opposition (1967–1972) was easily distinguishable from the remaining two periods by its radical content and clear upward momentum, reflected in soaring rhetoric by MPs, who at times threw themselves into political activism. Australian and world politics were characterised by upheaval and ferment on a scale not seen since. In Opposition Labor has traditionally been more easily influenced by extra-parliamentary forces, and it was thus no surprise that a range of Labor policies bore the imprint of the rebelliousness of the era. The strength and confidence of the trade union movement was particularly notable, as direct action was increasingly favoured over arbitration as the best means to improve wages and conditions for workers. This stood in stark contrast to both the Whitlam-Hayden and Beazley periods of Opposition when trade unions were much weaker, and seemingly in decline. There was nothing comparable to the radicalising effects of the anti-Vietnam war movement in either of the other two periods, which

goes some way towards accounting for the greater strength of the left inside the party during the first period vis-à-vis the others. Neither the anti-uranium movement of the late-1970s and early 1980s, nor the anti-capitalist movement of the late-1990s and early 2000s (in Australia, at least), provided the focal point for a clear move to the left: both, unlike the anti-Vietnam war movement, eked out an existence in a more conservative party-political ideological climate.

And yet, the significance of the anti-capitalist movement in the late-1990s should not be understated. It bore some resemblances to the anti-Vietnam campaign in that it shared the latter's tendency to generalise politically about diverse social problems—part of the long-standing left radical attempt to understand the world as a complete whole, with the various fractures and maladies linked in critical ways. It also typified a much wider public disquiet with the neo-liberal economics pursued by both major parties in an effort to boost corporate earnings. By the end of this period of Opposition, however, it was not clear that the movement had the same radicalising effect throughout the whole of Australian society: this is one reason why it did not have the same impact on Beazley Labor as the anti-Vietnam War movement did on Whitlam Labor, although it also reflected the greater detachment of modern Labor from grassroots activists. (Indeed, one critic was of the view that Beazley Labor would not have opposed the Vietnam war (Harris, 2001: 63)). The harsher economic climate, and the greater competition among nation-states for investment dollars, placed greater emphasis on policies aimed at satisfying business confidence. This likely was another reason for Labor's hostility towards global capitalism's malcontents.

The other factor easily distinguishing the first period from the others was the still robust nature of the domestic and international economies. While in hindsight signs of the immanency of the post-war boom's end are discernible from the late-1960s, when Whitlam was elected in 1972 it was not expected that the economy would pose any serious problems for the implementation of the program. Full employment, price stability, and continued high economic growth all were to varying degrees taken for granted. The Whitlam period was the only one of the three during which social reforms were considered implementable without unduly hurting the system.

The opposite was true of the experience of the Whitlam-Hayden period, whose most important feature was the new economic paradigm ushered in by the collapse of the post-war boom in 1974–1975. The inability of Keynesianism to foresee and then to remedy rising unemployment, high inflation, and falling economic growth saw its dominance as an economic doctrine supplanted by versions of neo-liberalism that stressed smaller government and less state intervention. This development, while impacting on both major parties in Australia, hit Labor harder, because Keynesianism had allowed it to offer reforms to its traditional supporters without violating economic orthodoxy, and because its emphasis on *national* state intervention was in keeping with the ALP's historic bent towards unitary government.

The major features of Labor's direction during the Whitlam-Hayden period are intelligible only in this context. The reason for the often very public disavowal of

the high-spending approach of the Whitlam years is self-evident in the recessionary years of the 1970s and 1980s, which drastically cut government revenues. The rapprochement with federalism occurred, too, because of the move away from national government intervention following Keynesianism's demise, and because of the drive to improve the confidence of business, which has tended to be pro-states' rights', on account of their inferior ability to interfere with business. The amelioration of the socialist objective fitted the newfound faith in market forces in the late-1970s and early 1980s. The ascendancy of the right in the party, meanwhile, was rooted in the more conservative intellectual climate. But it also demonstrated that there is nothing axiomatic about a move to the left in Opposition. The emphasis on 'responsible economic management' was of a piece with economics' domination of politics during this era. To the extent that it reflected the negative conclusions drawn by Labor about its time in office, these conclusions were not reached in an ideological vacuum, but instead dovetailed with the more cautious approach to public management adopted on all sides of politics post-1975.

Even some of the other key factors attributable to Labor's rightward shift during this period were related to the paradigmatic shift in economic conditions: the trade union movement, for instance, has historically reverted during economic downswings to 'political' solutions rather than direct action. Its embrace of the wage-cutting Accord bespoke a lack of confidence in its own ability to win independently for its members improvements in wages and conditions. The tougher economic climate, and the rise in unemployment and job insecurity, played a large part in this development. The effect was to remove what had been a radicalising factor during the Whitlam phase of Opposition. Indeed, on occasions (e.g. uranium mining) unions were a conservatising influence. And yet, at the same time, this was a period of growing anti-unionism on the part of Labor politicians—to the extent that some of them wanted to completely unhitch the union wagon. The combination of these factors during the Whitlam-Hayden period produced an ALP much more cautious, pragmatic, and unwilling to make major promises to the electorate while in thrall to economic management.

In some respects, whereas the Whitlam-Hayden period represented a clean break with the Whitlam period, the Beazley period of Opposition was an extension of the former. The domination of politics by economics is a case in point. Labor's acceptance of the unassailability of globalisation and liberal capitalism in the aftermath of the fall of the Berlin Wall drastically limited its ability to develop alternatives. This goes some way towards answering the question, first posed in the Introduction, as to why Labor in the first Whitlam period of Opposition was more distinguishable from its conservative opponents than was Beazley Labor. Labor's adoption of the 'small-target' strategy is inseparable from the decline of the salience of ideology as a factor in parliamentary politics in the 1990s: bipartisanship on economics and globalisation left the party with little room to move. Thus, the continuity between the Hawke and Keating governments and the Beazley Opposition must be seen in the context of the ideological fallout from the collapse of the Soviet Bloc, and an economic situation not conducive to a return to 'tax and spend' policies. The ALP left's decline as a free-floating ideological force inside the

party—particularly noticeable post-Berlin wall—meant that it was in less of a position to act as a brake on the party's rightward drift, although the wider radicalisation associated with the late-1960s and 1970s was an important factor in respect of the left's strengthening of its factional position at that time.

In being so *au fait* with the Hawke-Keating years, Beazley Labor contrasted sharply with the experience of the Whitlam-Hayden period of Opposition. There was to be no 'epistemological break' after 1996. Whereas Labor post-1975 engaged in much self-flagellation and evinced considerable hostility towards the Whitlam government Beazley Labor fell over itself trying to praise the Hawke and Keating governments, despite the conclusive evidence that the free-market orientation of those years played a major role in Labor's defeat at the 1996 election, and caused significant membership haemorrhaging.

The reasons for this continuity have already been explained, but the unwillingness to grapple with the reasons for its loss of office did, it could be argued, cost Labor dearly when it was outmanoeuvred by Prime Minister Howard's crafty use of the *Tampa* and 'border protection' in the wake of September 11 to shut out Labor. The 'small-target' strategy also added to the cynicism in general directed towards the party, and the lack of clarity about its contemporary purpose.

Although it was stated above that each of the periods of Opposition was different, a pattern nevertheless is observable over the course of the years under review: put succinctly, the party has grown more conservative during each phase, its anti-unionism has grown, and arguably there was been a widening of the discrepancy between the reforms it has been prepared to offer and the expectations of its supporters. Consistent with what has been argued in this book, this is not attributable simply to ideological shifts or to modernisation, but above all to the changes in material economic circumstances over time: the rise of an elite, 'white bread' politician, so divorced from the lived reality of most Labor supporters and members, mirrors the widening gap between rich and poor in twenty-first century crisis-ridden capitalism.

This is not to say that in the absence of an economic upturn a return by Labor to more reformist policies is out of the question—such a proposition would rightly be susceptible to the charge of economic reductionism—but it is highly unlikely. To explore this point more fully, weighting has to be assigned to the various factors that influence Labor in Opposition, based on the experience of the periods we have examined.

## **Assigning Weight to the Various Factors Influencing Labor in Opposition**

The preceding analysis raises the obvious question as to which factors are most important in terms of understanding Labor's direction in Opposition. Needless to say, the predictable answer is to say that no one factor was key to explaining the



direction of all three periods of Labor Opposition. Yet, some were relevant to all, and arguably stood out from the others. The state of the economy, for example, influenced to some degree the policies, as well as the broader political direction, taken by each Opposition. Whitlam's program, for instance, was based on what was taken to be the inevitable continued high economic growth. Thus, the reformist direction of the Whitlam Opposition owed not just to the radicalisation of the period and the general move to the left in society, but also to the then buoyant circumstances in the world economy.

As has been argued, the more adverse economic circumstances largely explain the move away from reformism on the part of the post-Whitlam Opposition, particularly under Bill Hayden, who might have been an economics graduate and somewhat of an ex-leftist renegade, but the underlying factor was his taking on the leadership in a time of acute economic crisis, and in the midst of a shift to the right internationally (e.g. the Thatcher and Reagan revolution, and the Swedish social democrats' defeat for the first time in 44 years). The Beazley Opposition, which also, despite initially distancing itself from the free-market evangelism of the Hawke-Keating years, continued to believe in small government, supported globalisation, and pledged few noteworthy reforms. The economy, while emerging from the worst conditions of the early 1990s recession, nonetheless still had not recovered from the underlying crisis of profitability that precipitated the end of the post-war boom. By the end of this period of Opposition, euphoria over the US boom had all but vanished amidst fears over the economic consequences of the September 11 terrorist attacks. The economy was thus important to all three periods of Opposition. The economic context will also be important for any future period of Labor in Opposition (and, indeed, for any Opposition in any political system).

The second major constant was the condition of the trade union movement. As indicated by indices such as rising union density and high industrial disputation, the trade union movement was in a position of power and strength during the Whitlam period of Opposition. The high levels of industrial disputation, in particular, reflected the self-confidence of trade unions to scrap and struggle independently of the ALP for improvements in wages and conditions. This was the main reason behind Labor politicians' warmth towards strikes compared to the generally hostile view taken by more recent Labor leaders. Union density has been positively correlated with the capacity to influence the ALP. This seemed the case during the first Whitlam Opposition years, a period of rising union density. During this phase, a number of policy developments favourable to unions were enacted, in some cases after direct pressure from unions had been applied. In general, the trade unions acted as a radicalising force within the party, owing to the movement's healthy—and strengthening—condition.

The converse was true during the post-Whitlam period of Opposition. Largely as a result of the negative change in economic circumstances, unions lost the confidence to fight independently for their own interests, and began instead to look to the FPLP for a hand up—except one was not being extended. A number of political and industrial defeats for the unions only hastened this process. A period of declining union density set in around 1975, and has continued virtually uninterrupted since,

reducing unions' ability to influence the FPLP. This demonstrates that, while in Opposition the FPLP is generally considered to be less policy autonomous, and therefore more vulnerable to the influence of extra-parliamentary bodies, this is not necessarily the case. The fact that the political wing saw unions as a potential threat to 'responsible economic management' only reinforced their ostracism.

The further weakening of the union movement—both in terms of declining union density and lower strike levels—under Beazley meant that this Opposition was no more likely to be influenced by the unions than was its post-Whitlam predecessor. Bouts of industrial strife such as that over the Howard government's 1998 attempt to crush the MUA halted this process somewhat, and gave a glimpse of the effects a union revival might have. But they were too ephemeral for the unions to exert long-term influence on the party. By the end of this period, and faced with historically low density levels, the union movement was considered to be in crisis. Again, this meant that the unions were not able to check the increasing conservatism of the ALP under Beazley, particularly in the late stages of that period. But the industrial weakness of the movement also meant it was more reliant than ever on the FPLP when the latter was probably never less willing to help it.

