IN THE WILDERNESS: FEDERAL LABOR IN OPPOSITION

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Abstract

This thesis is a study of the federal Australian Labor Party (ALP) in Opposition. It seeks to identify the various factors that shape the political direction of the party when it is out of office by examining three important periods of Labor Opposition.

It is argued in the first period (1967-72) that the main factor in the party’s move to the left was the radicalisation that occurred in Australian (and global) politics. Labor in Opposition is potentially more subject to influence by extra-parliamentary forces such as trade unions and social movements. This was true for this period in the case of the reinvigorated trade union movement and the Anti-Vietnam War Movement, whose policy impacts on the ALP under Gough Whitlam are examined in detail. While every one of the party’s policies cannot be attributed to the tumult of the period, it is argued that Labor’s Program embodied the mood for social change.

The second period (1975-83) records a much different experience. After Labor’s Dismissal from office in November 1975, the enduring conclusion drawn by the party was that it had failed in government as economic managers, and that in future it would need to embrace responsible economic management and to jettison programmatic-style reform. This conclusion was accepted and argued by both federal leaders during this time, Gough Whitlam (1975-77) and Bill Hayden (1977-83). The thesis argues that the key reason for Labor’s abandonment of reformist politics was the dramatic shift in the economic context wrought by the collapse of the post-war boom in 1974, which undermined the economic basis of the Program. The degree to which “economic responsibility” governed Labor’s approach to policy-making is highlighted through case studies of uranium mining and the Prices-Incomes Accord.

The final period of Opposition (1996-2001) commences with the party’s landslide defeat at the 1996 Federal Election. Under the leadership of Kim Beazley, the party continued in the pro-free market policy tradition of Labor Prime Ministers Bob Hawke and Paul Keating. In conjunction with this, it employed a “small-target” strategy that pitched its electoral success on community anger towards the government, rather than any alternative policies of the Opposition. The free-market policy continuity is set in the context of the ideological effects of the fall of the Berlin Wall in 1989 and the collapse of the Soviet Bloc, in the aftermath of which all political players accepted that there was no real alternative to the market. Furthermore, the overall state of the Australian and world economies was not conducive to a return to “tax and spend” policies. The party’s bipartisanship on globalisation and economic rationalism effectively robbed it of an alternative political approach to that of the Coalition. Thus, in a sense it was hemmed into the “small-target” strategy.

The thesis concludes by comparing and contrasting the three periods, and assigning weight to the various factors that shape Labor in Opposition.
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Abbreviations

AAFI  Australians Against Further Immigration
ABS  Australian Bureau of Statistics
ACC  Australian Chamber of Commerce (later became 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
ALP  Australian Labor Party
AMIC  Australian Mining Industry Council
AMWU  The Amalgamated Metal Workers’ Union (later became the Australian Manufacturing Workers’ Union).
ANC  African National Congress
ANZUS  Security Treaty between Australia, New Zealand and the United States of America
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
CFMEU  Construction, Forestry, Mining and Energy Union
CIA  Central Intelligence Agency
CGT  Capital Gains Tax
CPI  Consumer Price Index
CPSU  Community and Public Sector Union
DRM  Draft Resistance Movement
FPLP  Federal Parliamentary Labor Party
GST  Goods and Services Tax
HRH  House of Representatives Hansard
IAEA  International Atomic Energy Agency
ILO  International Labor Organisation
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 Co-operation and Development
PJT  Prices Justification Tribunal
PR  Proportional Representation
SDS  Students for a Democratic Society
SH  Senate Hansard
SPD  Social Democratic Party
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<td>SOS</td>
<td>Save Our Sons</td>
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<tr>
<td>TPPV</td>
<td>Two-Party Preferred Vote</td>
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<tr>
<td>TPV</td>
<td>Temporary Protection Visa</td>
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<tr>
<td>UN</td>
<td>United Nations</td>
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<td>VMC</td>
<td>Vietnam Moratorium Campaign</td>
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<td>WEF</td>
<td>World Economic Forum</td>
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<td>WTO</td>
<td>World Trade Organisation</td>
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<td>YCAC</td>
<td>Youth Campaign Against Conscription</td>
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Statement of Originality

This statement is to certify that the following dissertation has never been submitted in the form of a degree or diploma at any other university or tertiary institution, and that it contains no material written by any other author, except where proper reference has been made in the thesis itself.

Ashley Lavelle
Acknowledgements

In the course of researching and writing this dissertation, I have accumulated considerable debts. From an academic perspective, I owe thanks and appreciation first to my principal supervisors Pat Weller and John Wanna of the School of Politics and Public Policy, Griffith University, who gave me the idea for this thesis. As supervisors, they allowed me complete autonomy, and at no stage attempted to influence the conclusions reached in the thesis. Their immense knowledge of Australian politics and history in general, and of the Australian Labor Party in particular, contributed in no small way to whatever qualities the dissertation possesses.

The School of Politics and Public Policy also deserves major thanks for providing financial and other forms of support over the course of the dissertation, without which, needless to say, the project would not have been possible. The School has managed to cultivate over the years a collegial atmosphere conducive to quality research and teaching. The Secretary of the School Olwen Schubert was of invaluable assistance, and displayed a reservoir of patience and tolerance in the face of my incessant queries. She deserves particular thanks for reproducing Figure 7.1 in Chapter Seven. I am also very grateful to Haig Patapan, who has been a regular source of advice and encouragement in my academic endeavours.

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The support of my family was critical to the project’s success. My mother and father, Therese and Gabriel Lavelle, assisted me financially in the early stages of the dissertation, and their love and dedication was immeasurably important. To them, I will be forever indebted.
My partner, Rachel Sambrano, opened my eyes to a world outside politics and study. She put up admirably with my mood-swings, and with the exaggerated importance I often attached to the work. She endured much inconvenience in her own life so that I could continue to work and study in Brisbane. To her, I dedicate this thesis.

Finally, the arguments and analysis contained in this dissertation are the cumulative result of the best part of eight years spent as a political activist in the International Socialist Organisation arguing, discussing and directly engaging in politics. While the following pages in no way represent a “party line”, the dissertation must be set in this intellectual and political context. I thank Tom O’Lincoln for reading and commenting on an earlier draft of parts of the dissertation.

However, while the support and assistance I received afforded me an opportunity denied to many others, the usual disclaimer about ultimate culpability for factual inaccuracies, omissions, and any other flaws, applies just as much here as it does elsewhere.
Chapter One: Introduction

The study of Oppositions has been a barren field of academic enquiry.\(^1\) American political scientist Robert Dahl’s (1966a) work on Oppositions in Western liberal democracies in 1966 was the first of its kind. While this paucity of literature has since been partially overcome, it nevertheless remains the case that exponentially more literary effort has been expended on governments, and the whys and wherefores of government, than on Opposition or Oppositions. This is regrettable, since 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.

This neglect of Opposition is mirrored in the Australian political scene. There remain 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 less related to the strategies that Oppositions employ, what parties in Opposition do to regain government, or the kind of factors that might determine the overall political direction of Opposition parties – why they might choose more radical policies at one time, more conservative ones at another. One of the best sources of empirical accounts of what parties do in Opposition has been politicians’ memoirs. However, more often than not these treat Opposition as a mere stepping-stone to government, as if one inevitably led to another (eg Hayden, 1996: Ch.5), rather than as a period deserving of analysis in its own right. Moreover, these accounts are at best subjective, since, as Ben Pimlott pointed out, all politicians’ memoirs are apologias (1992: 576). Other, more objective, accounts tend to be highly empirical and descriptive, leaving no room for theorising or generalising about Opposition (eg Oakes and Solomon, 1973). Rarely is there any analysis of the reasons why particular courses of action are taken – as opposed to the reasons politicians give for them being taken – in a certain period of Opposition, how that period compares with preceding ones, in terms of the political direction taken and the policies developed, and how it relates to Opposition theory. Accounts of the ALP in Opposition tend to examine a specific case in isolation. For example, there does not exist a comparison

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\(^1\)Opposition here is meant in the sense of parties in the legislature whose main role is to criticise and provide an alternative to the Executive. Thus, it is in Oppositions with a capital “O” which we are interested.
between the Labor Oppositions before and after the Whitlam Government, in terms of the issues faced, the conclusions drawn about the experience of government (though, in the case of the first Whitlam Opposition this is understandable since so few of the Caucus members were part of the previous Labor Government), and how Opposition impacted on the party’s attempts to relate to its traditional constituency and ideology. Similarly, international comparisons with overseas social democratic parties, and their experiences in Opposition, are difficult if not impossible to find. Comparing different periods of Opposition would serve to enhance an understanding of the reasons why Labor Oppositions have done what they have, as well as revealing some of the factors that determine the direction of Labor in Opposition.

This dissertation can add significantly to our understanding of key issues in Australian politics. In the period leading up to the 2001 Federal Election, the ALP was widely criticised for its perceived failure to put forward alternative policies to that of the Government, seemingly acting instead on the old aphorism that “Oppositions never win elections, governments only lose them”. There was widespread public discussion in the aftermath of the Election about the merits and wisdom of such a strategy. Why it is that the first Whitlam Opposition went to the 1972 Election 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 judged as being “policy lazy”, opportunistic and largely bipartisan, is a question that the dissertation will attempt to answer.

Graham Maddox has argued that the ALP has typically used its time in Opposition for “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 certainly be argued that the Whitlam Opposition (1967-72) did use it for this purpose, but few would accept that the Beazley Opposition (1996-2001) was preparing for “eras of reform”. The dissertation can show how significant changes in the external environment can dramatically impact on the extent of reform and social change that Labor in Opposition is prepared to pledge to its constituents.

These and some other gaps in the literature aim to be rectified by looking at the political and policy directions of the ALP during select periods in which it has been out of office at the federal level. The thesis examines the sorts of factors that shaped the overall direction in which this party moved during its time in Opposition. In looking at the “political direction”
of the ALP, we are asking whether the party is moving in a reformist direction, whether it is pledging policies and programs aimed at reaching what the party’s favourite son, former Labor Prime 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, 2001a: 4). In general, this would involve significant state intervention as opposed to a market-based approach. On the other hand, if the party were moving in the opposition direction, it would be emphasising something other than the policies outlined above, as well as a general free-market approach. 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 the debates surrounding them. Together this serves to provide evidence of the general tenor of the particular period of Opposition. 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.

The term “reform” in politics has come to mean policies aimed at increasing efficiency, reducing public sector involvement or adapting more managerial, 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 dissertation. Reforms, instead, are seen in terms of policies traditionally associated with social democratic governments aimed at raising living standards for the majority, such as those cited in Kerr (2001a: 4) above. When it is argued that Labor retreated from reforms in the post-Whitlam period, this is meant in the sense that it abandoned policies that would make a real difference to the lives of its traditional constituents.
Limits of the Dissertation

Here it is important to make clear also what the dissertation does not purport to do. 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 dissertation 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 certain omissions. Only those aspects of the period considered central to the party’s overall direction are looked at in detail. Disputes over the party’s place in history or what kind of party it is are not dealt with far beyond 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.

The focus of the dissertation is not on party personalities, or on particular factions within it. Mention is made of the influence of leading figures or of changes in the factional balance of power only insofar as these illustrate the broader political direction of the party. For example, reference is made 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 are considered only where these were important in terms of understanding Labor’s actions. A case in point was the Menzies Government’s decision in 1965 to dispatch Australian forces to participate in the Vietnam War.

Theoretical and Methodological Approach

With the use of a traditional institutional approach, the dissertation aims to combine historical analysis (the study of the particular) with political science (which aims for generalisation) (Rhodes, 1995: 44). Also, the adoption of comparative case analysis allows for the making of

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2 The term reformism encompasses both “labourism” and “social democracy”, which have subtle differences (see Manning, 1992). Arguably, what both have in common is opposition to revolution as the means by which to abolish injustice and inequality, and a tolerance for the institutions of capitalist society, in particular parliament, and more generally the state.
valid generalisations about the subject matter (Rhodes, 1995: 56), which in this case is Labor in Opposition.

A few points need to be made here about the philosophical approach of the dissertation. First, when it comes to the propositions made about each period of Opposition – in particular, the political direction taken on each occasion – the method has been largely inductive, that is, it has examined the empirical evidence of what Labor did and said in Opposition before forming conclusions (Stoker, 1995: 14). The ontological position that informs the study is largely foundational, at least in the sense that the author believes “it is possible to know the world through experience and observation”, and that the “truth or otherwise of a statement can be determined through systematic empirical observation” (Stoker, 1995: 14). It is not narrowly positivist or empiricist, however, because it does not pretend to come to the study without any theories or philosophical underpinnings guiding the collection of data (May, 2001: 11). In terms of the degree of autonomy designated to structures and agents in social change, the approach largely adopted is that, while structures shape individuals, the actions and decisions of the latter can at crucial points be pivotal to the outcome of events (Barker, Johnson & Lavalette, 2001; Callinicos, 1989). Chapter 11 briefly discusses the structure/agency dilemma with reference to the experience of Labor in Opposition for the periods examined in this thesis.

The propositions made in the dissertation are based largely on the public statements of ALP politicians at the time, or arguments made in caucus or on the conference floor. Key actor perceptions are a major source of data, making it possible to obtain clarity of policy positions. Some will question whether or not these statements constitute “evidence” in support of the propositions made. For instance, the key proposition for the Hayden Opposition period was that the change in the Australian and world economies induced an abandonment by the ALP of promises to deliver wide-scale reform. This claim was largely founded not on the author’s a priori perception of what was an important factor in Labor’s political direction, but on repeated statements by ALP politicians themselves at the time to the effect that the party could no longer commit to the Program because of this paradigmatic shift in the economy. While it could be argued that they may have been deceptive in doing so – in other words, that their public pronouncements hid the real reasons behind their actions – this is highly implausible in light of the absence of a more convincing explanation for the retreat. Evidence is also presented to show how economic crises undermine reformism.
This example highlights the perceived problems of qualitative analysis, which this dissertation is heavy reliant upon, and therefore is subject to the usual questions of validity, reliability, and generalisability associated with qualitative methods (see Devine, 1995: 141-146). A study of this kind could not, of course, have been conducted with purely quantitative methods. The main point of contention, then, is that the data in the form of public statements by FPLP members, and commentators’ analysis of it, is open to different interpretations. Although the author holds to the view that statements about the world can be determined as true or false, in making the above propositions about the periods of Oppositions studied, the author is not, seeking, as Devine puts it, a “definitive interpretation that tells the ‘truth’,” but rather to “establish the validity of the interpretation and demonstrate the plausibility” of it (1995: 145). The dissertation thus sets out to develop the most convincing interpretation of the available data as found in a wide selection of sources.

The Argument

After the research problem and general approach are set out in Part A, Part B examines the period beginning with the assumption of the ALP leadership by Gough Whitlam in 1967 after the party’s calamitous defeat at the 1966 Federal Election. The examination of this period of Opposition 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 regaining government (eg Freudenberg, 1977). The year 1967 is therefore considered a turning point for the ALP. Another reason is that the period 1967-72 marked the formative years of a period of high turbulence in Australian politics, and the study of the role of a political party central to those years would be of considerable value in better understanding events of that time. The effects of changes in the political environment during those years on political parties warrant closer examination, a core aim of part of this dissertation.

The policy examples studied in detail include Labor’s policy on the Vietnam War (Chapter Three), as it evolved from the early 1960s through to taking power in 1972, and industrial relations and the broader relationship with the union movement (Chapter Four). The Vietnam War more or less chose 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 return to power. Similarly, this period saw the largest increase in industrial disputation since at least 1929. This made industrial relations a key political issue, and the party’s broader relations with the industrial wing changed as a result.

Both these examples serve as a guide to the direction of the party during this period in general. The Whitlam period of Opposition was one of radicalisation for Labor: party policy, in these key areas in particular, underwent important changes in response to the wider commotion occurring in Australian, and world, society. The ALP’s policy on Vietnam vacillated until around 1969, when signs of growing opposition and anti-war sentiment, *inter alia*, compelled the party to change its policy to one of full withdrawal of Australian troops, and to an end to conscription. Similarly, the upsurge in union unrest and the general belief amongst unions that direct action delivered the best results, led Labor to commit effectively to collective bargaining, with little role for arbitration, and on occasion to positively identify with strikes as an important way to achieve industrial and social justice for working people. This contrasted with Labor’s more recent view of strikes as inherently negative. The process that occurred during this period resembled, though on a much lesser scale, that which took place during the major industrial upheavals at the end of World War One, 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 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 reformist direction, involving state intervention under a centralist administration. The ambition was for reform and change, directly in keeping with the mood sweeping the nation and many other countries around the world. This appears to vindicate commentators who claim that Labor historically has shifted to the Left in Opposition (eg Henderson, 1998a: 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 in the form of direct action – can push Labour in a leftward direction.

There is evidence of a similar process occurring in the ALP at particular points in its history (see Intro to Part B below). 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 threaten to get out of control. In addition to this, it is noted that being in Opposition dilutes somewhat the policy autonomy of the Federal Parliamentary Labor Party (FPLP), which becomes subject to greater influence from the trade unions and party conferences. Perhaps even more so than 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 relation to 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 – notwithstanding the “modernising” and rightwing tendencies of the party’s Leader – with its policies reflecting the broader yearning for change that infused many political institutions in Australia.

This raises the question of how to define a “shift to the left”, particularly given the fashion in recent years to question the very validity of the categories of Left and Right (Giddens, 1994). This has some merit in reference to Labor in the 21st Century, where ideological differences among factions have diminished considerably (see Conclusion to Part D). However, while steering clear of the wider philosophical debate, it must be realised that the terms Left and Right still are employed frequently in analysing contemporary political events such as elections (eg Thompson, 2002: 156, 157; Economou & Costar, 2002: 182, 183; Sawer, 2002: 256-258). Also, Labor’s policies, in particular on the Vietnam War and industrial relations, certainly did move to positions associated with the Left of the party at the time, and thus can be characterised as moving to the left.

Part C looks at the period of Opposition that begins with the toppling of the Whitlam Government in 1975, and which ends with the election of the Hawke Government in 1983. These years marked a turning point in the party’s history, as it sought to recast itself largely in terms of what it considered the Whitlam Government not to be: a devotee of “responsible economic management”. It is arguable that 1975 was the birth inside the ALP of what is now known as “economic rationalism”. Being in Opposition in this case led Labor to abandon the idea that large-scale programmatic change was possible, if not desirable. Much of the Whitlam reformist approach was thus jettisoned.

It is argued that the chief cause of this shift in party thinking was the sea-change that occurred in the world economy, that is the collapse of the post-war boom that produced full
employment and strong economic growth almost unchecked for going on a quarter of a century (see Chapter Five). This does not mean that other factors – 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, this gave way in the mid-1970s to recession, high inflation, and high unemployment. The party’s promises of reform, predicated on big increases in public spending, were now wound back 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”. When the boom ended, maintaining a commitment to such reforms would have involved cutting other big programs such as Defence or raising taxes on the wealthy and corporate sectors. Such options, however, would have generated opposition from politically powerful elements, particularly so in tighter 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 conformed with “responsible economic management”. Two key policy examples are chose to highlight this. The first is uranium mining (Chapter Six). This was one of the most important political issues of the late-1970s and 1980s, akin in significance, some argued, to that of Vietnam in previous years. While this may be an overstatement, uranium mining certainly was a matter of constant controversy and debate inside the ALP, as well as wider society, during this period. The evolution of the party’s policy on this issue – it went from opposing the exploration and development of the resource 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 was that dramatic economic consequences would follow any attempt to close down the industry, and in some cases references were made to the poor state of the Australian economy as further reason to continue mining uranium.

The second policy example chosen is the Prices and Incomes Accord negotiated between the FPLP and the Australian Council of Trade Unions (ACTU) just prior to the 1983 Federal Election (Chapter Seven). The choice 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 promote itself
as the only party capable of forming government which could restrain union militancy through conciliation rather than confrontation, and in the process curb inflation and ensure “responsible economic management”. Thus, it also was an expression of the party’s wider political direction.

Part D examines the period of Opposition that commences with the historic defeat of the Keating Government at the 1996 Federal Election, and which ends with Labor’s loss under Kim Beazley at the 2001 Federal Election. The main reason for ending it there is twofold. First, it was important to have a clear end-point for the period under review. Second, events related to the fallout from the Election were still unfolding at the time this dissertation was submitted, and thus could not properly be described and analysed. In terms of the more general choice of this time-frame, it came at the end of 13 years of Labor rule, during which the ALP challenged the Coalition’s right to be considered the “natural party of government”, and might therefore have been expected to usher in considerable debate about the party’s future direction and its place in society. Also, the fact that it ended in 2001 meant that the three periods covered by the dissertation were 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 FPLP being that Labor’s time in government had been productive, and that the party would not be retreating from the policies it had implemented, despite the conclusion drawn by many observers, both inside and outside the party, that these policies had contributed significantly to Labor’s downfall. The ALP under Beazley largely extended upon the retreat from reformist politics begun during the latter stages of the Whitlam Government (see Chapter Five), consolidated during the post-Whitlam phase of Opposition, and extended upon during the Hawke and Keating Governments. A considerable degree of continuity therefore existed between Labor in government and the Beazley Opposition. Labor did make some modest proposals for re-regulation of industrial relations, and it argued for a pause in tariff reform, but in general it pursued a “small target” strategy – relying on public discontent with the performance of the Coalition Government and its policies, rather than on 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 its 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 “small target” strategy.

The two main policy examples chosen for this period are globalisation (Chapter Nine), and the party’s responses to the Tampa refugee crisis and the September 11, 2001 terrorist attacks in the United States, and its ensuing approach to the Federal Election in November that year (Chapter Ten). The former indicated that Labor sided with the Coalition in supporting globalisation and free trade, when much of the public was coming to the opposite conclusion. Growing opposition to global capitalism visible 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, justifies a discussion of Labor’s attitude to it.

The ALP’s response to the Tampa refugee crisis and the September 11 terrorist attacks was the final stage of the “small target” strategy. Labor’s reliance on this strategy reflected its bipartisanship with the Government on key political issues of the day such as globalisation: effectively, all it could do was hope to be elected on the basis of community antipathy towards the Government and its policies, since it could not expect to win electoral support with 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 21st Century: falling levels of membership and electoral support, a narrowing in the social composition of Labor MPs, and widespread uncertainty about what the party stood for.

A Summary of the Literature Review

The argument that the state of the economy was a highly influential factor in explaining the political direction of Labor in Opposition (see Part C, for example) is somewhat at odds with the findings of the literature review. This literature suggests that a set of wide-ranging factors influence the behaviour of Oppositions, including those that are "institutional" (factors largely 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 were 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 literature review, as expected, left us with few clues in terms of predicting an
Opposition's policies or what political direction it would pursue, but it did allow for making
broad generalities 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 change between elections, it will try to defeat the governing
party at the next poll via a public campaign, whereas an Opposition party in a multi-party
system, where the “Opposition” and the “Government” are not so distinguishable because no
one party is able to govern in its own right, will rely on bargaining. Aside from the obvious
factor of the Government’s actions and general competence and popularity, the Opposition’s
strategy 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 whether voting is compulsory or
optional. 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 make Labor steer its efforts towards the
latter. This was certainly the case with the Whitlam Opposition, less so with the post-
Whitlam Opposition, and not so with the Beazley Opposition. Perhaps relevant to the latter,
in particular, was the observation that Oppositions have been less vigorous in opposing the
government where they have been ideologically at one on key political issues. Parties whose
experience of office is relatively recent, and who are on the receiving end of a severe electoral
drubbing, will be more willing to contemplate major policy and organisational changes in the
hope that this will make them more electable. The precise policy and organisational changes
made, however, will be determined by the wider political and economic context, the party’s
history and ideology, a country’s cultural features (for instance, it has been suggested that the
French are more disposed to opposing than to supporting the government), and long-running
socio-economic changes.

As to what a party like the ALP would be expected to do in Opposition, the review
unsurprisingly yielded few insights beyond, of course, the tendency inherent among British
Oppositions for it to criticise in ritualistic form any actions by the government of the day.
Because the emphasis was on broad Opposition strategy – i.e. competition vis-à-vis
bargaining – electoral and party systems were 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 literature did, 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 the dissertation has found to be among the factors (though not the major ones) that shaped the political direction of Labor. Labour Oppositions in Britain, for instance, have been regarded as more timid than their Conservative counterparts as a result of their acceptance of notions such as the “democratic mandate”, and because of the presence among them of former trade union leaders schooled in the art of negotiation. One view put forward with obvious relevance to the Whitlam Opposition was the belief that in Opposition the party became more subject to the influence of “extremists” within it, the rank-and-file, conferences, and trade unions. A hint of the potential impact of economic forces on strategy is contained in references to the fact that the Opposition at the time in Britain effectively ceased to perform its function by joining a coalition government in 1931 in response to severe economic crisis (Punnett, 1973: 406), although this obviously is not the same as the argument made in the dissertation that the state of the economy was among the key factors governing the policies and political direction of Labor.

Overall, the dissertation augments the literature review by revealing the factors that shape the policies and political direction of a particular party in Opposition under certain circumstances. By comparing Oppositions from different periods, these factors are more easily identifiable. Different political parties with different traditions, constituencies, and ideologies, though facing some of the same constraints, doubtless would have acted differently.

Structure of the Dissertation

The dissertation is structured roughly along chronological lines. After reviewing the literature on Oppositions (Chapter Two), Part B begins with an examination of the first Whitlam period of Opposition (1967-72). It establishes the general politics of this period, as well as the general direction of the first Whitlam Opposition, and how it was influenced by the political commotion occurring in society (Introduction to Part B). The argument that the ALP was radicalised and pushed to the left is examined in Chapter Three with reference, in particular, to the party’s evolving policy on the Vietnam conflict. This is extended upon in Chapter Four
with an examination of Labor’s policies on industrial relations. Its broader relationship with the union movement is also examined here. Some conclusions are then drawn on this period of Opposition (Conclusion to Part B).

Part C focuses on the ALP’s return to Opposition under Whitlam in 1975, and its subsequent actions under Bill Hayden from 1977-83. It looks at Labor’s response to the Dismissal, and how this affected its approach to politics thereafter (Introduction to Part C). Evidence for the argument that Labor prioritised “responsible economic management” is first provided in Chapter Five with an analysis of the impact of the collapse of the post-war boom on Labor’s political direction. Evidence of its impact on Labor policies is looked at with two major case studies. The first (Chapter Six) examines the debate over the party’s attitude to uranium mining (1976-82). Chapter Seven provides further evidence of the influence of the economy on the ALP by reviewing the case of the Accord between Labor and the ACTU, and the political economic reasons for its negotiation. It also comments on the more hostile attitude of the FPLP towards the unions reflected in the Accord. A comparison of this period with the first phase of Whitlam in Opposition is carried out in the Conclusion to Part C.

The general politics of the ALP during the Beazley era (1996-2001) is set out in the Introduction to Part D, beginning with the party’s response to its historic defeat at the 1996 Federal Election. Chapter Eight charts the direction of Labor under Beazley from 1996 onwards, and reveals the continuity between the Hawke and Keating Governments and Labor in Opposition. Chapter Nine examines Labor under Beazley’s attitude to the defining political issue of the time – globalisation. The ALP’s “small-target” strategy is subjected to critical analysis in Chapter Ten as it reached its apogee in the wake of the Tampa asylum-seeker crisis and the ALP’s response to the September 11 terrorist attacks. This chapter also sets out to explain the various factors that underpinned Labor’s adoption of this electoral strategy. Conclusions are drawn on the Beazley years in Opposition, and comparisons made with the previous two periods in the Conclusion to Part D.

Part E concludes the dissertation by summarising the findings of the dissertation, and comparing the three periods in terms of the factors influencing the political direction of Labor in Opposition. As well as contrasting the three periods, it draws out the similarities between them, and determines how much significance can be attached to structural forces vis-à-vis the choices and actions of political agents.
The rationale for this structure is two-fold. A chronological order improves the capacity to compare the different periods (it would be difficult to accept the argument that Labor in the second period of Opposition retreated from “Whitlamism” without first comprehending what “Whitlamism” represented). Secondly, the retreat from reformism in the aftermath of the Dismissal is crucial to understanding Beazley Labor’s political approach. The dissertation’s structure thus allows for maximum ease in comparing and contrasting the different periods, as well as identifying the links between them.

Sources

The majority of this dissertation is reliant on primary sources, with secondary sources used to supplement the argument developed on the basis of the primary data. Each period of Opposition used a different range of primary sources. All, however, drew heavily on statements by ALP politicians in *Hansard* proceedings and in the public press. For the Whitlam period of Opposition, some politicians’ private papers were sourced from the NLA in Canberra. Occasional issues of Labor Left publications such as *Action* were also found in the NLA. Other left-wing publications such as the *Australian Left Review* served as adjuncts to other forms of primary data. ALP Conference documents played a minor role as a source during this period. As with the other two periods of Opposition, the Australian Bureau of Statistics (ABS) was the main provider of data on trends in industrial disputes, but Arbitration Commission reports (in the Whitlam Opposition period at least), newspaper reports, and secondary sources such as the *Australian Labour Relations* series, the *Journal of Industrial Relations*, and other academic publications were also used. Like the remaining two periods of Opposition the dominant secondary sources were political biographies and other political texts of the period, as well as journal articles. Special ALP publications such as the Fabian Papers’ *The Whitlam Phenomenon* (1986) were also of value. Data on elections, again as for the dissertation *passim*, were sourced from Australian Electoral Commission (AEC) publications, academic sources, and press articles.

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3 The references for this dissertation are divided into two parts: primary and secondary. The latter comprises mainly academic journal articles and books, while the former includes newspaper articles (opinion pieces and general reports), ABS statistical publications, AEC publications, and any other sources that are not journal articles or books.
The post-Whitlam period, like the preceding one, was heavily reliant on *Hansard* proceedings and press reports at the time. However, as a result merely of their greater accessibility, National Conference documents and official minutes from FPLP meetings were much more prominent sources of information on party thinking during this period, the former, in particular, providing potent evidence of the greater importance of the economy to the post-Whitlam ALP. Numerous speeches by leading ALP politicians were sighted in the NLA. Another supplementary source was contributions by ALP politicians as part of the *Labor Essays* series that commenced in 1980 (ceased in 1984). Other party publications cited include the discontinued *Labor Forum*. The National Commission of Inquiry (NCOI) established after the 1977 Federal Election produced a series of Discussion Papers, some of which were drawn upon. Data on the economic environment were found in academic texts, economic journals, and newspapers, in particular the *Australian Financial Review*.

In addition to *Hansard* proceedings and press reports, television current affairs programs such as the ABC’s *Lateline* and Channel Nine’s *Sunday*, and the Internet-based *Workers Online* acted as primary sources for the Beazley period of Opposition. An additional source peculiar to this period were Opposition Leader and Shadow Ministerial Statements and Press Releases accessed via the Ministerial Document Service. *The Sydney Papers* also published some Opposition spokespersons’ speeches. Mainly because of their proximity to the present, National Conference transcripts and FPLP Minutes were largely inaccessible. The revived *Labor Essays* series was of subsidiary value as a source, perhaps in part because this new series seemed to contain fewer contributions from FPLP members than its predecessor. The National Committee of Review Report, compiled by the party’s elder statesmen Bob Hawke and Neville Wran following the 2001 Federal Election, and some submissions to the Committee, were cited. The business periodical *Business Review Weekly* was also used. The International Monetary Fund (IMF) and some secondary sources provided the data on the performance of the Australian and world economies. Evidence for the organisational and political state of the ALP at the turn of the 21st Century was largely based on academic sources and press articles. While the dissertation has on the whole attempted to blend primary data from ALP sources, direct quotations from the media as well as media commentary, in the Beazley period there was a slightly greater reliance on the latter. This was due in part to the reduced access to caucus minutes and conference documents (which, at least in the case of

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4 The series recommenced in 1997 following Labor’s return to Opposition.
conference documents, arguably would not have made much difference given the reluctance of Labor to articulate its strategy publicly), but also the lack of public soul-searching by Labor relative to earlier periods of Opposition, such as the one following the Whitlam Government.

Interviews were not utilised as a source of primary data for any part of the dissertation, mainly because of the well-known unreliability of testimony given in hindsight about past events, but also because of the unavailability of a large portion of the figures central to the periods in question. The author instead opted to rely on statements from ALP politicians at the time in justification of their policy stances. Although recollections in hindsight about events relevant to particular periods are referred to, they constitute a very small part of the evidence, and do not form the basis for the dissertation’s conclusions.
Chapter Two: a Review of the Literature on the Determinants of Opposition Behaviour

This literature review examines the diverse factors that influence the “behaviour” of Oppositions. To some extent it follows Dahl's approach, which according to Blondel (1997: 471, 472) grouped the various explanations for the "patterns" of Opposition into the categories "institutional" (constitutional structure, electoral and party systems, etc) and "socioeconomic" (political culture, the extent to which opinions were polarised around political issues, the existence of cleavages, etc). It differs from Dahl’s approach, however, in its use of the broader term "non-institutional" to refer to those variables that are somewhat within the Opposition's sphere of influence (for example, party leadership and ideology, conclusions drawn about the reasons for losing Government), meaning that factors such as political culture are defined as institutional variables because they are largely beyond the control of Oppositions or parties.

Although focused mainly on the factors that shape the behaviour of the Westminster Opposition, otherwise known as the "Shadow Government", the review includes examples from a range of countries, which serves to illustrate the importance of such variables as electoral and party systems. The literature indicates that both institutional and non-institutional factors are important, with neither emerging as more decisive. A significant body of the literature, however, leans 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 be dependent upon political circumstances at time. While a reading of the literature 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 forms of behaviour given the intervention of certain political and economic factors, it does offer some insights which are particularly relevant to Labor in Opposition during the

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5 The term "behaviour" encompasses Opposition strategy (ie the Opposition's objective vis-a-vis the Government) and tactics (ie the various means by which it attempts to carry out its strategy), but also other phenomena such as party splits and ideological revision which such terms cannot adequately cover and which require explanation.

6 This is not to say, of course, that political culture is not partly the product of past actions of Opposition parties. In the present, however, political culture is not something that a party that finds itself in Opposition is really able to manipulate.
periods studied, including the role of changes in the economic environment, the impact of conclusions drawn about the reasons for losing office, and how being in Opposition has historically exposed the British Labour Party (like the ALP) to the pressures of extra-parliamentary forces such as trade unions and party conferences.

The review is in two sections. The first examines the literature on the relationship between Oppositions and the various institutional variables, such as electoral and party systems, constitutional structure, and whether a country has compulsory voting. The second looks at 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 the reasons for losing Government.

Institutional variables

Among the various electoral and constitutional variables that affected Opposition behaviour, Dahl (1966b: 350) included: 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 resources 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. Dahl cited the case of the US, where the constitutional framework prevented a high degree of identifiability and concentration among Oppositions, thereby encouraging diffuseness and reducing the likelihood of strict competition in favour of bargaining strategies. By creating a variety of alternative sites, the constitutional separation of powers reduced the importance of elections as ultimate arbiters of politics. The cumulative result is that the distinction between Government and Opposition is less clear (Dahl, 1966b: 349-351). The impact of electoral systems, Dahl argued, was such that if Britain were to change from a single-member system to a form of PR, "the present degree of concentration, identifiability, and strict competitiveness of the opposition party surely would not continue to exist" (Dahl, 1966b:

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7 A system under which electors 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 (Butler, 1981: 25).
8 A term covering all elections that seek, by multimember seats or reserve lists, to allocate seats on the basis of the proportion of votes received (Butler, 1981: 25).
9 Dahl (1966c: 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".
Rather than competing with the aim of attracting the number of votes in elections required to win a majority of seats in parliament and then to form a government (cabinet or executive) by itself (Strategy One), because no one party is able to form a majority, parties under PR would attempt to use their representation in the Parliament to secure an influential place in a governing coalition (Strategy Two) (Dahl, 1966b: 350).

Dahl (1966c: 333) argued that the concentration of the Opposition – whether it is constituted in a single organisation or is more widely dispersed in a number of independent organisations (Dahl, 1966c: 332) – depended on the nature of the party system of which the Opposition was a part, 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) (Dahl, 1966c: 335). Each party system, according to Dahl (1966c: 335, 336), was associated with different Opposition strategies. Two-party systems of the British kind, where each party competes for a number of seats in the Parliament, would produce zero-sum contests most of the time; 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 unlikely, and impossible if one party is unable to form a majority on its own (Dahl, 1966c: 336, 337).

The implications of Dahl’s arguments thus far for the ALP are that, in the absence of a switch to a PR system, Labor’s strategy in Opposition at its most basic will continue broadly to be aimed towards defeating the government of the day via a public campaign with the intent of winning the most number of seats in the Parliament. An attendant assumption is that Labor will continue to adopt the Shadow Cabinet model, and thus will be physically and organisationally distinct from the Government, and will conduct its Opposition to the government in an adversarial atmosphere.

This argument is supported partly by Dunleavy, Margetts and Weir's (1992) study of the hypothetical impact on the 1992 British General election of three different types of electoral systems, two of which were models of proportional representation. 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” (1992: 655).

Dahl 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 (1966c: 336).
Yet, Dahl’s arguments have been criticised for implying 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). The literature, for the most part, is not supportive of this conclusion, and suggests that countries with similar voting systems can have very different party systems derived from the nation’s history and its economic and social conditions (Butler, 1981: 11; Ionescu & Madaragia, 1968: 87, 88; Kirchheimer, 1957: 147). Eckstein cited India as a case in point: although possessing an electoral system virtually identical to that of Britain, it had a very different party system (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 (Kothari, 1973: 305, 310). 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, it seems beyond doubt that Opposition strategy and tactics are governed somewhat by party system variations, which in turn are responsive to different electoral systems as well as a range of other factors such as culture. For example, Punnett (1973: 18) argues that the normal Government-Opposition pattern in the British Parliament would be disrupted under a different party system with three or more parties of equal strength, or a different electoral system that gave minor parties representation in the Parliament.

What this means is that in Australia 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 of threatening the ability of either of the major parties to rule in their own right. So long as the two-party system remains intact, and a single-member arrangement exists, Labor will continue to try to defeat the government through a public campaign, and to achieve office in its own right by winning the most number of seats in the House of Representatives. However, 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 Chapter Five, the changes in the economic context would likely have impacted on a social democratic party such as the ALP’s policies in the way they did irrespective of what electoral or party system existed.

12 Hague, Harrop and Breslin (1998: 142) observe that the recent shift to proportional representation in New Zealand and South Africa “has damaged the prospects of two-party systems.” Although this would appear to support the view that party systems are subordinate to electoral systems, it also supports the argument that electoral arrangements correspond with the interests of the parties that decide them.
This is a product of 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). After elections in Westminster systems it is immediately clear which party forms the Government, and which becomes the official Opposition (Dahl, 1966c: 339). In countries that do not produce decisive electoral outcomes, ie 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, 1966c 339, 340). Opposition in countries such as the US and Switzerland, with a dispersed legal authority as a result of federalism, separation of powers, and checks and balances, operates along similar lines (Dahl, 1966c: 340).