One question raised from this analysis is whether a resurgent union movement would negate the conservatising effects on a Labor Opposition flowing from a moribund economy: that is, could a militant union movement play a role in pushing Labor to the left in less than buoyant economic conditions? One difficulty is that trade unions usually adopt a defensive posture in times of economic downturn. In the age of the 'precarariat' and historic low levels of union density, this seems unlikely to change in the near future. There are numerous contributing factors to be taken into account when considering the strength of workers' organisations, including, importantly, the overall *political* climate (Trotsky, 1983). It can be argued that a more assertive union movement would still impact significantly on a modern ALP, despite the poor economic conditions. Despite the party, particularly at the leadership level, being more removed from union and working class constituents than possibly at any time in its history, the ALP's relationship with the union movement remains crucial in terms of affiliation fees and donations, electoral work, and its underpinning of the factional system. Furthermore, to ignore a radicalisation on the scale of the 1960s and 1970s may be, by encouraging the growth of forces to the party's left, to its electoral detriment, though this is already to some extent evident with the rise of the Greens and PHON (see Appendix). As a consequence of pressure from rank-and-file party members for change, division may arise amongst party leaders over how best to respond to such a union uprising. The fact that Opposition somewhat liberates parties from the conservatising responsibilities of running the state means that Labor might be prepared to ignore to some extent the economic situation under concerted pressure from the trade union movement and its supporters, but then pull back to the right in government. Thus, poor underlying economic conditions would not necessarily prevent the ALP from responding positively—if not wholeheartedly—to a major revival of class struggle.

The same can be said for other sources of extra-parliamentary pressure, such as social movements for change. The possibility of Labor's responding to mass

movements cannot be ruled out a priori by consideration of economic factors alone, given that such movements are in some respects independent entities. In the case of the Beazley Opposition and its relationship to campaigners against globalisation, however, it is important to realise that this is an issue centrally connected to economics, and to the wider issue of what reforms Labor can offer. On the other hand, Beazley Labor's response also hinged on other factors, such as the party leadership's greater detachment from grassroots activists, and the narrower social composition of MPs. The likely response of a future Labor Opposition to a significant social movement is therefore not clear, but we can speculate that it would not be warm.

Alternatively, it could be argued that a stronger underlying economy would have allowed Labor to pursue more reformist politics even in the absence of a more assertive union movement or mass grassroots activism, thus making the economy a stronger determinant of Labor's direction in Opposition than the vitality of the union movement. This argument would seem strengthened by the fact that there were visible signs of opposition to economic rationalism and globalisation—in part also from the union movement—during the Beazley period of Opposition, without the FPLP so much as budging. It seems likely that it was the economic pressures on Labor to produce policies that were economically rational and pro-globalisation—in tandem with the pro-market effects on the ideological climate engendered by the fall of the Berlin Wall—rather than the lack of a spirited union movement that contributed most to the paucity of reforms offered by Beazley Labor.

The overall conclusion thus is that, while both a buoyant economy and a combative and independent union movement are not necessary for Labor to return to a more reformist posture, such an eventuality is highly unlikely in the absence of one of the two. In the end, however, for the combination of reasons outlined, we should not anticipate a return by Labor to a reformist stance—rather, we should expect the ALP's steady decline to continue.

## **Other Factors Shaping Labor in Opposition**

An analysis that emphasised such factors as economic conditions, the state of trade unionism, and the existence or otherwise of strong social movements took shape only after examining alternative explanations for Labor's direction in Opposition. One influential explanation offered for the shift to the right in the Whitlam-Hayden period of Opposition was a variant of Anthony Downs' (1957) hypothesis that in two-party systems actors tend to converge in order to capture the middle-ground of the electorate where the mass of voters are said to congregate. While this explanation was not entirely without justification, it was found that rather than the ALP's shift coming after significant electoral victories achieved by its opponents, as the Downs thesis would have it, the major retreat from Whitlamism (or the 'move to the centre') occurred abruptly in government with the beginning of the 1974–1975 international downturn. From then on, it was full steam ahead.

Another influential explanation for the move away from a more interventionist approach was the ideological rupture in the 1970s, when neo-liberal forces gathered strength at the expense of Keynesian ones. Undoubtedly there was a change in the intellectual environment, but that change followed the economic climate, not vice versa. The collapse of the post-war boom precipitated the demise of Keynesianism, which created the intellectual vacuum in which economic rationalist ideas could flourish. A more important weakness of this explanation is that, like Downsian approaches, it overlooks the speed with which Labor in government discarded Keynesianism in 1974–75 in response to the economic crisis—it was a sudden change, not one occurring gradually in line with slowly evolving ideational fashions. The change in the economic environment preceded the ascendancy of economic rationalist ideas.

Some commentators have attributed to globalisation the decline in Labor's willingness to offer reforms, as well as the policy convergence of the two major parties. The volatility of global financial markets has been known to wreck the best-laid plans of governments, but the circumvention of national reformist measures at the hands of capitalist forces is not a recent development, a case in point being the defeat of the Chifley government's bank nationalisation policy in the late-1940s. In point of fact, neo-liberalism helped create globalisation, not the other way round; and, as we have seen, neo-liberalism was a response to the return of capitalist crisis in the 1970s (see also *Postscript*). To the extent that globalisation was a factor in Labor's retreat from reformism, it was globalisation combined with economic stagnation that left its mark on the party's policies. And, like other explanations, the globalisation thesis cannot explain the suddenness of the retreat from Whitlamism in 1974–75.

Leadership has not been accorded particular significance in shaping the direction of the Oppositions surveyed. Leaders can, and often, do impact substantially on the outcomes of historical events (Barker, Johnson, & Lavalette, 2001). Yet, in our cases none of the FLP leaders played a sufficiently influential role that their absence or replacement would have altered the course of events. In the first period of Opposition examined, Whitlam did possess a 'crash through or crash through' penchant for brinkmanship (Barker, 2014). But it is doubtful that this was a major factor in Labor's direction during those Opposition years. In fact, if anything Whitlam's right-wing tendencies harmed the party in its ability to relate to the radicalisation occurring outside—and to some extent within—its ranks. It has been suggested that, had Jim Cairns managed to win the tightly-contested 1968 leadership ballot, things would have turned out rather differently (Bartlett, SH, 14 October 2003: 16086). Quite likely there would have been some changes produced by the different leadership style and politics of Cairns. However, it is doubtful that the history of the party would have changed in a substantial way. Whitlam was pragmatic and flexible, and adjusted his rhetoric and stances to try to meet the extra-parliamentary radicals half way—partly for reasons of self-preservation, as he sought to stave off potential leadership challenges such as the later one from Cairns. Cairns, for his part, would have been subject to the discipline of Caucus (and subsequently Cabinet) if he had assumed the leadership. In fact, as we saw in the

first two periods, Cairns could when he wanted to play the role of a restrainer of radicals.

Whitlam's successor Bill Hayden was certainly right-wing on economic issues, which might have contributed to the post-Whitlam Opposition's obsession with 'responsible economic management'. Hayden did have a contrasting political style to that of his predecessor, but he possessed similar beliefs and ideologies. Furthermore, Whitlam had overseen the retreat from reformism in office, and had continued it through to his resignation in 1977. In other words, Whitlam had passed to Hayden the baton of moderation; and despite the fact that Hayden eventually resigned as Opposition leader, and Labor took power in 1983 under a different leader, Bob Hawke, the political and policy direction of the party remained essentially the same.

Beazley was arguably the most conservative of the three FPLP leaderships covered in this book. However, it was not likely that this was an important factor in relation to the dearth of reforms proposed under him. His position on issues such as economic rationalism, globalisation, and the 'small-target' strategy were shared by the rest of the frontbench, if not by Caucus, and the party's policies during his time as leader were consistent with the Hawke-Keating years. Beazley's leadership reflected the widespread confusion about what Labor stood for at the turn of the twenty-first century, the increasingly narrow social composition of its MPs, and the party's declining and inactive membership and support base. For all the reasons cited above in relation to the economy, the trade union movement, and the party's attitude to globalisation, there is little cause to believe that any alternative FPLP leader would have done things much differently during this period.

## **Labor in Opposition and Opposition Theory**

This study of Labor in Opposition holds a number of implications for Opposition theory. It could have been predicted on the basis of the existing literature that a party similar to the British Labour Party is predisposed to extra-parliamentary influences when in Opposition. The first period of Opposition vindicates this, but the other two periods reveal that the economic and political context, as well as the relative strength of extra-parliamentary bodies such as trade unions, will determine to what extent the FPLP's control over policy-making comes under challenge. Therefore, in the first period, extra-parliamentary forces were able to influence the FPLP only because of the presence of certain factors, such as a strong economy, which in turn influenced the strength of the union movement.

The study also reveals that party history and ideology are important factors that feed back into the behaviour of an Opposition. For instance, Whitlam Labor's positive response to the anti-Vietnam war movement and other social movements was partly dependent upon the type of Opposition that it was, i.e. a Labor one with a history as a reformist party with links to unions and progressive groups. The same response would be unthinkable for a party such as the Liberal Party. That said, the

strength of the anti-Vietnam war movement was such that it influenced even the Coalition government, which decided—under pressure—in late-1969 to begin pulling out troops the following year.

Also, although it could be argued that the end of the post-war boom would have implications for most political parties, in the sense that it made reforms more economically costly, it was always likely that parties such as the ALP would be disproportionately affected as a result of their historic—though obviously contingent—commitment to improving the lot of majorities. The more conservative political climate engendered by the end of the boom went less against the grain of right-wing parties than it did their more reformist counterparts, and thus required less policy revision on the part of the former. Nonetheless, the fact that Keynesianism had been bipartisan policy among the two major parties, and was subsequently abandoned by both in the wake of 1974, does illustrate the far-reaching effects of economic crises.

On a similar note, the ideological effects of the fall of the Berlin wall and the end of the Soviet bloc included a reduction of politics to disputes over superficialities of image and presentation. This had—and will continue to have in the future—consequences for Opposition. The cautious and poll-driven nature of Beazley Labor must be seen in this light, for it was less a product of the growing influence of the media over politics that is lamented by some Opposition theorists than a case of Labor having less room to move as an alternative due to all major players' acceptance from the 1990s of the unassailability of liberal capitalism and globalisation. The melting away of ideological differences between the factions—also partly due to the post-cold war free market consensus—rendered the left, in particular, less a force of influence in the party. It is hard to see this changing in the near future.

The observation in the existing research on Oppositions that major political defeats for governing parties tend to produce significant revisions on their part was found to be true only on occasion. The second period of Opposition, for instance, saw a vigorous and concerted abandonment of key tenets of Labor's previous policy approach. The third period examined, however, also saw the ALP suffer a defeat of historic proportions, and yet in Opposition it largely remained loyal to the free-market approach that put it out of office so humiliatingly, some minor rhetorical flourishes notwithstanding.

Similarly, the favoured perspective on the experience in office—identified in existing research as a determinant of a party's direction in Opposition—was found to be important for the latter two periods of Opposition. The Hayden Opposition's conclusion that the party had been economically reckless in government, and thus would need to mend fences as an economic manager, contributed to the rightward drift during this period. On the other hand, the Beazley Opposition's apparent conclusion that it had borne the brunt of the 'It's Time' factor helped lead the party to rest on its laurels and to wait for electoral discontent with the government to sweep it to power. However, in both cases the political and economic context shaped the arrival at such conclusions. In the Hayden period, it was the paradigmatic shift in economic circumstances that put a premium on fiscal stringency for

parties such as the ALP who are tolerant of the constraints posed by the capitalist economy. In the Beazley period, it was, again, the fallout from the fall of the Berlin wall and the decline of ideologically distinct political programs as a feature of parliamentary politics, as well as the failure of the Australian and world economies to shake off the underlying profitability crisis that first set in at the end of the 1960s, that led to the absence of alternative policies under Beazley.

The conclusion that leadership has not been a significant factor for the direction of Labor in Opposition accords with the low weighting attached to it in much Opposition research. On the other hand, the heavy emphasis on institutional factors such as the constitution and the electoral and party systems was not so justified if the experience of the ALP is any guide. While these factors undoubtedly shape the Opposition's parliamentary strategy at a very basic level—whether to contest or to bargain, for instance—having a different party or electoral system in place would not have changed what happened to a party such as Labor, which was always going to be buffeted by the epochal shift in economic policy-making post-1974. The resulting conclusion is that Opposition theory needs to take more account of the economic context in which Oppositions conduct politics, and less account of the aforementioned institutional factors.