The British Westminster concept of Her Majesty’s Opposition and the “Shadow Government” clearly does not apply in most systems: witness France, for example, where "every party takes up, during the electoral campaign, the language of opposition" (Grosser, 1966: 294). According to Punnett, in a multi-party situation not dominated by one Opposition party, 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 progress of the minor parties (Punnett, 1973: 439).

The particular party system 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 percent of “floating” voters not strongly tied to one party, and who vacillate 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 seems relevant to the experience of the ALP in

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13 It appears that little has changed: Reuters correspondent, Alister Doyle, observed during the French Prime Ministerial election campaign in 1997 that "France's electoral system…is providing an alibi for all sides to adopt the mantle of the opposition" (Reuters, 24 April, 1997).
Opposition. The “middle-ground” of the electorate 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 it and its traditional constituency. However, it was found overall that this movement was more attributable to the dramatic shift in economic conditions post-1975 (see Part C).

Party systems and electoral systems, depending on how they affect party systems, are thus shown in the literature to be important institutional determinants of an Opposition’s political behaviour and the feasible options at its disposal. Dahl also cited federalism as an institutional determinant, arguing that it created alternative sites for Opposition, in the process decreasing the importance of electoral encounters at other sites (1966b: 350). There is support for this position elsewhere in the literature (Friedrich, 1966: 291). Because federalism enables a party simultaneously to be in Opposition and government, it may use its position in government to advance its position at another level. However, Kirchheimer’s argument that federalism is a key factor in the prevalence in Germany of bargain politics, owing to the inability of any one party to dominate all levels of government (1966: 252), does not appear applicable to Government-Opposition politics in Australia. The adversarial nature of the relations between the major parties remains. Whatever its electoral position in the States, Labor in Opposition federally will always seek the defeat of the government.

Like federalism, Reid and Forrest (1989: 64) 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 (Reid & Forrest, 1989: 74). However, bicameralism’s effect on Opposition strategy depends, in this case at least, on the existence of other (mainly institutional) variables. For instance, Reid and Forrest note that 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" (1989: 64).

One factor potentially even more important to understanding the modern ALP in Opposition is compulsory voting. According to Crisp (1950-51: 89), 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 be inclined to put less effort into convincing voters – both during election and non-election periods – of their philosophies and programs, and rely
instead on “hectic campaign appeals based usually on a few superficial scares, baits and 
catcheries” (Crisp, 1950-51: 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, it 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 in the past have contributed indirectly to the widespread 
confusion, evident during the Beazley period of Opposition in particular, about what Labor 
stood 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 reduced the differences between 
itself and the Conservatives (see Scott, 2000a).

Cumulative historical change represents another institutional variable of considerable 
importance. Political parties operating today are affected by historical changes that have gone 
before them. In the case of the British system, politics has 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; 
choice but to concentrate on criticising the Government rather than 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 developed 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 lacking policies 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 in majoritarian systems, is the growing dominance of the 
media over politics, and, ipso facto, Opposition behaviour. Parties now devote considerably 
more resources to their public relations image (Turner, 1969: 78; Alderman, 1992:71; 
Connolly, 1996: 107), employing in much greater numbers opinion pollsters, media advisers, 
and spin-doctors. No doubt this partly explains 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 asylum-seekers (see Chapter Ten).
The focus by Oppositions on implementing political change through parliament via public electioneering can also act as a constraint on what strategies and tactics they can use (Jennings, 1957: 174). By requiring the Opposition to seek the most number of votes, it can push it towards any policy deemed to have popular consent (Punnett, 1973: 32). Paradoxically, however, Powell argues that in the case of British Labour, this could also have detrimental electoral consequences, because it encouraged the eschewing of “any well-defined appeal at all”, thus tainting the party in the eyes of its followers as well as the wider population (1959: 342, 343). This also may be relevant to the convergence process that began in the post-Whitlam days of Opposition, and which continued under Beazley. Particularly on 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 dissertation, this is less a product directly of parliamentarism than of the collapse of the post-war boom, and of the consequences of this for social democratic reformism.

However, it is also recognised in the literature that 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 caused by errors 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 electoral defeat, "which robs ministers of power, gives activists an opportunity for self-expression." Related to this is the fact that a party with little prospect of implementing its policies can indulge in more radical or experimental policies. Punnett 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, and their comparatively more strident criticisms of American involvement in Vietnam (1973: 412).14 Being free from the moderating effects associated with managing the capitalist state was, as we shall see, one reason why the Whitlam Opposition proved amenable to some radicalising influences, such as the Anti-Vietnam War Movement and the trade unions. Perhaps, however, it also had something to do with the length of time it had been in Opposition (18 years, as of 1967). As an Opposition ages, Punnett (1973: 210) argues, "it loses touch with

14 Nevertheless, Punnett argues that the aforementioned discipline associated with the acceptance of Parliament as the appropriate forum for contesting Government policies, and their susceptibility to accusations of irresponsibility as a result of their distance from office means, paradoxically, that the Liberal Party has “to be at pains to show that it is a responsible party” (1973: 413).
the realities of office, [and] the more unreal and dangerous its attempts at policy making are likely to be" (see also Maddox, 1996a 262).

The composition of the Parliament (i.e. the number of seats held by the Government vis-à-vis the Opposition) also is recognised in the literature as an important determinant of behaviour that is outside of Opposition or party control: a miniscule return of members can have a demoralising or subduing effect (Van Hattem, 1984: 364; Turner, 1969: 14, 15), while a large presence in the Parliament can do the opposite. 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. Although the number of seats in the House of Representatives held by Labor rose from a lowly 49 after the 1996 Election to a morale-boosting 67 after the 1998 Election, it is difficult to determine if this had any noticeable effect on Labor’s strategy.

Severe or successive electoral defeats, according to the literature, have the tendency to spur drastic policy rethinks and reviews of party structure, in the hope that this will increase their likelihood of regaining office (Alderman, 1968: 132). British Labour Leader Gaitskell "set about revising the image and policies of the Party and, in particular, the controversial 'Clause Four' concerning public ownership" after multiple electoral defeats (Turner, 1969: 61), and one of his successors Tony Blair similarly “modernised” New Labor during the "long hegemony of the Conservatives" (1979-1997) (Parry, 1997: 458). Perhaps an antipodean example of this is Labor under Bill Hayden’s more strident pursuit of “responsible economic management” and his repudiation of Whitlamism in the wake of the second crushing Fraser victory in 1977. Again, however, the empirical evidence suggested that this factor was subordinate to the changed economic context post-1974 as an explanation of Labor’s political direction under Hayden.

Political culture appears in the literature as a major institutional determinant, and is partly, as we have already seen, the reason for countries with similar electoral systems having very different party systems. 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 (1966b: 352, 353). Patterns of Opposition in any given country would be affected by the level of favourableness towards the political system, whether people were generally trustful or suspicious towards their fellow citizens, whether they were cooperative in spirit or individualistic, and whether approaches to problem-solving were empirically based – that is, reliant on what is “practical” and achieves the best outcome – or dogmatic (1966b: 353-355). Taking just one aspect of this argument, Australia’s liberal political culture (Eccleston, 2002:77) might make Labor in Opposition more susceptible to free-market ideas, as it seemed to under Bill Hayden. This, of course, does not explain the more statist orientation of Labor prior to that – which the emphasis on the changes wrought by the end of the post-war boom does – but it nonetheless could have acted as yet one more factor pushing Labor in that direction.

Dahl considered five other cultural-type factors to be important. 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" present in a country (Dahl, 1966b: 357). Second, Dahl believed a country's "record of grievance", the extent to which its citizens were alienated or allegiant as a result of its record in redressing peoples' grievances, to be another important factor (1966b: 359). Third, he argued 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 influence patterns of Opposition (1966b: 367). 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" (1966b: 371-381). 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) came together, the tendency of political leaders to conciliate and compromise was increased because of the need to gain majorities in the Congress or the Parliament; although he argues that the tendency is heightened under two-party systems (1966b: 380). Fifth, political polarization, the extent to which the population is divided on political issues, is the final main non-institutional variable cited by Dahl (1966b: 381).
Taking just the third factor cited by Dahl, changes in socio-economic trends could be seen as highly relevant for our purposes. It was argued, for example, by some Australian political scientists that the relative decline of Labor's traditional blue-collar worker base, and the "embourgeoisement" of society, helped explain Labor’s rightward shift in the 1980s (see Chapter Five). This resembled the argument made by German political scientist Kirchheimer that one of the key factors in the "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 (1957: 148). The rise of the "consumption-oriented individual of mass society" threatened the raison d'etre of the ideologically oriented 19th century party (1957: 153). More recently, Parry (1997: 460) has posed the question: "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?"

Both Kirchheimer and Parry's arguments, however, rest on contestable assumptions. For example, the validity of Kirchheimer's argument about the rise in the number of white-collar workers depends on whether this does really constitute a material reduction in class polarisation or whether it simply changed the type of work undertaken by a portion of the labour force, who remained essentially members of the same class (see Callinicos & Harman, 1987). Similarly, the assumptions about the extent to which globalisation has impacted on states contained in Parry’s question have been challenged by numerous authors since (for example, Hirst & Thompson, 1996; Harman, 1996). As the dissertation argues in the case of the post-Whitlam Opposition, it was not globalisation per se that pushed Labor rightwards, but globalisation in a period of economic decline.

Dahl's thoughts on the relative weight that should be assigned to the various institutional factors that shape Opposition patterns, which in turn, of course, 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 country – is left largely unanswered. Dahl did, however, seem to imply that effects of cultural-type factors were interrelated with the impact of party and electoral systems. For example, subculture was more of an issue in Belgium because of the use there of PR, which
"has been used to guarantee a subculture that it will be represented in parliament…” (Dahl, 1966b: 358).

If anything, much of the existing literature, however, does appear to lean toward ascribing greater importance to cultural factors, which tend to be reflected in the type of electoral and party systems in existence. The cross-national survey in which Dahl's above contributions appeared, Political Oppositions in Western Democracies (Dahl, 1966a), 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 proven stubborn to electoral or constitutional changes (Rokkan, 1966: 73, 74, 79; Stjernquist, 1966: 135; Lorwin, 1966: 147, 148; Daalder, 1966: 219; Kirchheimer, 1966: 239).

The literature suggests that major political and economic crises potentially can induce the most drastic changes in Opposition behaviour. In one or both of the two world wars, coalition governments, sometimes comprising erstwhile longstanding enemies, and which negated the standard function of the Opposition,15 were formed out of “national unity” in a wide variety of countries, including Sweden, Belgium, Britain, and the Netherlands (Stjernquist, 1966: 123, Lorwin, 1966: 165; Daalder, 1966: 210). A coalition government was also formed in Britain in 1931 in response to severe economic crisis (Punnett, 1973: 406). In Chile in 1973, the hitherto constitutional Opposition was driven to support the armed overthrow of the democratically elected Allende Government because, according to one apologist for the coup, it "had plunged Chile into the worst social and economic crisis in its modern history…” (Moss, 1973: ii). By revealing the potential impact of changes in the economic environment on Opposition behaviour, this provides some ammunition to the dissertation’s argument about the ramifications for the Hayden, and to a lesser extent, Beazley Labor Oppositions of the collapse of the post-war boom.

Non-institutional Variables

The preceding discussion highlighted the significant impact on Opposition behaviour potentially posed by such factors as electoral systems, party systems, and political culture. It  

15 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).
might be construed from this that under a Westminster-derived system, a Labor Opposition recently defeated at the polls might be expected to behave, 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.

One obvious point is that the Opposition’s agenda will be set to a considerable extent by what are the dominant political themes of the day, and to a lesser extent by what issues the government decides to concentrate on. Of course, Oppositions are not bound by the latter, and can seek to shape the political agenda, but the comparatively much greater resources in the hands of the Executive allow it to dictate often what are the crucial political issues.

The role of ideology and general party politics can be seen in Stjernquist’s 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 (1966: 144, 145). Potter (1966: 29) argued that the British Conservatives' more strident Opposition to the Liberal Government prior to World War One compared to the Labour Government after World War Two 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 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". The Labour Opposition in Britain was held back from fiercely attacking the government, Jennings argued, by the acceptance of the democratic notion that the government’s election earned it a mandate to carry out its policies unopposed (1957: 179). In the case of South Africa, Spence noted that the numerous Opposition parties’ inability to pose as a viable alternative government to that of the dominant African National Congress (ANC) had not led to the expected irresponsible Opposition because of the absence of ideological differences between them and the ANC (1997: 531). For Kirchheimer, a key factor in the decline of Opposition in Germany was the Social Democratic Party’s (SPD) post-World War Two embrace of the ideology of market economics, which 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” (1966: 245, 248). Bipartisanship on market economics was found to be a key feature of the Beazley Labor Opposition, but also a significant influence on its adoption of the “small target” strategy. The absence of “Opposition” to the Howard Government was a constant refrain among commentators, particularly in the lead-up to the 2001 Federal Election.

In addition to ideology, there were many non-institutional causes of variations in behaviour of Oppositions in the British system. For example, an Opposition's course of direction following an electoral defeat would, it seems, be heavily contingent upon its reading of the events preceding it. Perhaps pertinent to the Beazley Opposition was Punnett’s argument 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). As we shall see, the National Consultative Review Committee, established post-1996 Election by the National Executive of the ALP, rated the "It's Time" factor "first as a rationalisation for voting against Labor." Compounding the “wind of change” effect described by Punnett was the fact that the FPLP leadership entertained a very benign view of Labor in power. However, the question is raised as to what forces shape the view an Opposition takes in relation to its loss of office. In the case of the Beazley Labor Opposition, Labor’s adoption of the “small-target” strategy, and a rosy perspective on its years in government, has to be seen in the context of the ideological ascendancy of the market post-Berlin Wall, and the attendant repercussions for the policy differences between mainstream political actors. Similarly, Labor’s conclusion that it had tried to do things “too quickly” in the aftermath of the Whitlam Government was instilled during a period of economic crisis, which dampened the party’s reformist spirit.

Party history and ideology has 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 their Conservative counterparts. Jennings (1957: 180), for example, argued that, in contrast to the Conservatives, because Labour “may be accused of revolutionary tendencies, it must show itself [to be] more strictly constitutional than any” other party (1957: 180). Jennings attributed other factors to Labour's timidity in Opposition, including MPs’ prior experience as trade unionists, which schooled them in the art of negotiation; the fact that Labour viewed government proposals as “instalments of its own policy”, and therefore wished the legislation to be passed; 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” (1957: 179). Dowse also emphasised the representation among Labour MPs of former trade union officials, and the way in which this made the party more conciliatory (Dowse, 1960: 524). His argument’s persuasiveness is undermined 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” (Dowse, 1960: 525). Perhaps it relates to the "the ease with which that party [Labour] has come to be dominated by the theory of responsible opposition" (1960: 525), which is another ideological factor.

Alternatively, Punnett cited the “born to rule” mentality of the Conservative party, which led them to think and behave in Opposition as if they were still in power, but also Labor’s status as a “party of dissent and opposition, with a philosophy and attitude to authority that makes it more comfortable in opposition than in office” (1973: 6). Punnett (1973: 90) 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 victim of electoral defeat most often being the Leader. The Labour Party, in contrast, subjects its Opposition Leader to "regular attack without necessarily wanting to overthrow him" (Punnett, 1973: 90).

Several commentators pointed to the tendency for Labour in Opposition to be more subject to the influence of non-leadership elements, “extremists”, conferences, the trade unions, and the party machine in general, which in turn led to greater internal strife compared with the disciplining effects of government, when Cabinet and the parliamentary leadership were likely to dominate (Powell, 1959: 340, 343; Rose, 1956: 129; Bilski, 1977: 307, 308; Pimlott, 1992: 173, 573, 728). Hence the greater need, according to Alderman, for formal disciplinary restraints on Labour members in Opposition than 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.

Perhaps surprisingly, party leadership appears in only a minor capacity in the literature as a determinant of Opposition behaviour. It was argued 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 reluctant to call 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 in this thesis to leadership as an explanation for the direction of Labor in Opposition is consistent with its absence in the literature relating to the British system. In the case of the latter, but also arguably in the Australian context, it seems beyond doubt 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 that occurred up to the time in which the leader is operating, and the economic forces (ie recession) that dictate political choices. For Opposition leaders in general, choices would be subject not only to these, but also factors such as electoral and party systems, the party's strength in the Parliament, political culture, and the constitutional structure.

Conclusion

This review has examined a very wide range of factors perceived in some way as influencing Opposition behaviour. While a sceptic may conclude that it remains impossible to predict the exact behaviour of any one Opposition at a particular point in time, the literature does contain some insights to this study.

To begin with, it is possible to determine the basic strategy of an Opposition. For instance, the Opposition in a majoritarian system (ie the ALP) will try to dislodge the governing party at the next election through a public campaign, while the Opposition party in a multi-party system with none able to govern in its own right will rely on bargaining. Countries with similar electoral systems may have 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 working within the same electoral and party systems, and political culture. Even here, however, such unusual events as war and grave economic crises tended 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 (support for a military coup in the case of Chile in 1973, for example). Opposition parties permanently isolated from office, and with minor 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 defeat, will often be convulsed by infighting, and look to make major policy and organisational change in order to again make it look ready for office. What policy and organisational changes are made, however, will be determined to some extent by the wider political and economic context in which they are contemplated, as well as, of course, the party’s history and ideology.

While the literature review does not single out any factor likely to determine the direction of a Labor Opposition, it does provide supporting evidence for some of the claims made in the dissertation. For instance, British Labour’s tendency in Opposition to be predisposed to extra-parliamentary influences such as trade unions and party conferences, mirrors the argument made in relation to the Whitlam Labor Opposition. Modern Labor’s cautious and poll-driven approach is partly a result of the growing dominance of the media over politics. Also, the review shows that an Opposition's overall direction will in part be determined by the perspective adopted on its period in government and subsequent loss of office, 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 adoption of the ideology of market economics could easily have been made in relation to the Beazley Labor Opposition’s acceptance of key tenets of economic rationalism. The catastrophic electoral defeats meted out to Labor by Malcolm Fraser in the 1970s may have hastened Labor’s adoption of “responsible economic management” as well as a negative assessment of the Whitlam Government, given the propensity, identified in the literature, for such defeats to prompt significant political and organisation changes in parties. A hint of the importance of changes in the economic environment – regarded as crucial to the directions of all three Labor Oppositions surveyed – is given by the examples of the formation of a coalition government in Britain in 1931 after the onset of economic depression, and by the
Chilean Opposition’s support for the unconstitutional ousting of President Allende in similar circumstances.

Despite the value of some of these insights, the literature review, not surprisingly, is far from adequate in terms of providing a total explanation of what drives Labor in Opposition. By looking at three separate periods of Opposition experienced by the ALP, the remainder of the dissertation aims to extend and reinforce some of these insights about the kinds of factors that shape Opposition behaviour.
Introduction to Part B: The First Whitlam Opposition (1967-72) – the Mood for Change

Part B of this dissertation examines the political character of the first Whitlam Labor Opposition, and the general political direction of the party between 1967-72. Consistent with the party’s response historically to movements for social change when in Opposition, it can be argued that a shift to the left occurred during this period. This shift was made in order to reap electoral rewards from the political upheaval of the period, but also to channel the discontent in a parliamentary, non-revolutionary direction. In putting this proposition, the chapter draws on the work of Cliff and Gluckstein (1996) in their Marxist history of the British Labour Party. Support for the general argument laid out in Part B is provided with case studies of Labor’s policies on the Vietnam War (Chapter Three) and industrial relations, and the party’s relationship with the union movement (Chapter Four).

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 largely as a result of the relative affluence associated with the post-war boom. Craig McGregor was only slightly overstating the case when he wrote in 1966:

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 (1966: 15, 93).

The Whitlam period of Opposition began almost exactly at the end of this period of social calm, and coincided with an era of great political and social upheaval across the globe. The period 1966-1972 is the subject of Donald Horne’s book, Time of Hope, which argues that it was “these seven years, not the three Whitlam years, [that] were the time of critical change” (Horne, 1980: 7; emphasis added). Nineteen sixty-eight was the watershed year. It featured the turning point in the Vietnam War, the Tet Offensive in January, which in turn fuelled 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; it saw the development of
militant student movements; the civil rights movement began in Northern Ireland; and France was the site of the largest general strike in history when 10 million workers joined rebellious students in resisting the de Gaulle Government in May (Harman, 1988). As Harman argued, 1968 may not have been world-changing at the level of 1648, 1789 or 1917, but it nonetheless shook the world (1988: vii). On the thirtieth anniversary of May '68, Hall Greenland recalled that it was a “remarkable year, when world revolution seemed not only possible but actually in process” (1998: 14).

The short period following 1968 was one of great political instability. The French May was followed by the "Italian hot autumn" of 1969, Watergate, workers' rebellion in Gdansk and Szczecin in 1970-71, a miners' strike that brought down Britain's Heath Conservative Government in 1974, popular revolt followed by a military coup in Chile in 1973, and revolution in Portugal in 1974 (Harman, 1988: viii).

The foundations of Australian society, too, were shaken in the period leading up to Whitlam’s election in 1972. Like many other countries, a student movement developed alongside the growth of a mass Anti-Vietnam War Movement; a strike wave gathered that saw 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 in Canberra, which was the scene of fierce battles between protestors and police attempting to shut it down; the women's and environment movements were born; and the conservative parties were ousted from government for the first time in nearly a quarter of a century. 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… There is also a growing, even a desperate concern, with the increasing resort to violence… 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 beginning of a period in which the greater

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16 The period of political instability and ferment continued through to the mid-to-late-1970s, but for the purposes of this dissertation we concentrate on the years 1966-72.
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
to banning street demonstrations in 1969 (Tingle, 2000: 24). As Whitlam's former private
secretary Graham Freudenberg put it, Vietnam represented more than just the name of a
country at war: "It is the name for an epoch" (cited in Langley, 1992: x). Burgmann &
Burgmann found it "hard to encapsulate properly the euphoria which enveloped the left in
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” (1999: 183).

It was the Vietnam War that provided the catalyst for the change in political mood around this
time. 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 was the major factor in the creation of a militant
student movement, which began to relate the conduct of the War to a wider oppressive
economic system (Gordon & Osmond, 1970).17 As the leading Left Labor figure at the time
Jim Cairns put it: “The war in Vietnam seriously called in to question the whole of that
society which was capable of waging it” (House of Representatives Hansard (HRH), 22
September 1977: 1529). The influence of the protest movement was also partly reflected in
the high rates of industrial action during this period, as workers came to recognise the efficacy
of direct action (Bentley, 1980:31).

The political and social upheaval had 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).

17 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).
An Institute of Public Affairs Spokesperson noted “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). A "New Left" emerged, 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 after the 1972 Election defeat to move to the left so as to revive its electoral fortunes (Mayer, 1972: 10).

Labor in Opposition and Extra-Parliamentary Movements

This chapter argues that the first Whitlam Opposition was radicalised by the movements for change described above. In doing so, it draws on the work of Cliff and Gluckstein (1996) in their Marxist history of the British Labour Party. Cliff and Gluckstein (1996: 313) 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 (Cliff & Gluckstein, 1996: 313-318). Cliff and Gluckstein attributed this radical shift to a major upsurge in industrial militancy at the time: strikes rose to their highest levels since the 1920s (1996: 309). A similar process, they argued, had occurred at the end of World War One.

As a party more similar to the British Labour Party than any other in the world, 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-World War One era in Britain, the ALP's adoption of the "Socialist Objective" in 1921 coincided with election defeat in May

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18 Both parties evolved from the trade union movement at the end of the 19th Century in similar circumstances, ie recent severe industrial defeats, and both continue to rely upon unions for their structure and finances; both are affiliated to trade unions that are formally unified in one national structure; in contrast to the experience of most social democratic parties elsewhere, in both Britain and Australia the party has become one of the dominant parties in essentially two-party systems; both parties, while ostensibly "representing the working class", have had a history of pragmatism, lacking the clear ideologies of many left-of-centre parties, particularly those in Europe; and similar ideas and organisations were present at both parties' formations (Scott, 2000a: 11-15). Add to this the fact that both parties operate in advanced democracies with Westminster systems of Parliament that clearly distinguish Oppositions from governments.
1917 and a period of great industrial militancy that began in 1916, when over one and a half million working days were lost to strikes (Turner, 1978: 65). This was followed by a general strike (mainly in NSW) in 1917, and over eight million days lost in 1919-20 (Turner, 1978: 65, 70). The period was characterised by “a general discontent with capitalist society as a whole” (Rawson, 1966: 15). Turner argues that, however limited its actual content, the Objective “was 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 after strong campaigning by the Industrial Workers of the World (IWW), socialist and pacifist groups (1971: 77, 78). Gaffney has argued that, in conceding to these popular left-wing pressures, Labor was acting in its own interests by “retaining working class support and containing the worker within the system” (1972: 5). Under working class pressure, Gaffney added, Labor “may at times be forced to break from service to the capitalist class” (1972: 5). The particular institutional characteristics of the Labor Movement increase the likelihood of its leaders being forces to make changes in policy as a result of pressure from below.

The prospects of Labor leaders responding to this extra-parliamentary pressure are enhanced greatly when the party is in Opposition. In government, the FPLP enjoys a greater degree of autonomy from the rest of the party than it does during 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). Cliff and Gluckstein argued that if the British Labour Party acted as a mediator between classes in Opposition, 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 army chiefs, and above all the constraints of the capitalist economy (1996: 103). A recurrent theme in the literature review was the greater opportunities for extra-parliamentary bodies and “extremists” to influence British Labour when it is in Opposition. Largely the same goes for the ALP. Former Whitlam minister Jim McClelland, who noted that the tone of Labor was more radical prior to winning office in 1972 than after, pointed out that the “luxury of

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19 This term refers to both the ALP and the unions, whereas “trade union movement” refers just to the industrial wing of the party.

20 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”.

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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 (1988: 136).

The Whitlam Labor Opposition

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

However, the tumult of the times impacted on Labor in areas beyond Vietnam and industrial relations. It heavily influenced Labor's position on, for example, civil liberties. John Wheeldon, in the midst of debating the Government's Public Order (Protection of Persons and Property) Bill, stated that for the ALP, "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). Labor's views on censorship were a product of the "permissive society". Whereas it had once adopted a "highly authoritarian approach", at the 1969 Federal Conference Labor took “a highly libertarian view of censorship – namely, that there should be no censorship at all, except in so far as it is necessary to protect a man's other civil liberties from being infringed" (Solomon, 1969a: 7). Government threats to remove the Aboriginal Tent Embassy erected on the lawns of Old 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 years to 18 years was based not just on the assessment that the votes of the youth 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 had a much greater radical edge to it than it has had at any time
since. The *Sunday Australian* reported how news of union plans to black-ban visiting Springbok rugby players was greeted 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.


Whitlam’s election, and many of the Government’s reforms, also fitted the mood for change. Although by 1972 Vietnam was less of an issue (Langley, 1992: 144), the greatest applause for Whitlam at election rallies was reserved for when he committed Labor to abolishing conscription and to releasing imprisoned resisters (Hamel-Green, 1983: 127). Among Labor voters, Vietnam and conscription were nominated more than any other issue as the motivation 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). Burgmann & Burgmann (1998: 25) cited 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*, as 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.

Dennis Altman noted 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” (1980: 179). In 1982, Graham Freudenberg recalled 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).

Susan Ryan argued that the Whitlam Opposition had not developed women's policy prior to 1972: “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” (1993: 86). Defence policy bore the mark, too, of a change in the wider environment post-Vietnam. A real fall in defence spending, and decisions to scrap Navy plans for new cruising destroyer and RAAF plans for the production of a sophisticated US jet, were related to a more isolationist strategy that confined the defence role within Australia, and which saw no real strategic threat for ten years (Edwards, 1976: 524). John Warhurst noted the coincidence of Whitlam's election as FPLP Leader in 1967 with the birth of the women's, Aboriginal land rights, and environmental movements, concluding that he 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" (1996: 244, 250; emphasis added).

It is not, of course, possible to attribute each and every policy of the Whitlam Opposition or the Whitlam Governments to the pressure generated by the social and political upheaval 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 of the times was for major social change, and the Whitlam Opposition appeared firmly to be in the mould of a classic reformist social democratic party with a platform based around the provision of pensions, unemployment relief, and public health and education, public infrastructure investment, and policies aimed at reducing workers’ exploitation (Kerr, 2001a: 4).

By giving primacy to the social movements of the time as prime factors influencing the character and behaviour of the Whitlam Opposition, and ultimately of the election of the first federal Labor government in almost a quarter of a century, 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" (1999: 3). This is
much less true of the Whitlam Government, from which Labor governments since have sought to distance themselves (Warhurst, 1996: 243). However, the success of the Whitlam Labor Opposition has been more celebrated the further from memory it has become. Thus, in the context of Labor's third successive federal election defeat in 2001, Atkins (2001: 13) offered the Whitlam experience as a model for FPLP Leader-elect Simon Crean to follow. In the sense that Whitlam’s was a victory for policy and a preparedness to present an alternative – both manifestly absent in the Beazley Opposition (see Chapter Ten) – 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” (2001: 13). The implication is that Labor trod a steady, inexorable path towards government under Whitlam's astute leadership.

Not only does this neglect the context in which the Government was elected, it misses the point that Whitlam on many occasions was unsuccessful in his objectives, and that on occasions he had to reorient his own public statements for electoral and internal party political reasons. On key policy issues, in particular Vietnam and industrial relations (see Chapters Three and Four), 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 strike penalties policy – see Chapter Four). The example cited by Atkins of Whitlam’s battle with the Victorian Branch was not an unqualified success. Even after gaining Federal Executive support for overthrowing the Victorian Executive in 1970, Whitlam was dealt a bitter blow with the election of George Crawford, 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 in 1971 (Wells, 1971: 9). Furthermore, not only did the “reformed” Victorian Branch successfully move a motion at the 1971 Federal Conference effectively repudiating Intervention (Barnes, 1971a: 1), it continued to act as a thorn in Whitlam's side. For example, it was behind the preselection of 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 was some wishful thinking in John Edwards' claim that "Whitlam took on the Left in the party and won" (1996: 101). The changed environment in which Whitlam
operated, characterised by a general shift to the left in society, prevented him from modernising the party to the extent that he no doubt desired,\(^{21}\) 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). He himself oversaw the party’s downgrading of the importance of the Australian, New Zealand and United States security treaty (ANZUS), whose pre-eminence just years earlier he had emphatically defended. It is the new political circumstances of the late 1960s and 1970s that partly explains the Whitlam paradox: initially a resolute opponent of direct action, Whitlam came to support political protests against Vietnam 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 (1999: 183).

Thus, it can be argued that the first Whitlam Opposition shifted to the left in the years 1967-72. By 1971, some right-wing unions considered disaffiliating from the ALP because of the “increasing Left-wing control” of it (*The Age*, 23 March 1971: 5). The Left had gained control of both the Federal Conference and the Federal Executive, the party’s two most powerful policy-making bodies (*The Age*, 15 June 1971: 5).\(^{22}\)

Of course, not all Labor’s policies embodied this shift to the left. However, one of the policies that most reflected this shift was Vietnam and the party’s attitude to draft resisters, which are examined in the following chapter.

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\(^{21}\) A hint of Whitlam’s approach is gleaned from his statement in 1969 that he wished that the ALP was named otherwise because of the electoral disadvantages of being associated with trade unions. He subsequently claimed to have been misreported, but this seemed to be more out of concern for the political effects of his comments than a repudiation of the substance of the reports (*The Age*, 10 June 1969: 1).

\(^{22}\) If it can be argued that the factional labels “Left” and “Right” were at the turn of the 21st Century anachronisms in terms of denoting ideological differences in the ALP (see Chapter 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.
Vietnam was, to varying degrees, a key political issue from the time of the dispatch of Australian troops in 1965 through to the 1972 Federal Election. For Labor, it was equally 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, according to Susan Ryan, because of the Vietnam War, and the issue had dictated the political fortunes of Labor MPs such as Peter Walsh, John Wheeldon, Jim Cairns, and Whitlam, 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” (1999: 106). Some commentators have argued that it was Vietnam that revitalised the ALP, 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 in January 1968 was the turning point in all aspects of the War: in a pure military sense, in relation to Australia’s involvement, and in regards to the development of the Anti-War Movement, as well as Labor’s stance on the War. After Tet, Labor's attitude progressively hardened against the War largely as a result of a major shift in public opinion. Thus, the policy that arguably distinguished it more than any other from the Government came about primarily as a direct result of extra-parliamentary pressure. By the time of the 1972 Election, Labor was committed to complete withdrawal from Vietnam, to repealing the National Service Act, and for the transformation of the ANZUS treaty into an instrument for economic justice, peace, and human rights in the region. These represented a shift to the left in that Labor had arrived at positions originally held by the Left, if not within the party then outside of it.
Yet, the effects of this pressure were expressed not just in policy terms, but also in the passionate debates in which Labor engaged in Parliament, the approval of draft resisters and the principle of civil disobedience, the election of Labor MPs onto Anti-Vietnam War campaign committees, and the increase in the degree of importance publicly given to direct action vis-à-vis a parliamentary strategy. In this sense, most commentators have understated both the impact of the Anti-War Movement on Labor, and in turn its efforts to relate to it. A more complete analysis of Labor's response to the Vietnam War needs to recognise this, but also to place it in the context of other significant movements for change, such as the strengthening trade union movement (see Chapter Four), and the general political upheaval.

**Early Labor Policy on Vietnam**

Labor's early policy on Vietnam tacitly supported US intervention. Eddie Ward was the only Labor MP to voice opposition when Australian military advisers were first sent there in 1962 and early 1963 (Beazley, 1983: 41). An August 1964 ALP Federal Executive meeting opposed not the use of Australian personnel in Vietnam 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 Snr successfully moved the following motion in Caucus justifying US actions:

> In its statement to the Security council on 7 February, reporting air strikes against military installations in the south of North Vietnam, America insisted that its object in South Vietnam, while resisting aggression, is to achieve a peaceful settlement maintained by the presence of international peacekeeping machinery and that it would not allow the situation to be changed by terror and violence. This statement of American purpose is unexceptionable (cited Uren, 1994: 183).

According to Whitlam, this statement, which the Left’s Jim Cairns and Arthur Calwell, as well as the Right’s Kim Beazley Snr, all had a hand in, had questioned “the whole basis of American intervention” as well as trying “to find a way to justify that intervention” (1985: 36). In response to the suggestion by External Affairs Minister Paul Hasluck in early 1965 that there was an anti-American campaign being waged in Australia, Calwell claimed that only the Communist Party was anti-American:
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 it warned of a “Communist takeover of South Vietnam” that would bring “Communist control closer to this country” if the US withdrew from the region (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 within the ALP of nationalism (Rawson, 1966: 4; see also McQueen, 1972), which remained part of 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 well-known animosity between Calwell and Whitlam was related to the party leadership rather than differences over Vietnam (Freudenberg, 1977: 22, 23). Both of them gave qualified endorsement of US military action. Whitlam, like Calwell, was concerned at this stage to protect the US from self-harm, 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, which in turn implied 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). Even Jim Cairns, later to become "the most prominent opponent of the war" (Kuhn, 1997: 163),
restricted himself to opposing any escalation of the conflict, and did not call for American withdrawal (HRH, 23 March 1965: 246-250).^{23}

It is thus somewhat simplistic to suggest that the hardening of the ALP'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, there was ambiguity throughout Labor on Vietnam. The later policy changes, as we shall see, similarly reflected a shift in attitude to the left 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, which in any case was a highly implausible solution in view of the geo-political situation.^{24} Clyde Cameron biographer Bill Guy's claim that Labor's response to Vietnam was "consistent from the start...it opposed the war firmly even at the cost of electoral support" is thus highly inaccurate (1999: 201).

The dispatch of the first Australian troops to Vietnam did not alter fundamentally Labor's position. Calwell and fellow Labor MPs opposed it largely on the basis that it was not in Australia's national interests (HRH, 4 May 1965: 1102; see also Bryant, HRH, 19 August 1965: 259; and Cameron, HRH, 21 October 1965: 2125, 2126). This 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 Calwell’s speech, however, was a call for the withdrawal of Australian troops (HRH, 4 May 1965: 1107); a promise to “do our best to have that decision reversed” was inserted only at the request of Jim Cairns (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).

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^{23} 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 anti-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. For instance, he addressed in August 1964 a Sydney anti-war rally involving more than 2000 people (Uren, 1994: 182), and was listed in a pamphlet advertising a protest outside the US Consulate in Melbourne on 8 May 1965 as a "prominent speaker" (HRH, 6 May 1965: 1251).

^{24} One Government member pointed out the impracticability of Labor's position of calling for a solution by the United Nations: "[F]irst, North Vietnam, South Vietnam and China are not members of the United Nations; secondly the matter must be discussed in the Security Council, and two prominent members of the Security Council would exercise the power of veto, as they have done in the past" (HRH, 6 May 1965: 1242).
Vietnam Policy in the Lead Up to the 1966 Federal Election

It was not until Calwell’s April 1966 pledge to withdraw Australian conscripts serving overseas that the rift between the ALP and the Anti-War Movement began to heal (Saunders, 1983: 78). At the Tasmanian State ALP Conference in Launceston Calwell promised that "all conscripts then serving anywhere overseas…will be immediately brought home" (The Australian, 14 April 1966: 3). However, it was not clear from this what role, if any, would remain for regular Australian soldiers in Vietnam. Nor was it made any clearer by comments at the time 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 were common in the lead up to the 1966 Election (Hudson, 1967: 3, 4). The Australian (11 May 1966: 10) noted that the ALP was committed to returning Australian troops, “but we do not know how or when they would be brought home… [T]he party has attempted to clarify the how or when of troop withdrawal in such a clumsy and contradictory way”. 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 Australian men in Vietnam (Ramsey, 1966: 1). However, the confusion continued. Three ALP politicians returning from a tour of Vietnam in July, pointed to the impracticability of withdrawing conscripts but not regulars (cited in The Age, 18 July 1966: 5). In an article in Australian Outlook critical of ALP foreign policy, Kim Beazley Snr 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 was expelled from the party for publicly expressing support for the War (Fitchett, 1966: 2). In his autobiography Be Just and Fear Not, Calwell acknowledged the confusion about the policy, and thanked the press for not dwelling on it during the campaign (1972: 231, 232).

25 Later on a Four Corners program Calwell was to allege that he had been misquoted, and then said that Australian troops would be withdrawn from Vietnam within six to nine months after Labor won office. He subsequently claimed that statements at both Launceston and on Four Corners were correct (Sydney Morning Herald, 10 May 1966: 4).
In this context, and given the fact that Calwell had downgraded the party's pre-election Vietnam commitment to pledging to withdraw conscripted men as soon as possible, with the remaining regulars being removed after consultation with the US (The Australian, 4 November 1966: 1), Whitlam's infamous Vietnam statement four days prior to the 1966 poll, that a Labor government might “send regulars” in certain circumstances (cited in The Australian, 22 November 1966: 1), attracted more controversy than was perhaps warranted. As Freudenberg (1977: 61) suggested, this incident "merely confirmed the appearance of disarray which the Labor Party had given throughout 1966." Although in general Calwell did take a stronger stand than Whitlam on Vietnam — owing 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 is that the party lacked a clear, unified position on withdrawal. This partly explains the ease with which Whitlam was able to move the party away from a 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 percent), a result which it has bettered in every poll since (AEC, 1999). At 40 percent, its primary vote was the lowest since at least 1940, and it held just 41 seats in the House of Representatives (only one third of all seats), a net loss of nine seats from the previous election in 1963 (AEC, 1999: 68, 69).

Such a defeat was bound to have political repercussions. As was noted in Chapter Two, severe electoral defeat can prompt parties to consider drastic policy revision in order to improve electability. 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 on February 8 by a final count margin of 39 votes to Jim Cairns' 15. Editorials and commentaries were effusive in their praise for the choice of Whitlam as Leader, who was regarded as pro-capitalist, and a non-doctrinaire moderniser who would rein in left-wing
extremists and make the party once again an electoral force (SMH, 1967: 2; Johns, 1967: 2; Bennetts, 1967: 5).

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

Whitlam, however, was not unaided in his efforts to conservatise the party's Vietnam policy. The Australian Workers' Union (AWU) attacked the electoral consequences of Labor's “unrealistic and dangerous policy of isolationism" (cited in The Australian, 1 December 1966: 1). ALP Federal Vice-President W.R. Colbourne concluded in a report on the Election that the party should stop 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, 1967b: 1). Deputy Leader Lance 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). As Langley (1993: 126) argued, "efforts [by Whitlam] to modify the policy were generally accepted by the party."

Labor's Vietnam policy was consequently softened at the August 1967 Conference to make withdrawal contingent upon Allied failure to meet three conditions: (a) the cessation of US bombing; (b) recognition of the National Liberation Front as a negotiating party; and (c) a change in war strategy to "holding operations" (ALP, 1967a: 18). While not Whitlam’s  

26 Indeed, according to Ramsey (1967a: 2), Whitlam had "effectively isolated the executive's left-wing supporters from all areas of controversy” in choosing who would fill the various Shadow Cabinet positions.  
27 He subsequently claimed to have been misunderstood (The Australian, 2 June 1967: 3). However, as Colin Hughes (1967: 415, 416) pointed out: "[O]n several occasions he [Barnard] made comments on the Vietnam situation, e.g. there was a large northern force in South Vietnam, if US forces left the southern government would soon fall, the Vietcong were war weary, there was no evidence that north Vietnam wanted to end the war, which agreed with the Australian government's view of the situation, even though he also condemned the bombing of North Vietnam."
preferred outcome,\textsuperscript{28} it was "one he could live with" (Oakes, cited in Saunders, 1983: 83), for in practice it reduced the likelihood of withdrawal (Albinski, 1970: 43).\textsuperscript{29} Though probably correctly described as "a small shift, rather than a swing, to the right" (Saunders, 1983: 83) because it was a compromise between two extremes – Conference also rejected West Australian Branch delegate “Joe” Chamberlain's motion, part of which called for withdrawal (ALP, 1967a: 18) – it was perceived in many quarters as a major retreat from unilateralism in 1966 (\textit{The Australian}, 1967b: 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, altering the wording of its defence policy 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 into 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" (\textit{The Age}, 24 November 1967: 9). Upon returning from a tour of South and East Asia in early 1968, Whitlam continued his campaign to weaken ALP policy towards the War, which included alleging that Calwell had “debauched” the Vietnam debate in 1966 by putting forward a position equally as untenable as that of the Government (Charlton, 1968: 4).

As a result of such comments, Whitlam earned the wrath of anti-war demonstrators during the Higgins By-Election campaign in February 1968 (\textit{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 shifted significantly against the War.

\textsuperscript{28} 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).

\textsuperscript{29} Thus \textit{The Australian} reported less than four months after the resolution was adopted that the first of the demands "commands world-wide support and is still likely to happen", while the second had been “accepted by the U.S. for all practical purposes” (1967a: 6). While \textit{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 strong emphasis on immediate withdrawal (\textit{The Australian}, 1967a: 6).
The Australian Anti-Vietnam War Movement

Early opposition to the Vietnam War was marginal. There was strong support for the Government's decision to dispatch 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 an attack on anti-war demonstrators in early 1966 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 percent support for a continuation of the war (see Table 3.1).

Table 3.1: "Do you think we should continue to fight in Vietnam or bring our forces back to Australia?" (cited in Goot & Tiffen, 1983: 135).

<table>
<thead>
<tr>
<th>Month/Year</th>
<th>9/65</th>
<th>9/66</th>
<th>5/67</th>
<th>10/68</th>
<th>12/68</th>
<th>4/69</th>
<th>8/69</th>
<th>10/69</th>
<th>10/70</th>
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<td>Continue</td>
<td>56%</td>
<td>61%</td>
<td>62%</td>
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<td>48%</td>
<td>40%</td>
<td>40%</td>
<td>43%</td>
<td>42%</td>
</tr>
<tr>
<td>Bring back</td>
<td>28</td>
<td>27</td>
<td>24</td>
<td>38</td>
<td>37</td>
<td>40*</td>
<td>55</td>
<td>51</td>
<td>45</td>
<td>50*</td>
</tr>
<tr>
<td>Undecided</td>
<td>16</td>
<td>13</td>
<td>14</td>
<td>8</td>
<td>14</td>
<td>12</td>
<td>6</td>
<td>10</td>
<td>12</td>
<td>9</td>
</tr>
</tbody>
</table>

* "bring back now"

The first anti-Vietnam War march took place in 1964 following the introduction of conscription (Hamel-Green, 1983: 105, 106). Anti-conscription organisations 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, and draft card burnings (Hamel-Green, 1983: 107, 108).

Despite Labor’s equivocation over withdrawal, it managed to gain the support of anti-war activists in the 1966 Election (Saunders, 1983: 79). Because the War was clearly the election issue, 30 Labor’s defeat represented a devastating blow to the Movement (Hamel-Green, 1983: 107, 108).

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30 One indication of this fact is that for the first time the ALP carried on its how-to-vote cards a slogan: "A vote for Labor is a vote against conscription" (cited in Guy, 1999: 208).
YCAC subsequently collapsed, and there were almost no demonstrations against the War in 1967 (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 tout court, and would employ any means necessary to defeat it (Hamel-Green, 1983: 108, 113). Although lasting as an organisation only a few months, the DRM’s emphasis on 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 Club31 (Hamel-Green, 1983: 113).

These groups were spurred on by the 30 January 1968 attack by North Vietnamese forces on South Vietnamese and US Government installations, including the American Embassy in Saigon (the "Tet Offensive"). 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). By shocking the American public into believing that the War was unwinnable, Tet precipitated the process of withdrawal and the shift in public opinion against the War (Leepson & Hannaford, 1999: 392). 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 put it, “the political watershed of the war, in Viet Nam, in the US and in Australia” (1985: 40). The inspiring effect of the Tet (Picot, 1991: 117) 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).

31 No affiliation to the ALP.
The Australian (3 July 1968: 1) described an anti-conscription protest in Sydney a day earlier 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 on occasion 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, 1969a: 3). The July 4 demonstration in 1969 outside the US consulate in Melbourne again saw skirmishes between baton-wielding police and demonstrators (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 (Hughes, 1968: 240, 241; HRH, 14 March 1968), was a shift in public opinion against the War. While the shift is discernible from around the end of 1967 (Murphy, 1993: 207; Burns, 1968: 3), as Table 3.1 shows it was not until late-1968 that for the first time less than half of all subjects (49 percent) wished Australia to continue fighting in Vietnam.

Nineteen sixty-nine saw an increase in trade union opposition to the War (Saunders, 1982: 69). The call by 300 Victorian union officials in December for Australian soldiers in Vietnam to mutiny suggested to Saunders that "more and more unions were prepared to adopt a more militant stand on Vietnam than they had taken in the past" (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 war materials to Vietnam (Hagan, 1981: 276).

Thus, 1969 was "the watershed year" (Hamel-Green, in Langley, 1992: 123, 124): combined US and Australian casualties surpassed those suffered in the Korean War (cited in SMH, 1969a: 2), and the Vietnam War, now in its seventh year, became Australia's longest (Strathdee, 1969: 2). It was also the year in which the massacre at the South Vietnamese village of My Lai, where US troops executed hundreds of civilians, was reported in extensive detail – a factor in the mobilisation of many demonstrators for the mass Moratorium protests in May 1970 (Murphy, 1993: 229) (see below). After My Lai, *The Australian* urged "total withdrawal [from Vietnam]… Morality demands it" (1969: 10).\(^\text{32}\)

**Changes in Labor Attitudes to Vietnam**

The “textbook precision” with which the mood against conscription and war during World War One progressed “from the radical minority through the trade unions to the Labor Party” (Turner, 1979: 97) was largely repeated, it seems, in the ALP’s response to the Anti-Vietnam War Movement: the FPLP was again the last to be radicalised. The ALP’s position hardened in concert with the shift in public opinion against the War (Kuhn, 1997: 166).\(^\text{33}\) Labor MPs became more prominent opponents of the War, and the party extended its links with the Anti-War Movement. In the aftermath of Tet, the ALP Left felt both vindicated in its opposition to the war and that its views were closer to the Right's, while both now considered Vietnam to be an electoral liability for the Government (Beazley, 1983: 53). Significantly, Cairns now praised Whitlam's speeches on Vietnam (Beazley, 1983: 53). An ALP Federal Executive meeting in early 1969 called upon State branches to escalate their campaigns against the War (Fitchett, 1969a: 7). At the ALP National Conference late 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 (*Sydney Morning Herald*, 2 August 1969:

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\(^{32}\) *The Australian* was always more opposed to the war than other major Australian dailies. As early as 1966, it referred to the conflict as an "unnecessary war" and an "insanely dangerous affair" (1966: 6).

\(^{33}\) In a similar way, the Communist Party of Australia's policy on Vietnam was influenced by the Anti-War Movement. Kuhn (1997: 169) writes: "The Party's position was summed up in the slogan 'Stop the Bombing, Negotiate!', until the political climate shifted dramatically to the left in 1968."
1). This amendment was a compromise between the motion put by Whitlam, who argued against specifying a timetable for withdrawal (Solomon, 1969b: 2), and Victorian delegate Bill Hartley's proposal to withdraw "immediately and unconditionally" (Sydney Morning Herald, 2 August 1969: 1). It appears, however, that Hartley's motion was more in tune with the mood of the Conference. West Australian delegate “Joe” Chamberlain recalled that "Whitlam was beaten without even a show of hands" (1998: 284).

The Conference also reflected the influence of the Anti-War Movement when it took a much firmer stand against conscription than its predecessor, which merely expressed its opposition to conscription for Vietnam and elsewhere except in war-time periods (ALP, 1967b: 35). In 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 same as unilateral withdrawal, in his Federal Election campaign speech later that year Whitlam was, nonetheless, unequivocal: "Under Labor, there will be no Australian troops in Vietnam after June 1970" (Sydney Morning Herald, 2 October 1969: 11). Referring to 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", Grant (1969: 6) argued that it demonstrated 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" (1969a: 7). On the 1969 Election result, which saw Labor gain an additional 18 seats and a seven percent increase in its TPPV (AEC, 1999: 69; AEC, 19__), 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" (1969b: 2).

Although accurately seen as a concession to the Left, the suggestion that the policy was an electoral liability is mistaken because 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, beginning 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 after the Election, 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, Jim Cairns, Gordon Bryant and Moss Cass burned the National Service cards of draft resisters at a public demonstration (*The Australian*, 17 November 1969: 1). Cairns’ biographer Paul Ormonde (1981: 105) wrote of an incident involving him in early 1969 in Tasmania:

> [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 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 earned him much respect from anti-war campaigners, but which also, more importantly, demonstrated the efficacy of civil disobedience (Ormonde, 1981: 106). This was a marked change from the introduction of conscription 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 being drafted (1981: 105).

It is difficult to imagine any contemporary Federal Labor MP behaving in such a way, let alone a future deputy prime minister. Yet, this was arguably as much a reflection of the realignment of the factional balance of forces inside the ALP in favour of the Left 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 would have taken such actions in the knowledge that they had 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. Citing the humiliating retreat by Whitlam over his support for conservative delegate Brian Harradine, who was forbidden by the Federal Executive to be a delegate to the 1969 Federal Conference, the *Sydney Morning Herald* contrasted Whitlam's dramatically weaker position in the lead-up to that Conference to his position in 1967 when he achieved support for some party reforms (1969c: 2). The shift inside the party against Whitlam was evident from as early as 1968 when he defeated Jim Cairns in a leadership contest – in part triggered by Whitlam's defence of Harradine, who had accused fellow party members of Communist association – by a mere six votes (38: 32). This, it seems, was a great shock to Whitlam (Ramsey, 1968: 2), who then modified his actions accordingly 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 him, Luchetti, Connor and Webb, failed of re-election to the first Caucus Executive, while two Left MPs, Bill Hayden and Tom Uren, were successful (Fitchett, 1969b: 8). Similarly, Colin Jamieson, ally of Whitlam arch-rival “Joe” Chamberlain, ousted Whitlam stalwart Kim Beazley Snr from the Federal Executive a year later (*The Age*, 19 December 1970: 3). Clearly, the 1969 poll result did not confer on Whitlam the degree of authority implied in Mungo MacCallum's prediction that Whitlam would be "unchallengeable" if Labor won an additional 12 seats at the Election (1969b: 16). Perhaps the most striking illustration of this was Whitlam's humiliating retreat in 1971 over the retention of strike penalties (see Chapter Four). This seemed consistent with 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 changed inner party environment, Whitlam’s concessions to the Left served his leadership interests. This appeared, for example, to be a factor in his half-hearted repudiation of the Victorian trade unionists' call for Australian soldiers to mutiny in December 1969 (SMH, 1969d: 2; *Sun-Herald*, 1969: 28). The *Sun-Herald* (4 January 1970: 28) surmised that most FPLP members would have endorsed Whitlam's measured 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 a schism within the party. Government MP

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34 Recall that Whitlam had defeated Cairns in the 1967 leadership ballot by the much more decisive margin of 39:15.

35 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, 1969c: 1).
Stephen Calder argued that “the once moderate Labor leader” had allowed himself to be pushed to the left “in the vain hope that he will be able to retain the leadership of the new look left wing Labor Party” (HRH, 2 September 1970: 881, 883).

Notwithstanding the partisan politics reflected in this statement, there is other evidence of Whitlam’s apparent radicalisation. Henderson argued 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” (1970: 17). 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, Whitlam clarified that he was not advocating mutiny (HRH, 24 September 1970: 1600), 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" (cited in HRH, 13 October 1970: 2011). Whitlam's initial comments stunned both Government and Opposition MPs, many of the latter believing that Whitlam had violated party policy by condoning registering with the Act at all! (Randall, 1970b: 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).

36 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 and 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, 1970a: 2). The Age's political writer Allan Barnes described the episode as Whitlam's "greatest political gaffe" since his resignation as leader over the Harridine Affair in 1968, and concluded that he had reduced significantly his chances of becoming Prime Minister (Barnes, 1970a: 15). Randall (1970a: 11) considered Whitlam's comments a gift to the Government in the up-coming Senate election campaign. Such commentary proved, in the event, to be considerably mistaken, emphasising the point that such comments by Whitlam were aimed at appealing to the shift in public sentiment against the War and conscription.
Whitlam's actions and comments throughout this period reflected less a personal radicalisation 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…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* (21 February 1972), Whitlam could contribute an article 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."

Orienting his statements and actions in a more leftward direction served Whitlam's own interests, both in terms of his tenure as Leader, and in terms of shoring up the ALP’s electoral support amongst workers. As Cliff and Gluckstein (1996: 89, 90) 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: 90). Murphy notes that the Anti-War Movement was "a social movement which for a time dwarfed parliamentary politics" (1993: 253). Had Labor paid no attention to this and not shifted its policy and rhetoric, activists might have concluded that the party system did not provide succour for their grievances. 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, for example, 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" (1976: 23). Labor voters cited Vietnam and conscription as the major reason for their choice 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 (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" (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 post-1966 Election when Labor was softening its policy on Vietnam (Murphy, 1993: 210).

Whitlam's more radical rhetoric and partial left-ward policy shifts reflected his desire to maintain support amongst fellow Labor MPs and ALP voters – however much this potentially risked damaging his credibility and stature as an "alternative Prime Minister" – 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” (1969b: 7). Yet, while Whitlam's gestures to the Left entailed certain risks – namely alienating Age editorialists – it is arguable that these were outweighed by the potential electoral rewards oblivious to some establishment commentators. It was noted earlier, for example, that Whitlam's subdued response to the Victorian trade unions' "mutiny" call probably was based on the calculation that many of the young people who had voted Labor in the 1969 Election would not have been offended. The fact that Whitlam’s leadership also was on the line left him with little room to manoeuvre. Labor may not have been torn asunder as it had been over conscription in 1916-17, 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. The mass Moratorium protests beginning in 1970 posed a key test for this flexibility.

Labor and the Vietnam Moratorium Campaign

The Anti-War Movement in Australia peaked with the mass VMC (modelled on US protests of the same name in 1969) beginning in May 1970. Earlier that year, the ALP Federal Executive had called upon 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, if only in...
the initial stages of the campaign, than is sometimes suggested (Murphy, 1993: 253; Kuhn, 1997: 168; Saunders, 1983: 86; Catley, 1972: 342). Certainly, the involvement of ALP branches was uneven – the NSW ALP, for example, had little to do with the Moratorium (O'Brien, cited in Henderson, 1970: 6) – but if Murphy et al are correct, it is difficult to see how "Labor succeeded in recapturing the momentum of the movement" (Murphy, 1993: 210) while showing indifference towards the Moratoriums. An 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).

The evidence suggests a more sympathetic response to the Moratoriums than is often portrayed. For example, twelve federal Labor senators attended the meeting out of which plans for the Moratorium 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 NSW, and Jim Cairns was elected Chairman of the all-important Victorian Moratorium Committee (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 pressure to disassociate himself from the campaign (HRH, 14 April 1970: 1056). However, he was largely unyielding when he led the Opposition in parliamentary debate on the VMC in April 1970:

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).

37 According to the Federal Attorney-General Tom Hughes, the abstaining Labor MPs in the House of Representatives were: Whitlam, Barnard, FitzPatrick, Luchetti, Charles Jones, Klugman, Beazley, Berinson and Davies (HRH, 14 April 1970: 1056).
This sheds a different light on Murphy's claim that "Whitlam distanced [himself]…from the first Moratorium" (1993: 252). Whitlam also 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 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 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. This shift in Whitlam's public statements is often ignored (eg Strangio, 2002: 203; Murphy, 1993: 252, 253). 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,38 Whitlam stated that this did not detract from his support for the campaign's aims (HRH, 14 April 1970: 1059), and he was reported to have attended a Queensland Moratorium organising meeting in 1970 (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).

In the event, the Melbourne Moratorium demonstration was "the biggest anti-war rally in Australia’s history" (The Australian, 9 May 1970: 1).

The response surprised even the most optimistic members and activists in the anti-war movement. 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

38 In fact, by sponsoring the anti-Apartheid South African Defence and Aid Fund, Whitlam did break his own rule of not formally aligning himself with organisations to which and for which he was not responsible (HRH, 14 April 1970: 1059).
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).

Whereas the Government chose in the aftermath of the protest to focus on law-and-order issues surrounding the Moratorium rather than justifying intervention in Vietnam (Australian Financial Review, cited in HRH, 17 September 1970: 1359), Labor was buoyed by the Moratorium protests. Mungo MacCallum, observing the triumphal tone of Moratorium-related questions that Labor put to the Government in Federal Parliament, claimed to have seldom seen "a smugger lot of next-of-kin than the Labor members assembled in the House of Representatives yesterday" (1970a: 4). Even Jim Cairns (cited in Langley, 1992: 137, 138) was shocked by the turnout in Melbourne. His speech, as Chairman of the Moratorium Committee, 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).

Similarly, Federal President Senator Keeffe promised the Victorian ALP Conference one month after the Melbourne Moratorium: "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, 1970b: 8). The capacity for Labor to downplay parliamentary action at times is all too apparent in both speeches.

Labor's 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. The party’s most prominent direct actionist Jim Cairns had become a convert only late in his career. For example, his Living With Asia, published in 1965, and which brought together the themes on which Cairns had spoken since the 1940s (Strangio, 2002: 155), said almost nothing about direct action, conceding only that there was “often a strong practical case” for it
(Cairns, 1965: 174). However imperfect the institution of Parliament was in dealing with private power and privilege, he argued, "it is by far the best we have" (Cairns, 1965: 133). Draft-resister Hamel-Green recalled that Jim 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, not just on the part of the Right. Cairns had, unlike elements of the student radicals who emerged then, been reluctant to desert parliamentary politics altogether. Community-based change began to assume a proportionately larger role in his politics only when collective action became more widespread (Strangio, 2002: 170, 172, 173, 188, 189). Other ALP MPs are likely to have undergone a similar process: they advocated direct action as it became more popular.

ALP responses to Government claims about the omnipresence of Vietcong flags throughout the Moratorium demonstrations are notable for the absence of earlier concerns about appearing "anti-American" and supporting Communists. For example, Cavanagh argued that the Vietcong flag accorded greater respect around the world than did the American flag (SH, 12 May 1970: 1314). John Wheeldon declared his support for the Vietcong “because I believe that the Vietcong represents the great mass of the South Vietnamese people" (SH, 12 May 1970: 1353). When Whitlam rebuked Cairns for inviting Vietcong representatives to Australia to attend an anti-War conference in September, he replied that it was not a matter for the ALP but for the Moratorium Committee, of which he was Chairman (SMH, 14 August 1970: 5). Even Whitlam asked: "Will anyone really say that a person should immediately leave a meeting if someone hauls out a Vietcong flag?" (HRH, 25 September 1970: 1736, 1737). Such comments reflected the influence of the Anti-War Movement in the sense that early on support amongst it for the Vietcong had been marginal; while sentiments were anti-War they were not pro-Vietcong. However, as the influence of more radical students grew on the Movement, support for the “enemy” became more widespread (Webb, 1999: 8).

While it is true that support from ALP State Branches for the somewhat smaller September 1970 Moratorium demonstrations was considerably less than in May – only Victoria declared its unequivocal support – Saunders’ 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 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). Recently retired ALP Federal President Senator Keeffe was questioned by police at the Canberra Moratorium protest for telling 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 June 1971 announcement that Australia's Vietnam commitment would conclude within six to eight months (The Australian, 23 June 1971: 1) saw Vietnam diminish as a political issue (Saunders, 1983: 87). Saunders contends that from around this point until the December 1972 Election, "ALP parliamentarians and officials were conspicuous by their absence from anti-war meetings and demonstrations" (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 staged withdrawal (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 a National Young Labor Association Conference’s resolve to "urge, incite and encourage" young men to resist the draft, and in its pledge to give financial support to the Draft Resisters Union (The Australian, 12 April 1971: 3).

The FPLP’s response to the Victorian Branch’s preselection of draft resister Barry Johnston for 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 (eg Murphy, SH, 1 March 1972: 300-304). Yet, it was also at times political, such as when Whitlam argued that draft resisting was not 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", he maintained that breaches of the National Service Act did not constitute crimes in comparison to murder or theft (HRH, 2 March 1972: 485-487). Whitlam had earlier promised that if a non-Labor dominated Senate thwarted his Government's efforts to repeal the National Service Act, he would not prosecute resisters (cited in SH, 1 March 1972: 313). The Australian described Whitlam's attitude 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, 1972a: 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, he received "almost no support at all" (Ramsey, 1972a: 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 current Federal Labor MP Bob McMullan’s estimation that half his campaign team in 1972 were resisters (McMullan, 2001).
Changes to ALP Policy on Vietnam and Conscription

The influence of the Anti-War Movement and strong opposition to the draft continued to be expressed in 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, the policy wording was altered so that, for the first time since 1957 (Hurst, 1971a: 5), the Treaty was no longer "of crucial importance". Whatever the official justification for the policy change, it 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, 1971a: 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 its role in Vietnam.

There were two other Vietnam-related decisions made at the 1971 Federal Conference. One was to support a motion from the Right’s John Ducker expressing support for the Anti-Vietnam War Movement that barely differed from that put by the Left’s Tom Uren.  

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39 Delegates rejected by a margin of three to one the Victorian Branch's proposal to adopt a non-aligned foreign policy (Stubbs, 1971a: 6).
40 Gordon Bryant, who played "a little part" in securing the policy change in the foreign affairs committee of the party, argued that the policy change signalled Labor's unwillingness to rely on other powers for Australia's defence (HRH, 23 May 1972: 2896).
41 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 controlled by State ALP branches (ALP, 1971b: 36).
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 the Australian Security Intelligence Organisation (ASIO), which had played a key role in persecuting anti-war activists. The motion to dissolve ASIO, which was established originally by the Chifley Government, was defeated only on the casting vote of the Conference Chairman Tom Burns when the vote was tied at 22-all (Randall, 1971a: 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 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. By 1972, as Whitlam put it, “all that remained…was an embassy protection unit and the memory of 500 Australians killed” (Whitlam, 1985: 41). As Picot argued, a large part of 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” (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 shortly after 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 increasing 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 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, Clyde Cameron even suggesting that "maniacs" were in charge of US policy (cited in Saunders, 1983: 89). Saunders’ (1983: 89) 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", only 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 percent of activists intended 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 for a change in policy.

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 told delegates: "Today, if anything, Vietnam is an electoral asset for the A.L.P." (cited in Solomon, 1969b: 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." In 1969, Lance Barnard suggested that, in contrast to 1966, when a majority supported the War, the feeling had "gone full circle now until now there is an atmosphere of disenchantment" (HRH, 24 September 1969: 1829). Labor MP Keith Johnson claimed in 1976 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, felt that the anti-war protestors had pushed Labor into opposing conscription and the War (Gibson, 1971: 77, 78; Gaffney, 1972: 5). 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 moderate speech on Vietnam made 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 strength of opposition to it (1983: 127). A police officer at the time of the War later claimed 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 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 1972, uttering Calwell's 1965 statement that the US must not suffer the humiliation of being forced to withdraw. The significant policy changes, attendances at demonstrations and marches, the election of ALP MPs to campaign committees, the support for civil disobedience by senior figures in the party, the preselection of a draft resister as a federal candidate, the passionate defence of protestors during debates in Parliament – all these point to a party radicalised by a mass movement. It also bespeaks of a party that sought to gain control of the Anti-War Movement, 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 upheaval. To be fair, Saunders' conclusion probably owes much to the necessarily narrow focus of his research project, for the evolution of the party's policy on Vietnam needs to be viewed in the context of the energising effects of other movements at this time, perhaps most importantly the trade union movement. This is the subject of the following chapter.
Industrial relations by 1972 was one of the most important issues in Australian politics. It had dominated the agenda at the 1971 National ALP Conference (Williams, 1971: 8). Labor commenced its "mini-election campaign" at the end of that year with a press conference on industrial relations policy (Farmer, 1971: 3). Whitlam, despite his efforts to move the ALP away from labourism (Emy, 1993: 17), was prompted to say in 1971 that "no element of human relations in this country [is] more topical, more crucial" than industrial relations (HRH, 12 October 1971: 2156). The prominence of this policy area largely reflected the then soaring levels of industrial disputation. The fact that they go to the heart of the ALP's raison d'être, and are thus at any one time an important measure of its overall political and philosophical orientation, is further cause to investigate the Whitlam Labor Opposition’s policy on industrial relations.

It is suggested below that 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 visible. Curiously, little has been written on industrial relations policy under the Whitlam Opposition, or on the party’s broader relations with the union movement prior to the 1972 Election. Emy, Hughes and Mathews’ book Whitlam Re-Visited (1993), for example, deals extensively with the development of policy prior to 1972 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 Papers, 1986), a collection of Fabian papers on topics such as the evolution of “the Program”, trade unions rate a mention on only five of the book’s 200 pages.

This study seeks in part to rectify this. It shows, as the Vietnam case did, an ALP under mass 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 justice, and to adopt far more militant rhetoric. In supporting strikes on both industrial and “political” issues, it could be argued that Labor moved leftwards, since right-wing unions had traditionally opposed these in favour of
arbitration (Hagan, 1981: 251-252, 277-278), on which Labor’s 1971 policy put minimal emphasis. Again, none of this was against the party’s interests. To retain unionists’ electoral support, and to restrain them, the party was required to adapt. As a result, however, 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).

The Union Movement Rises

At the time of Whitlam’s ascension to the leadership there was little forewarning that industrial relations would soon feature prominently in political debates. *Sydney Morning Herald* 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 stage (see Table 4.1 below). Not until over a year later, when strikes in June and July 1967 by rail and bus drivers, ferry stewards, waterfront clerks, and hotel workers across Australia were described as amounting Australia’s "winter of discontent", was there any suggestion that this period of détente between classes was drawing to an end (Curtis, 1967: 9). As the statistics in Table 4.1 indicate, over the next five years industrial disputation rose sharply.
Table 4.1: Industrial Disputes in Australia, 1966-1972

<table>
<thead>
<tr>
<th>Year</th>
<th>Disputes</th>
<th>Workers involved</th>
<th>Days Lost/ per Worker</th>
<th>Wages lost ($'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1966</td>
<td>1273</td>
<td>394 851</td>
<td>732 084/.19</td>
<td>7302.5</td>
</tr>
<tr>
<td>1967</td>
<td>1340</td>
<td>483 274</td>
<td>705 315/.18</td>
<td>7263.1</td>
</tr>
<tr>
<td>1968</td>
<td>1713</td>
<td>720 321</td>
<td>1 079 464/.27</td>
<td>12 115.2</td>
</tr>
<tr>
<td>1969</td>
<td>2014</td>
<td>1 285 198</td>
<td>1 957 957/.46</td>
<td>22 985.7</td>
</tr>
<tr>
<td>1970</td>
<td>2738</td>
<td>1 367 400&lt;sup&gt;42&lt;/sup&gt;</td>
<td>2 393 700/.55</td>
<td>30 883.3</td>
</tr>
<tr>
<td>1971</td>
<td>2404</td>
<td>1 326 500</td>
<td>3 068 600/.68</td>
<td>45 241.3</td>
</tr>
<tr>
<td>1972</td>
<td>2298</td>
<td>1 113 800</td>
<td>2 010 300/.45</td>
<td>32 074.4</td>
</tr>
</tbody>
</table>


Every indicator in the above table increased between 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. Labour and National Service Minister Philip Lynch lamented the fact that the time lost to disputes up till September that year exceeded any other full year since 1929 (HRH, 7 December 1971: 4178). Even in 1972, when the trends appeared to be reversing, two million working days were lost, nearly twice the maximum recorded in any one year between 1951-1968 (Turner, 1978: 110). Whereas on average just 13.2 percent of workers were involved in industrial action each year between 1952-68, in 1971 the figure had risen to 29.6 percent (Bentley, 1980: 24). The growth in industrial conflict perhaps explains the increase in unionisation amongst Australian workers between 1970-75 (Rawson, 1978: 141), since it is during struggle that workers most clearly understand the need to be unionised. The *Sydney Morning Herald* (1970b: 2) in 1970 claimed that industrial relations in Australia in 1970 were reaching “a crisis point. Wage demands, and the militant manner in which the unions are making them, threaten the traditional forms of our industrial society…”

<sup>42</sup> From this year on, the ABS recorded both workers involved and working days lost in thousands, meaning that the figures given in Table 4.1 are approximated to the nearest hundred.

<sup>43</sup> To put this into some contemporary perspective, the number of working days lost in 2001 was less than 400 000 (ABS, 2003).
A year later, the same newspaper wrote that Australia is “approaching a situation intolerably close to industrial anarchy” (SMH, 1971a: 6).

The upsurge in industrial disputation spread to traditionally somnolent areas of the labour force. Sydney council workers in September 1967 (The Australian, 21 September 1967: 1) and NSW cinema employees in 1970 engaged in industrial action over pay for the first time in 50 years (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, upped the ante considerably (Jones, 1970: 2). Strikes by hitherto docile white-collar workers rose steadily from the late-60s onwards (Rawson, 1978: 135) as a result of heightened class consciousness, a process of "proletarianisation", and a recognition that militancy had secured recent improvements in pay and conditions for blue-collar workers (Hallows, 1968a: 9; Thomson, 1971a: 11; Griffin, 1985: 206, 207). 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) reported 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, where in the 1930s talk of strike action was “akin to the Roman Catholic priesthood seeking the abolition of celibacy”, 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).

The O'Shea Dispute

The defining industrial event of this period was the eruption of mass strikes in May 1969 following the imprisonment of Tramway Employe's Association Secretary Clarrie O'Shea for unpaid fines associated with the penal clauses of the Arbitration Act. Three hundred and fifty thousand workers struck in Victoria and New South Wales on the day following O'Shea's incarceration (Wells, 1969a: 1). Fred Wells (1969b: 2) reported that demonstrations over O’Shea which he attended “have been 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” as the O'Shea strikes continued “to gather momentum” (The Age, 1969c: 7). One Coalition MP refuted the accusation that the Government was deliberately fomenting industrial disturbance out of political expediency: "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 had separately offered to pay O'Shea's accrued fines (Lloyd & Clark, 1976: 41), a mysterious retired newspaper advertising executive ended the dispute by using his lottery winnings to pay the $8, 600 owed (Whitehead & Lovell, 1969: 1). Over one million workers in all States had been involved (Hurst, 1969: 9) in what was described as "the most extensive strike in Australian history" (McQueen, 1970: 64). Labor's Shadow Industrial Relations Spokesperson Clyde Cameron recalled nothing like it "in Australia since the Maritime strike of 1890" (Cameron, 1970: 1).

The most important political effect of the strikes was the penal clauses' effective obsolescence thereafter, as virtually no union paid another fine before Whitlam's election in 1972 (Sheridan, 1972: 282).44 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). Clarrie O’Shea himself (cited in Elias, 1979: 4) recalled ten years after the dispute: “The working people realised the danger and they used their power.”

The ALP's most notable response to the growing union militancy prior to 1970 was to initiate in the House of Representatives a "Discussion of Matter of Public Importance" in relation to the O'Shea dispute (HRH, 22 May 1969). This suggested that Labor felt confident to take up the issue of strikes. In the ensuing debate, Whitlam attributed the 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:

44 That is, with the exception of the payment of outstanding fines by two unions in order to amalgamate with the Australian Engineering Union (AEU) to form the Amalgamated Metal Workers' Union (AMWU) in 1971.
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 affected by the Anti-Vietnam War Movement, then Cameron, as Shadow Industrial Relations Minister, was most moved by the upsurge in class conflict. Witness his fulmination against 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 fifteen 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 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 contrasted the protection afforded the "monopolistic interests" with the mistreatment of workers:

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45 Of course, there was a great deal of truth to the suggestion that Cameron was “playing to the crowd”. He later recalled: “I used to dream of making ringing speeches to Parliament when I was in my teens. I believed that a fine, impassioned speech could have a tremendous effect” (cited in Hewett, 1980: 7).
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 questioned rhetorically 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 (Daily Telegraph, 21 February 1972).

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). Norman Foster explained the militant history of waterfront unions by describing 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. This was brought about, of course, by the conditions under which they were expected to slave. 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 asked whether it were mine managers, big station owners, executives or workers who produced wealth: “The worker…produces the wealth of this country…” (SH, 29 August 1972: 504). Keith Johnson pointed to the Government’s hypocritical support for a free market economy:
What 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 strikes in positive terms – as an expression of an inalienable right – is of great significance, for it stands in stark contrast to Labor’s more recent view of strikes as inherently negative and undesirable.46

However, this 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. This was despite Labor often making a convincing case for the view that the labour market is inviolably unequal:

[T]he economic position of the individual worker is too weak for him to hold his own in the unequal contest for a fair share of what he produces…

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 "industrial peace would become a reality in this country" simply by removing the penal clauses (HRH, 12 June 1970: 3514).

46 The antagonism towards strikes was evident during the period following Labor’s return to Opposition in 1975, which saw the development of the Accord in the interests of reducing industrial disputation as part of “responsible economic management” (for further evidence of the political wing’s hostility to strikes see, The Post-Whitlam ALP-Union Relationship, Chapter Seven). Senator Peter Cook, in his maiden speech in 1983, argued in reference to strikes that “no one wants them, least of all the workers” (Cook, 1983). This contrasted strongly with the attitude of Labor MPs in the first Whitlam period of Opposition. More recently, Labor under Kim Beazley emphasised “industrial cooperation and harmony”. Referring to what he called “[i]ntractable strikes”, Beazley spoke of “all the bitterness they leave in their wake” (Beazley, 2000a).
The effects of the O'Shea dispute on Labor were more far-reaching than militant rhetoric. Whitlam told the 1969 NSW ALP Conference that the repeal of the penal clauses would be a major issue on which the party would campaign in the forthcoming federal election (SMH, 16 June 1969: 4). The *Sydney Morning Herald* (1969e: 2) condemned this appeal to "emotionalism". The July ALP National Conference 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 taken at both the 1967 Conference, where no specific reference was made to the penal clauses (ALP, 1967b), and the 1965 Conference (ALP, 1965). In the event, 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). Whilam did go somewhat further in his 1972 Election speech 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).

**Labor and Direct Action**

The high levels of industrial disputation described above 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 stated 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; emphasis added). Pete Thomas pointed to the Coal Industry Tribunal’s award of a 35-hour week to miners in 1970 when it had rejected such a claim as recently as 1968:

> [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… (1983: 62, 63).
The tendency during this period for unions to by-pass arbitration did not reflect opposition on the part of union officialdom to the principle of arbitration (Donn, 1983: 187; Hallows, 1968b: 11; Wells, 1969c: 2). Rather, it indicated the dissatisfaction among rank-and-file workers with the outcomes it produced, and the belief that direct action achieved superior ones. As then-NSW 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 reflected in Labor's proposals in May 1971 to confine arbitration largely to the setting of minimum wage rates, with above-award rates being 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” (1977: 255).