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## Postscript

# From Beazley to Shorten—Labor in Opposition in the Context of the Crises in Social Democracy and Elite Politics

Across the front page of a suburban Sydney newspaper is splashed the headline, ‘Big Guns’, which introduces a feature article about the return of Paul Keating to the hustings in support of Anthony Albanese, the Labor incumbent campaigning in the hotly contested inner-western seat of Grayndler in the run up to the 2016 federal election (*Inner West Courier*, 28 June 2016: 1). In the accompanying blown-up photograph of the two, a characteristically awkward grin is etched across the face of Albanese who, like a referee in a boxing contest, raises above his head the limp hand of the veteran former statesman, all the while, presumably, loyal supporters (not pictured) cheer on in the foreground. It is an apt metaphor for 21st century Labor: a tired, old, right-wing, reactionary figure, who oversaw the devastating early 1990s ‘recession we had to have’, double-digit unemployment, and marked increases in inequality, a man who was a leading member in a government that deployed the full force of the military against striking workers—a policy record all told that resulted in the disastrous 1996 defeat—is paraded as a hero before invisible supporters, having taken time away from his business consultancies to come back and lash the phoneys and try-hards that are the new enemy, the Australian Greens, who are eating away at the ALP’s base. Albanese and Labor held on in Grayndler in 2016—but for much how longer?

It should never have been like this, or should it? The palpable lack of genuine enthusiasm about the party in 2016 should not have been foreseeable in 2007 when, after almost 12 years in Opposition, the ALP triumphantly swept back to power. Then, it was all smiles, all was forgiven: victory quiets the naysayers. But not for long in contemporary politics. The cracks in the façade fast grew into chasms, leading to the internecine warfare of 2010–2013, which saw the extraordinary deposition of a Prime Minister before his first term was up, only for him to resurface as the deposer three years later. These leadership tensions, at one level, reflect the narcissism of ‘presidentialised’ politics (Kefford, 2015). This was perhaps best summed up by Rudd’s vacuous 2007 election campaign theme, ‘Kevin 07’.



In revealing the ideological and moral void of the contemporary social democratic project—if it can be called a project at all, since it is about seizing power and little else: the two leadership rivals were indistinguishable in policy terms—they also mirrored the growing instability and volatility of the 21st century capitalism, for politics remains subordinate to economics.

In truth, the years leading up to the 2007 victory were barren ones when it came to the development of policy and substantive—as opposed to symbolic—alternative answers to intractable social problems. In that sense, the unseemly infighting that marked the years following the poll win was the bitter fruit of seeds sown many years earlier.

### *The Reckoning? After Beazley*

When the former trade union official Simon Crean took the reins from Kim Beazley following the 2001 election defeat, he formally acknowledged the failures of the disastrous and supine ‘small-target’ strategy, and asserted the need to provide uplifting alternative policies (Scott, 2003: 461). Easier said than done: Crean retained his predecessor’s commitment to neo-liberal globalisation, and consequently struggled to replace the ‘small-target’ strategy with anything of note. Crean had form: as we saw earlier, he had defended as necessary and irreversible Labor’s neo-liberal policies in government in the 1980s and 1990s. But if Crean was committed to neo-liberal reform, he was non-committal about a future Labor government’s support for the trade union movement, regarded the party’s relationship with unions as essentially on a par with its affiliations with business, and he lent support to the idea that labour was effectively just another lobby group (see Chaps. 8 and 9). It was partly due to Crean’s inability to find a substitute for the ‘small-target’ strategy that he was dogged by persistently low public opinion poll ratings—ultimately quelled only by his resignation in November 2003. After Crean the dogs barked, but the caravan swiftly moved on.

Following Crean’s demise, Mark Latham was the surprise victor of the ensuing leadership ballot between himself and a resuscitated Kim Beazley. A one-time mayor of Liverpool council in Sydney, Latham had been from the time of his election to parliament in 1994 a vocal supporter of the facile ‘Third Way’ (see Chap. 8). Like many a Third Way acolyte, Latham exhibited more the characteristics of an economic liberal than those of a traditional social democrat (see Lavelle, 2004). Newly installed as leader, he promised a trifecta of neo-liberal austerity—a reduction in both government spending and tax as a proportion of the economy, and budget surpluses over the course of the government’s first term in office. In early 2004 he declared that ‘for every dollar we invest we have to cut a dollar from the existing budget’ (Latham, 2004). Thus one aspect of Latham’s leadership that he inherited from Crean was the studied retention of the neo-liberal, pro-globalisation framework, on which everything else hinged. But it is also worth noting that on social issues Latham was well on the right of the party: he denounced the ‘illegal’ asylum-seekers as stridently as did John Howard (see Lavelle, 2004).

Another notable feature of Latham's leadership was the downplaying of his Third Way politics. While retaining the neo-liberal economic agenda, he struck a populist note when he heralded a 'new politics', which involved 'governing for the people, not the powerful', and which subverted the 'plastic' and 'contrived' nature of politics. This was clearly aimed at tapping into the crisis in elite politics. Putting aside the question of how he planned to govern 'for the people' while simultaneously believing that the power of the state had been undermined by globalisation, ignoring the fact that governing 'for the people' is surely impossible in a society fractured along class and other lines, and notwithstanding the fact that Latham's purported fondness for the people did not sit well with his commitment to a neo-liberalism that overwhelmingly benefited a wealthy minority, this populist style can be seen as his novel solution to the dilemma confronted by his predecessors, namely how to differentiate Labor from its conservative opponents all the while echoing their praise for markets and globalisation (Lavelle, 2004).

Populism comes in different forms, but Latham's was likely an example of what Margaret Canovan calls 'politicians' populism', which refers to 'certain *styles* of politics that draw on the ambiguous resonances of 'the people'—to politicians who claim to speak of the whole people rather than for any faction' (Canovan, 1981: 260; emphasis in original). The gulf separating elites from the masses in capitalist societies paves the way for populists to portray themselves as the true democrats (Meny & Surel, 2002: 4, 5). Going down this well-travelled road Latham may have enjoyed some short-term success, evident in his greater public appeal vis-à-vis his predecessor Crean (Newspoll, 2004). But because it was a strategy that pitched a different political *style* to that of the Coalition, it was borne of the aforementioned post-cold war ideological consensus, which sent politics further towards marketing and brand differentiation techniques (Callinicos, 2003: 3). The bipartisanship on neo-liberal globalisation explains not just this contrived populist style, but also Latham's venturing into odd sideshows, such as the 'crisis of masculinity', the reading habits of pre-school children, and youth mentoring, which were put on the agenda only to deflect attention from what Labor deep down had in common with the government (Burchell, 2004).

Latham's preoccupation with style meant that the seeming absence of genuine Opposition characteristic of 1996–2001 continued under his leadership. A case in point was Labor's support in 2004 for a Free-Trade Agreement (FTA) between Australia and the United States. The Opposition's minor and symbolic amendments to the government's legislation did little to satisfy concerns that the FTA would prevent future Australian policy-makers from implementing government regulation in the 'public interest' because it could be deemed as a 'barrier' to trade, and subsequently overturned by an un-elected three-person panel (AFTINET, 2004).<sup>1</sup> As the anti-FTA PHON Senator Len Harris put it at the time: 'We are at the point

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<sup>1</sup>Labor's two amendments to the legislation, to which the Government eventually agreed, were aimed at protecting the Pharmaceutical Benefits Scheme, a system of government subsidised medicines, and local content on free-to-air television, pay television, and radio.

where, on major issues, there is no opposition in this parliament' (SH, 12 August, 2004, p. 26064).

Another instance of this cross-party policy settlement was the Latham Opposition's siding with the government over the question of whether budget surpluses should be spent on delivering much-needed aid to run-down public services such as health and education, or on delivering tax cuts to people in the top 20% income-earning bracket, as was announced in the 2004 federal budget. Only the Australian Greens pledged if elected to use the funds for services rather than for tax cuts. Citing research revealing public sentiment favouring the former approach, Greens federal Senator and leader Bob Brown remarked: '[T]he big parties aren't listening [to the public]' (Brown, 2004).

Thus, Labor continued under Latham the trend commenced in 1996 of allowing key components of the government's legislative program a safe passage—sometimes after only minor amendments—through the parliament. Whatever else one might venture to say about the merits of this approach, the fact is that it failed the ultimate test: at the November 2004 federal election the party went backwards, as its primary vote rose only marginally, and it lost a further five seats. Unsurprisingly, this led to sharp criticisms of the party's strategy, including party president-elect Barry Jones' assertion that the government and the Opposition had dished up an unappetising choice: 'McDonalds or Kentucky Fried Chicken' (The Australian, 2004: 4).

Soon after this defeat, in January 2005, Latham stepped down both as Labor leader and as a parliamentarian, citing personal illness.<sup>2</sup> Kim Beazley was subsequently re-elected uncontested as the new federal leader. But his time again at the top is best described as akin to treading water, barely staying afloat, one of his few memorable—if staggeringly undemocratic—ideas being to allow select business-people to sit in on some of the Cabinet meetings of a future Labor government (Coorey & Murray, 2007). Unhappily for Beazley, the second phase of his leadership was shortlived. His consistent inability to gain any traction with a public unwilling to buy his cultivated image as the chortling uncle at the Christmas dinner brought his reign to an end in December 2006—this time for good.

His successor, Kevin Rudd, sought to make the ALP even more pro-capital and less labourist. Journalist Kelly (2007: 21) portrayed Rudd at the time as 'a right-wing Queenslander who is a Christian, married to a successful business-woman, a conservative on social issues, a realist on global security and possessed by the conviction that Labor must run a successful economy'. As we saw earlier, Rudd heartily embraced globalisation, despite his avowed concerns that it circumscribed the policy options of reformist governments. Recall also his post-2001 election plea for the (re)invention of 'New Labor', an appeal to the 'new centre of Australian politics', and the scrapping of the Socialist Objective (see Chapters Nine and Ten). Labor under Rudd, as one perceptive commentator noted, took 'its policy

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<sup>2</sup>In truth, the electoral defeat, along with Latham's perceived failure to adequately respond to the 2004 Indian Ocean tsunami, spelled the end of his tenure.

cues from the conservative framework.... Australia is on a one-way street of more deregulation, market-based reforms, greater global integration and less welfarism' (Prasser, 2007: 14). While Prasser mistakenly attributes the major parties' neo-liberal consensus to ideology and electoral pressures, his characterisation of the political state of affairs is accurate. To the extent that Rudd planned to do anything about tax, efforts would not be focused towards making the system more progressive but instead would 'concentrate on removing barriers to investment and global economic management, boosting workforce participation, and rewarding skill formation'. Rudd also boasted of the party's deregulatory credentials, which he claimed were amply demonstrated in the 1980s. Under his leadership, the ALP promised to establish 'a Council of Business Advisers to operate as an ongoing source of business consultation and advice' (Rudd, 2007: 11, 12).

On the social democratic defining area of relations with labour, Rudd added to the perception that unions carried no special weight in policy terms, and that Labor would engage them no differently than it would the bosses: 'When it comes to the future their input, together with the business community's input is valued' (cited in Shanahan, 2007: 20). This attempt at portraying relative equality between unions and business ignores the vast structural power possessed by the latter by virtue of its ownership and control of finance and industry. But nonetheless it indicated how far the unions had fallen in the political wing's estimation, as well as how far business's stocks had risen: enthusiastically taken up by the Rudd Opposition was Beazley's aforementioned idea of drawing up an A-list of businesspeople to whom invitations would be extended to attend future Labor Cabinet meetings (Coorey & Murray, 2007).

The fact that Rudd did not see himself as part of a broader 'labour movement' is evident from his response to falling rates of workforce unionisation, which he claimed the ALP was not obliged to lift a finger to stem, adding, in a comment that conjured up dark images of social Darwinism, that unions would have to compete for survival in the market along with everyone else (Megalogenis, 2007: 1). Meanwhile, frontbencher Craig Emerson extended the party's representation to all people in the labour market—trade unionists, independent contractors, and small business owners alike: Labor is as much a party of unions as it is of the petite bourgeoisie! (cited in Franklin, 2006: 7). It follows that, if the ALP is no longer a 'labour party', then it can no longer be part of a 'labour movement'.

Further reflecting the absence of any policy loyalties to its founding bodies was the industrial relations prescriptions unveiled prior to the 2007 federal election. While the plan to reverse aspects of the Coalition government's widely reviled WorkChoices policies raised the hackles of some business leaders, it was clear that Labor offered only modest revisions, leading some unionists and the Greens to lampoon its position as 'WorkChoices lite' (cited in Marris, 2007: 4).<sup>3</sup> With this business pressure in mind, a key part of the ALP plan—to scrap individual contracts

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<sup>3</sup>Implemented in 2005, WorkChoices, among other things, removed unfair dismissal rights for workers in firms with fewer than 100 employees, gave employers increased powers to force workers onto individual contracts, and reduced minimum employment conditions (Hall, 2006).

known as Australian Workplace Agreements (AWAs)—was modified to allow them to remain in place for five years. Julia Gillard, who in 2010 would go on to dethrone Rudd as party leader and Prime Minister, insisted that under a Labor government workers could achieve wage rises above the minimum wage by one of only two possible means: through either individual or collective negotiations with their employer, and in the case of the latter only if the business ‘has become more productive and profitable’. The system ‘will be better for business’, she emphasised (Gillard, 2007: 12). One Textile, Clothing and Footwear Union (TCFU) leader wrote Rudd and Gillard in protest:

Dear Kevin and Julia, don't you get it? I represent some of the lowest-paid workers in the country. They sweat in backyard garages, shopfronts and factories to make the clothes on your back... Last week we received two calls from women workers in tears because they were being forced to give up their rights by signing an AWA in order to keep their job... The same AWAs which you will now leave in place for five years (cited in Bachelard, 2007).

This was, as some commentators noted, ‘the most right-wing industrial relations policy’ the party had ever deigned to put before the public (Bramble & Kuhn, 2009: 291). The result was that both major political parties in Australia were committed to the trend of ‘labour market’ deregulation evident since at least the 1980s. In fact, in opposing WorkChoices at all the ALP was charged with hypocrisy by the Coalition, who claimed to be merely furthering the industrial relations revolution the former had sparked (O'Reilly, 2007: 202). Rudd further sought to demonstrate his anti-union credentials by initiating in 2007 the expulsion from the party of construction union leader Joe McDonald, who had the temerity to curse an employer on a construction site. Yet, when concrete work collapsed on the very same site a few weeks later, ‘[n]ot a word of criticism came from ALP leaders against the firm in charge of that life-threatening incident, not even after a panel from the Safety Institute of Australia [Western Australia] specified fifty-seven other OHS [Occupational Health and Safety] failures’ (McQueen, 2009: 89).

Needless to say, after 11 years of conservative rule, the Opposition's platform fell far short of what many in the union movement desired, though only a few officials were publicly willing to air their grievances for fear of damaging the party's forthcoming election prospects. One exception was Firefighters' National Secretary Peter Marshall, who commented that the Greens were ‘the only party who would completely rip up WorkChoices’ (cited in Whinnett, 2007). Indeed, the Greens secured the backing of the union's Victorian branch in their highly successful campaign to topple the ALP in the seat of Melbourne at the 2007 federal election, where they narrowly missed out on tasting victory, but nonetheless laid the groundwork to go all the way three years later. Peter Marshall commented that, for a union ‘that's been affiliated [with the ALP] since 1913 to be looking outside at a third party, you have to ask the question what's wrong? And what is fundamentally wrong here is the ALP has lost its way’. In a comment that recalls earlier discussion about the ‘white bread’ politicians crowding out the party, Marshall described the ALP as jam-packed with ‘careerists’ who are ‘out of touch’. For his part, the Greens

candidate in question saw his receipt of the Firefighters' support as a 'direct response to Labour running a 'me-too' campaign on I[ndustrial] R[elations] and economic policy'. The Greens candidate, in contrast, stood for 'traditional Labor values—like public ownership and ripping up Work Choices.... This strong principled stand is increasingly attractive to much of the ALP's traditional base, which Labor can no longer take for granted' (cited in Hannan, 2007a, b: 6). Similarly, Victorian based Electrical Trades Union (ETU) leader Dean Mighell, who was expelled from the ALP for being caught on camera advocating militant industrial action, argued that 'at election time the only party with truly worker-friendly policies is going to be the Greens' (cited in Syvret, 2007). To the Greens' Melbourne campaign warchest he later contributed the much needed sum of \$120,000 of ETU money. In his eyes, the Greens' industrial relations policy had 'traditional Labor' written all over it, and he intimated that increasing numbers of trade union officials were thinking of either privately or publicly plumping for the minor party in the Senate (cited in Bachelard, 2007; Marris, 2007: 4). Meanwhile, John Robertson, the head of Unions New South Wales, and later a party leader in that state, called upon unions to vote Green in the Upper House (Norington, 2007: 4). As is discussed further below, the Greens' improved fortunes in the early 2000s have much to do with Labor's perceived shortcomings.

As with the other periods of Opposition surveyed in this book, understanding this Labor Opposition's failure to present a reformist alternative to the neo-liberalism of the Howard government is best understood not just in terms of the general rightward drift of politics and organisation, including the rise of the 'white bread' politician of which Rudd was an exemplar, but more fundamentally against the backdrop of capitalist crisis, internationally as well as domestically, where there had been a 'boom' in the Australian economy in the early 2000s, one that was not only riddled with contradictions but was based heavily on workers' exploitation (Bramble, 2004; Lavelle, 2008a). Then, of course, along came the global downturn beginning around 2008, just after Labor had taken office: these were not ideal economic conditions for reformist social democracy.

Consequently, after Rudd's election, unionists dubbed legislative changes associated with the party's 'Forward with Fairness' policy as 'WorkChoices-lite' and 'WorkChoices rebadged' (Cooper, 2009: 290). Initially, conditions and pay were under attack as part of the new government's 'award modernisation' push, and pay for minimum wage workers was frozen in early 2009 by the rather Orwellian-named 'Fair Pay Commission'. One union official went as far as suggesting that the new laws were equally, if not more, difficult compared with the Howard government's legislation, if only in terms of matters the unions could permissibly press for in negotiation with employers (Husic, cited in Hannan,

2007a, b: 7).<sup>4</sup> In addition, the Rudd government retained the Australian Building and Construction Commission (ABCC), which was set up by the Howard government and granted ‘police-state powers’ against construction unions, whose representatives were compelled to appear before it and denied the right to silence (Toscano, 2016).<sup>5</sup>

Under Labor Australia did see out the early stages of the global recession, but this had more to do with a mining boom fuelled by exports to China—the country’s largest trading partner—than with any pump-priming by the government (Bramble, 2015). Nonetheless any serious ambitions for long-term reform would have been dented by the 2008–2009 slowdown, which caused a \$170 billion projected shortfall in federal government revenues for the year 2009–10 alone (Swan, 2009). The most memorable aspects of the Rudd-Gillard years (2007–2013) were largely symbolic, including the apology to the ‘Stolen Generations’ of Indigenous people snatched from their parents when they were children, and the ratification of the Kyoto Protocol. The infamous resource super-profits tax, designed with the reasonable intention of extracting more revenue from highly profitable mining companies making a killing from plundering the earth, was hit with a storm of reaction from these businesses, who largely succeeded in watering down the tax to the extent that its modified version—renamed the mineral resources rent tax, introduced under Gillard—had raised a derisory sum of money by the time its authors were unceremoniously ejected from office in 2013 (Ker, 2013). This was reminiscent of the classic dilemmas experienced in government by social democrats: agonising over a policy that is the subject of a blitzkrieg of opposition from powerful sectors of the economy, only for the modifications it undergoes in light of these attacks to make it not worth all the effort to begin with. Perhaps most abysmally, the government competed with the Opposition in a race to the bottom to be the cruellest when it came to repelling asylum-seekers, the low point perhaps being Rudd’s announcement in 2013 that no asylum-seeker who arrived in Australia by boat would ever be allowed to settle in Australia, their fate instead being to languish interminably in prison-like facilities in Papua New Guinea and Nauru (ABC News, 2013). To the extent that one can cordon off such behaviour from ‘social policy’, and not see the government’s asylum-seeker stance as infecting everything else it did, one of the policies with the greatest potential, the National Disability Insurance Scheme (NDIS), has, as of writing, barely gotten off the ground, and is mired in a multitude of problems and complications that have seen some people worse off under the new arrangements (e.g. Browne, 2016).

This uninspiring record partly explains the government’s relatively speedy fall from grace after it ascended to power in 2007 brimming with confidence. Again, we saw a continuation of the previous pattern of stubbornly supporting neo-liberal

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<sup>4</sup>One of the claims deemed impermissible by the Fair Work Australia panel related to restrictions on the use of outside contractors. Moreover, contracting clauses permitted under *WorkChoices* were ‘not permitted’ under the new laws.

<sup>5</sup>The Labor government removed in 2012 some of the powers from a later rebadged body called the ‘Fair Work Building and Construction’ (FWBC).



globalisation, while dabbling with presentation and personality. In Opposition since 2013, under the leadership of another ‘white bread’ politician, Bill Shorten, this has largely remained the case, with no hint of any policy overhauls or self-appraisals in relation to the party’s direction—a course of action likely to have been vindicated in the confirmation-biased party leadership’s eyes by the ALP’s falling in 2016 only six seats short of winning a majority in the House of Representatives, misleading as this fact is in light of the deep structural problems which victory can only paper over (see Conclusion to Part IV; and further below). To the extent that the ghosts of 1996—the trouncing the party received at that year’s election, directly as a result of its neo-liberal policy record in government—have been exorcised it has been achieved only by pretending that they never existed: the enduring conclusion from their loss of power in 2013 has been that the gift granted them by the public in 2007 was squandered by petty leadership divisions, skulduggery, and egoistic vainglory. Meanwhile, an upscaled version of a ‘small-target’ strategy has since been adopted on the basis that either the government will stumble, sooner or later, or that voters will soon tire of it in an era of greater unpredictability and shortened lifespans for executives. About what happens after that no one seems to care.

### ***Labor’s Opposition Strategy and the Crisis in Social Democracy in the Context of Dysfunctional Elite Politics***

Labor’s strategy of patiently waiting in the wings for ‘their turn’, rather than undertake wholesale reform in an effort to appeal to people’s better instincts, is not without rationality—at least in the short-term logic of parliamentary politics, particularly when one considers the contemporary international context of political upsets and record time reversals of fortunes. We live, after all, in the era of Brexit—opposed by both major British parties, the Confederation of British Industry (CBI), the Bank of England, the IMF, and Barack Obama—and the spectacular victory of Donald Trump, who above all presented himself during both the primaries and the campaign proper as an anti-establishment crusader, and who succeeded in capitalising on the widespread despair among ordinary people in parts of a country that decades of neo-liberalism, recession, and deindustrialisation have turned into vast tracts of wasteland (Kimber, 2016).

But Trump’s ascension was only the latest and most significant event in a run of victories by formerly bit-part players and fringe-dwellers. For instance, the success of the Swedish Pirate Party at the 2009 European elections, where it won two seats and secured just over 7% of the vote, was regarded as extraordinary at the time (see Demker, 2013). Although in part a product of new developments in information



technology, the Pirate Party's success came hot on the heels of the gains of other upstarts, and would soon be followed by advances on the part of other minor forces, including in its home country the mis-named Sweden Democrats, who entered parliament in 2010, and have significantly improved their standing since.<sup>6</sup> Whether one characterises the latter as populist, far right, run-of-the-mill anti-immigration, or just plain racist, what they have in common with their counterparts on the left is their desire to pose as alternatives to the mainstream, or establishment, parties (see, for example, Arter, 2010; Mudde, 2004; van Spanje, 2011). Indeed, the success of the far right in Sweden, whose parliament, brief periods aside, hitherto has been largely free of such parties, was not based principally on increased antagonism towards immigrants and refugees, but rather on the severing of ties between the working class and the main social democratic party of Sweden (SAP), whose policies have over time become increasingly similar to those of their main conservative opponents (Oskarson and Demker, 2015). Now sadly ringing true was former finance minister Nuder's (2003) warning, issued prior to the global recession, about the capacity of unemployment, social service and welfare cuts, and higher inequality to foster 'distrust at its most extreme. Racism, anti-Semitism, anti-Islamism, is [sic] finding support.'