The militancy of workers had been evident during the O'Shea dispute, when the Sydney Morning Herald wrote that moderate union leaders were "being exposed...to pressures from their own rank and file" (1969f: 2). Fred Wells spoke of “the militant mood of workers throughout Australia" (1969d: 4). Industrial Relations Society (Victoria) President Kevin Hince detected a psychological change in attitude amongst workers in favour of strikes (cited in The Age, 11 November 1971: 8). Beckett (1970: 6) commented that professionals such as nurses 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 Bob Hawke, nominally of the Left, of the Right's Harold Souter for the ACTU presidency in 1969.

47 There was, however, evidence of union leaders’ frustration with arbitration going back at least as far as 1966, with some calling for a system akin to that of Britain, where arbitration covered at the time only around a quarter of the workforce (Hurst, 1966: 1).
48 The simple categorisation of the two officials into Left and Right camps was somewhat simplistic, 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" (Hawke, 1994: 47). In seeming justification of such a categorisation, however, Hawke conceded that "my campaign lieutenants were all men of the Left" (1994: 48).
Hawke had taken a more aggressive approach to penal clauses, which were at this stage the dominant trade union issue (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 NSW Trades and Labour Council Acting Secretary John Ducker, who, in response to Clarrie O’Shea’s imprisonment, advocated that "the ruthless and tyrannical penal 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).  

Rank-and-file confidence to act independently of trade union officials saw shop stewards and their committees occupy an increasingly prominent role in disputes (Glascott, 1971: 6; Colless, 1972a: 9). In this context, Clyde Cameron quite properly dismissed Government claims that the introduction of secret ballots would reduce strike levels: indeed, in some cases ballots would see higher strike levels because often the union bureaucracy acted to smother rank-and-file desire for strikes (HRH, 7 December 1971: 4194, 4195).

A combination of factors produced the high strike rates during this period. A catalyst was the Arbitration Commission's December 1967 "absorption" decision and the Commission's subsequent back-down following a series of protest strikes, which only confirmed the effectiveness 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 through the 1950s and 60s for economic reasons also was a factor in the unions’ shift away from arbitration (Howard, 1977: 269-272). Another factor was the economy’s strength, which, by delivering full employment, improved substantially the bargaining power of workers. Ian Turner has argued that Australian unions tend to use direct action in times of economic buoyancy, but revert to “political” action, that is parliamentary action, in times of economic downswing when labour supply far exceeds demand (1979: 82).

49 A clear distinction between "Right" and "Left" unions is difficult to make. In terms of this period, however, Hagan (1981: 251-252, 277-278) argued that Right unions were generally supportive of compulsory arbitration, opposed to strikes (often a result of their industrial weakness), more faithful in the election of a Labor Government as a solution to industrial issues, and opposed to strikes on political issues. The Left, by contrast, was more committed to socialism, and more equivocal 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: 252, 277-278).

50 The Arbitration Commission decided that employers could absorb increases in awards by reducing over-award payments (Bentley, 1980: 27).
between strikes and the business cycle is, of course, more complex than this: the overall political climate 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 (Bentley, 1980: 30), and the international political and social upheaval that characterised this era. Bentley has argued that the eventual impact of protests by students in the Third World, campaigns against apartheid in South Africa, and demonstrations against the Vietnam War, was to illustrate “the efficacy of collective action. A spill-over into the industrial relations area, whilst not measurable, seems almost certain to have occurred” (1980: 31). Jack Mundey, leader of the exceptionally militant NSW 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". For his own part, he stressed the impression made upon him by the struggles of workers and students in France in 1968, which encouraged "the style of offensive strike developed in our struggle" (Burgmann & Burgmann, 1998: 25).

The Anti-Vietnam War Movement thus had effects beyond foreign policy. Just as the conscription crisis during World War One fused with wider class unrest (Turner, 1979: 113), the Anti-Vietnam War Movement 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. To do this, Labor needed to espouse the desirability of direct action – if only in the absence of a Labor Government, which would negate many of the reasons for its necessity – but also to state 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). In the wake of the O'Shea dispute, even the right-wing Lance Barnard conceded that the belief common amongst
unionists that more could be achieved through industrial rather than parliamentary action, was not without substance, 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). Don Cameron referred to the case of shift workers in the cement manufacturing industry in South Australia:

The employees in that industry asked me how they were going to get an extra week's leave... 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 argued that the “strike is the only weapon for which the opponents of labour have real respect”, listing landmark gains such as the eight-hour day, reductions in the length of the working week, annual leave, paid sick leave, and paid public holidays, as well as the recent triumph of the release of Clarrie O’Shea, as achievements won directly through strike action (1970:1). Fred Daly similarly argued that strikes “were responsible for many of the reforms which people in Australia enjoy today" (HRH, 24 February 1972: 245).

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), 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" (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, many of the reasons for which Labor argued it would remove via legislative reform. 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 remove the causes of strike action. 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) ignored the fact that many countries had experienced around this time bigger upsurges in strikes than had Australia,51 but it suited Labor's objective of benefiting electorally from the upheaval.

This overlapped with the ALP's third objective of stating the limits of direct action. Ormonde's view, cited above, that direct action ought to be coupled with parliamentary action, existed across the ALP spectrum. For example, Ian Turner challenged Victorian Socialist Left faction leader Bill Hartley's supposed counterposition of direct action to parliamentary action by on the one hand suggesting that history proved the futility of concentrating solely on the former. On the other hand, he 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 Labor Left and Right on direct action was largely one of emphasis. On occasion, the Right were willing to concede that direct action was equal in

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51 Clyde Cameron himself cited figures from the International Labour Organisation (ILO) showing the number of hours lost in 1970 per 1000 workers. While Australia had lost 810, the US had lost 1390, Canada 2550, and Italy 4440 (HRH, 7 December 1971: 4198).
importance to parliamentary work. Recall Whitlam’s claim in 1970 that demonstrations were “as necessary a part of the democratic processes as elections themselves”. The Left did identify more stridently with the rebellious impulses in society, but it still found a crucial place for parliament in the process of social change. 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 achieve lasting change in society. But this revolution 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. Webb, for example, during debate on the O'Shea strikes, maintained that repeal of the penal clauses would have averted "the calamitous strikes which have disrupted the nation in the last few days" (HRH, 22 May 1969: 2109). In one of his final parliamentary contributions before the 1972 Election, Clyde Cameron warned the Government that its “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".

Labor's promise to reduce strikes because it "understood trade unions" (cited in SMH, 3 November 1972: 2) might have been a factor in business support for a change of government in 1972. Some employers may have wished for the ALP to have a pacifying effect on the union movement. As Geoffrey Barker (1972: 9) put it in relation to Chifley's use of armed

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52 For example, the business organisation, "Business Executives for a Change of Government", took out advertisements in major newspapers emphasising crises that had enveloped the Government in recent times (see, for example, *The Australian*, 8 November 1972: 6).
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."

**Political Strikes**

The greater preparedness in the trade union movement to opt for direct action was not confined to the industrial front during this era, but also extended to political issues. Political strikes had occurred in the past (Silverman, 1966: 47), but, according to *The Australian*, there were more political strikes between 1966-71 than during any other five-year period in Australian history (*The Australian*, 1972b: 8). In addition to the Vietnam War, trade unions had taken action over political issues such as the all-white South African Springbok rugby tour in mid-1971 (Harris, 1972: 216-224). The early 1970s 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 (Burgmann & Burgmann, 1998: 3). Perhaps most controversial was the ACTU strike against the Budget in 1970 – the first in the Council's history (Sutherland, 1970: 1). Although only a tiny proportion of the 750,000 workers involved in the three-hour national strike attended the political 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, 1970b: 1). Whitlam declared defiantly:

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"Political" strikes refer 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. A case in point is the O'Shea strikes. 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 (1978: 25) 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 defines political strikes as those falling "outside the traditional ambit of wages and working conditions, thus specifically excluding other factors relevant to the worker's lot in life, whether these factors be ultimately industrial or not" (1978: 25).
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... We have no choice but to oppose it by all the means at our disposal (HRH, 25 August 1970: 463; emphasis added).

Like 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 on the day [the Prime Minister] protests about the inflationary effects of BHP's decision this year to raise steel prices” (HRH, 25 August 1970: 475). Indeed, Whitlam, who was at one stage reported as expressing opposition to political strikes (Barnes, 1971b: 1), went as far as moving a motion at a Federal Executive meeting in relation to the Springbok Tour pledging ALP support for trade union “efforts to prevent such visits” (cited in Randall, 1971b: 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).

Jim McLelland saw no valid distinction between political and industrial issues, citing the examples of housing, credit banking and cooperative societies, transport and consumer protection as matters in which unions had a legitimate interest. He also referred to the case of union actions that had prevented the commencement of oil drilling on the Barrier Reef, and the debt that the public owed to these unionists as a result (SH, 18 August 1971: 111, 112). Senator Ron McAuliffe exalted the trade union movement's history of opposing apartheid, its refusal to ship pig-iron to Japan over 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 apparent limitations also needed to be stressed.
Thus McAuliffe, while exalting the union movement's proud history of involvement in political issues, at the same time argued that history also revealed the dependence of unions on the election of a Labor Government for the fulfilment of its 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 and Fred Daly 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 1949-1972 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 Labor Party 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.

**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 when strikes occurred against agreements negotiated voluntarily between parties (over-award payments), but not in the case of strikes against decisions of the Arbitration Commission. Trade union opposition to the policy as originally formulated by the party’s Industrial Relations Committee, chaired by Clyde Cameron and which 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, 1971b: 6). All references to penalties were removed, and the Committee was forced to accept that the ACTU and its State branches would oversee the observance of agreements (Randall, 1971c: 3). Clyde Cameron biographer Bill 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 element of union opposition to the penalties was the belief that it should be the ACTU
Congress that determined penal sanctions policy, not the ALP (Hurst, 1971b: 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'

The Committee's retreat, however, did not end the matter. In defiance of the decision of the
1971 Conference, Whitlam and Cameron resurrected the policy at the beginning of Labor's
"mini-election campaign" in October 1971. The policy now 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 leave, only to be told that the meeting would continue without him (Hurst,
1971c: 1). Just two days after the press conference, Caucus vetoed the policy. "The $20 and
$200 fines are out", 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 the unions. Cameron subsequently argued that a no-
strike penalties policy 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 an interview with This Day Tonight presenter Mike Carleton:

Cameron: I had my say. I had 45 minutes 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, only one voice was raised in support of the policy in the final verbal vote (Stubbs, 1971b: 6). In defending the rebuff to Whitlam, one Labor MP, demonstrating remarkable 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 (Cameron, 1971), not just the one quarter of MPs with union backgrounds (Bryant, 1971: 9). 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 a range of factors. As was pointed out earlier, being in Opposition allows the FPLP less policy autonomy, and it allows trade unions 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, 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, 1972b: 1).

Although there was evidence of unions restraining members from industrial action in the months preceding the Election (Colless, 1972b: 8), still some two million working days were lost through 1972 (see Table Two). Because of the high levels of independence and confidence, the union movement was able to exert significant influence on the ALP. The *Sydney Morning Herald* correctly viewed the ALP as susceptible to union pressure during this period, with its high industrial disputation, rank-and-file support for direct action, and a rise in union density from 1970 onwards to almost 60 percent in 1975 (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 force some key policy concessions. This resembles the process that occurred during the major industrial upheavals at the end of World War One, which saw the rise of the Industrialists and the “reassertion by the mass unions of trade union independence of and control over the political party” (Turner, 1979: 231).

Though the period of the first Whitlam Opposition did not produce as bitter a contest between the unions and the parliamentarians – reflected in most notably the split, forced by the Industrialists, in the parliamentary parties in 1916 and the expulsion of, among others, a Labor Prime Minister (Turner, 1979: 180) – it too was a period in which the union movement, by exerting its independence through the success of direct action, was able to increase its control over the politicians. 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, at best, mixed success in this regard.

However, the *Herald*’s statement about the susceptibility of the ALP to union pressure arguably would not apply during the period leading up to the election of the Hawke Government in 1983 (see Chapter Seven). The union movement's agreement to wage restraint

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54 A section of the NSW Labor Party created by unions in 1915 to mount a block vote on issues before annual party conferences, and for the election of party officials (Turner, 1979: 94).
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. Thus, when then-FPLP Leader Bill Hayden 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 union movement, headed by officials who share Labor’s desire to reform rather than replace capitalism (Bramble, 1996b), had little recourse to alternatives.

**Conclusion**

The effects on Labor of the biggest upsurge in trade union militancy since 1929, while perhaps not as great as the effects related to the Vietnam War, were nonetheless dramatic. The most noticeable effect was the militant, class-conscious rhetoric of Labor MPs, who on occasion advocated direct action as the only alternative available to unions, and some of whom asserted that the greatest gains for working people historically had been achieved through the use of the "strike weapon". 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 modern ALP. In policy terms, the Clarrie 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 in order to deter strikes.

Thus, overall this period of Labor Opposition was one in which the industrial wing of the party strengthened its position in the relationship between it and the political wing, enabling it to force 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 Chapters Seven and Ten.
Conclusion to Part B: the First Whitlam Opposition (1966-72)

The hallmark 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 threw up, and, above all, of a yearning for change. At the epicentre of this era of protest was the Vietnam War, which was the catalyst for a number of movements, such as the Anti-Vietnam War Movement and the student movement. However, it can also be argued that it helped shape the combativeness of trade unions.

It was argued that this radicalisation was the central factor shaping the direction of Labor in between 1967-1972. Labor’s policies on the Vietnam War and industrial relations and its broader partnership with the union movement provide the strongest evidence of the party coming under the influence of extra-parliamentary pressure. However, it has been argued that a number of other policies – though not all – introduced by Labor in government, if not products of the time, fitted with the mood in society for sweeping change. Whitlam may have set out to pursue a less labourist and more social democratic vision for Labor, and more generally to push the party to the right, but he was far from successful in these endeavours. As Robert Manne put it, Whitlam ended up – partly through, as we have seen, his own propensity to pragmatically adapt his policies to his audience – paradoxically a “symbol of hope for a new generation of the cultural left” (1999: 183).

In sum, Labor during this period was highly reformist, with clear intentions to achieve significant social change. 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).

The case study of the first Whitlam Labor Opposition vindicates the proposition, prominent in the literature on British Labour Opposotions, that a party such as the ALP can be exposed to significant pressure from extra-parliamentary movements when in Opposition. However, as we shall see in the following chapters, Labor can be exposed to drastically different pressures.
in Opposition, which in turn help to push the party in a decidedly different direction from the reformist, change-oriented one described above.
Introduction to Part C

Return to Opposition: the Whitlam/Hayden period (1975-83) – “Learning the Lessons”

Part C of this dissertation 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 impacted heavily on its policy evolution. For, in contrast to the optimism and energy that characterised the years 1967-72, this period was one in which pessimism, caution and restraint dominated politics and wider society. Many of the social movements present during the first period had, by the early 1980s, either dissolved or become more conservative. The union movement went into decline largely as a result of the 1974-75 recession. The onset of globalisation, by narrowing the scope for intervention by the nation state, might have tempered any remaining ambitions for grand reform plans inside the party. Furthermore, the ascendancy of ideas that would later be associated with “economic rationalism” impacted on the ideological orientation of the ALP.

However, the factor key to understanding the tenor of the post-Whitlam Opposition is the collapse of the post-war boom, which had previously enabled Labor to pledge wide-scale social reform. The intractable recessionary environment of the 1970s and early 80s 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 FPLP and State Labor governments abandoned programmatic-style reform; a rapprochement with federalism was initiated; and a re-alignment in the factional balance of forces, in favour of the ALP Right, took place. The Socialist Objective was further ameliorated, in keeping with the trend away from “big government”.

This introductory chapter to Part C begins with the ALP’s response to the Constitutional Crisis and the Dismissal, and examines the general trajectory of the party in the post-Whitlam period. Chapter Five discusses possible reasons for the retreat from Whitlamism, and outlines the main argument that the key factor shaping Labor’s direction was the changed economic

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55 Although Whitlam remained FPLP Leader until the 1977 Election, the term “post-Whitlam” is used henceforth in the sense of the post-Whitlam Government (1975-83) period of Opposition.
circumstances. The importance that Labor now attached to “responsible economic management”—stemming largely from the changed economic conditions, but also Labor’s reflections on its experience in government— is illustrated in the policy examples of uranium mining (Chapter Six) and the Accord (Chapter Seven). Chapter Eight compares the first two periods of Opposition.

The Constitutional Crisis and the Dismissal

The Constitutional Crisis, culminating in the Dismissal of the Whitlam Labor Government on 11 November 1975, 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 recalled his apprehension:

about unprecedented and, possibly, 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 electoral fortunes, as shown in opinion polls (see Forward, 1976a: 78). It was this context, together with doubt about the constitutionality of the Opposition's actions, which 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, as some 750 000 workers took strike action in the following week (cited in Burstall, 1998: 281). The highly partisan Australian (see The Australian, 1975) 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). Well over 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 was first heard at only 2.05 p.m. AEST (Griffiths, 1997: 7; Hurst, 1975: 1). The armed forces were placed on alert, and all police leave was cancelled (Beams et al, 1976: 18).

The trade union response was particularly swift. Maritime workers from all ports elected to walk off the job in a 24-hour strike; city and suburban building sites came to a standstill in both Sydney and Melbourne, with some workers resolving to call for a national strike; Melbourne metal workers, too, stopped; and in Newcastle 2,000 workers from the State Dockyards and the Cardiff Railway Workshops spontaneously struck (Beams et al., 1976: 17, 18).

In retrospect, former Whitlam minister James McClelland feared that Australia had been 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). Also a Whitlam minister, John Wheeldon likened the situation to that of Spain in the 1930s (cited in Griffiths, 1997: 4), while former Minister for Labour Clyde Cameron claimed that Australia had come “within a wafer” of civil war (1982:1).

The ensuing debate about the political implications of the Dismissal extended beyond constitutional interpretations, according to Maddox (1985: 399), 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." 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 were seen carrying placards saying, "Remember Chile" (cited in Beams, 1976: 74), a reference to the military coup in that country in 1973 against the left-wing Allende Government. 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). The Dismissal and Fraser's subsequent crushing victory at the 13 December Federal Election might, Manning Clark proposed, “prove we can only march forward by destroying our old corrupt society root and branch. If that is so then those who live to see that day will remember November 11 and December 13 as the
days when the wind was sown which led to the whirlwind” (1976: 7). 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” (1975: 9). Clark’s comments, and calls by Bill Hartley for the ALP to develop an extra-parliamentary strategy, prompted The Australian to warn against the “dangers of working outside the system” (1976a: 6).

The FPLP’s Response to the Dismissal and the 1975 Federal Election Result

A motion passed “unanimously by acclamation” at the FPLP’s first meeting in 1976 expressed the outrage among Caucus members at the 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 perogative [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 they had been victims not just of Kerr, but the wider political economic system. In an early debate in the new Parliament, Barry Cohen revealed that he had once taken umbrage with those who derided 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). Arthur Gietzelt contended that the Dismissal had “seriously undermined public confidence as well as the confidence of the Australian Labor Party in the whole of the system” (SH, 24 February 1976: 177; emphasis added). For him the events of November revealed the “centres of power” in society in addition to the “representative of the Crown” whose influence exceeded 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: 178). On the first anniversary of the Dismissal, Whitlam grieved not simply for his own loss of office but “for the damage done to the democratic system and for the lost faith of those who believed in it”
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). According to Fred Daly, the Whitlam Government was “a victim of the constitutional system so carefully planned by our conservative founding fathers to control future progressive governments” (1984: 200).

There were other allusions to interests distinct from the Senate 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 meeting at the University of West Australia in April 1976 whether the Dismissal signified the failure of the parliamentary system. According to Uren (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 bureaucracy [sic] was the Federal Treasury.

Senator Bishop alleged that, 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” (SH, 18 February 1976: 72). Lionel Bowen claimed that “the whole of the establishment, the hierarchy and the wealth of this country [were] anxious to destroy us” (cited in ALP, 1979: 360).

Some FPLP members feared for the long-term viability of parliamentarism. Ralph Willis warned that if people came to regard parliamentary action as futile, increasingly they would look to direct action, in which case the conservatives might “find themselves witnessing, not reform, but revolution” (HRH, 4 March 1976: 601). For Chris Hurford, the events of November 1975 had demonstrated “that it almost impossible to bring about orderly change within this system”, and they had led others “to thinking about bringing about change outside this system” (HRH, 5 May 1976: 1945, 1946). Perhaps among the latter was fellow Labor MP Jim Cavanagh, who admitted his folly in thinking that Whitlam’s ascent to power had
negated the necessity for direct action. In the aftermath of the Dismissal, he 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 Whitlam Government, including the States, the Senate, the High Court and the Constitution, former Federal Attorney-General Kep Enderby expressed “a resulting feeling of frustration and pessimism” about the possibility of social change (1976: 44). Jim Cairns cited 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" (1976: 7). Cairns concluded that this happened to Labor in 1975 (1976: 7). Cairns' retirement from parliament in 1977 in part reflected this disillusionment with parliamentary democracy (Strangio, 2002: 2).56 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” (1978: 32).

Whatever variations existed between the interpretations of the different Labor MPs, all seemed united in the belief that the Dismissal had either severely damaged parliamentary democracy or that it revealed the ability of particular interest groups and institutions to exert their power in the event of their interests being threatened. To argue that "the key to 1975 lies in the personalities and characters of Whitlam, Fraser and Kerr" (Kelly, 1995: 2) would be to ignore the role played in the process by wider ruling class forces including the media, State governments, the public service bureaucracy, and big business.57 As Michael Sexton put it, the Senate was “merely the most public aspect of a coherent campaign to prevent Labor putting its programs into effect” (Sexton, 1979: 137, 126). By 1975, a coalition of powerful

56 Cairns resurfaced to run as an Independent Candidate in the 1983 Federal Election (Molloy, 1983: 5), suggesting that his disillusionment was more with the direction of the ALP than with the parliamentary system. It is possible that Cairns intended to use the forum of Parliament to build opposition to the political economic system, but there is no evidence to support this proposition.

ruling interest groups independent of the Opposition were hostile to the Whitlam Government, and they played a significant part in its eventual destruction. As Bob Connell remarked of the Dismissal, 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 was dispossessed of its powers to block Supply, any future government intent on genuine reform would be "overrun", as Perry Anderson put it. Graham Freudenberg (1977: xi) has argued that the Dismissal vindicated Whitlam’s critics, who predicted that a Labor government committed to genuine reform would be rendered impotent: “[I]t cannot be denied that Sir John Kerr exposed the flaws of that [Whitlamian] philosophy, with its commitment to conserving the parliamentary system, in a way that Whitlam's old opponents within the Labor Party or the new Marxist critics could not.”

None of this lends support to conspiracy theories sometimes espoused by sections of the Left and the ALP: in fact, elements of the media and big business both expressed opposition at different times to the denial of Supply out of fear for its impact on political certainty (O’Lincoln, 1993: 40). Allegations that the American Central Intelligence Agency (CIA) orchestrated Labor’s demise (Strangio, 2002: 289) ignore the indigenous opposition to the Whitlam Government cited above. Labor was not revolutionary, and did not threaten the status quo of class relations. The Whitlam Government was, as Wilenski (1980: 52) put it, a “mildly reformist” one that “did not challenge the pre-existing social structure or attempt to put more power in the hands of the disadvantaged or the working class.” Whitlam himself conceded that “we made minimal attacks on entrenched privilege” (1978: 10).

Yet, the combination of Labor's reformist bent, a deepening economic crisis, and the party's trade union connections – which hampered Labor's ability to make pro-business reforms in the midst of the economic downturn – led business to support the installation of Fraser. If business was already complaining in late-1973 of reduced access to government (Connell, 1977: 118), the collapse of the post-war boom in 1974 saw its discontent gather significantly (Strangio, 2002: 273), to such an extent that, by 1975, business had “declared war” on Labor (Ghosh, 1980: 230). Business would 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 the economic troubles (cited
in Strangio, 2002: 298). A statement by Crean's successor Jim Cairns that the Government might consider printing money to solve unemployment would equally have been a source of alarm for business (Strangio, 2002: 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 (Johnson, 1989: 81-88). 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” (1989: 77). Even the contractionary Hayden Budget (see Chapter Five) was derided by the Australian Chamber of Commerce (ACC) as a lost “opportunity to boost business confidence by announcing a reversal in some of its policy initiations which intrude into the private sector” (cited in Ghosh, 1980: 230). By 1975, business could not be persuaded that Labor was capable of reviving 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 legitimising the Dismissal (Catley & McFarlane, 1980: 301). Business's role in the Dismissal, and its support for a party and a leader unrestrained by the unions, is best understood in this context.

Labor “Learns the Lessons”

The foregoing discussion of the Dismissal, and what it signified politically, is significant to this thesis, for the conclusions that Labor drew about the “lessons” of government, and the reasons for losing office, had a large bearing on how it would orient itself post-Dismissal. As was noted in the literature review, the conclusions drawn about the reasons for losing office will affect the direction of an Opposition party. In hindsight, The Australian’s fears that Labor would turn to direct action out of frustration with parliamentarism were mistaken. The response of most ALP leaders to Kerr's intervention was, in fact, to pacify those outraged by Kerr’s actions, and to urge them to campaign for Labor at the December Federal Election.58

58 Whitlam stated in retrospect: "As you know, it would have been very easy for me and my colleagues to have led the people to a different course of action. But we decided not to. We decided that we represented orderly processes, that was how we had won in 1972 and 1974... That is how we will try to win again." When asked if he should have refused to accept the Governor-General's notice of Dismissal, he responded: "I don't think so. It certainly would have highlighted the impropriety of the Governor-General's action, but I don't think in the long run it would have been the correct thing to do" (Whitlam, 1976a: 1, 2). Bob Hawke used his authority as ACTU President to great effect to dampen enthusiasm for industrial action over the Dismissal (Davis, 1975: 8). And although Uren was reported to have argued that a campaign of mass strikes and protests should have been waged
While, it is not within the scope of this thesis to discuss whether a continuation of the industrial and political upheaval generated in October and November 1975 could have been sufficiently destabilising a force as to cause Whitlam’s reinstatement, a persuasive case has been made to this effect (Griffiths, 1997). Labor fought hard throughout the election campaign to maintain the salience of constitutional issues, but as the weeks wore on attention turned to the state of the economy and the Labor Government’s handling of it, and Fraser was able to use the advantage of incumbency to press his claims for the prime ministership (Lloyd & Clark, 1976: 251; McNair, 1977). The result on December 13 was the most one-sided electoral contest in Australian history (Maddox, 1985: 404).

Yet, the sense of injustice perpetrated on Labor by the Dismissal is perhaps one reason for the strong showing by the Left in FPLP elections in January 1976. Tom Uren, the Left’s most prominent spokesperson, was elected Deputy Leader under Whitlam, while the conservative Jim McClelland was defeated convincingly by Senator Wriedt (38: 25 votes) and Senator Keefe (38: 25 votes), who was “a strong left-wing identity” (Hill, 1976a: 1), for the positions of Senate Leader and Senate Deputy Leader respectively (FPLP Minutes, 27 January 1976: 3, 4). The *Australian Financial Review* commented 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 would prove to be short-lived, 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 1975-83 saw a major strengthening of the Right factions to the extent that they enjoyed a majority in both the Caucus and the Federal Executive (Schneider, 1980a: 5; Schneider, 1980b: 2).

Consistent with this realignment was the outcome of the debate about the experience of government. There were initially some signs that Labor was prepared to defend the Government’s aims and objectives, if not its record. Whitlam, for example, rejected the in response to Whitlam’s Dismissal (cited in *The Australian*, 1976b: 18) he was inconspicuous in arguing this at the time.

59 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 over the same period from 61 to 91 (McAllister, Mackerras & Boldiston, 1997: 90).
charge that Labor had tried to do “too much too soon”, arguing that most of the reforms were “essential for the future” (1976b: 8, 9). However, alongside the anger at its mistreatment in office, there was also inside Labor "a constant soul-searching about the errors and style of the government itself which contributed to its defeat" (Button, 1998: 170). The comments and statements cited earlier, implying that Labor MPs drew quasi-Marxist conclusions from the Dismissal, might raise questions as to the continued validity of Rawson’s (1966: 84) claim that the period around the adoption of the Socialist Objective was the only time that Labor harboured doubts about parliamentary democracy and the neutrality of the state. However, the speed with which Labor’s condemnation of the forces responsible for its downfall gave way to self-criticism suggest that Rawson’s claim remains valid.

The enduring conclusion in the FPLP – evident from as early as 1976 – became that Labor was at fault, not the system it had attempted to reform: the Dismissal was merely a “bad error of judgement” (Hayden, 1978a), rather than a symptom of the power of wider social forces or the failure of reformism. Thus, the Australian Financial Review was heartened to report at the end of 1976 that, despite the ignominious fashion of Labor’s ejection from office, the party remained “firmly and deeply committed to the parliamentary process”, and that no “anti-parliamentary group” had emerged (AFR, 1976b). Furthermore, 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” (1979: 87, 88). The ALP post-Dismissal had become “a much more conservative body” (Walsh, 1979: 100). John Button claimed that the 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” (2002: 51, 52). According to Hocking, the “post-1975 caution of the ALP has allowed representative democracy to become severely constrained. Before the coup, anything seemed possible; after it, reform was a risk that could not be chanced” (1997: A15). These two factors combined – the reaffirmation of faith in parliament, and the acceptance of the need for restraint out of concern for 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, for example, Jim McClelland pointed to the “shortcomings on the part of the Labor Government”, 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 Whitlam experience arguably was occupied by Bill Hayden, FPLP Leader from 1977 to 1983. Hayden foreshadowed the ALP’s future direction prior to becoming leader in an interview in January 1976, in which he stated:

[T]he first thing is that we have certainly got to keep our finger on the economic pulse… [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).

Brian Toohey predicted that a Hayden-led ALP would downgrade the importance of the Program (1976: 1). At his first ALP National Conference as Leader in 1979, Hayden reminded delegates that “as a government we disappointed and disillusioned many Australians by some of our actions, some of our individual excesses…” (ALP, 1979: 348). A similar theme is brought out in Hayden’s response 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).

According to Brian Toohey, “Hayden is 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…” (1977a: 4). Toohey was perhaps being too uncharitable towards Whitlam, who had concluded 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 Platform as at the root of Labor’s problems:

[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).

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).

John Wheeldon also absolved Sir John Kerr – not least the wider system of political power that his actions reflected – from responsibility for the Dismissal, by suggesting that Labor’s problems were in large part “of our own creation” (1982: 40). Fred Daly criticised the Whitlam Government’s “desire to carry out their election promises almost immediately without reasonable preparation” (1984: 216). Even the Left’s Tom Uren claimed to have “learnt much about economic management” from being in office (HRH, 4 October 1977: 1565). In political retirement, Bob Hawke explained his government’s different character compared to the Whitlam Government by describing the latter as “economically inept to a degree which was almost beyond description” (cited in ABC, 1993). If the Hawke and Keating Governments’ free market direction continued the move, commenced in Opposition, away from the “big government” image of the Whitlam years, this process was also evident in other policy areas. Gareth Evans, for instance, recalled that what drove Hawke to “throw all notions of civil liberties out the window” was an ambition “to avoid all the mistakes of

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60 Although Uren did not spell exactly what it was he had “learnt”, we can only assume that he, like his fellow MPs, felt that Labor’s reforms had been implemented at too rapid a pace.
Whitlamism” (cited in Scott, K., 1999: 130). Evans’ failure as Attorney-General to deliver constitutional reform, including a Bill of Rights, also reflected the Hawke Government’s renunciation of anything resembling Whitlamism (Scott, K., 1999: Ch.12). 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 at the time "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 urgently pushing to get on with their jobs after so many barren years of Opposition; 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. Too many tended to be frozen in the self-righteous language and declamations of Opposition, unable to distinguish between rhetoric and working solutions to real problems (1996: 165-167).

The clear theme running through this is the need to restrain ambitions for change in keeping with what the political economic system will allow. While this contribution, and Hawke’s comments above, is made in hindsight, the message is consistent with the attitudes adopted by many Labor MPs at the time.

This conclusion was evident in wider party circles. For example, Victorian Labor Premier John Cain, whose political style, like that of NSW Labor Premier Neville Wran, would come to be recognised as the antithesis of Whitlamism (Chubb, 1982), found fault in the Government’s “determination to implement major social change immediately” (cited in SMH, 1982a: 12).

Of course, there is nothing inherently wrong with a party critically reflecting upon the experience of government. The reflection in this case, however, was almost universally one-sided. 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 would be required – a conclusion consistent with, as we have seen,
many comments by Labor MPs about the limits of parliamentary democracy in the aftermath of the Dismissal. However, it was decided instead, as Bill Hayden put it, that "additions to programs can only be undertaken at a very modest pace henceforth" (Bowers, 1976a: 7).

The implications of the domination inside Labor of analysis of this kind were evident in the approach to policy-making post-1975. During this period, the ALP largely abandoned any commitment to wide-scale social reform. Mike Steketee (1976: 6) anticipated a Labor platform that was “likely to be more conservative, much more cautious”, and he predicted 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. We do not want to go into future election campaigns with long shopping lists.”

These comments, and the above-cited quote from Hayden in January 1976, sit uncomfortably with Jaensch’s assertion that the Dismissal "did not immediately cause a rethink within the party" (1989: 41). Fred Benchley remarked on the ALP mid-1976: “‘Big Government’ in the Whitlam mould is on the retreat” (1976: 2).

This “rethink”, and more specifically a concern to improve Labor’s economic management credentials, were also evident in the five-point plan for resuscitating the economy outlined by Whitlam to a Financial Times seminar in late 1976. The plan included a sales tax cut, a public spending increase, the restoration of wage indexation, measures related to the Prices Justification Tribunal (PJT), no reduction in protection, and a referendum to gain constitutional power over prices and incomes (Whitlam, 1976c). Whitlam stressed that the increase in public spending would be "modest", that wage indexation would be restored only for “the majority of wage and salary earners”, that the PJT measures would allow business price increases subject to retrospective approval by an inquiry, and, referring to the referendum, that the Liberals “would now welcome this basic economic weapon" (1976c: 10-12). Furthermore, the proposals would mean only “a minimal increase in the deficit”, would boost economic activity, and would not be inflationary (Whitlam, 1976c: 12). Reinforcing the
desire to be seen as fiscally responsible, Whitlam stated that this made “the soundest economic sense” (1976c: 14). Prior to the 1977 National Conference, Steketee 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” (1977: 7). O’Reilly wrote that Conference’s role was “to produce a platform which would give a future Labor Government in Canberra plenty of room to manoeuvre and [be] as free of binding commitments as possible” (1977: 15). The *Sydney Morning Herald* noted of Whitlam’s policy speech in the lead-up to the 1977 Federal Election:

> 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 described the speech as "couched in the language of fiscal responsibility", and as concerned mainly with "pragmatic measures aimed at economic stimulus" (1980: 82).

Labor’s rapprochement with federalism also reflected the hostility to anything resembling Whitlamism. Steketee noted in the lead-up to the 1977 Conference that 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” (1977: 7). A paper produced by the NCOI, which was established in 1977 to investigate the reasons behind the 1975 and 1977 election losses and what could be done to restore the party’s electoral success (Weller, 1999: 107), concluded that “[o]ne of the major mistakes of the Whitlam government…was the excessive centralisation of government expenditure decisions” (APSA, 1979: 59). 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” (1979: 59). Whitlam himself, who as late as 1976 had called for further federal powers to regulate the economy (1976d: 2), sought to convey the impression that
Labor had learnt from government by insisting that “Labor has never sought to run everything from Canberra” (cited in Grattan, 1977c: 4). ALP National President Neil Batt described the perception of Labor as centralist and hostile to the States and Territories as one “not based on fact and [which] should be reversed as it is an unnecessary burden for the party to carry into any future elections” (1980: 174).

Labor down the years has gradually grown accustomed to Australia’s federal structure. 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 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” (1992: 84), for business traditionally has been a defender of “States’ rights”, largely because of the lesser capacity of the States compared to the Commonwealth to interfere with commercial interests (Evans, 1976: 20).

The first State Labor government elected post-Dismissal, the NSW Wran Labor Government elected in May 1976, also bore the hallmarks of the attempt to "learn the lessons" of the Whitlam experience. Davis reported of the new NSW Premier: “He acknowledged that he would not be attempting to achieve the rapid changes which had characterised the early days of the Whitlam Government” (1976: 1). Wran’s biographers included among the differences between him 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 Labor 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

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61 Thus, in 1971 the demand that all sovereign political power be transferred to the Commonwealth Parliament was removed from the Platform (Button, 1982: 82, 83).

62 The more positive attitude to federalism also partly owed to the fact that Labor's electoral success in the States greatly improved during the post-Whitlam era: whereas in 1969 Labor was in government in no State, by 1983 it held power in four out of six States (Jaensch, 1989: 152, 153).
John Cain in Victoria – that rejected Whitlamism. As Toohey (1978: 4) commented in mid-1978: “On present indications the Labor States will choose to let the Whitlam program sink.”

The renouncement of aspects of the Whitlam record was also reflected in the NCOI process. Although the main outcome of the NCOI 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 discussion papers produced by the NCOI evinced, as we have just seen, the hostile approach to Whitlamist centralism, and a more uneasy stance on the party’s relationship with the unions (see Chapter Seven, the Post-Whitlam ALP-Union Relationship). 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 terms of 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).

The Role of Hayden as FPLP Leader

Following his election as FPLP Leader after the resounding federal defeat of 1977, Hayden continued the drive to make Labor the party of economic responsibility. Although from the Centre-Left faction, Hayden enjoyed a reputation as an economic conservative largely as a result of his delivery in 1975 as Treasurer of a watershed contractionary budget (see Chapter Five). 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 “responsible”.
By this he meant that change had to be bearable with the economic realities and within community acceptance.

63 The result at the 1977 Federal 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, Mackerras & Boldiston, 1997: 90).
The whole tenure of his press conference [sic] was to reinforce the idea that he wanted to lead a party after the middle ground...

…He said he believed “that there is a very strong case for reward for initiative and risk in a mixed economy” (Toohey, 1977c: 1).

*The Weekend Australian* heralded the arrival of "a new-look Labor Opposition", in the sense that Hayden accepted, in contrast to his predecessor, the newspaper claimed, that "the major political argument is about the basics of economic policy…rather than about the surface icing of welfare promises, social measures and the like" (1978: 2). Davis described Hayden’s leadership as about the “explicit public jettisoning of the Whitlam inheritance and its rejection of the economic imperative” (1979: 8). Graham Richardson recalled that Hayden strove "to restore Labor's economic credibility with the Financial Review set following the fiasco of the Whitlam period" (1994: 67).