As Nuder suggested, far right growth is correlated with the broader 'distrust' of politics, politicians, and institutions, collapsing party loyalties, and disappointment in political outcomes, the reasons for which are complex and varied (e.g. Dalton & Wattenberg, 2000; Flinders, 2016; Jennings, Stoker, & Twyman 2016; Kaina, 2008; Seyd, 2016). Witness the prevalence of 'antipolitics', which has enjoyed a global resurgence in the post-cold war so-called 'decline of ideology' era (Schedler, 1997: 1). Alongside this has come the seeming reduced importance of parties in industrialised countries, which are increasingly playing host to a wide spectrum of actors and alliances (Helms, 2013). Schattschneider once famously stated that 'political parties create democracy and modern democracy is unthinkable save in terms of the parties' (cited in Wilkinson, 2015: 420). And yet so unstable and uncertain are the times we live in that the question has recently been broached as to whether 'European parties are still satisfactory vehicles for democratic representation' (Hanley, 2015: 301). As Wilkinson comments, 'by many measures, parties seem to be in serious trouble. Their core membership is declining in many countries, party organizations are weak, and parties are often regarded as self-interested and venal by much of the electorate' (Wilkinson, 2015: 421).

The reasons for this are complex and numerous, but they include the fallout from scandals such as the 2009 British MPs' allowances rorting revelations, which could only have confirmed widely-held suspicions about politics and political institutions being self-interested and out of touch (Allen and Birch, 2010). A slight variation on these outrages is the spectacle of the highly-paid politician who uses his/her experience to waltz into an even higher paid private sector job after having barely

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<sup>6</sup>They won 5.7% of the vote and secured 20 seats in the Riksdag. At the following election in 2014, the party's vote rose to almost 13%, which saw them claim 49 seats in the parliament.

shut the door on their electorate office (see O'Malley, 2016: 5). Not surprisingly, in light of these events, when asked to say what comes into their minds when they think of politicians, members of the public invoke such colourful terms as 'rubbish', 'useless', 'crooked', and 'garbage' (cited in Crines, 2015: 638). Also contributing to the widespread loathing is the increased professionalisation of politics, whereby parties increasingly nominate candidates who represent a privileged stratum divorced from the living experiences of the bulk of the population (Kenny, 2009). Such developments can only reinforce the notion that politics is a game for the few and not the many. This was, we saw, an element in the story of the ALP's problems, and well as in the rise of the anti-capitalist/globalisation movement.

Being unpopular among voters is just one of the numerous challenges facing many parties in the developed countries (Needham, 2005). Among these is declining party membership, which is evident across many western European countries, as well as in Britain (Whiteley, 2009; van Biezen, Mair, & Poguntke, 2012). The situation is well encapsulated by the title of the late Peter Mair's, *Ruling the Void: The Hollowing of Western Democracy* (Mair, 2013). On the other hand, it is not a *general* crisis of parties that we are seeing, but rather one of the established, mainstream parties, for clearly some organisations are thriving amid the simmering discontent, as, in the case of Britain, UKIP, and in the case of Spain, Podemos (see further below), which claims to have recruited over 440,000 members in the short time since its founding in 2014 (Jennings, Stoker, & Twyman, 2016: 877; Podemos, 2016).

As Waylen (2015: 495–6) notes, contemporary capitalist democracies 'are widely perceived to be suffering a serious crisis of representation, participation and legitimacy'. And, while we might not share her optimism that the occupation by women of a few more of the top slots of the political system would substantially alter this situation, particularly given that the dominant institutions of 21st century capitalist society can only ever cater to the needs of a tiny minority of the female population, such as CEOs and IMF bosses, there can be no doubting the 'male, pale and stale' stranglehold over elite politics, which further adds to the stench emanating from the system in the eyes of significant numbers of voters. In this context many young people turned off by the middle-aged men in suits have cut to the chase by embracing online methods of activism and resistance (Theocharis, 2011). In doing so, it may be speculated that they are turned off not so much by politics *per se*—indeed, some evidence exists of young people deeply interested in politics (Henn and Foard 2012). Rather, many of them are repelled by what they perceive politics to be. In the Australian context, the ALP has suffered from this phenomenon much more than have, say, the Greens (see further below).

The crisis alluded to by the likes of Mair is arguably political and economic rather than merely party political, in the sense that significant sections of voting publics do not see any choice between the major players when it comes to economic policy. Needless to say, the recent experience of the Labor Opposition in Australia will not resonate everywhere, if for no other reason than the fact that institutional and historical-cultural diversities lead to considerable variations in Opposition in different countries (see Chap. 2). Yet, there are reasons for thinking that the

‘vanishing’ of Opposition (Kirchheimer, see further below) is not peculiar to Australia. For, while some remain insistent that ‘policy divergence...remains the norm’ in the industrialised countries (Doyle, 2014: 703), neo-liberalism, broadly understood as a pro-corporate set of policies that have contributed significantly to inequality, also remains *de rigueur* in the west, despite the obvious negative contribution of market-style liberalisation to the catastrophic recent global slump (see Lavelle, 2013). Lest this be seen as too crude a manner in which to describe policy approaches in many different parts of the world, it must borne in mind that the varied nature of neo-liberalism means that there is scope for some policy deviation without departing from the broader phenomenon of pro-corporate legislating (Lavelle, 2009).

What is unmistakable is the sense—widely felt in Australia, as well as elsewhere—that mainstream politics is devoid of genuine alternatives, particularly in the area of economic policy. Some 20 years ago Parry wrote in relation to the impact of globalisation and the post-Cold War consensus:

The allegation that democracies offer little real choice between parties is a recurrent one and may be in the course of another resurrection. The centrist dynamics of democratic party competition along with the supposed inhibitions on innovation stemming from international pressures may result in some dissenting voices being left unrepresented by any of the major competing parties (Parry, 1997: 460).

A sense that official Oppositions do not represent alternatives also underpins Crouch’s conclusion that modern politics has been so corrupted and gentrified that perhaps only the kind of hell raised by ‘anti-globalisation’ demonstrators is likely to draw attention to the burning issues of the 21st century. This closely relates to his apt description of politics as ‘a tightly controlled spectacle, managed by rival teams of professionals expert in the techniques of persuasion, and considering a small range of issues as selected by those teams’ (Crouch, 2004: 123, 4). Many will not accept such anti-systemic analyses, but just as Kirchheimer (1966: 257) was led some 60 years ago by the bankruptcy of Opposition to inquire into the future scope for ‘extraparliamentary opposition’, it is arguably the weakness of Oppositions and their enmeshment with the corporate world that has prompted some to take direct action as part of the anti-capitalist and Occupy movements (Lavelle, 2015). The Occupy movement, in particular, revealed a crisis of representation in bourgeois politics: no matter who is elected searing economic inequalities stubbornly remain (Hardt & Negri, 2011). Relatedly, there is evidence of concern among citizens in a range of countries that politics is largely run for corporations’ benefit (cited in Jennings, Stoker, & Twyman, 2016: 880). The failure to provide alternatives to neo-liberal corporate globalisation is certainly one reason for the extraordinary cases of regime change we have witnessed since the commencement of the crisis, and numerous social democrats have been badly burnt by this process (see below).

And yet, at the same time, arguably we are simply witnessing the failings of *liberal democracy*, which rests on a model of leadership provided by a highly-paid, elite few, alongside the general passivity of the masses whose input into the political process is called upon only once every few years—before being promptly

ignored (see Callinicos, 1991: 106–118). Patently unable to account for the sudden and dramatic backlash against established parties is the argument that strong party organisation is critical to electoral success (e.g. Tavits, cited in Hanley, 2015: 310). While no doubt connected to the policies that parties espouse—one of the reasons why many established parties’ roots are withering is that they persist in putting forward policies that so many people cannot abide—party organisation, however robust, cannot withstand these tremendous waves of opposition to neo-liberal austerity and to the status quo, or worse, to regression, as implied in 2010 by then-Chancellor of Exchequer George Osborne: ‘When people ask the famous question are you better off than you were five years ago this will be their first election in modern British history when the answer from the government must be no’ (cited in Gamble, 2014: 42).

What matters for us in the Australian context is that parties such as Labor have been major culprits when it comes to the growing fear and loathing of everything political. And yet, these developments spell danger for a party like the ALP, which, whatever its origins, and assuming it would even try to, cannot distance itself from the establishment. For, it is not merely from the widespread disgust for the political elites that the ALP stands to lose; the crisis in social democracy feeds into the broader discontent that propels to power the likes of Trump, who has pledged to heavily tax companies that up and leave the United States—something the free marketeer Obama, for example, if he had dreamt of such an idea would have woken with a sweat and apologised for (Garver, 2016; Klinenberg & Manza, 2012). Similarly, the European and British social democrats that assumed power in the 1990s were not rebuffed by the markets or big business—as they often had been in the past—precisely because they showed not even the laziest inclinations towards social democratic reform: instead of seeing capitalism as something in need of regulation, they now sought its liberation from state interference. Who can forget the heady days of the late-1990s when social democrats swept all before them to command the treasuries of 13 of the then-15 EU member states? Much was made at the time of this achievement, seemingly the dawning of a new red tide. Yet, as Braunthal (2003: 25) argues, the ephemeral nature of this success—within a few years most of them had been dumped—was a product of social democrats’ betrayal of hopes for more redistributive policies.

The deeper meaning of this process is that social democracy is ‘dead’: the parties still exist as structures, they may continue to win elections (though probably less frequently, and less decisively), and many of their supporters may still hold out *some* hope that they will do *something* for working class people, but gone is the associated project of reforming capitalism with state interventionist policies in the interests of the majority (Lavelle, 2008a, b). An apt description of this phenomenon is ‘reformism without reforms’: the political parties that make up the reformist socialist tradition are still breathing, and many in the labour movement remain wedded to the idea that progressive change can come only through established legislative bodies, but the parties themselves no longer display any willingness—or ability—to reform capitalism in the interests of working people (Harman, 2003).

In this sense, Bramble and Kuhn's (2009) timeless analysis based on a short piece by Lenin a century ago, which maintains that parties such as the ALP can still be classified as 'capitalist workers' parties because they continue to be composed of organised labour but at the same time manage the capitalist state, cannot hope to grasp this creeping malaise: at the end of the 20th century it was observed that there had 'never been such widespread questioning of what social democracy stands for and whether it still offers distinctive policies and goals' (Gamble & Wright, 1999: 1). Nor can such an analysis hope to comprehend the unprecedented leaking of votes by social democrats—indeed, in some cases there have been splits (e.g. the SPD/Die Linkspartei)—to other parties in protest at the abandonment of traditional reformist policies and the adoption of unashamedly neo-liberal ones (Lavelle, 2008a, b, Chap. 3). In the Australian case, the Greens have profited significantly from the sense that Labor is no longer social democratic, as has to some extent PHON at the other end of the spectrum (see below). The potential for the emergence of alternatives to social democracy—both on the left and, alas, the right—is also ignored by this outdated framework.

This is not to say that the current situation is entirely unprecedented. There have undeniably been rifts between unions, parties, and their supporters before. There is, however, a terminality to the situation today. While the ALP can be situated within the social democratic family, of declining relevance in the case of the ALP has been 'labourism', a term which has been the subject of some dispute as to its meaning and its scope, and accepted and used by some scholars but not others (Irving, 1994). The differences between 'social democratic' and 'labour' parties have often been overstated, and there is a high degree of similarity between them in the sense of their seeking to address the inequalities and injustices of capitalism through piecemeal legislative reform (see Lavelle, 2008b, Chap. 2). In one comparison of trends in both British and Australian Labo(u)r parties, however, the term refers to the belief that workers are deprived of the wealth that they create in the production process, and therefore require state intervention to remedy this injustice (Scott, 2000: 14). This, of course, is a notion that could hardly be more out of place in the 21st century ALP. At the very least, labourism is supposed to have at the heart of it the representation of labour (Battin, 1994: 34), something which, as we have seen, has steadily fallen out of favour among ALP leaders.