Comments implying that Hayden pushed the ALP in a direction fundamentally different to that of Whitlam were misleading. The two did have different political styles (Walsh, 1979: 141). However, not only did they share similar political beliefs and ideologies (Murphy, 1980: 169), Whitlam also had been moving post-Dismissal in a direction away from programmatic-style reform (see Chapter Five). Rather than representing a significant departure from the Whitlam era, Hayden took up from where Whitlam left off in 1977.

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 (1980: 179). The *Australian Financial Review* nominated in 1977 among the ALP's "tomorrow's men": 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” (1977d: 2). Toohey pointed out that, apart from Hayden and Keating, the latter having only a few months ministerial experience, the only ministers from the Whitlam Government likely to be influential in the next Labor administration were Tom Uren, Ken Wriedt, Jim McClelland (who, in fact, went on to retire
at the 1977 Election), and Whitlam himself (who retired after the Election) (1977d: 3). The two lessons learnt by this post-Whitlam generation, according to Paul Kelly, were the need to rectify the economic management problems experienced in government, and the need to adopt Fraser’s ruthlessness (1992: 22). Kelly argued that what separated this new generation of Labor politicians from their predecessors above all was their hunger for power, and their lack of idealism (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 prominent figures of the Whitlam era, in particular Jim Cairns and Tom Uren. Cairns’ retirement at the 1977 Election marked, according to his biographer Paul Strangio, "the dulling of any residual anti-capitalist sentiment within the party" (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).

Cairns described “professional types” such as Hayden and Keating as “products of and [people who] work completely within the system…” (cited in Lipski, 1979: 11).

It would, of course, be mistaken to see the electoralism of the post-Whitlam ALP as something novel in the party's history. One can identify instances of Labor sacrificing principle for electability as far back as the late 19th century. Yet, pragmatism did become more common 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” (1976b: 6). Cairns' demise coincided with

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64 One worker wrote a letter to the NSW Labor Conference in 1898 declaring his resignation out of frustration with the fact that the party had become, in his eyes, “a mere vote-catching machine…generally following a policy of compromise and supineness” (Nairn, 1973: 168).
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), and he consequently suffered as a result of the decline of what Michelle Grattan called “street politics” (1977d: 9). 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 through the rest of the post-Whitlam period. The Left-Right composition of the Federal Executive reportedly fell from 8:10 in 1980 (Summers, 1980a: 3) to 6:12 in 1982 (Schneider, 1982: 4). At the 1980 post-election Caucus, the Left won just five positions on the 24-member Shadow Executive (Uren, 1994: 316), and on the eight-member “Kitchen Cabinet” Strategy Committee, established in 1982 for the looming election, the Left was represented by just one member (Grattan, 1982a: 5). The change in the factional complexion of the party was also evident in the heavy 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" (1982a: 3). This represented a far cry from the pre-Whitlam period, when the Left won important victories over Vietnam and strike penalties.

A significant political defeat for the Left was the further amelioration of the Socialist Objective at the Special National Conference in 1981. This was the first alteration to the Objective since 1957 (Scott, K., 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). The result at the 1981 Conference was a defeat for the Left by a margin of 28-22 votes (Kelly, 1981: 2). Although Hayden attacked the Left’s position on electoral grounds (Grattan, 1981: 6), it clearly reflected the party’s shift away from the “big government” associations with Whitlam: among the 21 supplementary points added to the Objective by Conference were, support for “a competitive non-monopolistic private sector controlled and owned by Australians”, and for the “right to own private property” (Wise, 1981: 34; Kelly, 1981: 2).

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).
Conclusion

The post-Whitlam Opposition years were dominated by repudiation of the reformist Whitlam style of government. The most popular conclusion was that the party had lost office because it had been economically irresponsible, and that this would have to be rectified next time. In Opposition, and particularly under Hayden, Labor retreated from large-scale social reform, renounced many things attributable to Whitlam, renewed its embrace of federalism, became more pragmatic and power-hungry, and the Left declined as a force within the party. The chief reason for this was the paradigmatic shift in the economic climate, as is explained in the following chapter.
Chapter Five: Labor in Opposition in a New Economic Paradigm

The previous chapter vindicated the proposition identified in the literature review that the conclusions drawn by a party about the reasons for its loss of office will shape its behaviour in Opposition. However, Labor’s conclusion that it tried to do “too much, too soon” was shaped by the reigning political and economic context. The general direction pursued by Labor in the post-Whitlam period away from programmatic-style reform can ultimately be traced to the collapse of the post-war boom in 1974, and to the wider economic and political environment that evolved thereafter.

This chapter provides evidence to support this assertion, including the fact that the retreat from the Program began in government in 1974, when the recession began, rather than in Opposition. This is ultimately why alternative explanations, such as those emphasising electoral strategies by Labor to appeal to the “middle-ground”, and those that focus on ideological shifts in society towards economic rationalism, are less persuasive. It is conceded that other factors such as the more conservative political mood of the late-1970s and 1980s were factors in Labor’s rightward shift, but that most of these are related to the sea-change in the economic context.

The End of the Post-War Boom

In terms of expansionary capacity, the post-World War Two period was perhaps unique in the history of industrial capitalism (Hobsbawm, cited in Callinicos, 1999: 227). World gross national product increased by three and a half times in the period 1948-1973 (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…..” He conceded that 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, as in the case of the 1961 recession, were viewed as errors of economic management rather than a 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 of the eminent British economist John Maynard Keynes in his *The General Theory of Employment, Interest and Money* (Stewart, 1967: 251, 252).

These developments impacted significantly on some 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; Strangio, 2002: 102).

When the prodigious growth of the post-war years ended in 1974 with the worst economic slump since World War Two, the changes ushered in were of an epochal order. The IMF’s Managing Director told the Fund’s annual conference in 1975 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’s (OECD) July 1975 Economic Outlook 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 – but also for its widespread nature: 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 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), while the IMF dourly 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 problems similar to those experienced internationally: declining growth, high inflation, and high unemployment (Dyster & Meredith, 1990: 221). It was, Brezniak & Collins (1977: 4) wrote, "the most serious economic crisis in Australian capitalism since the Great Depression." Although in hindsight, there were signs in the early 1970s of the immanency of the post-war boom’s collapse (Walsh, 1979: 17), there was little sign of a looming depression. Moreover, the economic concerns had seemingly been addressed by the time of Labor’s election in late-1972, and there were signs of the beginning of an upturn (Lloyd & Clark, 1976: 85; Young, 1979: 76). When the boom officially ended in 1974 (Strangio, 2002: 285), full employment, in existence for almost three decades, also 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”) was in contrast to previous slumps, which had been characterised by deflation, or falling prices (Bell, 1997: 91). The average rate of inflation in Australia was around five percent in the 1950s and 60s, but it passed over 20 percent at one stage in 1974 (Stilwell, 1986: 7). Together with unemployment, it was a “new problem to which economists do not really have any answers” (Davidson, 1975a: 7).

As was the case internationally, 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). By February 1983, unemployment had
reached a staggering 10.1 percent (Mockridge, 1983: 3). Thus, Australia remained virtually mired in recession all the way through 1974-83 (Willis & Langmore, 1983: 9). The dramatic transformation in economic conditions is shown in Tables 5.1 and 5.2.

Table 5.1: Australia’s Economic Performance, Pre and Post-1974 (percent)

<table>
<thead>
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<th>Pre-1974</th>
<th>Post-1974</th>
<th>1974-83</th>
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<tr>
<td>GDP</td>
<td>5.2</td>
<td>2.6</td>
<td>1.8</td>
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<tr>
<td>Inflation</td>
<td>3.3</td>
<td>8.5</td>
<td>11.4</td>
</tr>
<tr>
<td>Unemployment</td>
<td>1.3</td>
<td>7.0</td>
<td>5.6</td>
</tr>
</tbody>
</table>

♦ Annual average, calculated from 1960
♠ Consumer Price Index (CPI) calculated from 1953
∩ Figures calculated from 1953

Source: Bell, 1997: 88

Table 5.2: OECD Economic Performance, Pre and Post-1974 (percent)

<table>
<thead>
<tr>
<th></th>
<th>Pre-1974</th>
<th>Post-1974</th>
<th>1974-83</th>
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<tbody>
<tr>
<td>GDP</td>
<td>4.9</td>
<td>2.3</td>
<td>1.6</td>
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<tr>
<td>Inflation</td>
<td>4.5</td>
<td>8.8</td>
<td>11.1</td>
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<tr>
<td>Unemployment</td>
<td>3.2</td>
<td>7.4</td>
<td>6.4</td>
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</tbody>
</table>

♦ Calculated from 1960
♠ Data from 1960
∩ Figures calculated from 1953

Source: Bell, 1997: 89

The startling collapse of the post-war boom produced considerable economic and political confusion. Encel argued that the "internal contradictions of neo-capitalism are such that no government…can resolve them” (cited in Patience & Head, 1979: 289). Seemingly
vindicating Encel’s argument, 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). Alan Day of the London School of Economics considered the crisis so severe as to force people to “rethink the whole nature of our economic and monetary system…” (cited in Barraclough, 1974: 14). It seemed that things would never be the same again (North and Weller, 1980: 1).

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 described by the scientist Thomas Kuhn (Sawer, 1982a: 1; Kuhn, cited in Hall, 1993: 284, 285). Even if governments did not prescribe policies based specifically on Keynes' 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 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 which he regarded as an “intellectual revolution” (1988: 278, 279).

Monetarist ideas became more fashionable after the demise of Keynesianism. Based on the ideas of Professor Milton Friedman, monetarism stressed the importance of reducing the money supply in order to lower inflation, rather than the goal of full employment, which was now, indeed, partly held 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 somewhat out of vogue, however, when it failed to prevent recession in the late-70s and early 80s (Hywood, 1981).

The growing rhetoric of small government and the free market was not without its contradictions.66 However, “neo-liberalism”, or "economic rationalism" as it is known in

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66 Thus, "Reaganomics" involved not only tax cuts, but also an American defence budget so large as to make the Reagan Government "more massively involved in state management of the economy than any in U.S. history" (Gourevitch, 1986: 183).
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; Callinicos, 2003: 2). This is the enduring legacy of 1974.

Labor's Response to the Economic Downturn

Although Keynesianism had been bipartisan economic policy (Walsh, 1979: 146), the ALP was the more vulnerable of the two major parties 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). Since Keynesianism furnished it with a rationale for welfare provision and public sector expansion (Johnson, 1989: 96), the ideological fallout from its collapse was particularly acute for Labor, which widely recognised the inability of Keynesian measures to solve the problems that arose 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-tried 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, 1976c: 4, 5).

Chris Hurford similarly 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). Ralph Willis declared that "the ability of governments to influence economic behaviour by traditional economic tools of budgetary and monetary policies is growing weaker and weaker” (HRH, 14 October 1982: 2046). The ALP’s Economic Platform in 1977 was prefaced with the statement that:
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 (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 Bob Hawke, who wished not “to 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). Gordon Bryant lamented that "we now live in a totally different society… None of us know what the answers are" (HRH, 28 August 1979: 682). According to Barry Jones:

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 strong growth of the post-war period, 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 environment posed great dilemmas since, by depriving the state of the large amounts of surplus revenue necessary to fund social reform, it potentially threatened the party’s very raison d’etre. As a party that has always been pragmatic and amenable to the constraints posed by the existing political and economic structures (Rawson, 1966; Nairn, 1973; Carr, 1988), it was likely that 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. Thus Whitlam told the 1977 National Conference that the party’s reforms would have to be shelved until there was an improvement in the economic climate:
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 (1977a: 7, 8; emphasis added).

As well as illustrating the point made earlier that Whitlam, like Hayden, had stressed caution and restraint post-Dismissal,67 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).68 Whitlam then appeared almost totally unencumbered by any sense of economic obstacles to the implementation of his Program. As Graham Freudenberg 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” (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. In other words, the possibility of social reform was contingent upon a strong economy. The Program had been developed in the context of the economic buoyancy 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 his reforms (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 was something that Whitlam stressed up till his resignation as Leader in 1977. In fact, in 1978 Whitlam argued that reforms such as tertiary

67 See also Whitlam’s comments to a Financial Times seminar in 1976 (Whitlam, 1976c), referred to in Chapter Four.

68 Whitlam, did, however, add that the Program's fruition depended on "a framework of strong uninterrupted growth" (cited in Strangio, 2002: 261). The point is that the continuation of such growth was more or less assumed in 1972, something which could not be taken for granted in the post-Whitlam period of Opposition.
education could not have been undertaken in the economic circumstances then existing (Whitlam, 1978: 28).

Whitlam’s conclusion that the party would need henceforth to moderate its objectives was widely shared in the party leadership. The most consistent proponent of this view was 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. The circumstances, frankly, are different (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” (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 underpinning 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 extraordinarily blunt in answering the question as to whether a Hayden Labor government would be more conservative than the Whitlam Government:

Of course. And the Whitlam style would be repudiated… It’s just that times are different …

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).

Paul Keating in 1979 argued 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”, which demanded “not just some altruistic notion about how you’ll spend someone else’s money, but policies on how you’ll create the wealth and prosperity” (cited in Grattan, 1979: 15). In addition to claiming that the problems of today were more complex than previously thought, in his Maiden speech 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 example of this is the Scullin Labor Government’s adoption of the austere Premier's Plan in the aftermath of the Great Depression, 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 is a logical consequence of accepting the constraints imposed on parliamentary parties operating in a 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, a Labor government is obliged to become more moderate (1979: 5).

Given that, as we have seen in the literature review 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 just as before. Labor could have remained committed to reformism in a period of economic crisis through pledging increases in corporate taxation and
cuts to big programs such as defence spending. 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, they are a priori ruled out. As the then-South Australian Labor Attorney-General 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).

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 above reasons, one ALP 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 the acceptance on the part of employers of full employment and state intervention to reach this goal (Bramble, 1996a). Maddox’s nomination of 1974 as the year up to which Labor “retained a reformist posture” (1989: 64) also is explained by the boom’s end that year. The abandonment of the Program by both the post-Whitlam Opposition and State Labor governments, the former’s rapprochement with federalism, and the hostility evinced towards the Whitlam experience more broadly by FPLP members, is intelligible only in the context of this paradigm shift, and its implications for reformist parties.

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, 1977e: 1). In 1982, Hayden regarded economic strategy as “the key to everything we do in government, and everything we hope to achieve”: “[C]lear-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).

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69 The demise of Keynesianism, predicated on national state intervention (Crisp, 1978: 183), assured a similar fate for centralism.
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 wrote, “the big story of politics in the 1970s” (1979:40). This was not because the major parties chose to focus on economic issues, but 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. Some popular alternative explanations are the “middle-ground” thesis, and ones that rely heavily on the influence of political and economic ideologies associated with the rise of economic rationalism.

The retreat from Whitlamism is often understood 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 theories of electoral behaviour developed by the American economist Anthony 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 (Downs, 1957: 110). 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 then becomes less obvious (Downs, 1957: 113). In two-party systems, Downs argued, assuming a particular distribution of electors, the potential loss of “extremist” voters on the margins incurred through a move to the centre would not deter parties, since that is where the majority of voters congregate (Downs, 1957: 117, 118). Downs endorsed one analysis of politics in a two-party system which argued that a successful political party could not rely on, say, organised labour alone, but instead must appeal to “voters of all classes and interests” (1957: 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 (Dahl, 1966b: 372).\(^7\) Nevertheless, a Downsian-like approach has been influential in terms of explaining party behaviour in Australia (see Webb, cited in Head & Patience, 1979: 3). That electoral motivations underlay the ALP’s move to the right in the 1980s and 90s is essentially the thesis of Tim Battin (1992) and Dean Jaensch (1989: 60-64), the latter citing the erosion of Labor's traditional blue-collar worker base, and the embourgeoisment of society. There is some evidence to suggest that Downsian factors were at work. Bill Hayden, for instance, considered “the most significant outcome” of the ALP's success in the 1978 Werriwa By-Election to be the fact that Labor could “decisively capture the middle ground… without any loss of support from traditional Labor voters…” (1978b: 1). Paul Keating declared in 1981 that the NSW Right would not accede to the Left "because that would mean the Labor Party would then give up the complete centre ground in Australian politics…” (cited in Bowers, 1981: 13). A key role in Labor’s 1980 Federal Election campaign was accorded to opinion pollster Rod Cameron, who identified as the party’s target audience slightly above-average income families living in marginal seats (Walsh, 1980: 52). One observer remarked that, under Hayden's leadership (Barker, 1981: 6), “Labor has stuck like glue to what has become known as ‘the middle ground’”. Around this time, a number of academics and commentators were claiming that traditional class patterns of voting, along with voter loyalty to major parties, were being eroded (Kemp, 1980; Aitkin, 1983; Carr, 1978). To the extent that Labor accepted claims about changed patterns of voting (Hawker, 1980: 13, 14; Jaensch, 1989: 67; Weller, 1999: 109), this could only have encouraged ALP leaders to orient their policies to other than their traditional constituencies. Moreover, electoral motivations at least partly underpinned the party’s more strained relationship with trade unions in the post-Whitlam period (see Chapter Seven).

Alternatively, ideological shifts are often invoked to explain Labor’s conservative direction in the aftermath of Whitlam. The ideas of the 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, 1982b). Labor Senator Nick Bolkus emphasised the consensus politics of the Hawke Government in explaining its retreat from Whitlamism (cited in Johnston, 1989: 93). Michael Pusey has reduced the contrast in the type of economic policies implemented by Australian governments

\(^7\) It also portrays rather simplistically 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, 2001b: 7).
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" (1994: 3). The Hawke Government's policies were based on New Right ideas rather than the "party's policy traditions", according to Andrew Scott, because of the influence of conservative think-tanks such as the IPA, and of the absence of alternative left-wing economic strategies (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. A Downsian effect could have occurred if Labor had imitated the ideology of the Liberals because of the latter's electoral successes. However, the main weakness of the Downsian explanation is the fact that the volte face occurred not in Opposition, but, as is shown below, rather suddenly in government when the 1974-75 global recession took place. 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 growth 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 hospitable to these ideas (Callinicos, 2003: 2). As Friedrich Engels once put it: “Although the material mode of existence is the primus agens this does not prevent the ideological spheres from reacting upon it and influencing it in their turn, but this is a secondary effect” (cited in Kuhn, 1985: 2). In other words, ideas are not unimportant, but they generally respond to changes in material circumstances. This is certainly true of the relationship between the rise of economic rationalist ideas and the change in economic conditions post-1974. Furthermore, like the Downsian explanation, this one overlooks the speed with which Keynesianism was discarded in 1974-75 while Labor was in government (see below).

Other explanations that merit attention include the impact of globalisation, which Paul Kelly (1989) claimed was partly responsible for the ideological convergence between the two major parties in the 1980s. More recently, Duncan Kerr has linked globalisation’s apparent weakening of the power of the nation state to the retreat by social democrats from advocating
the traditional social democratic programs mentioned in Chapter One (2001a: 4, 6). An NCOI discussion paper complained about the ability of foreign corporations to “frustrate individual national government’s policies and, indeed, entire strategies” (APSA, 1979: 56). To the extent that globalisation, in particular the development of global financial markets whose movements can devastate governments' entire policy programs (Eiley, 1994; Frieden, 1991), has narrowed the scope for national state intervention, this factor certainly would have served to temper reformist aspirations inside the ALP. Yet, 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: Ch. 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 Retreats

The ALP's formal renouncement of Keynesianism came in government between February and June 1975 (Windschuttle, 1979: 20), rather than in the reflective post-Whitlam Opposition years, as a Downsian approach might predict. This demonstrates that there was continuity between Labor in government’s response to the recession and Labor in Opposition’s policies, under both Whitlam and Hayden. In January 1975, the Whitlam Government executed some major policy reversals in the face of deep recession, including a retreat over the introduction of a Capital Gains Tax (CGT), a reversal of its policy of introducing 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 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), and it issued instructions for the PJT 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, although not to be used as a means to counter rising prices, was now seen as inevitable (Ormonde, 1981: 179). The acquiescent mood of the Government evident in these reversals prompted McDougall to declare: “The Government of reform has been transformed into a Government of laissez faire” (1975: 1). Paul Kelly described this as “the most dramatic reversal in economic policy in the shortest possible time” (1976: 59).

The National ALP Conference at Terrigal in early 1975 also bore the impact of the recession on party policy. 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 (1981: 200), “an historic change in Labor philosophy”, while Barry Hughes described it as a “pro-business orgy” (1980: 105). Whitlam’s address to 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; of course we are prepared to adjust.
…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. As Jim Cairns has said, we 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).71 In addition, underlining the growing concern to achieve wage restraint, Conference empowered the Government to seek constitutional powers over prices, incomes and interest rates, one of the decisions that led George Crawford, who had come under attack from Jim Cairns for opposing the decision, to wonder whether he was at a

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71 The amendment went down by a margin of 35: 10 votes.
Liberal Party conference (cited in Jost, 1975: 1). Conference also sought, on the initiative of South Australian Premier Don Dunstan, a more cooperative relationship with the States, a retreat from the aggressive centralism associated with Whitlamism (Reid, 1975: 14; Kelly, 1976: 89). A move to limit the export of uranium on environmental and military grounds was soundly defeated (Toohey, 1975: 3). 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…” (1976: 92). Robert Haupt observed the Conference for the *Australian Financial Review* thus:

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

> 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.

> …With one exception, the “victories” of the conference have been victories of Labor Government politicians in the pursuit of moderation against the small group of activists seeking the adoption of the sort of radical position which used to characterise the output of conferences in Labor’s Opposition days (1975b: 1).

The other standout example of Labor’s shift in office was the 1975-76 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" that one would expect from a Liberal government (1990: 598). The Budget's premise was, according to Paul Kelly, that “Labor’s programs must be sacrificed in an effort to control inflation” (1976: 243). In the lead-up to the Budget's design, Hayden had informed Cabinet of the need to slash spending programs by around $2.5 billion (Kelly, 1976: 235). In the event, spending in most areas increased at a rate lower than inflation (Kelly, 1976: 235), while cuts in real terms were made to areas such as Urban and Regional Development (Ackland, 1975: 5). As Hayden put it: “We cut spending to the bone…” (cited in Steketee, 1975: 2). Pensions were linked to CPI movements rather than 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). The Budget was so austere that Fraser largely adhered to it after taking office (Walsh, 1979: 111), and, since its twin aims were to cut government spending and to curb inflation (Davidson, 1975b: 9), it offered the Senate little justification for opposing the Budget on grounds of
economic imprudence. According to Strangio, the “era of economic rationalism had arrived” (1999: 43). Although more commonly associated with the Hawke and Keating Governments, Laurie Oakes used the term “economic rationalist” as early as 1976 to describe Cabinet supporters of Hayden’s Budget (1976: 125). This is evident, too, in the language used 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. For these reasons, the key-note of this Budget is consolidation and restraint rather than further expansion of the public sector.

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 Whitlamism. By the end of the 1970s, a shift to the right in world politics was clearly discernible (Harris, 1983: 89; Blewett, 1982: 35), evidenced by the historic defeat of the Swedish Social Democrats in 1976, and the elections of Margaret Thatcher in Britain (1979), Joe Clark in Canada (1979), and Ronald Reagan in the US (1980) (Steketee, 1980: 1). Under assault during this shift were the three central elements of post-war governance: macroeconomic management to reduce unemployment and inflation; the provision of government services, such as education, low-cost housing, and public transport; and welfare transfers to the underprivileged (Galbraith, cited in Blewett, 1982: 36, 370). Even social democrats that took power in this era with different intentions, such as the French Socialist Party elected in 1981, ended up implementing a version of Thatcherism (Eiley, 1994: 19, 20).
Analogous revisions occurred in social democratic parties in New Zealand, Italy, Spain, and Sweden (Kelly, 1992: 31).

As well as a political and economic climate much less hospitable to reformism, there were fewer radical sources of extra-parliamentary pressure on the FPLP. The catalyst for many of the other social movements that emerged in the pre-Whitlam period, the Anti-Vietnam War Movement, had disbanded with the withdrawal of the remaining Australian troops in 1972. 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 Chapter Seven). The militant student movement of the late-1960s and early 70s, with its radical critique of society and its global perspective, had largely dissolved (Hanscombe, 1982; Downes, 1981; Connell, 1978: 1). The national student union leadership in 1982 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 growing political conservatism and declining radicalism, punctuated by defeats for the Australian 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”, quite unlike “the sense of enthusiasm or mission that pervaded every level of the party in 1972” (cited in Steketee, 1982: 7). Whereas Whitlam had managed to imbue in the Australian people a sense that collective achievement was possible, Australia was now, John Button suggested, “an anxious and a crude capitalist society in its almost total absence of any sense of national identity or purpose” (Button, 1980: 135). A Sydney Morning Herald survey conducted on the eve of the 1980s bears out such downcast assessments (see Table 5.3). Dennis Altman revealed that when he informed people in 1980 that he was writing a book on social change in Australia “the usual answer was: It’ll be a short one” (1980: 1). The depressing political mood, and the decline of the social movements and trade union movements, goes a long way towards explaining the decline of the power of the Left inside the ALP post-Whitlam: while the Left’s politics were suited to the tumultuous late-1960s and early 1970s, the Right’s politics dovetailed with the conservative political sentiment 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 mood that characterised Australia in 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… (1979: 226).

Table 5.3: Attitudes about Australia in the 1980s

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

Source: Sydney Morning Herald, 28 December 1979: 9

Needless to say, the pessimistic mood was related to the changed economic environment, in particular the re-emergence of mass unemployment.

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 – are examined in detail in Chapters Six and Seven respectively. However, examples of this influence are in abundance. In an address to a
women’s seminar in 1977, for example, Whitlam “fended off [requests for more funding]…with reminders about economic responsibility” (Grattan, 1977f: 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 argued 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” (1978c: 21). Gareth Evans promoted constitutional and legal reform at the 1982 Conference not merely for justice and equity reasons, but also because “they cost comparatively with other areas of reform, very close to bugger all” (cited in ALP, 1982: 135). The 1983 Federal Election pledge to return to the original Medibank 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 ruled out such a move in 1979 because it would cost $600 million, and thus was “not feasible” (cited in Summers, 1980b: 7).

Conclusion

The collapse of the post-war boom deprived Labor of the economic basis to the Program, which, it was noted, was predicated on the high economic growth rates of the late-1960s. In a sense, Labor was not forced to abandon reformism: it could have opted to pledge cuts to big programs like Defence, and 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 insights into the political direction of Labor in the Whitlam-Hayden period, one must turn to the reduced state of the Australian and world economies in order to understand the abrupt abandonment of the Program engineered from 1974 onwards. Labor’s consequent preoccupation with responsible economic management
can be observed in the evolution of its policy on uranium mining, which is examined in the next chapter.
Chapter Six: the Labor Opposition and the Uranium Debate (1976-82)

The previous chapter showed how the collapse of the post-war boom was ultimately behind Labor’s focus on economic management. The impact of this on Labor’s policies is examined further in this chapter by looking at the example of uranium mining. It is argued that the key reason for Labor’s decision in 1982 to drop its opposition to uranium mining and export was the potential economic fallout from any attempt in government to put its opposition into practice, which in turn would harm, it was feared, Labor’s economic management credentials.

The Emergence of the Uranium Debate

In the 1970s, the issue of uranium became increasingly important both in Australia and internationally (Camilleri, 1978: 11). Its terms of its political impact, it was compared to the Vietnam War (Chipp, HRH, 30 November 1976: 2985; Cairns, HRH, 22 September 1977: 1529). Some indication of the issue’s importance to the ALP is gleaned from the party’s development 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, 1977g: 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 (Hayes, Falk & Barrett, 1977: 10), one reason for the rise to prominence of uranium as an issue in Australia in 1976 (Forward, 1976b: 398) was the handing down of the findings of the Ranger Uranium Environmental Inquiry commissioned by Justice Fox at the behest of the Whitlam Government. The First Report of the Inquiry, released in October 1976 (Fox Commission, 1976), focused on uranium mining and export in general, with the Second Report, released in May the following year (Fox Commission, 1977), devoted specifically to uranium mining in the Northern Territory. The controversy generated by the First Report flowed in part from the Commission’s 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 jump in uranium mining company share prices following the First Report’s release (*The Australian*, 29 October 1976: 1).

The wider controversy generated by the First Report was mirrored inside the FPLP. Whitlam, perhaps hoping to avert early rancour over the issue, informed Caucus that the party’s uranium policy would be settled at the 1977 Federal Conference (FPLP Minutes, 3 November 1976: 10). In hindsight, this was rather naive. At a Caucus meeting two weeks later, he moved the Executive’s recommendation condemning the Government for precipitately giving uranium the green light without adequate debate, and in apparent ignorance of the Fox 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).

This was seconded by 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’s concern for the industry was evident in his comment 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 would split Caucus largely along factional lines. Tom Uren, who would become the party's most outspoken opponent of uranium, supported the Executive Motion. He pointed out that Button’s position had been defeated at the Executive meeting, while the motion presented to Caucus had been supported by the Executive by a margin of 12:8 votes. Uren further argued that the honouring of existing contracts would in fact 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 by stating that the most important point was that “existing contracts be honoured… To deny these contracts would be to affect credibility” (FPLP Minutes, 17 November 1976: 7). Young supported the original motion out of concern that uranium would turn out to be 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 interpreted it as saying that “there shall be not more mining irrespective of the Second Fox Report” (FPLP Minutes, 17 November 1976: 8). Frank Stewart moved a further amendment to be added as clause 5 to Button’s condemning the Government for its undue haste in deciding the future of uranium mining, thereby not allowing sufficient community debate and disregarding the Inquiry’s final recommendation (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 rather than simply add to it (FPLP Minutes, 17 November 1976: 8, 9). 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 Executive Motion, taking perhaps the strongest stance among Caucus members:

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).
Rex Connor opposed the Executive Motion and supported Button’s Amendment, adding that the undertaking given to Japan while in office had "trebled income" (FPLP Minutes, 17 November 1976: 10). In his formal reply, Whitlam appeared to back away from his support for the Executive Motion, arguing that discussion in Parliament would mainly cover existing contracts. He warned that if they did not “give a lead” on the issue, there would be a “Special Conference” of the ALP on the issue. He claimed that 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). In the event, the Button Amendment was carried in place of the Executive Motion by a margin of 34: 23, and the Klugman Amendment was defeated (FPLP Minutes, 17 November 1976: 11).

The factional divide over the issue of uranium in the ALP was evident at this early stage. Those supporting the Button Amendment were, almost without exception, on the Right or Centre-Right of the party: Button himself, Keating, Connor, Wheeldon and Stewart. Hayden, while part of the Centre-Left, generally supported the Right. The position of Whitlam, also on the right of the party, was less clear, but he was reported as having voted in favour of the Button Amendment (Hill, 1976b: 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: the Button position was in favour of honouring existing uranium contracts, whereas the Executive Motion, by delaying its position, left open the possibility of reneging on those contracts. The Button position, furthermore, fell some way short of the Federal Executive's call for a mining moratorium (Forward, 1977: 77). And, while the Button position 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, at least in theory, did not preclude the possibility of arriving at a “leave it in the ground” position after “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 lead the party towards a more uncompromising stance. That the position arrived at was more pro-mining than not is evident from Craig McGregor’s comments on Paul 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 in these terms: “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 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 for the first time in his 16-year parliamentary career over the question, Chipp endorsed Fox’s recommendation of a two-year moratorium on the mining and export of uranium (HRH, 30 November 1976: 2985).72

In the period between the Caucus decision and the 1977 National Conference, all ALP spokespersons emphasised the party’s non-commitment to honouring contracts. Whitlam, for instance, 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 firm pledge to not honour any 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). Bill Hayden related that he had once been in favour of the mining and export of uranium, and 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). Although earlier in the year he had called upon railway unionists involved in strike action over uranium to keep it “in the ground” (cited in The Australian, 1976c: 8), Tom Uren also merely reaffirmed that Labor was “not bound” to honour future contracts (HRH, 30 November 1976: 2984). He echoed elsewhere the ACTU’s call for a referendum on the subject (Owens, 1976: 3; Forward, 1977: 77), but early in 1977 he had argued that the full

72 Chipp went on to resign as a Liberal MP and then found the Australian Democrats in 1977. He later moved for a two-year moratorium to allow for adequate public debate on the issue, a motion that was seconded by Jim Cairns (HRH, 21 April 1977: 1163).
implementation of the Fox recommendations would render virtually impossible the future conduct of uranium mining in Australia (HRH, 29 March 1977: 663), thereby implying that the ALP would not implement them.

The uranium debate stoked the rivalry between Uren and Keating over the 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 had been “hissered and booed” by supporters of Uren's call for a blanket ban when he told delegates to the NSW ALP Council meeting in 1976 that the party’s electoral prospects would be harmed by a decision to renego on existing contracts (Colless, 1976a: 3). At the 1977 NSW ALP Conference, Keating told delegates 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). This came not long after a public spat between Keating and Uren over whether the party’s support for honouring existing contracts implied further mining and export of Australian uranium, with the latter arguing that uranium needed for the contracts could be provided from overseas sources (SMH, 22 November 1976: 10). Keating viewed calls for union bans on exports from Mary Kathleen as “contrary to the spirit of the caucus decision”, and believed that additional mining would be required to meet existing contracts (cited in SMH, 22 November 1976: 10), which seemed to violate the Button Amendment’s stipulation “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, 1977h: 1). By going beyond being “not bound” to honour future contracts to confirming their repudiation, this was stronger than the Caucus policy (Toohey, 1977e: 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 claim that the moratorium was effective only till the 1979 Conference (Grattan, 1977h: 1). Yet, according to one commentator, the policy constituted a “complete reversal of the [pro-uranium] policies pursued by the Whitlam government” (Forward, 1978: 76).73

73 From early on in the uranium debate, Labor was confronted with the pro-uranium policy of the Whitlam Government (see Beeby, 1976: 11). This was used repeatedly by the Fraser Government to question the
Kelly described it as the Left's biggest victory since Vietnam (Kelly, 1984: 193). Tom Uren thus boldly declared post-Conference the ALP's pledge to "repudiate any commitment of a non-Labor government to the mining, processing or export of Australian uranium", and he warned 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 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, 1977i: 1). However, Whitlam seemed to concur with Hawke when he indicated his support for mining pending the adoption of adequate international safeguards (Grattan, 1977j: 19).

Whitlam also provoked controversy with his comments on safeguards for nuclear waste storage when interviewed on Monday Conference in September. Whitlam claimed 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, 1977b: 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 suggested bipartisanship on uranium (cited in Bowers, 1977: 3).

The inconsistency of ALP statements post-Conference was attributable partly 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...

sincerity of the Opposition’s stance on uranium (eg HRH, 29 March 1977: 665; 25 August 1977: 652, 653; 6 September 1977: 772). Tom Uren conceded that in 1974 “Labor’s policy was for uranium mining” (HRH, 3 May 1978: 1718). Whitlam admitted similarly: “There's no doubt, at Terrigal [ALP 1975 National Conference]...we were going ahead on the basis that we would be extracting and exporting and, to a certain extent, processing, uranium subject to proper environmental, Aboriginal, international safeguards, that was the basis on which we did it...” (Whitlam, 1977b: 9).
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). The policy was not, as was frequently stressed, a “leave it in the ground” one.

The suggestion that within 18 months of the 1977 Conference support for a strong anti-uranium policy "within the party has deepened" (Hoare, 1978: 1), appeared to ignore Bill Hayden's deliberate exclusion of Tom Uren from uranium-related shadow ministerial positions following the former's ascension to the leadership after the 1977 Federal Election (Simson, 1977: 1; Hoare, 1977: 5). Furthermore, in spite of the reaffirmation at the 1979 Federal Conference of the existing uranium policy (SMH, 19 July 1979: 2), 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, 1979a: 2). Uren, when compiling his petition calling for the maintenance of the existing uranium policy at the 1979 Conference, 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 Federal Election, John Button raised the possibility that a Labor government might allow uranium mining to continue at the Ranger and Narbalek mines in the Northern Territory. Button claimed that it was impossible to "ask them to put it back in the ground,” and that the projects were economically beneficial to Territorians (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, in which case “the mining and export of uranium can proceed” (cited in Summers, 1980c: 6). These statements may have been related to the negative stock market reaction inspired, 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 amended, probably under pressure from those such as Uren, 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).

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74 This reaffirmation might have been partly attributable to the Three Mile Island nuclear accident in the US in April 1979 and its association with uranium (*The Age*, 2 April 1979: 11). Gilbert Lewthwaite felt it safe to say that the accident would “not help” Australia’s uranium exports to the US (1979: 11).
The 1982 National Conference saw the hitherto most far-reaching change in the party’s policy. The debate on uranium was the most dramatic since Conference had been opened to the public 15 years earlier (Kelly, 1984: 207); it led to a very rare formal Division, in one delegate’s experience the only party debate outside parliament to have done so (Richardson, 1994: 100). Because the Minerals and Energy Committee made no recommendation (ALP, 1982: 353), debate was 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). Bill Hayden later credited the policy change with enabling the Narbalek, Ranger and Roxby Downs mines to survive a Labor government (1996: 346). Hogg, however, steadfastly denied that his resolution was a pro-mining one “in its intent” or "in its words" (cited in ALP, 1982: 409). His motivations, according to one commentator, were simply based on fear that the electoral prospects of the ALP would be severely diminished if Hayden's efforts to overturn the party policy with a more hardline position were rebuffed by Conference (McMullin, 1991: 406). The Hogg Motion thus sought merely to amend the existing policy, probably with the intention being to portray the change as miniscule in order to improve the chances of winning over the less ardent opponents of uranium (Malone, 1982a: 14). The result was 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, generally welcomed the change (Durie, 1982: 2). The Australian Financial Review pointed out that both opponents and supporters of the Hogg amendment believed “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” (1982: 10).

The rationale for the policy change, as outlined by Hogg supporters, hinged heavily 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. Hogg himself referred to the “considerable development…investment, jobs, etc”:

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 the sort of issues, and the handling of it, and implementation of it can, believe you me and you know in your hearts, be very difficult. You 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 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, whose stance was determined in no small part by the Narbalek and Ranger mines then operating there, pointed to the more than one billion dollars of investment in uranium mining in the Territory. However, he argued that the policy called into question the very:

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

…We have got heavy financial commitments and our current policy simply says there is a unilateral and unconditional repudiation. 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 Minister Stewart West, who argued against 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). Along similar lines, Victorian delegate Joan Coxsedge predicted that the policy, if approved,

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75 This was a reference to an article in the Australian Financial Review uncovering a “secret political campaign” by the Australian Petroleum Exploration Association (APEA) against the ALP’s minerals and energy policies, including its plans for a Resource Rental Tax (Summers, 1982b: 1).
would rightly be described as a “sell-out”, and, by presenting opportunities to the Democrats, would be electorally foolish (cited in ALP, 1982: 421-423). Graham Richardson attempted to rebut some of these arguments, but concentrated, like Collins, on the $1 billion in mining investment 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.

The only way out of that will be a massive devaluation and the disruption and the 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).