It must be noted also that in relation to the decline of labourism—which should not be regarded as a wholly regressive development since it can be conceived of as synonymous with white male wage-earners' interests (Massey & Massey, 1994: 49)—the years since the end of the post-war boom in the mid-1970s are not by any means the beginning and end of the story. On the other hand, in 'the last quarter of the twentieth century the traditional policy basis of 'labourist' thinking came under attack' (James & Markey, 2006: 35). This also happens to be roughly the same time that neo-liberalism flourished in Australia. Social democrats' embrace of neo-liberalism since the end of the post-war boom has antagonised workers and unions, which stand to lose from its regressive and iniquitous effects. Accordingly, in some countries there has been a 'break-up of the socialist family' or talk of divorce and disaffiliation (McIlroy, 1998: 538). It is doubtful that there will be a

clean divorce from unions: parties such as the ALP still live off their generosity (though are often less reliant on it than they have been in the past, since they can also bank on big money from corporate donors), and rely on the work of their foot soldiers during elections. But it is clear that the trend is increasingly in the direction of de-labourising in political and policy terms, and further ruptures are likely in the future, with the potential for a higher number of union figures to seek alternative political allies who can more reliably advance the interests of labour.

It is evident that this is not just a cyclical phenomenon largely attributable to social democrats being in government, for in both Australia and Britain the canyon between political and industrial labour has widened during recent periods in Opposition. In this sense, it is important to distinguish between the more general tensions invariably experienced by social democrats when handed responsibility for managing the capitalist state (Cliff & Gluckstein, 1996: 103) and the specific divergence of political interests as a result of moves to a more business-friendly policy stance following the end of the post-war boom and the evolution of an economic climate less hospitable to traditional social democratic policy reforms (see further below). Adding further weight to the perception of a degree of permanency about the current state of affairs is the fact that there is little prospect of a restoration of the economic base that might underpin a return to traditional social democratic policies, and which in turn might heal the rift: economic conditions have deteriorated steadily in the advanced capitalist states in the period since the 1960s, when global growth in that tumultuous decade averaged around 3.5% compared with 2.4% in the 1970s, 1.4% in the 1980s, 1.1% in the 1990s, and barely 1% in the early years of the 21st century, prior to the crash (Harvey, 2006: 42). Needless to say, the crisis that commenced in 2008, the worst since the 1930s Great Depression, ought to have done little to engender optimism in the hearts of even the most heroic reformists: capitalism's crisis is an immovable object for governments. Hence Harman's (2010) coining of the term 'zombie capitalism' to describe a system so beset with structural problems that its resolution can come, if at all, only through convincing working people to endure the necessary pain to stimulate investment in order to revive profit and growth rates.

With time we run the risk of forgetting just how serious this crisis has been—a crisis that is the thread woven through most of the intractable conflicts and problems of the western world, from income inequality to imperialism to Islamophobia (see below). Indeed, the turn of events was so stunning in the early stages of the crisis that the rumour mill warned of a return by the inveterate 19th century anti-capitalist, Karl Marx, who would rise like a phoenix from the ashes to spook capitalists and politicians everywhere (Huxley, 2008). Many mainstream commentators convinced of the obsolescence of Marxism now had much collective egg spread over their faces after succumbing to an acute case of political amnesia—forgetting the see-sawing cycles of boom and slump punctuating capitalism from its inception—amid the dizzying effects of the good times. This applied not just to right-wingers instinctively appalled by Marx's vision of a society based on equality and freedom from capitalist exploitation, but also to those on the left who inhabit a

‘post-material’ world in which traditional socialist concerns about inequality and poverty no longer retain much purchase (e.g. Hamilton, 2006).

If Marx enjoyed renewed popularity as a consequence of this shattering economic event, it was precisely because of his searing critiques of capitalism and his detailed expositions on its horrific tendencies towards slumps. Yet, regardless of the clarity with which this latest debacle has demonstrated capitalism’s destructive ways, Marx’s ideas are simply too radical for political leaders to countenance. If contemporary prime ministers and presidents are Marxists at all, they are likely to be of the Groucho variety, as they scurry around haplessly looking for clues as to how to put back together the various pieces of the system. For the reformist statesman, hopes that Keynesian social democratic measures would soon be back in vogue have been cruelly dashed in the unprecedented disembowelling of welfare programs, jobs, wages, and pensions—at a staggering social cost likely to be felt for years, if not decades, to come (see Lavelle, 2013). In the immediate wash-up of the crash, obituaries for neo-liberalism were far too hastily penned. Instead, what we witnessed was ‘the strange non-death of neoliberalism’ (Crouch, 2011). John Williamson, who coined the term ‘Washington Consensus’ to define a set of ten different neo-liberal policies, thus had a quiet chuckle when he read Gordon Brown’s 2009 eulogy for his baby: in terms of the policy predilections of governments, he noted, she is alive and well (Lozada, 2009). Far from social democracy, as a policy approach, enjoying better prospects, neo-liberalism emerged reinvigorated as states saddled with debt came under pressure to make cuts to social spending and privatise public assets, in some cases using the opportunity of the downturn to implement cuts so swingeing that they could otherwise never have been contemplated (Lavelle, 2014: 270–283).

With the benefit of hindsight we can see that, in feverishly channelling trillions into their financial sectors, governments had learnt from the deflationary mistakes of the great depression. But these were merely stopgap measures designed to prevent the system from sinking into the abyss. Even the latter is no safe bet, particularly given that propping up unprofitable capital may only lead to further problems down the track; what is certain is that western governments have discarded any remnants of faith they had in Keynesian-style social democratic measures in favour of unprecedented austerity measures designed to raise money or to secure the bailout funds needed to shore up financial markets and institutions. Longer-term, leaders are unlikely to be ignorant of the fact that capitalism—along with the corporations underpinning it—still needs an enlargement of the pastures in which business can graze if it is to secure outlets for the surplus capital accumulating due to the lack of profitable investment opportunities in the ‘real economy’. In other words, what is paramount is the continuation and extension of the very same Washington Consensus policies that Brown thought were history, despite the fact that any ‘reforms’ to stimulate investment are useful for only a short period of time before yet more ‘reforms’ are needed, the demand for incentives for investment in the contemporary system being relentless, which contributes to the pervading sense of war-weariness and ‘change fatigue’ among citizens. But it hardly matters that for bosses this is partly a case of the pastures looking greener on the



other side, for western elites remain devoted to the neo-liberal project irrespective of whether or not it can revive an ailing and unresponsive patient.

The problem for social democratic Oppositions including the ALP is that, regardless of what policies their membership and support bases might desire, the fact is that today, as in the 1970s, there is no alternative to neo-liberalism as a roadmap for capitalism's further expansion into previously unexplored areas—a prerequisite for an economic system which, like some species of shark, must keep moving in order to stay alive. But capitalism's movement must be profitable, and since the late-1960s capitalism has been afflicted by a crisis of profitability (Callinicos, 2010). This is reflected in the economic growth figures cited above. Neo-liberalism was, and continues to be, capitalism's best answer to the problem. The answer, in turn, however, has created new difficulties and contradictions, and the recent global recession can partly be seen as among these. But for reasons including the virtually inevitable tendencies within capitalism toward a long-term decline in profit rates—to which neo-liberal policies represent a response—there is no end in sight to neo-liberalism, nor to its horrific consequences for the planet and its people.

Those who in the wake of the crash prematurely announced the death of neo-liberalism failed to understand its roots. Flimsy interpretations of it by some social democrats, including Kevin Rudd, attributed the problem to 'free-market fundamentalism' and ideological zealotry (Rudd, 2009: 73). As well as this being a case of projection, given the policies that his own party had implemented in the 1980s and 1990s, this interpretation enabled an avoidance of the structural challenges to his apparent belief that 21st century capitalism presents no major obstacle to his strategic choices as a leader endeavouring to manipulate that same system. In reality, the crisis cannot be so easily dismissed.

In one sense it reflected bipolar capitalism's manic swings between boom and slump. Reflecting on an early 20th century 'world economic crisis', Leon Trotsky observed that 'capitalism does live by crises and booms, just as a human being lives by inhaling and exhaling' (Trotsky, 1921). The current calamity began as simply one—albeit highly destructive—kind of speculative mania in a long line of such upheavals going back as far as the tulip bubble of 1636–7 (Kindleberger, 1996: 4). The irrational, chaotic savagery of the market—unmitigated by government planning or co-ordination—renders virtually impossible any forewarning of when or where the next crisis will strike, or how much havoc it will wreak. Government leaders, agency officials, and mainstream commentators were thus caught napping by the GFC, which they were at a loss to explain.

But the global recession has been more than just another trough in the 'business cycle'. The period of 'financialization'—defined by the greater autonomy of the financial sector from the rest of capital, the exponential growth in tradeable financial instruments and devices, and the incorporation of various actors into financial markets—has given rise to an extraordinary number of financial crises: there were 139 crashes between 1973 and 1997, compared to 38 during the years 1945–1971 (Callinicos, 2010: 35). Here legislative interventions were also influential: the Clinton administration's 1999 repeal of the Glass-Steagall



legislation—originally introduced after the great depression to separate investment and commercial banking—saw a skyrocketing in the number of derivatives traded by hedge funds, in the process substantially increasing market higgledy-piggledy (Manne, 2010: 22–3). The increased integration of financial and economic systems of different countries meant that no sooner had it first developed in the American market than the contagion spread rapidly across the Atlantic.

In sheeting home the blame for the collapse to financialization—a position, one suspects, shared by social democrats such as Rudd—many commentators ignored the underlying source of the proliferation of financial devices that helped cause the ‘sub-prime’ mortgage crisis (brought about when large numbers of mortgagees could not meet their repayments, which transformed bad debts into worse on the balance sheets of banks and mortgage brokers). More fundamentally, the ‘sub-prime’ crisis reflected the long-term decline in the health of the ‘real economy’. In search of higher returns on capital, investors have been forced into speculative trickery—including not just the splicing and dicing of mortgage debts to be sold off to various parties, but also the creation of futures markets allowing one to wager on the probability of terrorist attacks or political assassinations! (Foster & Magdoff, 2009: 57, 78–9). This turn to finance is, of course, of a piece with the fact that the rate of profit on productive investment has, in keeping with Marx’s analysis, generally been falling since the late-1960s (Harman, 2010: 235).

This also explains why, despite its widely acknowledged contribution to the global recession, neo-liberalism is far from dead in the water. If we see neo-liberalism not simply as the replacement of the state with the market, but rather as a pro-business regime enforced by the state, and designed to revive growth and profit rates by opening up opportunities for investment in the context of the aforementioned economic malaise, then we should expect neo-liberalism to continue to enjoy the support of western politicians and bureaucrats. This is why it is mistaken for some well-meaning economists to contend that if only governments changed their tack from slash and burn to stimulus the crisis could have been ended far sooner (e.g. Krugman, 2012). While correct to point to the contractionary effects of austerity, such commentators misunderstand the reasons for neo-liberalism’s broader supremacy, and they fail to see the way in which it still offers capitalism the best—though clearly unsatisfactory, even for its rulers—answer to its intractable shortage of profitable outlets for investment. Such advocates of stimulus often hark back to a golden age of Keynesianism, ignoring the latter’s imperilled state in the 1970s when it failed to avert international slump, as well as capitalism’s chronic problems of profitability to which government spending can make modest difference in the long run (Callinicos, 2012). In any case, the budget deficits plaguing western economies could safely be overcome by repossessing some of the hoardings of the mega-rich. But such notions offend the interests of business (and the sensibilities of most Keynesians), particularly at such a delicate time. Instead, it is workers and the poor who are made to pay for a disaster not of their making.

In this context, opportunities for Opposition/s, particularly those of the social democratic persuasion, should have been plentiful. In the wake of the recession, governments were hoisted on their own petards. This process of voter catharsis was

not so evident in many developing countries (see Pepinsky, 2012). Nevertheless, it is scarcely surprising that one of the standout political manifestations of the crisis has been the thrashings meted out to incumbents at the polls. And social democrats have not been spared, in part because of their grim records in government, including their authorship of significant neo-liberal measures. Perhaps the most striking case in point has been that of Greece (PASOK). From enjoying in October 2009 a comfortable parliamentary majority of 160 out of 300 seats and 44% of the popular vote, the party's position collapsed, leaving them in May 2012 with just 41 seats and only 13.2% of the vote. The wreckage left by the economic crash, PASOK's handling of it, and the party's broader political and ideological torpor in the preceding years all contributed to this astonishing outcome (Sotiropoulos, 2014). As unemployment rose to 25% around the time it was ejected from office, PASOK bore a heavy responsibility for the social misery marring one of the world's most historically significant cities and its surrounding districts. While PASOK's electoral meltdown is not totally reducible to the economic catastrophe, the age-old syndrome of social democracy playing doctor to a faltering—but demanding—capitalist patient is all too evident here.

To take another example, the Spanish Socialist Workers' Party (PSOE) was humiliated in 2011—when it received less than a third of the vote—after its resounding victory just three years earlier. Along the way some four million Spaniards deserted the PSOE. At the 2016 general election, the party's support plummeted further to new historic lows, when it won just 23% of the vote (BBC, 2016). The blowback from the neo-liberal misadventure has indeed been inglorious, something symptomatic of the electoral revenge to which social democrats have always been subject due to the gulf between their supporters' aspirations and the sobering reality of social democracy in action. Kennedy quite rightly rejects the idea that the crisis was the sole cause of the PSOE's unravelling, which in fact reflected its unimpressive record prior to the slump (Kennedy, 2014). Ryner makes a similar point, noting the woeful performance of social democrats at the 2009 European elections, including the humbling of the German SPD—so often a barometer of the health of social democracy because of its size and strategic importance in Europe's most populous country and biggest economy—which scored its worst result since WWII (Ryner, 2014). On the other hand, as Schmidt suggests, the cycle of austerity followed by electoral crisis preceded the global recession in the case of the SPD, whose former chancellor cum Gazprom consultant Gerhard Schröder engineered after the 2002 federal election the most serious cuts to the welfare state since WWII. Indeed, Schmidt, in making a point with close parallels to my own in relation to the ALP, traces the party's problems to the fallout from the different economic context wrought by the end of the post-war boom. Nevertheless, the global slump did hit the SPD squarely in its electoral heartlands, as its share of the vote was slashed to less than a quarter at the 2009 election (Schmidt, 2014).

At one level, these examples merely highlight the failures of social democracy to offer an alternative to neo-liberal globalisation, aside from occasional rhetorical flourishes, such as the well-publicised 2005 attack by SPD leader Franz

Müntefering on the investor ‘locusts’ preying on his country—the very same ones who had bought some of the state firms and assets privatised by the Red-Green Coalition in which he himself had featured as a minister (Engelen, 2005: 57). None of this should be surprising—social democrats have always gotten themselves twisted up in such political knots.

This only opens the way for other electoral forces—those less tainted by neo-liberal records—to capitalise. This was evident even before the calamitous events beginning in 2008. The ‘vacuum thesis’ holds that as parties embrace positions different to their traditional policies it opens up a vacuum for a challenger party to fill. This, according to Olsen, is a variant on the notion of ‘political opportunity structures’: [I]f a party moves away from its voters on one or more issues, other parties have greater opportunities to win those voters if they can pitch their message in a way that appeals to them’. Olsen saw evidence of this at work in ‘several European countries’ as ‘left-wing rivals’ gained from the ‘perceived rightward shifts’ of social democrats (Olsen, 2007: 207). Prior to the sub-prime mortgage crisis, it was observed that electoral start-ups had been strengthened by the rightward shift of social democrats in numerous countries. As Moschonas (2002: 154) noted around the same time, social democrats are now coming under ‘challenge from the emergence of peripheral political poles representing a ‘new politics’, including green parties which predominate among them. He argues that they represent ‘a real challenge to the social-democratic parties’ as well as constituting ‘one of the most remarkable political developments of the last twenty years’.

To acknowledge this, however, is to note the danger with which the historical moment is pregnant, as the reactionary far right—cutting much more with the grain of state-level and media attacks on asylum-seekers and broader Islamophobia—jostles with progressive movements to steer life in a darker direction. In Spain, the radical left party Podemos, which grew out of the mass protest movement, the *Indignados*, has benefited from the crisis in PSOE (see above), winning in mid-2016 elections 71 seats and 21% of the total vote. Ryner (2014) points to successes for Trotskyists in France and for the Left Party in Germany, but also to gains for the far right. More recently, this has included Alternative für Deutschland (AfD), which would have asylum-seekers dispatched to islands beyond Europe, and which at the time of writing had members in more than half of Germany’s 16 Länder assemblies and was gearing up for the 2017 federal election (Reuters, 2016). Polarisation is occurring across Europe, as both far right and far left vie for overlapping constituencies (Callinicos, 2012). Ross (2014) further points to the spawning of revolts on the left and reaction on the right in the wake of the austerity measures that were enacted in response to the economic meltdown, and in which social democrats have so often had a hand. More broadly, protests, riots, and general strikes have been nigh on daily occurrences across Europe in recent years. Thus, in mid-November 2012, co-ordinated strikes and demonstrations were staged across 23 different countries—the largest anti-austerity protests ever to grace the continent.

It is clear that the system is in the midst of a shake-up, to put not too fine a point on it. In this sense, much of the talk about a ‘crisis in democracy’ in fact reflects an anti-democratic pro-status quo perspective which sees the rise of anti-establishment forces as inherently troubling, when in fact it can be argued that greater choices for citizens is a step forward, limited as this may be as an ultimate answer to the problems of a system subsumed by corporate power.

This pattern of polarisation and gains to parties to the left and right of social democracy, with significant potential impacts for Opposition strategy, has been mirrored in Australia, despite the country’s rather less dire economic conditions.<sup>7</sup> As was discussed at length earlier, a backlash by its core constituency in 1996 cost Labor government. Labor’s abandonment of any pretence towards social democratic ambitions and its embrace of neo-liberalism enabled the Coalition to portray itself as the party of the ‘battlers’ and to secure support from blue-collar workers. Arguably a more important consequence of this process has been an increase in support for minor parties and independents:

That tends to explain why independents and minor parties do really well. Whether it’s One Nation, Democrats, Greens, local mayors or other independents, people are looking for alternatives. The old two-party system doesn’t really work and no one has thought of the new system, but the electorate is hanging out for it (cited in Steketee, 2007: 21).

Labor politicians readily admit that many of their formerly loyal voters have flocked to other parties (SBS *Insight* program, 2 May 2006). Bean (2000a: 78) notes that at the 1996 election many of the ‘semi-skilled and unskilled workers who deserted Labor clearly could not bring themselves to switch directly to the Coalition, so they voted instead for a minor party or an independent’.

The rising number of disillusioned Labor voters is critical to understanding the emergence of the Greens on the left. Then national leader Brown (2004) argued that their markedly improved standing in the early 2000s owed to their ability to provide ‘alternatives to the economic rationalism [neo-liberalism] of the big parties’ (Brown, 2004). Former party staffer Oquist (2005) similarly believes that the Greens have benefited from perceptions of convergence between the major parties: ‘[T]here are I think less differences [sic] than there ever were’. The party has sought to woo ex-Labor voters, as well as to attack the ALP’s left flank by tapping into the radical politics of the anti-globalisation movement, illustrated in their stated wish to be part of ‘a new worldwide political force combating economic rationalism and corporate globalisation’ (Oquist, 2002: 147). Whereas Labor’s stance on the Iraq war in 2003 was widely seen as wishy-washy, the Greens categorically opposed the US-led 2003 invasion of Iraq: Brown heckled US President George W. Bush when he addressed the Australian parliament, and attended many anti-war rallies the length and breadth of the country (Norman, 2004: 5). While in numerous respects the Greens bear little resemblance to traditional social democrats, with no historical relationship with unions, minimal focus on industrial relations and economic issues,

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<sup>7</sup>Australia narrowly avoided a major slowdown during the early stages of the global economic crisis, which means that it has not been hit by a recession since the early 1990s.

and little orientation to the working class, Burgmann (2004: 64) argues that the Greens' policies 'more closely resemble social-democratic ones than do Labor's'. It is unclear to what extent the Greens can munch away at the ALP's base, given the widespread perception that the party is comprised largely of middle-class, inner-suburban dwelling, highly-educated folk (Eltham, 2010). Yet, the 2001 AES revealed that on a range of issues, such as the power of big business in society and wealth redistribution, Greens voters are close to or slightly left of Labor voters (Wilson, 2002: 20, 21).

There is clear evidence that the Greens have won over one-time ALP voters. Former Labor federal campaign strategist Hogg (2003) noted that in the lead-up to the 1990 federal election:

The party's research starkly emphasised that the vote leaching from the ALP to both the Democrats and the Greens was from our working class base... The very people who had robustly supported the election of the first Hawke Labor Government in 1983 were deserting us in hundreds of thousands.

According to Oquist (2005), between roughly two-thirds and three-quarters of the party's voters have a history of supporting Labor. When asked whether the party was hemorrhaging support to the Greens, then Labor senator Lundy (2005) responded matter-of-factly: 'I know we are and...I do worry about it... I think it's completely natural that the party that can establish itself in the most pure form on progressive ideology is going to attract and inspire young people in droves and there's actually not a lot we can do about it.' Fellow Labor MP Lawrence (2005) similarly identified 'a constituency in the Australian community that I think is more interested in the agenda that we call values...and we're not responding to them sufficiently. They don't hear it within the Labor Party and so they go where they do hear it which is amongst the Greens'.

This is not to say that the Greens do not have their own problems, including ideological confusion wrought by their professed belief in a 'free market' (Oquist, 2005), though not 'market fundamentalism' (Brown, 2004: 203). Muddying the waters further is their opposition to 'extreme' capitalism, rather than capitalism *tout court* (Brown, cited in Norman, 2004: 189). Their solution to the problem of how a modern society can balance the 'economy' with 'ecology', in a fashion that does not offend the interests of capital, seems to come down simply to the election of a Green government (Brown, 2004: 203). While encouraging grass roots and direct action movements, Greens MPs are also 'strong advocates for parliament as an institution' (Vromen & Turnbull, 2006: 176). As a consequence of their parliamentarism, they are prone to the same pressures of compromise and dealmaking that have produced the ALP's betrayals. Thus on one occasion, Bob Brown pledged

his support for the Coalition's privatisation of Telstra in return for an end to the logging of old-growth forests, only to reverse his stance as a result of pressure from within his own party and in the wider community (AAP, 2002). And yet, despite these dilemmas and contradictions, there is little doubt the party has succeeded in attracting a portion of the discontented Labor support base.

As alluded to earlier, also symptomatic of the times is the re-emergence of PHON, which returned to the federal parliament in 2016,<sup>8</sup> a time of record high levels of support for minor parties and independents in Australia (Hewson, 2016: 20). PHON's recovery was also a sign of the potential of the far right to grow. While not a fascist party, it has been compared with the Front Nationale (FN) in France and the Freedom Party in Austria, and can be understood as 'populist and radical right, insofar as Hansonites scapegoat Aborigines and Asians...for Australia's social and economic problems' (DeAngelis, 2003: 86–7). In its earliest guise, it could be regarded as an anti-immigrant and anti-Aborigine party headed by an authoritarian leadership (Ward, Leach, & Stokes, 2000, 4–7). In her maiden speech in parliament in 1996, party leader Pauline Hanson attacked multiculturalism, claiming that Australia was in danger of being 'swamped by Asians', and that Aborigines enjoyed social welfare 'benefits' off-limits to non-Indigenous people. But, in a signature far right manoeuvre that attempted to combine racism and economic nationalism, she criticised at the same time the sell-off of Australian 'icon' companies to overseas investors, and the looming privatisation of Telstra. She also attacked the federal government for 'kowtowing to financial markets, international organisations, world bankers, investment companies and big business people' (HRH 10 September 1996, 3860–63). The only thing missing was a Jewish conspiracy theory.