While there were arguments of a non-economic nature marshalled in favour of the Hogg resolution, matters financial were key to the strategy of those supporting Hogg. It was on aspects of economic responsibility that Bill Hayden focused in his contribution:

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… Next year the anticipation is it will be at least of that order. 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 really screw down the economy, all activity. 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…

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76 One delegate, for example, argued, with somewhat spurious logic, that if the Hogg resolution was rejected it would pave the way for the enactment of an even more pro-uranium policy (Weise, cited in ALP, 1982: 432).
The banks are going to start hauling their money out. They will act as prudently as anyone else would who was told that money that they had invested was in a bad investment and they ought to get their money out before they lost it… (cited in ALP, 1982: 438)

The suggestion that in supporting the policy change Hayden sought to attract the vote of Paul Keating in the former’s leadership battle with Bob Hawke (Roberts, 1982: 11) overlooks the fact that Hayden’s stance on uranium here was consistent with his penchant for responsible economic management, and with his earlier statements that he had originally been pro-uranium.

The gulf between the two camps at Conference is illustrated by the suggestion from one opponent of the Hogg position that, if the ALP were concerned about the importance of Triple A 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). Tom Uren 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 level of rank-and-file support, and the evidence of community opposition to uranium (cited in ALP, 1982: 453-455). Uren concluded with an impassioned appeal to delegates to vote with "your conscience… against this proposal and stand by that principled, sane, just policy of existing policy on uranium" (cited in ALP, 1982: 455).

In the event, whatever the sentiment of the wider party membership,\(^77\) and however implausible the claims that Australia might be reduced to banana republic status on the basis of one decision negative to an industry that even Keating accepted was in crisis (HRH, 22 September 1982: 1721-1723), Conference carried the Hogg Amendment by a margin of 53: 46 (ALP, 1982: 476).

\(^77\) Roberts (1982: 11) argued that “there was no more popular position with the party rank-and-file than the anti-uranium policy.”
Conclusions: 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 on policy making 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 involved the wider question of what social democratic parties practicably can achieve under a market capitalist system. 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 this 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).

However, the question of what is politically “achievable” is indissociable from the general economic environment in which the question is posed since the impact of economic crisis is, as the previous chapter revealed, to greatly narrow the capacity of Labor governments to deliver social reforms. As Callinicos put it, "taking office in a time of crisis makes the reformist dilemma even harsher" (1997: 17). The outcome might plausibly have been the same in more buoyant economic circumstances, but there certainly would have been more resistance to a policy change, and the FPLP leadership arguably would have been less determined to push the issue. Undoubtedly, there would have been less concern about the loss of investment dollars and jobs. What is uncontestable is that, as Conference delegates at times indicated, the general economic malaise of the 1970s and early 80s contributed to the perception of a need to reverse the policy.

Electoral considerations were occasionally used to justify the policy change, even if the argument that public opinion supported uranium was not always supported by evidence. This was largely the rationale that Bill Hayden provided in hindsight (1996: 343). The wider commitment to responsible economic management, which the party’s eventual approach to uranium reflected, was no doubt partly motivated by electoral expediency, in the sense that Labor felt the need to convince the public that it had sufficiently learned the “lessons” of the Whitlam era. The expectation 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.

An additional factor was the parallel moderation of the unions’ policy on uranium, which if it had been more radical could have acted as a deterrent to a change in Labor’s policy (see Appendix). This only paved the way for the ALP to modify its policy. As one senior 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 trade unions’ acquiescence on uranium mining was in part a consequence of the depressed economic environment, which, as the following chapter shows, was a major contributor to the weakening of unions in the post-Whitlam era. Furthermore, the unions had suffered a number of important defeats on the industrial front during this period, putting it increasingly on the defensive (O’Lincoln, 1993: 93).

The pressure exerted by anti-uranium activists was not sufficient to overcome these factors. The protests against uranium mining were at times compared with those against the Vietnam War (Blackie, 1977: 3). Yet, even if they were of a comparable size (Burgmann, 1978: 9), 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, the opponents of uranium battled in an increasingly conservative political climate.

All these factors contributed to the eventual decision by the ALP to preserve the existing uranium industry when it came to power in 1983. Arguably, however, they were all overshadowed – if not related – to the paradigmatic shift in economic circumstances in the mid-1970s. The “guts”, as Bill Hayden put it, of the pro-Hogg camp’s arguments was to convince delegates of the dramatic economic consequences that would flow from inaction, and in some cases delegates were reminded of the precarious state of the Australian economy as reason enough to rule out maintaining the status quo. At the very least, the uranium policy change was consistent with the ALP’s quest to improve its credentials as a responsible economic manager.
The same can be said of the centrepiece of Labor’s policy platform, the Accord, which is the subject of the following chapter.
Chapter Seven: The Labor Opposition and the Accord

This chapter argues that the centrepiece of Labor’s policy platform, the Accord, was as much about economics as it was about industrial relations, in the sense that, by allowing the ALP to pledge a reduction in inflation via wage restraint without the confrontational aspect of the Coalition’s policies, it could promise responsible economic management. On top of this was the relative security with which Labor could guarantee that economic recovery would not be derailed by strikes, which unions would largely refrain from engaging in as part of the Accord.

For the unions’ part it is argued that 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 press Labor for policy concessions. A trade union movement less able to influence the FPLP – in part, because of the now falling rate of union density – meant that a radical source of extra-parliamentary pressure on the party present in the lead-up to 1972 was absent after 1975. Thus, along with the changed economic environment, a weakened trade union movement emerges as an important factor in the direction of Labor during this period in Opposition.

The Development of the Accord

The main motivation behind the Prices and Incomes Accord\(^{78}\) was to achieve what Fraser, without Labor’s links to the trade unions, 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 policy. Bill Hayden told the 1982 National ALP 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 for Labor at this

\(^{78}\) Negotiated between the ACTU and the ALP in February 1982, the Accord contained a number of elements, including price surveillance, changes to the tax system, a higher “social wage” (the purchasing power of money wages after tax and inflation, combined with spending on social services and tax changes), and indirect measures aimed at influencing non-wage incomes such as dividends, capital gains and rent (ALP/ACTU, 1983).
time was comparable to the Program’s importance to Whitlam (Evans, 2001: 50). Hawke himself described it as “the central core” allowing Labor in government to revive the economy and increase employment (cited in ALP, 1982: 225). Michelle Grattan was therefore correct to describe the Accord as part of “the attempt by the ALP to present itself as the credible economic manager” (1982b: 9).

The first step in the development of a prices and incomes policy 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 trade unions. Left-wing opposition, on the basis that unions ought to be free from government interference, was defeated with little difficulty (The Age, 5 July 1977: 13). The policy was further developed at the 1979 Conference, where it was at the centre of a great spectacle. As Chair of the Committee responsible for developing the Accord proposal, which involved the seeking of constitutional powers to control incomes as well as prices, Hawke suffered great humiliation when Bill Hayden brokered an alternative deal with the support of left-wing delegates (Rawson, 1980: 96). The acrimony generated between the two over the policy did not, however, reflect deep-seated political differences. Hayden, drawing on the experience of 1974 when union opposition helped defeat the Whitlam Government’s attempt to secure constitutional power over incomes, stressed that the policy would be unviable without union consent (cited in ALP, 1979: 200, 201). The Committee’s proposal, in contrast, desired a referendum, with or without union support, to gain the necessary constitutional powers (Rawson, 1980: 96). The Financial Review was among the few media observers not to get sidetracked by the leadership rivalry between Hawke and Hayden, 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 management” (1979b: 2). Economic Spokesperson Ralph Willis included it as part of “a credible anti-inflation policy”. Although Willis argued that the policy was important also for the purpose of redistributing wealth (cited in ALP, 1979: 128), it would become clear later, if it were not already, 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 by which inflation would be reduced. Then-Opposition Leader Whitlam gave cautious assent to the idea of a pay freeze in 1977 partly because of the precarious state of the economy (cited in Grattan, 1977k: 9). Hayden, meanwhile, opposed it on the basis that it may have inflationary effects in the future when pent-up demand for wage rises was finally relieved (Sun-Herald, 17 April 1977: 72). He later predicted that the Accord would be more successful in restraining wages than wage freezes or pauses because of its graduated effect (HRH, 8 December 1982: 3065). According to Toohey, unions regarded Hayden as a “bosses’ man” because of his strong advocacy of wage restraint (1977f: 1). In 1982 he contended that the “case for wage moderation is unassailable”, and that the real wage increases over the previous two years had damaged the economy. Without wage restraint, he claimed, there would be no “successful economic management” (HRH, 8 December 1982: 3064). The possibility that unions might represent an obstacle to restraint prompted some senior ALP figures to support a divorce with the industrial wing (Kelly, 1984: 69). Hayden’s comment at the 1982 Federal Conference that economic conditions might be so poor that “you could not adjust wages quarterly for a given period” (cited in ALP, 1982: 218, 219) could only have lent credence to the allegation that the policy's purpose was “to cut real wages” (Howe, cited in ALP, 1982: 210).

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

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 (1983: 3, 5; emphasis added).

In practice, the Accord placed few restrictions on non-wage incomes (Johnson, 1989: 102). The equation of wage restraint with that of non-wage incomes, however, was always flawed. As Tony Cliff argued in the context of the Social Contract engineered by the 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 per cent added to a profit of 1 million [pounds]” (1975: 43).

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. For instance, Hayden argued that redistributing income was dependent 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 agreed to between the ALP and ACTU in 1983, which pointed out 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).

Ralph Willis nominated inflation as “the new economic imperative of our time” (1980: 94). Willis elsewhere argued 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 for reducing inflation, the FPLP accepted both that wage rises were the primary cause of inflation, and consequently that wage restraint should be a primary 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, 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 & Sandercock (1983: 132, 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 often stressed the "voluntary" nature of the Accord, but in reality the unions were presented with the “alternative” of Fraserist policies implemented by a Labor government. Hayden told the 1982 Federal Conference that without the Accord the FPLP would have only "fiscal and monetary measures…quite brutal and severe in their impact" with which to manage the economy (cited in ALP, 1982: 217, 219). Ralph Willis conceded that, in the absence of the Accord, “we would be able to run a policy not terribly dissimilar from 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'etre was to achieve what Fraser could not: a reduction in wages through cooperation with the union movement, or what Hawke dubbed "peer pressure" (cited in O’Lincoln, 1993: 228), rather than through confrontation. As Korporaal 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” (1980: 7). 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).
For the unions’ part, ACTU Secretary Bill Kelty believed 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, exactly 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, continuing 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 was a measure of the decline of the trade union movement post-1975. 79

The Accord and the Union Movement

According to David 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 improvements in wages and conditions through direct action, and of its independence from the political wing.

Unions historically have gravitated towards parliamentary solutions and away from direct action during economic downturns when the bargaining power of workers is considerably reduced, and when employers are, owing to lower profitability and tougher commercial conditions, far more reluctant to grant wage rises (Turner, 1979: 82). The Accord thus represented a turn to politics by unions at a low point in the economic cycle. As Ralph Willis put it with surprising candour: “In an emergency 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). According to the Sydney Morning Herald, the

79 At the national union conference convened to approve the policy, only one delegate, Jenny Haines of the NSW Nurses Association, voted against the Accord (Ellercamp, 1983: 1). Left-led unions played a crucial role in securing political support amongst their members for the policy (Bramble & Kuhn, 1999: 31).
1982 application by employers in the West Australian Industrial Commission to have abolished the State’s 17-and-a half percent loading on annual leave payments was evidence of their belief “that economic conditions give them a bargaining advantage over the unions” (1982b: 6). ACTU Advocate Jan Marsh conceded that high unemployment since 1975 had “reduced the industrial muscle of some sectors of the union movement” (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 of the movement concealed by the push (O’Lincoln, 1993: Ch.11; Hearn, 1983).

Unions in such circumstances accepted outcomes they would previously have resisted, or at least 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). In this context, many unions chose to forego pay increases, to accept voluntary retrenchments, early retirements and Christmas shut-downs in an effort to protect employment (Hearn, 1983: 97; SMH, 1982c: 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 (ABS, 1977/78: 181), one manager told 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 union movement’s agreement to the Accord reflected both a lack of confidence in its 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).

80 Around six million working days were lost in 1974 (ABS, 1977/78: 181).
An additional potential catalyst for a turn towards "politics" can be industrial defeat. The most dramatic illustration of this process is, of course, 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 NSW 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, did remain high in the post-Whitlam period (see Table 7.1 below). But, taken on its own, this provides a rather misleading picture: while not without its victories (see Carr, 1979: 98, 99), the post-Whitlam period saw labour suffer significant industrial setbacks, in line with similar defeats incurred in other countries such as Britain and the US (Callinicos, 2003: 2). In Australia, there were the defeats of the Fairfax printers in 1976 and the Latrobe Valley electricity maintenance workers in 1977 (O’Lincoln, 1993: Ch.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). The same process was evident in union campaigns on political issues. Union opposition to Fraser’s attacks on Medibank in 1976, for example, yielded few results, and the lengthy campaign against the Newport power station up to 1978 ultimately did not prevent its construction (Cupper & Hearn, 1980). Opposition to uranium mining in the union movement, too, was eventually defeated (see Chapter Six). 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 union leadership, 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 change, is indisputable. The overall effect of such defeats, whatever their main cause, was to reinforce the notion that direct action was much less of a viable option for gaining improvements in pay and conditions, and to increase support for political solutions. This was evident not just in the

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81 Key cases in point were the British miners (1984-85) and the American air traffic controllers (1981). Frankel seems to be suggesting that Thatcher’s defeat of the miners had the effect of persuading some Australian unions to look more positively towards income policies: “Now the Australian labour movement was advised by left Accordists to learn from the ‘British disease’, to reject the dysfunctional ‘British model’, and build the stable combination of political power and working-class mobilization necessary for the long transition to socialism” (1997: 14).
Accord and the greater dependence on the FPLP, but also in the revival of the authority of the Arbitration Commission, which had been sidelined in the lead up to 1972 by the direct actionist sentiments (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 between 1970-75 was checked in 1976 (Rawson, 1978: 141), setting in train a trend of falling unionisation that has continued up to the present (Peetz, 1998: 6). This was significant, 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 FPLP (Manning, 1992: 27).

Combined with the general conservatism increasingly characteristic of politics as a whole, the effect of all these factors was, in contrast to the pre-Whitlam period, a demoralised, weakened and defensive union movement, much more conscious of the limits to what it could achieve.
Table 7.1: Industrial Disputes in Australia, 1976-1983

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of Disputes</th>
<th>Workers involved (000s)</th>
<th>Days Lost (000s)/worker</th>
<th>Wages lost ($'000)</th>
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<tbody>
<tr>
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<td>2130.8/0.434</td>
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<td>1641.4/0.249</td>
<td>N/A</td>
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</tbody>
</table>

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

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 union leadership. Whereas in the late-1960s and early 70s the natural conservatism of trade union officialdom (Bramble, 1996b) 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 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 attacked him for apparently encouraging strikes. In the post-recession period, however, this was very far from the case (eg AFR, 1977c: 2). Hawke had opposed the referendum initiated by the Whitlam Government in 1973 seeking federal power over incomes and prices, but by 1979 he had reversed his position (Rawson, 1980: 96). In 1976, The Australian urged the ACTU President not to resign from his position to run for parliament, praising his crucial role in restraining

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82 Figures for this year are highly inflated by the Medibank stoppages, which accounted for around 85 per cent of working days lost (Hay, 1978: 32).

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workers in the new economic circumstances (1976d: 10). Hawke made it clear in an interview 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 FPLP Leader, Hawke increasingly adopted a statesman-like posture, stressing the need to consider the “national interest”. This was the substance of, for example, the development of an ACTU plan for industrial peace presented to Federal Cabinet in 1977 (Rentsch & Basile, 1977). Hawke had reportedly intimated to Fraser in 1976 “that the ACTU would be prepared to reconsider its wages policy if the Government succeeded in proving its case that wages demands were a significant impediment to economic recovery” (Hill, 1976c: 12). The ACTU President’s amicability towards Fraser led Jim McClelland to complain that the Liberal Prime Minister enjoyed more cooperation from Hawke than the Whitlam Government ever had (1976: 7). 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, 1976b; Colless & Caruso, 1976; Colless, 1976c).

While mass movements and institutions largely make historical change, individuals can at crucial points be pivotal to the outcome of events (Barker, Johnson & Lavalette, 2001; Callinicos, 1989), and Hawke's role, both in the union movement and the wider party, was important during this era. His impact, however, would have been arguably less were it not for the fact that he was not alone amongst union officialdom in urging caution and restraint in the post-Whitlam period, 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 in 1979 identified 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, K., 1979b: 3). 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, K., 1979c: 3). The 1981 ACTU
Congress voted 601:389 against a resolution calling for the restoration of 1975 real wage levels and full automatic quarterly wage indexation (Martin, K., 1981: 10).

The ACTU Executive's 1982 offer to the Federal Government to agree to a six-month wage freeze in return for, among other things, a seat at the table of the Premiers’ Conference (Short & Martin, 1982: 1) epitomised the unions' turn to politics during this period. Even if it is accepted that the Accord conferred on unions privileged access to the policy-making process (Manning, 1992: 27), what must be remembered is both the disappointing results produced in spite of this access, as well as the a priori sacrifices that were made in order to get there – namely wage restraint.

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 (eg 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). Jaensch sees the NCOI's blunt description of the electoral drawbacks of the party's association with unions (see APSA, 1979: 85-92) as "a major development" (1989: 74). 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 Figure 7.1 below demonstrates, the FPLP's doubts about the worth of retaining its relationship with organised labour were widely perceived.

The Accord also reflected the FPLP's judgement of the record of the Whitlam Government, which, it was felt, had been unable to adequately control the ACTU (Kelly, 1999: 233). Paul Keating later contrasted the success of the Accord in quelling union unrest with "the industrial mayhem of the Whitlam period" (1998: 50). The Accord's objective, according to Kelly, "was to avoid the British 'disease', where the unions had thwarted recovery" (1984: 73). The Accord, from Labor's perspective, 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 defended, in Clyde Cameron’s words, as the one thing that separated workers from slaves – the post-Whitlam period was rather 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: Chs 3, 4), but clearly this did not change when Labor was liberated from the responsibilities associated with managing the state.

Figure 7.1: Labor and the Unions under Hayden

![Cartoon of a woman labeled 'UNIONS' and a man labeled 'ALP'. The woman says 'AINT GONNA BUMP NO MORE WI NO BIG FAT WOMAN."

Source: *The Australian*, 14 June 1978: 8

Acting Opposition Leader Senator Wriedt provided early indications of this when he complained of not being consulted by the ACTU in its campaign against Fraser’s assault on Medibank (SMH, 1976: 6). 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 could not expect 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 (1979: 6).

In a speech in Parliament that same year Hayden made it clear that ACTU policy was not ALP policy, and that decisions made at the ACTU Congress would “in no way at all necessarily bind the Australian Labor movement. That applies particularly to wages and incomes policy” (HRH, 13 September 1979: 1142). In strident terms, Hayden attributed the loss of the South Australian State Election in 1979 partly to the “foolish and disruptive behaviour” of some trade unions in that State (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 in Parliament, Bob Hawke took a hard line against unions similar to 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:

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).

Neville Wran's speech as National President to the 1981 Federal ALP Conference lauded the historical connections between the party’s parliamentary and industrial wings, but he also claimed as NSW Premier to having not hesitated “in denouncing union irresponsibility, inadequate leadership, sectional selfishness, disloyalty to other trade unionists as so often
occurs in demarcation disputes, union factionalism, and sometimes sheer bloody-mindedness and pigheadedness, whenever these things occur as we all know they do occur” (cited in ALP, 1981: 11, 12).

Conflict between the political and industrial wings of Labor was not a new development, going as far back as at least 1876 when the NSW Trades and Labour Council stopped the salary of its MLA Angus Cameron after he publicly claimed to be beholden to his electors rather than the unions (Nairn, 1973: 17). Nevertheless, the tension between the two was more heightened than during the pre-Whitlam period of Opposition, if not at any time since the Chifley Labor Government’s demise in 1949. 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 through the use of its “special relationship” what the Fraser Government could not. The Accord signified, too, the FPLP's desire to avert a potential threat to its capacity to preside over "responsible economic management", that is unions vigorously pursuing wage claims with industrial action.

Conclusion

Although generally viewed as an industrial relations policy, the Accord was as much an economic policy, in the sense that it 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 in turn allow for economic recovery and healthier profitability.

That the unions willingly accepted a fall in living standards on behalf of their members said much about the weakened state of the trade union movement post-1974. Hurt by the economic climate, unions turned to the FPLP for their salvation from Fraser, in contrast to the period prior to 1972 when unions acted independently of the political wing, and when direct action was often the solution to labour’s problems. More placid, and less confident to independently defend its interests, coupled with 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 D of this dissertation, the decline in living standards that coincided 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. The union movement on the other hand continued to decline under the Accord years, and emerged at the end of it far worse for wear. This, of course, was the product of a range of factors, but the Accord clearly did not help matters. The discontent sowed among trade unionists as a result of this contributed to the fact that, at the turn of the century, Labor-union relations were arguably weaker than they have 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 Conclusion to Part D).
Conclusion to Part C: Comparative Assessment of the Whitlam and Whitlam-Hayden periods (1975-83)

In the post-Whitlam period, the change in economic conditions was the central factor shaping the direction of the FPLP. The destruction of the economic basis of the Program wrought by the collapse of the post-war boom was of incalculable significance. The party largely abandoned any pretence to major social reform on the basis that sound economic management was the overriding objective.

However, in hindsight this also means that a factor largely neglected in the examination of the pre-Whitlam period – namely the existence of relatively buoyant economic conditions – was, in addition to factors such as the political radicalisation of the period, 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 continued high economic growth. When the promise of this growth came to an abrupt end in 1974, Labor abandoned the Program.

Like the first Whitlam Opposition period, the ALP’s overall political direction in the aftermath of the Dismissal and the subsequent December 1975 Election had much to do with the political environment in which the party was operating. In contrast to the radicalising influence of the late-1960s and early 1970s, the post-Whitlam period was characterised by pessimism, caution and restraint, largely caused by the sharp turnaround in economic fortunes after 1974. The optimism that Australia and the world faced a brighter future gave way to bleak assessments of the period ahead. Whereas Whitlam 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 were forced to accept lower living standards. As a result, the trade union movement lost much of the bargaining power it possessed in the late-60s and early 1970s, and density began its long fall in 1975, which in turn negatively affected the unions’ ability to influence the FPLP. Whereas the industrial wing was a radicalising force in the previous period of Opposition, it now at times (eg uranium) was a conservative force. Relations between unions and the FPLP were increasingly tempestuous, as the political wing adopted 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 were rarely, if ever, criticised in the lead-up to 1972 – and, in some cases, they were praised – but they were frequently the subject of attack by senior Labor figures in the changed economic environment. Direct action was no longer seen as an expression of workers’ inalienable right to defend, and indeed improve, their living standards, but as a threat to responsible management of the economy.

The change in circumstances also altered the factional balance of forces in favour of the Right, whose political inclinations were more in keeping with the conservatism of the late-1970s and early 80s. Whereas Left spokespersons such as Cairns and Uren were the public face of Labor in the late-60s and early 70s, they were usurped in this role by factional rivals such as Hayden and Keating in the late-70s and early 80s.

The Anti-Vietnam War Movement, which exerted significant radicalising pressure on the ALP prior to 1972, was no longer a factor, and the student movement in the Hayden period distanced itself from its rebellious predecessors. This was further evidence of the general move to the right in politics, domestically and internationally – again, in stark contrast to the run up to 1972.

Whereas the Opposition’s 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” was a major contributor to the direction of the Whitlam-Hayden Opposition. This vindicated one proposition arising from the literature review about the effects on a party’s direction in Opposition of its perspective on the experience of government. This conclusion about the Whitlam Government, however, was forged in the dour economic circumstances of the post-1974 era, and thus only partly represented an autonomous choice by Labor about its future direction. Economics tends to become the dominant political discourse in times of economic crisis.

The Whitlam-Hayden period of Opposition demonstrated that the party does not necessarily shift leftwards when it is deprived of office, and simultaneously subjected to greater influence from extra-parliamentary forces. If anything, the move was considerably rightwards post-Dismissal. The chief reason for this, of course, was the markedly different economic and
political conditions faced by the latter. 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* was nevertheless optimistic, citing the fact that Hawke possessed a “greater sense of
restraint and priority” than did Whitlam (1983b: 13). This turned out to be an accurate
prognosis, as 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 led 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
arrived there.
In the wake of the watershed 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, as the party’s favourite son Ben Chifley put it, reaching the “light on the hill”, “better standards of living” for the “mass of the people”? (Chifley, in Crisp, 1961: 414)

Part D of this dissertation argues that the Beazley Labor Opposition chose the former path. While Labor did initially distance itself from the Hawke-Keating model with some modest proposals for re-regulation in industrial relations and a pause in tariff reform, it continued to argue the case for free trade, for fiscal stringency, and was, like its Coalition opponents, largely a globaphile. Unlike the ALP Opposition that followed the Whitlam Government, Beazley Labor did not repudiate the general policy direction of its governing predecessors. Nor was there the same degree of soul-searching about the party’s future direction. This was particularly the case in economics. Labor continued to believe that its “reforms” in government had been both unavoidable and fruitful. In sum, there was a considerable degree of 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, in the aftermath of the fall of the Berlin Wall and the “triumph of the free market” social democrats across the world committed to parliamentary democracy 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 a Whitlam-esque “tax and spend” approach, since the crisis of profitability that first emerged in the late-1960s had not been overcome. The advent of globalisation arguably placed even greater scrutiny on the fiscal policies of nation-states, with the effect, again, of militating against variations in political projects between political parties. Labor’s support for globalisation and economic rationalism rendered it unable to put forward a genuine policy alternative to the Government. This, in turn, hemmed
Labor into the adoption of the “small-target” strategy, which relied on community anger towards the incumbent, rather than enthusiasm for Labor’s proposals, to win power. 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 came under constant criticism for not detailing its policies.

Another factor in the continuity between government and Opposition in terms of the overall rightward direction of the party was the further decline of the trade union movement, which was a radicalising force in the party in the first Whitlam Opposition period. The anti-capitalist movement that first emerged 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 FPLP Leader Kim Beazley, would 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: on top of the ideological crisis inherent in the uncertainty about what contemporary Labor stands for, there is 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 Eight looks at the general direction of Labor from 1996-2000. The argument that it continued in the Hawke-Keating vein is demonstrated in Chapter Nine, where the party’s attitude to globalisation is described and analysed. Chapter Ten details the “small-target” strategy, the final stage of which was the party’s response to the Tampa refugee crisis and the September 11 World Trade Centre terrorist attacks. These events and themes dominated the 2001 Federal Election.
The 1996 Federal Election and Labor’s Response

The ALP suffered an historic defeat at the 1996 Federal Election. Compared in scope with the 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, 1996a: 1), the party lost 31 seats, and its primary vote fell to its lowest level (38.75 percent) since 1931 (Ramsey, 1996: 37). The ALP’s TPPV fared a little better (46.37 percent), but even here there was still was a net swing against it of 5.1 percent: 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, who went perilously close to losing his own seat of Brand in Western Australia (Warhurst, 1997: 13; Chan, 1996: 7), later conceded that the ALP was almost “annihilated as a parliamentary entity” (HRH, 19 June 2000: 17551).

A key feature of discussion on the Election 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 $50-60 000 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 attraction of 47.5 percent of the blue-collar worker vote, compared to Labor's 39 percent (cited in Jones, 1997: 1). Robb argued that while the swing to the Coalition was virtually across the board, the startling 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 Queensland indicating that the party suffered significant declines in support among “labourers and related workers” (-13.7 percent), “tradespersons” or retired tradespersons (-10.6 percent), and “plant and machinery operators”

83 Not until more than a week after the Election was Beazley in a position to claim victory (Irving & McLean, 1996: 2).
(-4.5 percent) (Singleton, Martyn & Ward, 1998: 4). Whereas in 1993, Labor enjoyed the support of 61 percent of Queensland voters from these three categories, and the Coalition 34 percent, in 1996 only 33 percent supported Labor, and 60 percent the Coalition (Singleton, Martyn & Ward, 1998: 4). 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 percent) or “sales persons and personal service workers” (-9.9 percent), that the anti-Labor “revolt” by low income earning voters may be the “root cause of Labor’s failure in 1996” (1998: 5, 8). On the basis of Australian Election Studies (AES) data, Bean (2000) similarly uncovered that, while the fall in support for Labor in 1996 is 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 8.1 and 8.2). On the other hand, the data also show that in 1996 Labor’s vote among “non-manual” workers, “paraprofessionals”, “professionals”, “managers” and people who consider themselves middle-class either remained close to what it was in 1993, or even increased. It seems clear from this that there occurred a significant loss of support in 1996 amongst people traditionally considered as Labor voters.

84 If we adopt the approach that the working class includes those who exercise little or no control over the production process (see, for a full definition, Ste Croix, cited in Callinicos, 1989: 51), and that the middle-class includes those who retain some autonomy over their labour, then the category “non-manual” is likely to include within it both working and middle-class people. The same, of course, 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 8.1: The 1993 Vote (percentage support)

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<td>13</td>
<td>100</td>
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Source: Bean (2000: 76-79)
Table 8.2: The 1996 Vote (percentage support)

<table>
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<td>14</td>
<td>84</td>
<td>2</td>
<td>100</td>
</tr>
<tr>
<td>Union Member</td>
<td>55</td>
<td>32</td>
<td>13</td>
<td>100</td>
</tr>
<tr>
<td>Non-member</td>
<td>31</td>
<td>54</td>
<td>15</td>
<td>100</td>
</tr>
<tr>
<td>Subjective Working Class</td>
<td>45</td>
<td>42</td>
<td>13</td>
<td>100</td>
</tr>
<tr>
<td>Subjective Middle Class</td>
<td>33</td>
<td>53</td>
<td>14</td>
<td>100</td>
</tr>
</tbody>
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Source: Bean (2000: 76-79)

Labor MP for Melbourne Lindsay Tanner argued that 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). Labor MP for Werriwa 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). Senator Nick Sherry recalled that when he used terms such as “productivity” and “efficiency” around constituents “you 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” (SH, 2 September 1997: 6212). Victorian State Secretary of the Electrical Trades Union Dean Mighell claimed that "workers stopped identifying with the Labor Party and I think they did feel betrayed" (ABC Lateline, 13 March 1996).

Support for this conclusion is found in research by Singleton, Martyn and Ward, who surveyed Queensland ALP members who did not 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 the fact that Labor’s policies in government “didn’t help workers” as the reason for their leaving the party, with approximately a fifth citing the ALP’s abandonment of “its traditional values” (Singleton, Martyn & Ward, 1998: 6, 7). One Labor 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 said – and he proposed to 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” (1996: 17). This explains 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

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85 The two most common reasons cited by blue-collar workers for leaving the ALP were that its policies in government “didn’t help workers” (32 percent) and “Other” reasons (26 percent), with the next largest being the ALP’s abandonment of “its traditional values” (21 percent). In terms of all members who departed the ALP, those surveyed most often indicated “Other” reasons (33 percent), the party’s abandonment of “its traditional values” (25 percent) and the fact that its policies “didn’t help workers” (16 percent) as an explanation for not renewing their membership (Singleton, Martyn & Ward, 1998: 127).
central to the outcome (eg 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). The key message taken from the poll result, Beazley suggested, was that the party needed to emphasise more the issue of economic security (Gordon, 1996b: 3). Bob McMullen believed that John Howard’s aspiration for a “relaxed and comfortable” Australia tapped into a mood in society that workplace change was proceeding too rapidly (HRH, 30 May 1996: 1829). 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 ask: “With a record like this, was it any surprise Labor's electoral base deserted the party in droves on March 2 1996?” (1999: 1). John Pilger pointed, inter alia, to the rise in inequality – one percent of the Australian population now controlled 20 percent of the national wealth, up from 10 percent in 1983 – that occurred under Labor (Pilger, 1996: 14).

Some analysts cited the Hawke and Keating Governments’ penchant for 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” (2002: 14). Cavalier has put Menzies to the left of both Hawke and Keating in terms of supporting the welfare state, public ownership, progressive taxation, public spending to achieve full employment, and pump-priming to stimulate the economy (1997: 30). In support of the argument that the result reflected hardship caused by free-market policies, Malcolm McGregor pointed to the fact that 3.1 percent of the prevailing swing against Labor went to the Australian Democrats, who were opposed to economic rationalist policies86 (McGregor, M., 1996a: 16). Gary Gray admitted that Labor went "too

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86 There is, of course, debate about what the term “economic rationalist” means, but throughout this dissertation, the author prefers, like many others, to associate it with policies that favour markets over state intervention. (It is used interchangeably with the term “neoliberalism”.) Jupp, in the context of immigration policy, uses economic rationalism to describe policy whose success or failure is measured by economic criteria, including
far” on privatisation, cuts to government spending, and enterprise bargaining (ABC *Four Corners*, 24 February 1997). Similarly, a NSW 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 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 (cited in Santamaria, 1996: 22). Kim Beazley conceded that voters found it difficult to discern the policy differences between them (McGregor, C., 1996: 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 (see further below) (Grattan, 1996a: A7).

Many commentators and party figures cited the Keating Government’s perceived estrangement from the concerns of ordinary voters (Botsman, 1996: 19; Horne 1996: 21; Green, 1996: 4). Gary Gray admitted their fascination with the “big picture” when the “pain was in the detail” (cited in Millett, 1996a: 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. Yet, most of

*“budgetary savings, efficient and effective administration, and outcomes which would increase the national wealth” (Jupp, 2002a: 142). For a broad definition see Pusey, (2003).*
the latter had not risen from the shop floor, but had “gone from university to research assistant to official and then to Parliament” (Cohen, 1996a: 9).

The autocratic and aloof style of Keating himself also was nominated as a key factor in Labor’s defeat (Cohen, 1996b: 11; Stone, 1996: 27). This was supported to some extent by AES data, which revealed that Keating received a high score from voters in terms of the perception of arrogance (cited in Bean & McAllister, 1997: 201). If it were true that Keating’s unpopularity was a contributor to the result, then it underlines Gary Gray’s frustration with having had little choice but to campaign on Keating’s leadership: a positive policy program was not an option owing to the perception in the electorate that the Government could not be trusted; neither could the party campaign, however, on its record because “by and large the perception of our record was that it stunk” (Gordon, 1996c: 2).

One of the most influential interpretations of the election result saw it as a victory against political correctness (c.f. Sawer, 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 focused on these areas. In terms of immigration, for instance, Cabinet discussions had often been dominated by tirades and draconian policy proposals from then-Immigration Minister Gerry Hand, particularly towards refugees (eg Blewett, 1999: 43, 173).87 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, 2002a: 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 concept of “reciprocal obligation”, where recipients were forced to undertake certain activities or lose their entitlements, was introduced with the Keating Government’s 1994 Working Nation program (Latham, 1998: 204).

87 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).
In the area of land rights, most egregious among the disappointments of the Hawke-Keating years was the capitulation in 1984, in the face of pressure from mining corporations and the West Australian Labor Government, on the commitment to introduce national land rights legislation (Summers, 2002: 108). Keating's Native Title Act (1993), which had produced not a single successful 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: according to one analysis, 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 not based on reality. As Sawer put it, it was not “feminists, multiculturalists or Aboriginal advocates who were pressing for greater deregulation or market exposure regardless of social consequences” (1997: 74).

The success of anti-Aboriginal and anti-immigrant candidates such as Pauline Hanson may not have reflected support for their policies, as some have argued (eg Manne, 1996: 23). They could easily have been part of the electoral backlash against Labor. 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, 1996a: 11), while 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 Sawer 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 (1997: 74). Sawer pointed to the success of Cheryl Kernot in doubling the national vote of the Australian Democrats, who were both politically correct and anti-economic rationalist (Sawer, 1997: 78). Alongside this were the rather derisory results achieved at the 1996 Election by Australians Against Further Immigration (AAFI) and other anti-immigration parties (see Jupp, 1997: 86, 87), which is consistent with
the low priority accorded by voters to immigration as a political issue (AES, cited in Bean & McAllister, 1997: 197).

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 volte faces designed to present it as more moderate, including the retention of 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 not to gut the public service (Watson, 2002: 623). The Coalition’s campaign capitalised on the widespread community concern about unemployment and insecurity revealed in Liberal Party pre-election research (Toohey, 1996: 16). By the same token, Keating’s ascription of Labor’s 1993 victory to the merits of the Government rather than 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 or Keating Governments were the least reformist of all Labor administrations, this is different to saying that they departed from the “socialist” tradition of the ALP, as some have argued (eg Maddox, 1996b). 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. Hawke’s ascension to power did coincide with the bottoming out of the early 1980s recession, but recovery occurred in the context of a longer term process of stagnation that began in 1974, and was followed by an even deeper recession in 1991-92 (Kuhn, 1991: 359, 360). As Chapter Five revealed, economic circumstances dictate in the large the extent to which Labor is prepare 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 has not endorsed Chifley’s support for a “mixed

88 Although the evidence suggests that the Coalition benefited somewhat from the perception that it was less enthusiastic about immigration, Bean and McAllister advise that given “the marginal statistical significance of the immigration coefficient, it would be unwise to make too much of this effect” (1997: 205, 245).
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, 1960: 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 did pose problems for Beazley Labor, which sought to regain some of the traditional voters disenchanted with the free-market direction pursued in office.

Conclusion

The evidence that emerges clearly from this chapter is that Labor’s defeat at the 1996 Federal Election owed much to its loss of support among traditional supporters, manual workers and low-income earners, and that responsibility for this loss of support rested in 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 see a return to a more interventionist approach. This is the subject of the following chapter.
Chapter Eight: Labor’s Political Direction, 1996-2000 – Continuity Between Government and Opposition

Labor’s historic loss at the 1996 Federal Election posed the question as to whether the party would undertake to a reversal of the free-market direction pursued in office. This chapter shows that, although rhetorically the party leadership distanced itself from the Hawke and, particularly, 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, emphasising that there would be no return to a “tax and spend” approach: as Beazley himself put it, the ALP offered “parsimonious social democracy”. In contrast to the previous Opposition period, when Labor scorned its record in government, Beazley Labor mounted a strong defence of the Hawke and Keating Governments. The post-Election National Consultative Review Committee, while not a whitewash of Labor in government, failed to adequately take note of the reasons for Labor’s defeat, and proposed mainly organisational changes rather than political ones. The Review mentioned the perception that Labor had been coopted by “special interest groups” as a reason for Labor’s defeat. This conclusion appeared to resonate with some sections of the party leadership, even if as an overall explanation of the outcome of the 1996 Election it lacked persuasiveness.

Overall, this chapter reveals the continuity between Labor in government and Labor in Opposition, an attempted explanation for which is put forward in Chapter Ten. The chapter begins by looking at the party’s direction in the 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 learned from its defeat, and to recapture traditional voters partly 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, Telstra privatisation, and public spending (Gordon & Taylor, 1996: 1). In April, the federal Left faction announced plans to seek a reversal of the free-market policies it believed had contributed to Labor’s demise (Barker, 1996: 5). Left Convenor Kim Carr argued that Labor would need to recognise the necessity of labour market programs, government intervention, and the development of public infrastructure (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, 1996b: 13). Strike action by tertiary education, public sector, and ABC workers over budget and staff cuts (Ellicott & Simper, 1996: 1; Carruthers, 1996: 5) contributed to the rise in industrial disputation in May to its highest level in three years (Davis, 1996: 3). Most sensationallly, a “riot” occurred on the steps of Parliament House in Canberra on Budget eve (Gordon & Chan, 1996: 1). Kim Beazley noted the “real distress, real public anger” in the community (Shanahan, 1996: 3). This process of revival of industrial disputation reached its pinnacle with the 1998 Maritime dispute. Although Labor’s position on this dispute was compromised by its bipartisan support for “waterfront reform”, it capitalised on the heightened sense of job insecurity caused by the Government’s close connivance with Patrick Stevedores to sack members of the Maritime Union of Australia (MUA) (see Davies, Forbes & Birnbauer, 1998; Williams, 1998; Davis & Murphy, 1998) by suggesting that no private sector employee could now be considered exempt from such a manoeuvre, and by pledging legislative change to outlaw such corporate villainy (Hannan & Wright, 1998: 4; Grattan, 1998a: 26; HRH, 8 April 1998: 2797; Daley, 1998a: 4).

89 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).

90 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 Tanner’s pro-reform comments (HRH, 8 April 1998: 2819).
The “new direction” of Labor was 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, 1996b: 5). To Malcolm McGregor this was proof positive of Beazley’s intention to return Labor to “traditional concerns”, and of his having heeded the lessons of the Election (McGregor, M., 1996b: 21). When asked whether he was in the “traditional” or “modern” mould of Labor leaders, Beazley replied: “I’m a traditionalist” (Scott, 2000b: 15). The emphasis on job creations 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 become the Government’s top priority (Tingle, 1997a: A7). Indeed, Kerin’s successor as Treasurer John Dawkins had described the concept of job creation as “a form of surrender” (Blewett, 1999: 178).

More striking perhaps was the anti-free market rhetoric adopted at times. For example, party Vice-President George Campbell reported in early 1997 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” (Murphy, 1996: 4). 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). Senator Conroy asked: “Does a free market there mean the production of socially undesirable goods, or the encouragement of goods produced by socially undesirable means like sweated labour, child labour or unsafe work practices?” (SH, 8 May 1996: 572). Gareth Evans 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, 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). In industry policy, Shadow Industry Minister Simon Crean argued that Labor rejected the lie of the “level playing field”, and that its goal was to safeguard jobs in existing industries, and to promote additional jobs in new ones. He described this approach as “more active”: “It is explicitly
interventionist and it recognises the limits of the free market philosophy” (HRH, 3 December 1996: 7526).

This all seemed a far cry from the free market evangelism of the Keating years. Louise Dodson commented: “The days of ‘the market rules, ok’, appear to be over for Labor” (1997:1). Tim Battin, 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-Keating period (2000: 309).

The greater emphasis on state intervention was evident, too, in industrial relations. Labor signalled a more ready 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 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 also would oppose the Government’s plans to partly exempt small business from unfair dismissal laws (Murphy, 1997b: 4). Hannan commented that Labor was replacing “deregulation with re-regulation”, a throwback from the pre-Keating period (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 livings standards” (Grattan, 1997a: 13; see also McMullan, 1998: 19). Furthermore, unions criticised it for not going far enough (Hannan, 1997b: A10).  

Somewhat curiously, there was a simultaneous attempt to develop a more arms-length relationship with its industrial wing in the aftermath of the 1996 Election. Beazely asserted that the Election had wrought a “fundamental change” in the relationship, and that the Accord was now obsolete (Millett, 1996b: 1). He told the 1997 ACTU Congress, rather elliptically, that Labor and the unions would “forge different links in the future” (Beazley, 1997a: 9, 10). Bob McMullan’s appointment as Shadow Minister for Industrial Relations drew praise from

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91 The unions harboured concerns about its failure to pledge the abolition of Australian Workplace Agreements (AWAs), and its lack of commitment to the ACTU’s second “living wage” claim. In 1998, ACTU President Jennie George vowed that unions would push for the repeal of the whole Workplace Relations Act (1996) if Labor were elected (Hannan, 1998a: 3).

92 Some commentators, however, saw a revival of a version of the Accord in the “cooperative incomes policy” included as part of Labor’s industrial relations policy released in 1997 (The Age, 1997: A10).
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, the ALP seeking a wage rise for an amount less than that sought by the ACTU (Marris, 1996a: 4). This was reportedly their first major difference over wages since 1983 (Henderson, 1997a: 9).

On the union side, however, there was also an expressed desire for a more independent relationship after what a number of unions considered the unhappy experience of the Accord (Marris, 1996b: 2; Norington, 1996: 8). Some unions made threats to disaffiliate, or at least hinted at discontinuing its support for the party over disillusionment with its direction (Hannan, 1997c: 4; Long, 1997: 10).

This process gathered pace following the 1998 Federal Election. It could be argued that, from Labor’s perspective, this was part of a wider attempt to appeal to “aspirational” voters (see below). 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 a dialogue with any other interest group (*Workers Online*, 2000). Simon Crean spoke simply of "a relationship, an understanding, we'll still have to do something with the trade union movement" (Oakes, 1998). In 2000, he appeared to be implying that Labor’s relations with the unions would be essentially the same as its 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 & Lewis, 2000: 38). His comments elsewhere lent support to the idea that labour was just another interest group: “we are as comfortable in the boardroom as we are on the shopfloor” (Crean, 1999: 97).

It was also clear that the unions for their part had grown unhappier with the FPLP’s direction and desired a more independent relationship (Bachelard, 2000a: 13). After the 2001 Federal Election, Haydon Manning argued that a “separation” rather than a “divorce” between Labor and the unions seemed likely (2002: 241).

Labor also distanced itself from the tariff cuts of the Hawke-Keating years, though not from the principle of free trade (see Chapter Nine). Labor called in February 1997 for a freeze on motor vehicle import tariffs at their scheduled 2000 level of 15 percent until 2005, and it
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 elder statesman Gough Whitlam regarded this policy shift as a retrograde step and anathematic to the internationalisation of the economy encouraged by previous Labor governments (AFR, 1997a: 30; Whitlam, 1997: 29). Beazley defiantly responded by saying that Whitlam had “put his stamp on the Labor Party for his times… I have to put my stamp on the party for our times” (Taylor, 1997b: 5). Shadow Industry Minister Simon Crean, however, was quick to assert that the policy did not constitute a repudiation of free trade (1997: 15).

Nonetheless, Labor viewed the Howard Government’s eventual retreat on further tariff reform in mid-1997 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 Mark Latham and Lindsay Tanner expressing disappointment with what they saw as populist and nostalgic policy (Tingle, 1997b: 15; Milne, 1997: 11). This revealed a minor schism between the “young Turks” of the party and the older, experienced leadership more wise to the electoral need to appease traditional supporters. Whatever internal debate occurred over this policy, little of it surfaced beyond the party room. This, again, seemed in contrast to previous periods of Opposition, which saw public debate often occur over the party’s future direction.

Labor’s position on tariffs was widely seen as a shift from its policy in government. Some commentators argued that Labor’s policy was targeted towards the “battlers” lost to Howard at the Election (Toohey, 1997: 16; Hannan, 1997d: 35; McGregor, 1997: 17). Others saw Beazley taking Labor back to the 1960s and 1970s (Grattan, 1997b: 15; Tingle, 1997c: 4). The Australian Financial Review lamented a return to Keynesianism by Labor (1997b: 18). Michael James argued that Beazley was repudiating neo-liberal rhetoric as well as neo-liberal policies, when he was required to do only the former. James cynically advised Beazley to take a leaf out of British Labour Leader Tony Blair’s book of “somehow doing one thing

93 This included a freeze on tariffs at 15 percent till 2005, after which they would be reduced to 10 percent; 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. The question, however, was whether or not these shifts lacked substance, as Michael Gordon argued in the case of tariffs. In fact, it can be argued that the party’s break with economic rationalism was largely rhetorical, with much of the policy trajectory of the Hawke-Keating years continued in Opposition, and that Labor was in fact doing what James suggested it do: certainly some of the free-market zeal of the past was absent in Beazley Labor, but the policy substance was largely retained. Battin had good reason to be cautious in judging whether Labor wanted to return to the pre-Hawke-Keating period. In can be argued that, whereas the post-Whitlam Opposition did make a clean break with Whitlamism, the post-Keating Opposition made no such break with Keatingism. For this reason, it is highly unlikely that the term “Keatingite” would conjure inside the party negative connotations along the lines of those which accompanied the term “Whitlamite” post-1975.

Indeed, Beazley Labor entertained a very charitable view of the party’s record in office. It was claimed that the ALP had no choice but to pursue the path taken. Kim Beazley, for example, maintained that 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 even more adamant: “We were a good government and we are not going to apologise” (Gordon & Taylor, 1996: 1). In a tribute to Paul Keating, Beazley credited the former Prime Minister 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 on the part of Beazley for the policies pursued in office. Geoff Kitney noted the “spirited” defence of Labor’s record during Beazley’s first six months as Opposition Leader (1996c: 15). No doubt

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94 This is meant in the sense of the free-market politics of the former Prime Minister, rather than his autocratic leadership style.
this partly flowed from Beazley’s personal high stake as a minister in safeguarding the record of the Hawke-Keating years (The Australian, 1996: 12).

Beazley was far from alone in adopting such a benign view of Labor in power. Beazley’s 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" (1996: 13). He stressed that a “retreat from the broad direction of economic issues we pursued in government” would be “absolutely the wrong lesson” to learn from the election result (Gordon, 1996d: 4). Evans was reported to have said that Labor would not be advocating different policies “because the values and visions will remain basically the same” (cited in SH, 1 May 1996: 117). This casts doubt on McGregor’s assertion that Evans “returned to his Fabian socialist roots in opposition”, and that he was “deeply disillusioned with…Labor’s adoption of the neo-liberal orthodoxy of the 1980s” (2001a: 11). It appears, in fact, that Evans retained the belief he held in government that deregulation and internationalisation of the economy were unavoidable (Scott, K., 1999: 189). Evans’ 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’” (1999: 357; emphasis added).

Numerous other party figures defended the Hawke-Keating record. Barry Jones argued that the line that “Hawke and Keating took 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 towards the public sector that were wrong, and that paved the way for the present policies of the Howard government” (2000: 312).

This ought to dispel any uncertainty about “whether or not [Labor] is proud of the record of the Hawke and Keating governments” (Warhurst, 2002: 206). As Dick Bryan argued, Labor remained tied under Beazley to the Hawke-Keating period, and there was no clear acknowledgement of the mistakes and failures of that period (2000: 73). Perhaps no better example of this was 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 (McMullan, cited in Dwyer, 1997: 8). “We’re not really going back to big spending in the 1970s world”, the Shadow Finance Minister Bob

Labor’s support for “fiscal responsibility” demonstrated its ties to the economically orthodox practice of the Hawke-Keating era. Beazley’s acceptance of the “argument that Australia’s economic interests are well served by restoring the budget to balance” (HRH, 22 August 1996: 3620, 3621) was in tune with the “deficit-cutting obsession propagated by the financial markets and Treasury economists” (Mitchell, 1999: 23). A significant 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 percent 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). The Age appropriately commented that Beazley’s speech suggested “bipartisanship on fiscal responsibility” (1998: A12). 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; and Tanner, HRH, 29 May 2000: 16450). Thus, its Draft Platform, released in late-1997 with much fanfare, committed Labor to “activist government”, but 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, thus continuing the Hawke-Keating approach of a minimal role for the public sector. Second, Labor’s commitment to “fiscal responsibility” would drastically limit its policy proposals. Simon Crean told the Business Review Weekly in 2000 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 shortly after the 1996 Election, there appeared to be little evidence of thinking that social justice and equality would be prioritised ahead of fiscal prudence aimed at impressing the markets. Malcolm McGregor argued in 2001, on the basis that neoliberal economics had

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95 Although 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).
never been so unpopular, that Labor could simply have decided to “plead guilty to the tax and spend charge, and get on with improving health, education and the social infrastructure” (2001b: 13).

The fact that Labor had not renounced the market was also evident in the party’s unchanged attitude to privatisation. Labor in government was an enthusiastic privatiser, and Kim Beazley, who was “one of the leading privatisers in the Hawke-Keating Government” (Davidson, 1998a: 17), 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, 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. John Quiggin argued that this was one of only two feasible options for the company (the other being further privatisation), and that 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 unwilling to offend such powerful interests. Robert Ray claimed that it was “impossible” to buy back Telstra (SH, 29 October 1997: 8357), but like fellow Labor MPs, felt no need to demonstrate why this was the case.

The reluctance to fundamentally challenge the policy record of the Hawke-Keating period is also notable in the findings of the National Consultative Review Committee, established post-Election by the National Executive to examine the causes of the defeat. The Committee listed eight categories of factors it considered key 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"

96 Indeed, Beazley admitted in the midst of the 2001 Federal Election campaign to having been present at a meeting with then-Telstra Chief Executive John Prescott in 1995 where he discussed the sale of Telstra. Beazley, however, claimed to have done so only as a “known opponent” of the sale, and as a favour to then-Prime Minister Paul Keating (Patrick & Koutsoukis, 2001: 4).

97 Interestingly, this general approach to privatisation was the same as that advocated by the Howard Government (Alston, cited in SH, 14 October 1996: 4065).
factor "first as a rationalisation for voting against Labor." It is worth recalling Punnett’s argument from the literature review 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 appears highly relevant to Labor’s adoption during this period of 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 Chapter Ten).

Instead of acknowledging the fact that most people had not directly experienced the “economic success” of Labor’s administration, the Committee considered 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 “comfortable and relaxed” statement, but did not mention the obvious reasons, such as job insecurity or workplace stress, for the appeal of such a sentiment.

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 kind – aimed at producing a more effective campaigning machine – and little effort is made to push the party in a radically 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 Mabo, 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 the desertion of Labor. 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 forgiving. Yet, the need to be less politically correct assumed some importance in the post-March 1996 ALP. Kim Beazely, 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, 1996e: 26). Hence, his sotto voce repudiation of Pauline Hanson, and the reversal of the ALP’s position of opposing the construction of the Hindmarsh Island Bridge out of respect for Aboriginal Secret Women’s Business (Milne, 1996a: 9).

Party figures considered indigenous people to be among the “special interests” which had captured Labor, and subsequently they were held partly responsible for its downfall (Sanders, 2000: 325, 326). Barry Jones elevated the need to “get the Anglos back” as the party’s highest priority (cited in Milne, 1996a: 9; Milne, 1996b: 9). The Foreword for a book, Labor Without Class (Thompson, 1999), which attributed the poll result not to anger against economic rationalism, but to a strong anti-political correctness sentiment among the party’s traditional voters, was written by the then-Shadow Minister for Employment, Training and Population, Martin Ferguson, who applauded the author for drawing “attention to the too often self-serving agendas of special interest groups” (1999: vii). The ALP’s resistance to the Government’s attacks on the 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, 1997c: 7). This usually – though not always – was the case as it turned out (see, for example, Beazley, HRH, 25 September 1997: 8459-8464; Beazley, 1997e; Evans, G., Bolkus, N. & Melham, D. 1997).

As Beazley told Parliament, with Labor’s support the Government was able to gain approval for 90 percent 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 much of its behaviour in Opposition (see Chapter Ten).

Such tactics were consistent with Labor’s fear that it would suffer if the Government went to a Double Dissolution election over the issue: senior ALP figures in November 1996 reportedly believed 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 in 1997 had revealed 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). Labor’s support for the Government’s decision to cut the non-humanitarian immigration intake from 74 000 to 68 000 in 1997 (Bolkus, HRH, 3 March 1997: 1108) was thus part of an appeal to blue-collar workers sympathetic to the ideas of Pauline Hanson (Henderson, 1997b: 6).

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.

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, 1997d: 4). Similarly, the Hawke and Keating economic rationalist approach to immigration policy (Jupp, 2002a: Ch.8) was continued in Labor’s 1997 Draft Platform, which reserved the right to restrict it according to economic dictates (Greene, 1997: 14). This, of course, was in keeping with its intention of appealing to workers sympathetic to Pauline Hanson. In the case of both immigration and uranium, just as with economic matters, the approach in Opposition seemed consistent with its record in government.

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98 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 under a Labor government (Hordern, 1998a: 4; Hordern, 1998b: 4). Labor pledged to halt the controversial Jabiluka mine only in so far as it did not yet constitute an “existing mine”; therefore its pledge was dependent on the timing of the election.

99 It was economic rationalist in the sense that the policy’s success or failure was measured by economic criteria, including “budgetary savings, efficient and effective administration, and outcomes which would increase the national wealth” (Jupp, 2002a: 142).
The Kernot defection

The dramatic defection of Australian Democrats Leader Cheryl Kernot to Labor in 1997 not only boosted significantly Labor’s electoral stocks (Ward, 1998a: 233), it added weight to the perception that Labor was repudiating economic rationalism (Scott, 2000b: 15; O’Reilly, 1998: 400). This was mainly because Kernot had 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 (Taylor, 1997e: 3). At a press conference following the announcement of the move to Labor, 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).

However, it is doubtful that Kernot’s move coincided with a genuine shift to the left by Labor in Opposition, as some media commentaries argued (AFR, 1997a: 30). Her biographer Cameron O’Reilly pointed out that "Labor could not completely junk its past – it was locked into international deregulatory and free trade obligations" (1998: 404). 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).

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 belief in a role for government. In his opening address, Beazley relegated John Howard to the 1980s with its “greed is good” ethos. He celebrated the notion of community by taking aim at Margaret Thatcher and her infamous statement that there is no society, only individuals. The word “community” thus featured frequently in his speech to delegates, and he contrasted Labor’s statist approach with Howard’s free-market 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). Such rhetoric, and an apparent change in direction in policy areas such as workplace relations, led Michelle Grattan to comment that Labor was not “trying to roll back key reforms, but it has clearly made a pit stop” (1998b: 9).

However, the commitment to fiscal responsibility and moderation in economic policy belied the rhetoric employed by Beazley. Labor missed 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 percent of the nation’s wealth, Gareth Evans opposed it by raising the spectre of politically damaging headlines about “exemptions of family homes” and death duties (Wright, 1998: 2). It was thus voted down. Beazley also committed 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 unhappy with 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 at Conference, possibly in deference to the leadership’s concerns about the signals this might send (Taylor, 1998b: 4). John Quiggin noted that Labor’s economic policy was “carefully designed to contain few clauses specific enough to constrain Labor’s election promises, let alone the decisions of a Labor government” (1998a: 11). The caution of Labor’s Platform, Cassin remarked, was evident in the omnipresence of statements such as “Labor believes…” and “Labor is committed to…” rather than “Labor will…” This showed that Labor’s “small-target” strategy, based on Howard’s strategy in the 1996 Election of keeping his intentions largely hidden, was already in place (Cassin, 1998: 11).

The real function of Conference thus appeared to be about conveying an impression of a policy shift rather than carrying through a real one.

The 1998 Federal Election and After

Labor ran in the October 1998 Federal Election on a modestly left-wing platform, pledging to spend $1 billion to achieve 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 devoted to 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). Labor also promised a more regulatory banking policy, including the prevention of any merger between the big four banks (Hudson, 1998b: 8). Labor’s tax policies were targeted at 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, but would grant just $2.54 extra per week to the unemployed (Kingston, 1998: 12).

These policies were part of the general strategy of distancing Labor from the days of Paul Keating (Wear, 1999: 256). To Susan Ryan, “Kim Beazley sounded more like a traditional Labor leader than his two predecessors…” (1999: 255). There is, of course, the problem of defining a “traditional Labor leader”. Nevertheless, Barry Jones promised that a “Beazley government will not let economics displace the social component in national life” (Labor Herald, September/October 1998: 3). Kim Beazley similarly restated Labor’s commitment to interventionist government in light of the message he received from the election result (Grattan, 1998c: 5; Lagan, 1998a: 6). Gerard Henderson argued that, while Labor under Beazley had not shifted to the left like he claimed most Labor Oppositions had, the ALP was now more regulatory than under Hawke or Keating (1998a: 17).

However, Labor seemed more intent on promoting the impression that it had learned from the Hawke and Keating years than about actually doing something radically different in government. It accepted, for example, that the rate of corporate tax should be kept as low as possible (Lagan, 1998b: 8). As Brian Toohey 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 (1998: 21). Thus, while the Australian Council of Social Services (ACOSS) preferred Labor’s tax package to that of the Coalition, the Council still rated the ALP’s proposals as grossly inadequate for low-income earners (Martin & Grattan, 1998: 8). Labor’s spending plans, too, were modest. Louise Dodson commented that, “in a strange reversal of

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100 However, Work-for-the-Dole (to be renamed “Training for Jobs”) might 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).
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” (1998b: 37). Beazley distanced himself from “old Labor”, which “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). Overall, the policy smacked of a punitive attitude to the unemployed (Hamilton, 2000: 41).

For all the rhetoric of interventionism, Beazley assured business that he would not dictate to them (Grattan & Dodson, 1998: 5). The unemployment target of five percent was qualified by Gareth Evans’ statement that it would not be achievable in one term (Hudson, 1998c: 13). A number of commentators also argued that Labor’s campaign was based on the Howard “small target” strategy (Henderson, 1998b; Johns, 1998; Botsman, 1998, Quiggin, 1998b: 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 Goods and Services Tax (GST), the private health fund rebate, the “hopeless” Job Network (Beazley, in Grattan, 1998d: 3), and the anti-union Workplace Relations Act (1996). The lack of policy was also evident in the plethora of inquiries, audits, and commissions foreshadowed by Labor (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 then exposed. On the one hand it was under pressure from its own supporters in the wake of the 1996 Election for interventionist policies. Yet, business expected from Labor policies that would not upset investor confidence. The overall economic

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101 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” (2000a: 37).
context also was not conducive to a return to “tax and spend” policies (see Chapter Ten). Despite the modesty of Labor’s proposals, their tone and rhetoric was enough to convince business to stick with the unashamedly pro-business Coalition. Business’s very low opinion of both Beazley and Labor was revealed in surveys of chief executives (Skeffington, 2000: 40, 41). 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 percent for the Liberal Party (Dodson, 2000a: 3). The Business Review Weekly in late-October 2001 implored its readers to reject Beazley because of doubts about Labor’s capacity to manage the economy effectively (cited in Henderson, G., 2001: 17).

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, but at the same time it pledged to balance the Budget, to not raise taxation rates, and to be pro-business.

However, notwithstanding the absence of radical differences between the two parties, and Labor’s failure to map out a substantially different approach, Labor almost won the Election. It won more seats than the Liberal Party (67 to 64, more than any other first-term Opposition), and 51.3 percent of the TPPV compared with the Coalition’s 48.7 percent. Labor received 270,000 more votes than the Coalition, with an average of just 570 voters in six marginal seats in three States (Queensland, WA and NSW) delivering government to Howard (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, G., 1998b: 17). However, the fact that the electorate had not re-embraced Labor was suggested by the meagre improvement of 1.3 percent in the party’s House of Representatives primary vote compared to 1996 (Mackerras, 2000: 213). According to Bean and McAllister, Labor had made only “modest inroads back into its occupational heartland” (2000: 180).

An explanation popular among Labor strategists was that the party’s promise to tax four-wheel drives ("Toorak tractors") 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 Sydney, Melbourne and Brisbane, costing the party votes where it most needed them (Wilkinson, 1998: 40; Johnstone, 1998: 6). Party figures, especially from NSW, nominated seats such as Eden-Monaro and Hindmarsh, both of which Labor narrowly lost, as seats that might have
been won had Labor targeted swinging voters rather than the party’s traditional base (Dodson, 1998c: 5). Similarly, Anne Henderson 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 (2000: 34). In reality, Labor’s proposals were modest, with the CGT changes 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”, apart from an assumption that they were middle class (see Walker, 2001a: 75). 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 – the end result of the reorientation towards the “aspirationalists” (see below) – it would do little to increase its chances of winning such seats. Furthermore, 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 (AEC, 1998: 273, 15, 29, 43, 51, 57, 201, 207) – but not regained in 1998. Also, Labor held the NSW seat of Parramatta between 1977-1996, and did not regain it in 1998 (AEC, 1998: 75). Robertson in NSW 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 in 1998. Of

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102 John Button has defined “aspirational voters” from the perspective of “true believers” thus: “[T]hese people are desperate to get ahead. Big houses (often with big mortgages), driving the kids to private schools in a four-wheel drive complete with bull-bar, both parents working long hours to make it all happen, regimented leisure, perhaps a beach house with another mortgage, a wad of credit cards, mobile phones for the children” (2002: 68, 69).

103 Take for example Gilmore, a Liberal-held rural seat in NSW. Though it is a rural seat, less than five percent of its labour force is employed in agriculture, compared to ten percent in manufacturing and 20 percent in government. Nearly half of all families in Gilmore earn less than $500 per week and only around 7 percent earn 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 can be found with 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 percent of its labour force is employed in manufacturing and around one-fifth is in government employment. Just over ten percent have tertiary qualifications and around 28 percent of all families earn less than $500 per week, compared to just 9 percent earning above $1500 per week (AEC, 1998: 273). The seat of Dickson in Queensland, on the other hand, which Labor won at the 1998 Election, and which Anne Henderson puts in the same category as the above seats, is considerably less working class. It is in the top 20 wealthiest seats, with a median weekly family income of $1041. Over 15 percent of residents possess 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.
course, there may not be the same reasons behind Labor’s loss of these seats in 1996 and its failure to regain them in 1998, but there appeared to little interest expressed by Labor strategists in trying to understand the failure to win them back. Perhaps it was attributable to Labor’s failure to recapture the support of the traditional voters lost in 1996.

The “aspirational voters” thesis nonetheless formed the basis for Labor’s strategy post-Election. Almost immediately after 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 focus in the election campaign, by concentrating on “industries of the future”, such as biotechnology (Lewis, 1998b: 6). Labor’s Shadow Minister for Small Business and Tourism Joel Fitzgibbon seemed to have the “aspirationals” 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 “aspirationals” strategy in action thus far came with Labor’s bipartisan support for halving the CGT rate and cutting the corporate tax rate from 36 percent to 30 percent (Toohey, 1999a: 18; Henderson, 1999a: 1). The CGT cut in particular was grossly regressive, benefiting the wealthiest sections of the community (Latham, HRH, 24 November 1999: 12512). According to John Quiggin, Mark Latham was the only Caucus member to oppose the policy, with Left and Right united “in pointing out the economic and political advantages of subsidising upwardly mobile property-owners and share speculators” (2000: 17).

One of the most controversial instances of Labor’s targeting of the “aspirationals” 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). Despite this, 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.\textsuperscript{104}

As Dennis Shanahan argued, 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 (2000a: 30). The method behind Labor’s approach, according to Shanahan, included making overtures to its traditional supporters by opposing such policies rhetorically, but then supporting 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).

It could also be argued that Labor’s approach to the Howard Government’s Goods and Services Tax (GST) embodied 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 would retain it in government, with only minor modifications. Despite the considerable unpopularity of the GST,\textsuperscript{105} Labor would not repeal the tax on the spurious grounds (see Latham, 1999a: 21) that one cannot “unscramble the eggs”.\textsuperscript{106} That it was part of its “aspirational” voters strategy was evident from the fact that Labor’s propaganda dealt more with the plight of (“aspirational”) 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, 2000b: 15).\textsuperscript{107} Labor MP Joel Fitzgibbon admitted candidly: “Labor is chasing the small business vote [on the GST]” (HRH, 14 August 2000: 18846). \textit{The Australian} was encouraged to “see

\textsuperscript{104} As 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” (1999: 195, 196).

\textsuperscript{105} 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.”

\textsuperscript{106} Mark Latham pointed out that the GST could easily be replaced by legislating for another tax system (Latham, 1999a: 21).

\textsuperscript{107} The fact that Simon Crean was reportedly opposed to any form of roll-back that would make the GST more complicated (cited in HRH, 5 September 2000: 20106) further suggests that Labor was targeting small business, and the “aspirational” voters more generally.
the Opposition Leader rolling back the GST rollback” (2000a: 12). This also signified that it was part of the “small target” strategy, since any proposals for rollback would inevitably become the subject of discussion and debate about Labor’s alternative policies rather than the Government’s tax. 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” (2002: 11).

That the “small target” approach was gathering force was shown in the comment by senior ALP strategists towards the end of 1999 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 weaknesses (2000: 24). In this sense, it contradicted the traditional characterisation of Labor as the party of reform and initiative 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 from being critical and holding the executive accountable to providing an alternative, depending on the stage of the electoral cycle (Taylor & Walker, 2000: 22). Elsewhere, he raised the fear of the Government stealing Labor’s policies and the prospect of the Prime Minister going the full term of office as reasons for not releasing policies too quickly (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 the Government’s policies and voting against them would not have undermined Beazley’s respect for the traditional tasks of Opposition.

In line with the move to target the “aspirational” went a notable shift away from the anti-free market tone of post-1996. Andrew Scott argued in 1999 that since the previous year’s Election, Labor had adopted 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 – whether they like it or not” (Scott, A., 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 (2000c: 15). Beazley provided little convincing evidence
to refute Scott, and he neglected to spell out exactly what “fairness” involved or how it would be achieved (2000c: 15). Moreover, 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). Kim Beazley’s call in mid-1999 for a renewed global campaign for freer trade and investment was taken as a "return to the free-market policies…pursued [by Labor] in office" (Colebatch, 1999: 3).

The 2000 National Conference

This increasing embrace of neo-liberalism and globalisation was continued at the 2000 ALP National Conference. The Draft Platform contained a statement in the chapter “Engaging with the Global Economy” vindicating 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, 2000a: 8). As Kevin Rudd put it, “Australian Labor is embracing this new globalisation agenda with gusto…” (2000a: 15). This largely free-market attitude somewhat undermined the credibility of Kim Beazley and National President Barry Jones’s nomination as the Platform’s central theme Labor’s promise to ensure an even distribution of the benefits of globalisation (2000: 109). Labor did call for a greater association between labour standards and trade – in contrast to the World Trade Organisation’s (WTO) practice of dealing only with trade – with violators of labour rights to be subject to certain “measures” to be considered by a permanent working group set up by the trade body (Pearson, 2000a: 8). 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, 2000a: 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 based more on economic rationalist grounds.

Policy evidence of this belief in fairness included, according to Beazley, Labor’s pledge to increase research and development spending, legislation aimed at protecting workers’ entitlements, earned income tax credits, and, inter alia, a proposal to establish a coast guard, which had roots in former Labor Prime Minister John Curtin’s views on defence self-reliance (Beazley, 2000c: 15). It is doubtful that this effectively rebutted Scott’s arguments given the modest nature of such proposals.
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). Shadow Finance Minister Lindsay Tanner seemed to imply 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 (Allard, 2000b: 4) led Michelle Grattan to comment that “Labor under Beazley isn’t deserting the economic rationalism of the Hawke and Keating governments” (2000d: 4). Labor’s promise to make the wealthy pay their “fair share of tax” (Taylor, 2000: 5) was vague. Moreover, hopes for more equitable tax arrangements were dashed considerably 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, 2000b: 3). Beazley did reject the notion of a trade-off between maintaining the “economic fundamentals” and “fairness” (Barker, 2000: 4), but what if, as indicated 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 committed to the former. It also appeared to be unaware of evidence that 70 percent of Australians would rather the gap between rich and poor be narrowed than have higher economic growth, compared to 28 percent who believed the opposite (The Weekend Australian, 2000: 1).

Aside from its economic rationalist character, perhaps the most striking aspect of Conference was its highly choreographed, and media-driven nature. 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 (see Chapter Six) (Dodson, 2000b: 47), 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).10 For more on this debate, see Chapter Nine). There was virtually no

109 Apart from references to “abuses of the tax system” in relation to non-commercial losses and other tax shelters, it was not clear what constituted “fair”, who exactly would be targeted, or how much revenue this would raise (Taylor, 2000).
110 So rare was an actual vote at ALP conferences that President Barry Jones had difficulty remembering the precise process used for counting the votes (The Australian, 2000b: 5). For evidence that the vote was largely
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, 2000a: 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” (2000a: 25).

In the wake of Conference, numerous commentators remarked that the differences between the parties were virtually meaningless (Stretton, 2000: 13; Manne, 2000: 12), while others claimed that what mattered now in politics were opinion polls, market research, and leader 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 the literature review, of the increasingly dominant role of television and the media, but is more likely to be attributable to more fundamental problems in the party (see Chapter Ten). Thus, by the end of 2000 Labor faced fundamental questions about its purpose and strategy that transcended the immediate crisis surrounding the electoral rorts scandal then erupting in the Queensland Branch (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 on the ALP. 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 has been Mark Latham (1998), who portrays the Third Way as an alternative to both laissez-faire capitalism and its apparent rejection of a role for government (i.e., Thatcher’s Britain), as well as bureaucratic state capitalism (i.e., the Soviet Union, and to a lesser extent Western Europe) with its intolerance of the private sector (1998: xix). It 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 on factional lines, Bachelard pointed to Lindsay Tanner’s – a renowned pro-free trader – vote against free trade out of respect for his Left faction’s position on the issue (2000b: 6).

A common criticism of the Third Way has been to depict it as an “ideological shell of neoliberalism” because of its prominent role for markets (e.g. Anderson, cited in Callinicos, 2001: 8). Even, Lindsay Tanner, who can be described as a Third Way advocate, describes the label as superficial and as an "empty quest for the swinging voter and the middle ground" (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 latter. 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 remarkably Third Wayish (see Watson, 2002: 359, 411). Kim Beazley claimed that the ALP “invented the third way, and that was essentially the philosophical underpinning of the Hawke and Keating governments” (Seccombe, 1999: 33). Indeed, Latham himself has not indicated where the Hawke and Keating Governments stood in terms of the free market-bureaucratic dichotomy, or how the Third Way involves a departure from their approach. Presumably, they can be classed as neither, meaning that they were Third Way administrations. 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), including the former’s

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111 This view would seem to have some justification if Latham’s comment, reminiscent of Thatcherism, that the “true enemy of the poor is the corruption of the State”, and “[c]apitalism is actually part of the solution” (2001a: 54), is any indication of the true extent to which he sides with neither the free market nor the public sector.

112 Tanner himself largely puts forward solutions that he regards as devoid of the problems associated with traditional statist models advocated by the Left and the neo-classical free-market approach of the Right. For example, he argues for a midway between equality of outcome and equality of opportunity, what he calls the "capacity to participate" (1999: 54). He opposes equally both a return to a centralised system of industrial relations as well as the individualist approach pursued by the Howard Government (1999: 143). There are also frequent approving references to the Clinton and Blair administrations in the United States and Britain respectively (for example, 1999: 62), who are widely regarded as pioneers of the Third Way model. Furthermore, like Third Way enthusiasts Tanner’s thinking is underpinned by notions such as the "new economy", based on the supposed triumph of the information technology over industrialism which he thinks is consigning old ways of organising society into the dustbin. For example, he refers to cases such as the testing of cars that are able to drive themselves, and of the decline of printed publications (1999: 169).

113 He claimed that his policies as Shadow Education Minister had been tampered with by FPLP Leader Kim Beazley.

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 neoliberal 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 cheerleader for markets or as a prosecutor of social Darwinism” (cited in Battin, 2000: 309). The centrepiece of Labor's policies was "Knowledge Nation" (Beazley, 1999a), which, by emphasising the importance of education, has strong Third Way connotations. 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). Latham himself claimed that Beazley's articulation in late-1999 of "Labor's vision of government for the many, not just the few" was borrowed from the theme of New Labour's conference that year (1999b: 18). According to Australian Financial Review writer Stephen Long, Labor's employment strategy, Workforce 2010, unveiled in February 2000, so bore the hallmarks of "New Labour thinking" that it could have been written by Prime Minister Blair himself (2000a: 4). Furthermore, it involved a repudiation of "old-Left", Keynesian style fiscal stimulus with its heavy emphasis 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.

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. Indeed, a notable aspect of this period is the party leadership’s highly favourable attitude to the record of the Hawke and Keating Governments. This is in striking contrast to the experience of the Whitlam-Hayden Opposition and its attitude to the Whitlam Government. The continuity between Labor in government and in Opposition is particularly evident in relation to the party’s support for economic rationalism. This end result was that
the differences between the Coalition and Labor by the end of the 2000 National Conference were minimal.

The party’s approach to globalisation under Beazley also was an extension of its position in office. This issue is dealt with in detail in the following chapter.
Chapter Nine: Beazley Labor and Globalisation: the Continuation of Bipartisanship

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 seemed to revolve. The attitude that Labor adopted to globalisation would serve to indicate how far, if at all, it had moved away from the globalising Hawke and Keating Governments (see Kelly, 1999; Latham, 2001b: 55), and how much separated the major political parties on this issue. Similar to the findings of the previous chapter, it is argued below that there was considerable continuity between Labor in government and in Opposition. This is shown, for example, in its attitude to free trade. Labor viewed globalisation as overwhelmingly positive and irreversible, but also believed that it set limits on the type of policies that social democrats realistically could contemplate. It is likely that this acted as a further impediment to Labor offering reformist policies. Like its conservative opponents, the ALP was largely hostile towards the anti-capitalist movement that first burst on to the scene in late-1999.

The Free Trade Debate

Free trade undoubtedly comprises a significant element of globalisation and the debate over its merits. For Labor to oppose it would not only have been popular (Manne, 2000: 12; Henderson, 1999b: 2), 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). However, Labor in Opposition 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 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 even accused the Government's Trade Minister Mark Vaile of protectionism and believing "in Hansonite type policies" (Cook, 1999a: Cook, 1999b). Cook was undeterred by the significant show of opposition to free trade at the WTO meeting in Seattle at the end of
1999 (Danaher & Burbach, 2000). The following year, he argued that trade liberalisation 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, 2000a: 2, 3).