Some of her support base is ex-Labor. Goot's (1998: 55) early research indicated that many PHON supporters came from a (rural-based) National Party background (26%), with significant portions being either former Liberal voters (17%) or ALP voters (12%). Senior ALP figures possessed in November 1996 polling evidence that the party was losing to PHON 3–4% of its working class vote (Dodson & Kitney, 1996: 3). Data showed that 23% of PHON supporters at the 1998 election had voted for the ALP in 1996 (Bean, 2000b: 144). This is quite a high number, and may actually understate PHON's level of support among ex-Labor voters, since it is based on 1996 voting patterns. As we saw earlier, in 1996 there was a 15% point decline in Labor's traditional manual working class vote (Bean, 2000a: 76). Thus

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<sup>8</sup>Founder Pauline Hanson was originally preselected to run as a Liberal candidate in the 1996 federal election, but she was disendorsed as a result of her expression of racist views, and subsequently contested the poll as an Independent (though she was listed on the ballot paper as Liberal). She later founded PHON, which enjoyed varying levels of success in numerous national and sub-national elections but no federal representation between 2005 and 2016.

some of the ‘Coalition’ voters who switched to PHON in 1998 may in fact have had a history of voting Labor prior to 1996. One opinion poll suggested that this was indeed the case (Millett, 1997).

This might go some way towards explaining the high support for PHON among blue-collar workers. Bean and McAllister (2000: 181) comment that ordinarily one would expect PHON voters to come from a conservative political background, rather than a social democratic one:

Yet, in a number of significant respects it in fact tends more towards Labor’s profile instead. One Nation support...comes disproportionately from manual workers, trade union members, those who describe themselves as working class, the less well educated, men and people who never attend church—a list of characteristics which comes close to defining the archetypal Labor voter... [The evidence] suggests that it is Labor-style voters in rural areas—rather than the much more predominantly urban Labor voter—who are chiefly attracted to One Nation.

Labor MP Lawrence (2005) suggested that many of the ALP’s traditional supporters who left it in 1996 ‘joined up [to] the Hansonite wagon... They didn’t understand what had happened [economic restructuring] and why they should have been victims of it’. Former ALP federal treasurer Wayne Swan understood the bolt out of the blue that was PHON as the result of ‘the reform fatigue of three decades of massive social, economic and technological change’. Echoing comments by others about the 1996 defeat, he attributed this to ‘frustration with the Hawke and Keating reforms that had opened up the economy over the preceding 13 years... [T] he [one] million Australians who voted for One Nation in 1998 did so for [that] reason’ (Swan, 2005: 225, 226).

More recently, the success of PHON in securing four Senate spots at the 2016 federal election can be attributed in part to the fact that the poll was of the double dissolution variety,<sup>9</sup> but also to job losses and increasing economic anxiety, particularly in areas of Queensland—which accounted for two of the spots—marred by high unemployment rates following the end of the mining boom (Atkins, 2016). The economic dislocation provided the platform for anti-Muslim sentiment during a time of heightened terror threats brought on by decades of western imperialism in the Middle East and the ostracisation of young Muslims living in suburban Australia: cynically Hanson, who herself secured one of the seats won in Queensland, declared in her first speech back in Parliament that Australia was now being ‘swamped by Muslims’—20 years after she had warned that the country was being ‘swamped by Asians’.

An additional element of PHON’s success has been its ability to portray itself as different from the major parties. According to DeAngelis (2003: 86), during the post-war boom there had been a political consensus on trade protection and welfare, but after both major parties were locked into neo-liberal globalisation Hanson was

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<sup>9</sup>Called by the government in part as a desperate attempt to produce a federal senate more congenial to its policy plans, the double dissolution election meant that the proportion of the vote required to secure a spot was halved from 14.3 to 7.7%, which allowed some outsiders to dart through this window of opportunity.



able to ‘quickly find political space among those protest voters who did not understand the changes, and who felt ‘abandoned’ by the Labor and Liberal-National governments of the 1980s and 1990s’. Evidence from the 1998 election revealed that PHON voters were ‘much more likely than others to indicate that they could not see a difference between Labor and the coalition on issues’ (Bean & McAllister, 2000: 189). PHON itself lambasted what it called the ‘Laboral factions’ (Singleton, Aitkin, Jinks, & Warhurst, 2003: 329). Ward, Leach and Stokes (2000, 8) maintain that the surge in 1998 in support for PHON flowed from the disappointment experienced by those who had voted out Labor in 1996 in the vain hope of slowing down the ‘pace of change... [But instead] the Howard coalition Government has overseen, in search of efficiency, the continuing close of banking, health, educational and other services in rural and regional Australia’.

This, of course, raises the question as to why ‘protest’ voters opted for PHON rather than for some other minor party. PHON has been successful for many of the same reasons other parties like it overseas have been: in times of economic decline, some voters can be seduced by simplistic attacks on minorities scapegoated for societal wrongs such as unemployment. Some voters may find such racialism unpalatable, and look instead to more progressive alternatives. On the other hand, it is likely that some PHON voters *did* flirt in the past with other minor parties. A loss of blue-collar support to PHON is not inconsistent with evidence that the ALP has also lost some of this support to the Greens and to other minor parties and Independents, for there is some overlap between these alliances in a political context constantly in a state of flux. According to Bean (2000b: 144), AES data revealed that 15% of PHON’s vote in the 1998 federal election was comprised of people who had previously voted for the Greens and other minor parties or independents. Oquist suggests that the almost one million people who voted for it at the 2004 election made up a ‘broad constituency’ that included ‘probably [some voters] from One Nation...[some] of the anti-establishment vote that One Nation represented went to the Greens’ (Oquist, 2005). For Wilson the growth in support for the Greens from the 2001 election onwards was ‘yet another by-product of the *One-Nationisation* of Australian politics that has contributed to sharp cleavages in public opinion on a range of social issues’. There were some ‘Labor-identifying voters’ that opted for the Greens or the Democrats, and while others went to the Coalition or PHON (Wilson, 2002: 17).

When PHON was written off as a ‘flash party’ following its spiral into decline as a result of internal division, as well as an electoral system that did not translate the party’s high voting support at the 1998 federal election into a single lower house seat (Ward, Leach, & Stokes, 2000: 2, 11), it was based on a wrongheaded analysis that underestimated how ripe the conditions are for alternatives—on both right and left—to spring up, seemingly from nowhere. The economic and social blight, combined with not insignificant racial and sectarian tensions, underlying PHON’s growth are, alas, here to stay. There is, therefore, no certainty that it will be the progressive forces on the left that will profit from the demise of social democracy in Australia.



In that sense, in relation to the ALP Opposition's strategy, what at first appears as strikingly counterintuitive is that, despite there being clear evidence that both the radically improved fortunes of the Greens and the rise and re-rise of PHON are related to the ALP's past fidelity to neo-liberal globalisation, there is no sign of the party wavering in its commitment to the latter—even if it places in greater jeopardy its own immediate electoral position—which is revealing of the extent to which neo-liberal globalisation is non-negotiable in early 21st century politics, both in Australia and elsewhere.

All this points to the continued volatility and instability of the current political context, and the way in which it can lead to unexpected rushes of support for political forces scattered along the spectrum. Thus in the ALP we see a party fighting crises on numerous fronts, none of which may spell its demise, but which together forecast increased fragility, desertion of members, dwindling electoral support, and an increase in the flow of momentum to other (more likely minor) parties and Independents. Former party leader Mark Latham, while nowadays widely regarded as unhinged and as a downright reactionary anti-Muslim and anti-feminist commentator who will say almost anything to attract attention or to inflame social media opinion, tellingly wrote in 2005:

I no longer regard Labor as a viable force for social justice in this country. Its massive cultural and structural problems are insoluble. While the Labor machine is still capable of winning elections, it will not deliver on its original purpose for a fair society...

The problem of social democratic reform in Australia has become insoluble (Latham, 2005: 5, 8).

On an international scale, the consequences of this failure to enact reforms as part of building a 'fair society' are far-reaching, and, potentially, irrevocable. At the feet of social democratic parties a large share of the blame must be placed for cementing the neo-liberal consensus in elite politics, for the retrenchment policies that have increased the bitterness in society, and, as a result, for creating the fertile climate in which the likes of PHON and the Sweden Democrats can sow the seeds of growth. There is not the space here for a comparative analysis of the balance of class forces in various western countries. But it can be said for certain that it is not necessarily the left who will make the most out of the crisis in capitalism; and having a progressive policy on paper is not sufficient to progress, for, as Andersson (2014) notes in the case of Sweden, old elements such as the (formerly Stalinist) Left Party have become 'increasingly weak' and jaded. Agency thus remains as critical as ever, as highlighted by the case of Syriza, which spectacularly came from nowhere to take power in Greece on the back of a groundswell of opposition to austerity, only to sign off on austerity in office—a case clearly more complex than simply underlining the structural limits of the state as a vehicle for social change, even if that is an important lesson to take out of it (Garganas, 2015).

There is no doubt that social democracy has reached an impasse. As Schmidt (2014) pointedly concludes, there is a clash between the need for traditional social democratic policies and their unrealisability within the constraints of contemporary capitalist political (dis)economy—a conflict that almost inevitably will provoke the

quest for ‘socialist alternatives’. Far from it being likely that this search will be spearheaded by old social democratic organisations, we should rather expect to see the initiative taken by ‘new left parties, such as The Left in Germany, extra-parliamentary movements, and labour activists willing to overcome the corporatist traditions that still dominate union practices today’. If social democracy does not seize the opportunity presented by this crisis to move leftward and reorient away from neo-liberalism and global capitalism—and the available evidence suggests that it will not—it most likely never will, in the process clearing the decks for those on the far left and, disturbingly, on the far right to capitalise. As part of this process the mainstream right may be tempted to engage in mimicry, as in the case of the infamous ‘burkini’ bans of 2016, which arguably plumbed new lows in terms of government interference in the lives of citizens in the west. Florian Philippot, deputy leader of the FN, accused Nicolas Sarkozy, who cynically lent his support to the bans, as ‘poaching ideas from the FN to dupe our voters into backing him’ (cited in Chazan, 2016: 21). Although this tactic failed Sarkozy in his bid for a return to the presidency—illustrating the time-honoured principle that the original is always preferred to the copy—the process of mainstream politicians seeking to curry favour with supporters of far right parties is only likely to spawn more dangerously reactionary policy initiatives in the future.

While the economic crisis is central to understanding the current political juncture, it is not just in their responses to the downturn that social democrats have been found wanting. There is a growing sense that parties such as the ALP have had little to say—let alone do—about some of the central problems bedeviling modern citizens, including the congestion, pollution, and creaking infrastructure that plague the world’s cities; the scourge of psychological depression—tipped by the World Health Organization to be by 2030 the ailment that afflicts more people in the world than any other (BBC, 2009)—and other mental health problems such as eating disorders and obsessions with body image, whose best indicator is the booming trade in cosmetic surgery in many countries; the so-called obesity epidemic; problems related to the abuse of traditional anti-depressants, such as drugs, including ever more dangerous and exotic varieties, and alcohol; public health scares triggered by mass outbreaks of diseases and viruses, including H5N1, Ebola, and Zika; and the extreme alienation and hyper-commodification of life that has produced such consumer phantasmagoria as gift vouchers for divorce (Kenber, 2009). A sense of doom—encompassing economic crises, environmental catastrophes, international terror threats, record numbers of asylum-seekers, and one-off shocking events, such as the purposeful crashing in 2015 of an airplane flown by a suicidal German pilot—pervades much of the world. Against this tidal wave of angst parties such as the ALP cannot—or will not—stand.

Perhaps this is too much to ask. But, regardless, opponents of neo-liberalism and those inclined to more radical thinking about the world and its social architecture in the wake of the turmoil can look no further than the stirring revolt by resistance movements—manifested in the strikes, protests, and occupations peppering Europe—and the rise in support for far left parties in the context of unfailing loyalty to neo-liberal policies among established political players. The enormity of the task

these rebels face, however, is compounded by evidence of deep reaction in Europe and beyond in the form of racist forces successfully targeting immigrants, refugees, and Muslims as convenient scapegoats for the widespread despair wrought by the global economic crisis and the equanimity of the political classes in the face of the pain and suffering it has caused. Tony Cliff once likened the 1990s to the 1930s in slow motion (Cliff, cited in Harman, 2000). In the 2010s, the reel has sped up dramatically. How things panned out in the 1930s offers a stark warning. Whether it will be heeded in time is another matter.

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