Cook, of course, was not alone in the FPLP in pushing the cause of free trade (eg Emerson, 2000: 41). What Labor’s arguments about the benefits of free trade have tended to ignore, however, is that the more protectionist period of the 1960s and 70s generated considerably higher rates of economic growth in Africa and the developed world than has the era of trade liberalisation in the 1980s and 90s (see Weeks, in Callinicos, 2003: 24). Moreover, according to the Center for Economic and Policy Research (CEPR), a comparison between the periods 1960-80 and 1980-2000, finds that the latter period was generally characterised not only by lower economic growth levels, globally and in most countries, but also less progress on life expectancy, infant and child mortality, and education and literacy (cited in Callinicos, 2003: 22, 23). Mark Latham’s crediting of free trade with engineering “the greatest poverty reduction program in the history of humankind” (2000b: 29) overlooks the fact that three billion people, or half the world's population, survive on less than $US2 per day (Wolfensohn, 2001: 11).

Labor’s pro-free trade position was in stark contrast to that of much of the trade union movement, a schism exposed most clearly at the 2000 National Conference. The unions’ opposition was led by AMWU National Secretary Doug Cameron, who described Labor’s policy as "shallow, conservative and [reflecting] the worst aspects of Labor in the '70s and '80s", and no different in substance to that of the Government (Lewis & Pearson, 2000: 13). The anti-free trade side was made up completely of trade union officials – in addition to Doug Cameron, John Sutton of the Construction, Forestry, Mining and Energy Union (CFMEU), and Wendy Caird from the Community and Public Sector Union (CPSU).115 Opposing the unions were leading ALP politicians: Beazley, Deputy Leader Simon Crean, Shadow Trade Minister Peter Cook and Victorian Premier Steve Bracks. The makeup of the unionists

115 Cameron's position was reported to have had "substantial support" within the parliamentary Left, whose opposition to free trade had apparently stiffened after the Seattle debacle (Lewis & Pearson, 2000: 13). Unions reportedly received the support 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).
opposing free trade arguably reflected the fact that their members – miners, manufacturing workers, and public servants – have disproportionately borne the brunt of globalisation, free trade and economic rationalism. Doug Cameron attributed the trade liberalisation carried out under the Hawke and Keating Governments, which he claimed the Beazley Opposition was continuing, with causing the loss of 60 000 manufacturing jobs, and widening inequality (Ramsey, 2000b: 42). John Sutton argued that the reference in the Platform to “core labour standards” was merely rhetorical, and he pointed to the One Nation Party’s electoral successes as evidence of the prevalence of economic insecurity in the community:

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. 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 (Ramsey, 2000b: 42).

Alan Ramsey reported that "Cameron and Sutton won the debate…[but] lost the vote" (105: 82) because "Beazley had to be seen to win". He noted that, 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, 2000b: 42). Paul Keating’s intervention in the argument prior to Conference in favour of free trade (Norington, 2000a: 15) symbolised the continuity between Labor in government and in Opposition.

Aside from murmurings to the contrary during Labor’s early days in Opposition,116 Labor also adopted a largely laissez-faire attitude to foreign investment, believing that it was overwhelmingly beneficial to the economy. Lindsay Tanner stated in early-2001 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 ignored the fact that there is a position which neither sides with the neo-liberal

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116 In 1997, Labor had mooted some tightening of rules governing foreign ownership, recognising that “there is broad concern within the Australian community about the degree of foreign ownership and control of the economy” (Greene, 1997: 14).
proponents of the “benefits” of foreign investment nor advocates nationalist opposition to it (Lavelle, 2002). This favourable attitude to foreign investment, of course, continued the highly deregulatory, free-market stance taken by the Hawke and Keating Governments (O’Faircheallaigh, 2002: 196, 197).

Beazley Labor’s Attitude to Globalisation

Also indicative of the little change that had occurred in Labor thinking since the Hawke-Keating years was Labor’s attitude to globalisation more generally. Globalisation is a contested concept, but the crux of the debate is over the resulting political consequences (Callinicos, 2001: 16). While Labor 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 limited the 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”, thus endorsing Labor’s policies for the forthcoming election. However, given the pledge to fiscal responsibility 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 diverse interests and cultures of nations, this is, at the very least, a long-term prospect. Anthony Albanese credited globalisation with offering “enormous potential opportunities for the benefit of all”, adding the customary rider that a vigilant state was required for this to materialise, and to ensure that the benefits were not concentrated in the hands of the 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 imposing a Tobin tax (named after Nobel laureate James Tobin) on speculative investment (HRH, 30 August 1999: 9384; HRH Main Committee, 16 March 2000: 14959). Albanese, however, left few clues about whether Labor would consider a Tobin tax to reverse inequality. Andrew Theophanous, who subsequently left the ALP to become an Independent, suggested, like Kerr, greater agreement at the international level in the economic realm as the most likely way to “humanise the globalised economy” (HRH Main...
Committee, 21 June 2000: 17976-17979). Thus, those in the FPLP who did not accept
globalisation uncritically were either vague about what could be done to challenge its
negative effects or viewed international agreement as the chief method of achieving social
justice, in the process largely accepting the notion that the nation-state had few feasible
options at its disposal.

Yet even these criticisms were few and far between. A much more hegemonic view in
Caucus was that globalisation was overwhelmingly beneficial, but also, more importantly,
inevitable. This was true even at the beginning of Labor’s term in Opposition when it was
supposedly distancing itself from the Hawke-Keating years. 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, who argued that it was impossible to “shut ourselves off”
from the global economy, suggested that the important question was what the government did
in those circumstances (Syvret, 1998: 6). Beazley did concede that "Australians today
increasingly feel that the balance has gone, and that the benefits of a growing economy are
going disproportionately to a fortunate few" (Shanahan, 1999a: 9). Beazley appeared,
however, to be unable to put forward any real solutions to address such problems. Rather, he
continued to believe that globalisation could be tamed, positing a choice “not between
globalisation and isolation” but between “globalisation which leaves people behind, or
globalisation which includes all our fellow citizens” (Toohey, 1999b: 24). What this would
mean in practice was unclear. Chair of the Federal Caucus Policy Committee on National
Security and Trade, Kevin Rudd quoted favourably French Prime Minister Lionel Jospin’s
comment that “Globalisation is a fact”, adding similarly to Beazley that the question was
whether one supported an unrestrained globalisation or one with government intervention
(2000b: 40). Rudd argued 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 [sites of demonstrations against global capitalism]” (2000b: 40). Yet, as is shown
below, there is evidence that the demonstrators had a more nuanced view of globalisation than
mere opposition to it. Lindsay Tanner, meanwhile, described globalisation as “an essentially
unavoidable reality” that could not “be prevented without enormous costs to our living
standards…” (1999: 12). Again indicative of the continuity between Labor in government
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” (1999: 96).

In this sense, Labor shared in the process the mistaken view held by many from the Right about the inevitability of globalisation (Conley & Wanna, 2002: 45, 46). As Ross 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). Globalisation, in fact, is not inevitable but is largely the cumulative result of the dismantling of barriers to trade and investment made possible through government policy, and which again could be reversed by the actions of states as happened in the inter-war period (Gittins, 2000: 12; Blainey, 1999: 17). In asserting that globalisation could not be prevented “without enormous costs to our living standards”, Lindsay Tanner seemed to be suggesting that it could be stalled, just with negative repercussions. Paul 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 a case of it doing what was necessary to avoid a decline in living standards (Keating, 1999: 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 of globalisation was largely positive. Thus, if we adopt Alexander Downer’s approach of putting all people into one of two camps – the globaphobes and the globaphiles – then the ALP, like the Coalition, belongs in the latter camp (Grattan, 1998e: 2).

Hand-in-hand with a perspective that viewed globalisation as inevitable was a belief that it limited drastically the policy options available to social democrats. Gareth Evans, for instance, regarded the capacity of states to run independent macro-economic policies as "largely a dead letter" because of the risk of capital flight (cited in Button, 1999: 4). This did little to suggest that Evans had retreated from the largely accepting attitude adopted towards globalisation in government (see Scott, K., 1999: 288). Similarly, Barry Jones mused that globalisation posed "threats to national political, economic and technological autonomy" (1999: 15). While restating social democrats’ fears about a “race to the bottom” in labour standards or taxation, Kevin Rudd concluded that “the volume and volatility of global capital imposes unprecedented constraints on what reformist governments can do”, which raised

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117 Downer himself, for obvious political reasons, falsely includes the “refashioned” ALP as among the globaphobes (Grattan, 1998e: 2).
questions as to how the nation-state, whose sovereignty is now “under challenge”, could withstand the pressure to join in such a race (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 this view, it was consistent with the latter’s inclination to leave globalisation unchallenged. Furthermore, this could be seen merely as an extension of the belief that took hold 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, it almost certainly involved an overstatement of the decline in the regulatory powers of the modern state (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 and Engels, 1985: 83-85). As was pointed out earlier in this dissertation, instances of social democratic governments succumbing to pressure from capitalist institutions long predate globalisation (Callinicos, 2001: 27). Yet, still there are a number of ways to fund an expansionary program that would not likely result in capital flight, including hypothecated taxes, clamping down on tax rorts, retargeting of existing spending (eg 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. Harman argues that, in the case of social democrats, it is because “they accept the constraints of the system”, and to the extent that the seek to implement reforms they do so with the existing state machinery, which is predicated on “collaboration with capital, not opposition to it, and dominated at the top by those who identify with the interests of capital” (1996: 25). Social democrats’ acceptance of the logic of capital, and their preclusion of the possibility of any challenge to it from below, means that they concede the “limits” to what governments can do (Harman, 1996: 25, 26).

Labor’s Response to the Anti-Capitalist Movement

Labor’s positive view of globalisation partly explains why it took rather a hostile stance towards the so-called “anti-globalisation” protestors, who first emerged in Seattle at the WTO trade talks in late-1999 (Danaher & Burbach, 2000), but have since been witnessed across the
globe in Washington, Millau, Okinawa, Melbourne, Prague, Seoul, and many Third World Countries (World Development Movement, 2000). The Australian's Robert Garran, who reported on the Seattle protest 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 believed "that free trade reflects a blind acceptance of a process of globalisation that benefits the rich, harms the poor and wrecks the environment" (1999a: 10). The protest was widely accepted as heralding a significant shift in public sentiment away from economic rationalism and globalisation (Hartcher, 2000a: 9; Walker, 2000c: 53). The emergence of this movement did bear some resemblances to the Anti-Vietnam War Movement of the late-1960s and early 70s. Cameron Forbes commented that the street activism dormant since the end of the Vietnam War was "stirring from its sleep" (1999: 6). The Seattle activists shared with the Vietnam generation the tendency to generalise politically (see Charlton, 2000). More generally the movement typified a much wider shift in public sentiment against neoliberalism (Harman, 2000: 3). Market research has revealed since the mid-1990s a clear rise in the number of people opposed to privatisation and deregulation, who believe that business does not fulfil its social and community obligations, that corporations have become too powerful, and who are more sympathetic to trade unions; some 60 percent surveyed regarded globalisation as "dangerous and a threat to our way of life" (Long, 2001a: 27). Even in the most capitalistic country in the world, 72 percent 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 concerned with big business interests than with ordinary citizens (Hartcher, 2000b: 55; Hartcher, 2001: 1). The influential philosopher and ex-State Department official Francis Fukuyama thought the fact that a large part of the traditional Left had come to view globalisation as essentially a negative force might in itself constitute “an ideological shift” (Hartcher, 2000c: 6). Paul Krugman suggested that “Seattle Man” believed globalisation to be “purely and simply a way for capitalists to exploit the world’s workers” (2000: 23).

Evidence suggests that the protestors’ views were more complex. After talking to Seattle protestors, Robert Garran listed their grievances as including environment and labour-related issues, as well as the WTO's anti-democratic character and its capacity to override the sovereignty of states (1999b: 7). An anti-WTO web-site at the time listed 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 global 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” (2001b: 2). It is arguable that the movement is in fact “anti-capitalist” given the way in which it views 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.118

Labor’s attitude to this movement was largely hostile, with sympathetic contributions from backbencher such as Harry Jenkins the exception (HRH, 6 December 1999: 12905; HRH, 16 February 2000: 13611). Shadow Foreign Affairs Minister Laurie Brereton more accurately captured FPLP sentiment 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 also urged Trade Minister Mark Vaile to concede on labour and environment standards in the interests of further progress in liberalising trade (Cook, 1999c). A year after the WTO collapse in Seattle, at a time when many were calling for reform of the trade body, Cook mounted a staunch defence of the WTO and its *modus operandi*, and argued that the alternative to continuing the push for free trade was the protectionism that enveloped the world in the wake of the Great Depression (2000b: 67). This was, of course, largely the position of the Coalition.

Labor’s response to the protests in September 2000 (“s11”) against the World Economic Forum (WEF) meeting in Crown Casino, Melbourne, featuring 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 put it (Walker, 2000d: 12, 13) – would provide another opportunity to gauge the FPLP’s attitude to global capitalism and the growing opposition to it. Shadow Trade Minister Peter Cook defended the event as simply “one section of an economy – the business elites – holding a debate about the world from their perspective”. In saying

118 According to Callinicos (2003: 146): “Quite apart from the movement’s international character, on the issue of asylum and refugees it is well to the left of the official consensus.”
that “other sections should do the same as well” (SH, 6 September 2000: 17468), Cook 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 to stick to their studies rather than protest about world issues: "Don't be used as cannon fodder in a false debate about free or fair trade" (Canberra Times, 28 August 2000: 1). The large numbers of people who attended the protest (est.10 000-20 000) led the Victorian Police Force to use extreme force to push through buses carrying Forum delegates. Labor Premier Steve Bracks told protesters injured by police that they "deserved everything they got". Kim Beazley, who was silent at the time of the protests, showed little interest in engaging with the protestors’ concerns, dismissing them as being out for “a confrontation”. When questioned about his thoughts on the methods of the police, he repeated stories circulated in the mass media that the protestors had come “loaded to bear: marbles, bags of urine, the works.” Interestingly, he also 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, 2000d). Beazley appeared to have given no consideration to the idea that some of the protestors might be Labor constituents. He may have been unaware of reports by protestors, some of whom were ALP voters (Houston, 2000: 31), about police violence published in the mainstream press, or of threats by ALP members to tear up their membership cards if Premier Bracks went ahead with plans to host a barbecue for the police (Hannan & Rollins, 2000: 4). Federal Labor backbencher Harry Quick attended s11 along with his daughter, and described the protest as “positive and non-violent”, in contrast to the police 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.
In response to Victorian Premier Steve 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 Premier Bracks’ attitude to the demonstrators was virtually identical to that of West Australian Liberal Premier Richard Court, 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 would have been just as appropriately directed towards some of them. Former trade union official John Halfpenny felt sure “that I am not alone in believing that Labor Premiers should have more in common with the concerns and aspirations of the demonstrators than with those attending the Forum” (2000: 30). The fact that Labor 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 (see Chapter Ten).

The occasion also served to further highlight the widening 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 police 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 shared their assessment of the costs and benefits of global capitalism more often than that of the ALP leadership (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 (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 very small. Labor’s claim that the main difference between itself and the Coalition lay in its belief in a role for government (eg 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*. Invoking Menzies' "forgotten people", Petro Georgiou in his 1999 Menzies Lecture, for instance, 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" (1999: 17). Tony Abbott suggested that the Coalition Government was pro-market, but knew “their limits”, and that liberal democratic governments worldwide had managed to combine a free market with “the social security systems which guarantee the minimum necessities of life for everyone” (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 claimed that the differences were “stark, clear and decisive” (HRH, 30 May 2000: 16604). Yet, even here, 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). Without an Accord, arguably the main distinction between the Hawke and Keating Governments and the Coalition at the time, this point has even more validity.

If the argument that voters cannot differentiate between the two major parties has been questioned (Goot, 2002a), 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 mean essentially the status quo in terms of economic management, arguably the most important indicator of a government’s political orientation. For instance, 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 external to the “Hawke-Keating economic tradition” of supporting neo-liberal reform (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. While bipartisanship continues on these questions, the party will struggle to convince those critics who query what it is that the party stands for, and it will miss 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 limited considerably in what they are able to do in government.

119 Indeed, it is arguable that Labor had either implemented in government, or in Opposition had expressed support for all of the policy elements of what Thomas Friedman calls the “Golden Straitjacket”: “making the private sector the primary engine of its economic growth, maintaining a low rate of inflation and price stability, shrinking the size of its state bureaucracy, maintaining as close to a balanced budget as possible, if not a surplus, eliminating and lowering tariffs on imported goods, removing restrictions on foreign investment, getting rid of quotas and domestic monopolies, increasing exports, privatizing state-owned industries and utilities, deregulating capital markets and making its currency convertible, opening its industries, stock, and bond markets to direct foreign ownership and investment, deregulating its economy to promote as much domestic competition as possible…” (cited in Kerr, 2001b).
Chapter Ten: Beazley and the “Small Target”: the *Tampa*, September 11, and the 2001 Federal Election

This chapter argues that the ALP’s adoption of a bipartisan stance in relation to the *Tampa* crisis and the September 11 terrorist attacks in the US, on top of its failure to develop alternative policies on domestic issues prior to these events, helped put it in a position of disadvantage at the 2001 Federal Election.

The second part of the chapter puts forward some explanations for the general “small-target” strategy adopted by Labor largely since losing office in 1996, but particularly notable from 1998 onwards. Of key importance, it is suggested, 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, which reached its apogee during the *Tampa* crisis, because of its support for globalisation and neo-liberalism. Moreover, the economic environment was not so buoyant as to allow for a return to “tax and spend” policies.

The Lead-Up to *Tampa* and September 11

In the months prior to November 2001 Election, the perception that Labor lacked policies gained further momentum. Prior to the actual campaign, the ALP was largely noncommittal when it came to specific pledges. Beazley’s Budget-in-Reply speech in May outlined only three measures to be taken by a Labor Government: government spending to be cut and redirected to fighting cancer, more money to be spent on public schools, and rolling back the GST on charities (*The Australian*, 2001a: 12). Even in areas where Labor stressed its priorities – health and education – it was widely criticised for failing to develop policy that would make a serious difference (eg Yaman, 2001: 4; Davidson, 2001a: 19). For example, Beazley effectively planned to reallocate to public schools a mere 0.03 percent of the money given by the Government to private schools under legislation passed in 2000 (Davidson, 2001a: 19). A $545 million dollar boost over four years for public hospitals (Dodson, 2001a: 1) paled into insignificance alongside the annual $2 billion private health subsidy, which
Labor planned to retain. On Knowledge Nation, which would take some 10 years to implement (Henderson, I., 2001a: 2), the funding would not be specified until the campaign (Shanahan, 2001a: 1). Towards the end of June, just five months out from the Election, 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” (2001a: 23). As Marr and Wilkinson write: “Labor was not campaigning for a new Australia, only a new leader” (2003: 90). The high number of voters uncommitted early in 2001 to either side of politics (Henderson, I., 2001b: 2), although part of a long-term trend, nonetheless reflected the lack of choice available.

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 distinct alternative. This point was made forcefully by some Labor figures in the aftermath of the 2001 Election (see below).

**Labor and Asylum-Seekers**

The Howard Government had indicated as early as March 1996 that it intended to curb the rights of asylum-seekers (Millett, 1996c: 5). In 2001, Immigration and Multicultural Affairs Minister Philip Ruddock lamented that the Government had tried for four 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 gathered pace in 1999 in line with the modest rise in the number of boatpeople arriving on Australian shores (Mares, 2001: 30). In November, Ruddock warned of a “national emergency” posed by the prospect of “whole villages” in the Middle East (some 10 000 people in all) setting their sights on Australia (MacDonald, 1999a: 1). In 2000, the Government produced some “video nasties” aimed at depicting Australia as a dangerous country inhabited by sharks, snakes, and crocodiles so as to deter would-be asylum-seekers (Niesche, 2000: 3). In 2001, Ruddock raised the risk of disease amongst refugees as a justification for mandatory detention, claiming that “Australians would not want [such] people released amongst them” (Mackinolty, 2001: 4). The Government raised the idea, just months out from the Election, to extend Work-for-the-Dole to any benefits provided to asylum-seekers (Crawford, 2001: 5).
The Government seemed unwilling to listen to rational argument that its policy was inhumane. Claims 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” (Jackson, 2000: 6) – was in violation of a number of international human rights agreements to which Australia was a signatory (Spencer, 2000: 2), apparently had no impact on the Government. An all-party committee, chaired by a Liberal Senator, investigated conditions in Australia’s detention centres in 2001 and found that they were worse than in some prisons (Taylor & Gordon, 2001: 1). These conditions no doubt were partly behind the unrest among detainees themselves.\(^{120}\)

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 such as health, education, and the GST. In fact, targeting asylum-seekers was a strategy commonly used by politicians across the globe seeking to shore up political support by scapegoating them for complex social and economic problems, for which the latter themselves were substantially responsible. Then-UN High Commissioner for Refugees Ruud Lubbers in 2001 attacked “[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” (2001). The latter comment was particularly apt in terms of the Howard Government’s appropriation of certain One Nation 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 weaker on border protection. In 2001, Shadow Immigration Minister Con Sciacca observed 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). This bipartisanship, which on immigration more broadly is long-standing (see Mares, 2001: 155), would largely continue through to the 2001 Federal Election, reaching its apogee in late-

\(^{120}\) According to the Minister for Immigration’s own figures, there were some 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 a mass break-out from Woomera in June 2000 (Spencer, Saunders & Eccleston, 2000: 3).
August with the *Tampa* crisis. Labor often tried to out-do the Government on border security. The ALP, Sciacca maintained, was “as tough as, if not tougher than, the government when it comes to illegal immigrants” (HRH, 28 June 1999: 7599). Thus Labor proposed a maximum security detention centre responsible for housing “trouble-makers” (Barker, 2001a: 55). In 2001, Labor supported tougher penalties for escapees from detention centres, and for those caught in possession of weapons inside the centres (HRH, 21 June 2001: 28360). Moreover, the number of “illegal immigrants” who originally arrived on tourist visas only to overstay outstripped the number of boatpeople by a figure of seven to one (Shanahan, 1999b: 3). As Labor backbencher Colin Hollis pointed out, they were treated much more hospitably (HRH, 23 August 2001: 30134). Sciacca frequently used the emotive and specious term “illegal immigrant” (see HRH, 6 March 2000: 13977), ignoring the fact that it is not a criminal offence to seek asylum in Australia, and that those granted asylum are released from detention with no criminal charges (O’Brien, 2001: 11). Indeed, in 1998-99 roughly 97 percent of Iraqi and 92 percent of Afghan boatpeople who arrived in Australia were found to comply with the UN’s highly restrictive definition of a refugee (Crock, 1999: 21). Ruddock conceded in Parliament around the time of the *Tampa* crisis that roughly three-quarters of boatpeople were granted refugee status (HRH, 27 August 2001: 30236). Labor’s talk of “queue jumping” (Schacht, HRH, 24 November 1999: 10607) also overlooked the infinitesimally small odds of being granted refugee status after going through the “proper” channels via a UN refugee camp in Pakistan, the prospect of success akin to “winning the lottery” (Saunders, 2001: 3).

Labor helped fuel 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), even though the numbers of refugees seeking asylum in Australia were comparatively tiny (Steketee, 2001a: 13).

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121 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” (cited in Mares, 2001: 5). 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: 117).

122 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).
Labor was not unaware of the political strategy underpinning the Government’s actions (eg Albanese, HRH, 18 June 2001: 27740). Sciacca accused the Government of playing “wedge politics”, and of “pitting minorities against minorities”. Yet, he reminded Parliament that the Opposition had approved 90 percent of the Government’s legislative proposals on this 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 (MacDonald, 1999b: 1). The significance of the TPV policy was that it mirrored a “solution” advocated previously by Pauline Hanson, and which the Federal Minister for Health Michael Woodridge had then attacked as “one of the most dangerous ways to add to the harm that torturers do” (cited in Mares, 2001: 26). According to Mares, Caucus supported the legislation out of fear of being blamed for any future boat arrivals (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 (Marr & Wilkinson, 2003: 91). The hundreds who died in the sinking of the “SIEV X” in October were thus in part victims of this policy (Marr & Wilkinson, 2003: 241).

Labor’s response to the refugee issue reflected the leadership’s perception that there existed little sympathy for “illegal immigrants” in the community (see Mares, 2001: 156-158; Marr & Wilkinson, 2003: 92). Yet, Labor did little to educate the public otherwise. Robert Manne pointed to the case of the Kosovar refugees of Serbian aggression in 1999 and the post-independence ballot East Timorese refugees, and how favourable media coverage and knowledge of the trauma experienced by them contributed to strong public support (1999: 15). Some of the blame for 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. Kim Beazley, for instance, accused Philip Ruddock of having achieved “world’s-best-practice hysteria”

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123 See Marr and Wilkinson (2003: 174, 175). Thought to have been developed originally by George Bush Snr during his successful race for presidency in the 1988 Election, such politics were aimed at dividing the constituents of one’s opponents and fracturing their support base. In the case of the Coalition, the attacks on boatpeople were aimed at securing the support of Labor’s traditional supporters, blue-collar workers.

124 In fact, the idea had first come from Labor. It had been trialled in response to the Chinese boat people who arrived in Australia following the Tiananmen Square Massacre in 1989 (Jupp, 2002a: 51).
Anthony Albanese likened the policies of Philip Ruddock to those of Pauline Hanson, attacked the notion of “queue-jumping” for its ignorance of the political realities of countries such as Afghanistan, and questioned assertions 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, they may well have perished in a Nazi concentration 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* (eg 2001b: 12; 2001c: 10; 2000c: 12) than from the ALP. This is particularly the case when we consider the legislative backing given to the Government.

**The Tampa Crisis**

The Government’s campaign reached its pinnacle in late-August when it used military force to prevent the Norwegian freighter *MV Tampa*, carrying over 400 asylum-seekers rescued from their damaged ship, from disembarking on Australian soil. The Liberal-leaning psephologist Malcolm Mackerras regarded this as “the most contemptible political stunt ever engineered by an Australian politician in my lifetime” (2002: 303). Yet, Kim Beazley told Parliament that he considered the actions “appropriate and in conformity with international law” (HRH, 27 August 2001: 30235), 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 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 (2003: 94). Beazley stated two days later 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 Pauline Hanson 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 (Garran & Carson, 2001: 1), did not appear to influence Beazley’s statement in Parliament. The fact that
the asylum-seekers were predominantly from Afghanistan, the oppressively run country with which Australia would very soon be at war (*The Australian*, 2001d: 2), appeared to go unnoticed.

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 stricken craft (Henderson, I., 2001c: 2). Hollis in the midst of the *Tampa* stand-off argued in the *Age* newspaper that Sweden’s system – involving community housing of asylum-seekers rather than detention – was more humane than Australia’s, but he refrained from criticising the Government or Labor’s stance on *Tampa* (2001: 15). Hollis was reported elsewhere, though, as saying 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, was denied entry to the US, and subsequently forced to sail back to Germany (HRH, 29 August 2001: 30580). This gave a hint of the misgivings held by some within the FPLP. 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 speaking on the *Tampa* issue (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* issue (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 in relation to the *Tampa* (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,
John Button claims that within the FPLP and the shadow ministry “some were profoundly dismayed”, but they inevitably toed the party line in the course of the election campaign (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 for refugee status (SH, 28 August 2001; 26797). Greens Senator Bob Brown, who was apparently the only politician to oppose outright the Government’s *Tampa* response on the first day (Oquist, 2002: 145), lambasted the “big parties [for] fuelling the fear and vilification of these human beings” (SH, 28 August 2001: 26803). Brown’s speech in Parliament doubtless would have appealed to the humanitarian instincts of many ALP members:

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… Neither I nor the Greens will be part of it.

In 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).

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 (eg Dodson, 2001d: 1), that supported the Government’s hardline position, as well as 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 personal belief that Australia was a geographic “anomaly” whose borders were vulnerable to external threats (Adams, 2003: 13).

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125 It was later reported that 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).
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 the extreme nature of the Bill. But at the same time Beazley reaffirmed Labor’s position that the asylum-seekers should not be permitted ashore, and should be processed in Indonesia (HRH, 29 August 2001: 30570-30573). Labor also endorsed a Commonwealth appeal (eventually successful) against the Federal Court decision declaring the detention of the asylum-seekers on the Norwegian vessel unlawful (Murphy, Towers, Dodd & Walker, 2001: 4; Cleary, 2001: 5). 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), and he offered Howard support for “*Tampa* specific” legislation on condition that a safe haven was found for the asylum-seekers (Marr & Wilkinson, 2003: 98). Beazley asked rhetorically what signals he should be sending during a time such as this: “The signals of a leader is this [sic]: the right place for these people to be is Indonesia. And I support every effort by the Government to get them there.” This position was, Beazley emphasised, “without caveats” (Walker, 2001b: 75). He 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). 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 that when “people are in need, face hardship, or experience tragedy…we all pitch in to help” (Beazley, 1998c).

Labor in mid-September reversed 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 would not 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

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126 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 NSW 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).
“great deal of, if you like, political hurt [suffered by Labor] out there in the electorate from not supporting that bill” originally (Sciaccia, HRH, 19 September 2001: 30955).

Labor’s response to the Tampa restricted its options during the election campaign. When former NSW Labor Premier Neville Wran accused Howard of playing the race card, Beazley was forced to distance himself from the comments given that they could justifiably have been directed towards him (Milne, 2001a: 13), a point seized upon by the Prime Minister (Gordon, 2001: 3). Late in the campaign, Beazley sought to reassure voters worried that Labor might 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 maintain the use of naval vessels to turn around asylum-seekers and dispatch them to Pacific island nations (the “Pacific Solution”), and it pledged that it would 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 (Shanahan, 2001b: 1; Pearson, 2001a: 8). Beazley claimed that being tough on asylum seekers was “very old Labor Party policy” (Henderson & Gilchrist, 2001: 1), ignoring the fact that such a position was in fact in violation of the policy passed at the 2000 National Conference.127 When the Government in early October made the claim that some asylum seekers had deliberately thrown “children overboard” – a claim later shown to be untrue (see Marr & Wilkinson, 2003: Ch.19) – Beazley joined the condemnation of this “outrageous act” (Taylor, K., 2001: 1).

**September 11**

Labor’s bipartisanship on asylum-seekers was extended to the terrorist attacks on the World Trade Centre in New York on September 11, 2001 and to the Government’s military response. It was not unreasonable to suggest that US foreign policy – in particular, support for Israel’s occupation of Palestine, the blockade of Iraq, and close ties with dictatorships in the Middle East – had contributed to the bitterness and anger that may have led to the events

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127 Gough Whitlam pointed this out in a letter to the *Age* newspaper shortly after the *Tampa* issue arose. He cited the following text from the ALP’s 2000 Conference 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).
of September 11 (Chomsky, 2001). It was a point made, in various forms, not infrequently in media comment on the attacks (eg Walker, 2001c: 20; Burchill, 2001: 8; Ali, 2001a: 15; Toohey, 2001a: 26; Woollacott, 2001: 19). Yet, it was one Labor seemed loath to contemplate. During “debate” surrounding the condolence motion moved by the Prime Minister in Parliament following the attacks, Kim Beazley 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 Member for Sydney, Tanya Plibersek, made any negative reference to the United States’ foreign policy past, 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 bipartisanship was even more telling during the campaign itself. When Labor candidate Peter Knott dared to suggest that on September 11 the US was bearing the bitter fruit of its past actions, Beazley immediately repudiated Knott, and forced him to apologise and to retract his comments. Beazley insisted that Knott was “completely wrong”, and argued that his own position was “amply clear on these issues”: “It is a clear-cut support for Tony Blair and for George Bush and the struggle against terrorism…” (Dodson, 2001e: 8). 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 remarkable in light of the fact that views similar to Knott’s had been aired in the mainstream media.

Labor’s bipartisanship on September 11 took a major turn in October with its support for Australia’s involvement in the war on Afghanistan (Kelly, 2001b: 1). This was in spite of the fact that most of the terrorists directly involved in the attacks had emanated from Saudia Arabia (Ali, 2001b: 5), and despite the significant levels of concern in the community in relation to the commitment of troops (Barker, 2001c: 22).128 Furthermore, there appeared to be no consideration given to the possibility that Afghan civilians would be the chief victims

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128 Among 580 callers to talkback radio between October 17-19, 44 percent were negative towards the war, 32 percent positive, and 24 percent neutral (Barker, 2001c: 22).
of war rather than the alleged mastermind of the New York attacks, Osama bin Laden. As the first 150 SAS troops were farewelld, Beazley missed a unique opportunity to differentiate himself from Howard, according to Brian Toohey, who suggested that the Opposition Leader could have argued, for example, that there should be restrictions on the virtually unlimited license to kill given to the SAS, or that the bombing of power stations and the water supply in Kabul would hurt only innocent people and was likely to fuel further terrorism. But, as Toohey pointed out, Labor’s tactics “do not allow any hint of criticism of Howard on the war” (2001b: 6). Instead, Beazley assured Howard that he stood “shoulder to shoulder” with him on the “war against terrorism” (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, I., 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 backing the Government’s foreign military expeditions.\footnote{For example, Labor unqualifiedly supported the Government’s deployment of defence personnel to the Gulf in early 1998 in action against Iraq, supposedly for violating UN resolutions adopted at the end of the Gulf War in 1991 (see Beazley, HRH, 2 March 1998: 23-25). Labor also backed the North Atlantic Treaty Organisation’s (NATO) bombing of Serbia in 1999, ostensibly on the grounds that it was necessary to put an end to the ethnic cleansing carried out by Serbian forces in Kosovo (cf Chomsky, 1999). Labor also called for armed intervention in East Timor in 1999 prior to the Federal Government sending troops (Beazley, 1999b).}

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 references by party figures to Beazley’s military credentials (McMullin, 2001: 19; Beazley, 2001: 5; Martin, 2001: 15). Labor also pledged an extra $62 million in funding and 150 agents for the Australian Federal Police, as well as a coastguard, and it borrowed the US Government’s idea of a Home Affairs Office (Chulov, 2001: 6).

Second, Labor sought (in vain) to steer debate away from issues of border protection and national security – favourable to the Government – and on to issues considered more likely to win Labor support, such as health and education (Walsh, 2002: 131). For instance, during his speech at the Policy Launch, Beazley chose to devote only two of the 40 minutes of his speech to the issues of terrorism and asylum seekers (Henderson, I., 2001d: 1). Seemingly, it was hoped that voters in agreement with the Government’s crackdown on asylum-seekers, but 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 led to a certain irrelevancy about the Election. As The Australian lamented, the contest pitted a “man resting on his laurels” against “one who has yet to find his”:

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… (2001f: 12).

Political commentators largely endorsed this view (Pearson, 2001b: S8; Quiggin, 2001: 62; Brett, 2001: 15; Salusinszky, 2001: 15). Robert Manne identified Labor’s aim to use any Budget surplus to extend the welfare state, whereas the Coalition would opt for a tax cut, as one point of demarcation (2001: 15). However, it is doubtful that this constitutes a significant difference. Industrial relations was perceived to be an area where major differences did exist between the parties, but its prominence as an issue declined during the campaign as both parties neglected to focus on it (Manning, 2002: 237, 238).

If the overall “small-target” strategy was flawed, so, too, it can be said in hindsight 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 an alternative position far earlier in the piece on boatpeople, it may have been able to nullify the Government’s wedge politics. Arguably the ALP, first choice among approximately 40 percent 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 Tampa and beyond. The actual outcome of the Election appeared to both confirm the success of the Government’s strategy and reveal the folly of Labor’s, for it lost not just many blue-collar One Nation-leaning voters to the Coalition, but also to the minor parties the “non-manual” voters disappointed with Labor’s mimicking of the Government’s position (Barker, 2001d: 51; Bean & McAllister, 2002: 276, 277). In hindsight, it could be argued that 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 is, of course, merely speculation, but perhaps what is important is the absence of any attempt by Labor to appeal to both its core constituencies by adopting the approach advocated by Mark Latham in 1996, namely to explain that it was not minorities (in this case, refugees) at whom working people should vent their anger, but “lavish executive salaries”, “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 from its stance on refugees was underlined when former Labor minister Tom Uren campaigned for Greens Senator Bob Brown on the basis that Brown was principled, and not poll-driven (Flanagan, 2001: 9). Defections from Labor, and to a lesser extent the Liberals, led the Greens to secure between 10 and 15 percent support in some inner city seats (Steketee, 2001b: 7). The boosted Greens vote in Victoria was almost certainly a protest vote against Labor’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 pitched themselves as part of “a new worldwide political force combating economic rationalism and corporate globalisation” (Oquist, 2002: 147).

In many ways, Labor was responsible for the quandary in which it found itself. The timing of Tampa and September 11 was fortuitous for the Government, but what mattered were the strategic decisions made before these events took place. The real problem, Davidson argued, was not that Labor should have made 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 policies largely mirror those of the Government (2001b: 23). 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” (2001: 12).

Boatpeople were the issue of the campaign, made so by Liberal strategists who decreed that the party’s polling booth poster and final newspaper advertisements would feature a quote from Howard at his Launch: “We decide who comes to this country and the circumstances in

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130 Alternatively, a more sympathetic stance on the plight of the boatpeople might have led to a loss of support among voters who kept to Labor because of its bipartisanship on border protection.
131 Uren did, however, state his preference for Kim Beazley as prime minister (Flanagan, 2001: 9).
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 Glenn Milne argued, in the end the voters rewarded the “author rather than the plagiarist” (2001b: 13).

Opposing the Government on refugees would not by itself have elected Labor, a claim that Greens Senator Bob Brown later made (Murphy, 2001: 11). The electorate may have chosen to reward conviction, as they seemed to do with Independent MP for Calare Peter Andren, who was returned comfortably despite opposing the Government’s *Tampa* stance (Nason, 2001: 6; HRH, 2001: 30574). Tony Harris recalled that Labor was eventually rewarded for the unpopular position taken against the Vietnam War in 1966 (Harris, 2001: 63). John Button makes the important point 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” (2002: 19). Furthermore, as Paul Rodan 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 (2002: 15). In another context, Paul Kelly suggested that the “decision for Labor is whether it fights on Howard’s terms or against him” (2000c: 15). In 2001, the fact that Labor fought on Howard’s terms was largely of its own making.

Many Labor supporters and members echoed such comments in the wake of the Election. The AMWU’s Doug Cameron, for example, accused Beazley of pandering to “racism, populism and xenophobia”, which left “many [party] supporters disgusted and demoralised” (Bachelard & Nason, 2001: 4). Bob Hawke and Neville Wran wrote in their post-election National Committee of Review report that no “policy issue arose more frequently in our listening to and reading submissions from Party members than that of boat people”.

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132 Although “leadership” was found in post-Election polling to be the most important reason for voting Liberal, as James Jupp argued, this was “a code word for firm action on the border protection issue” (2002b: 261). While Bean & McAllister’s research indicates that border protection issues were not the most important ones to voters, they “did help the Coalition win the 2001 ballot” (2002: 285). According to Goot, the Government’s unusually generous 2001 Budget was the beginning of the turnaround in its fortunes, but it was border protection and the “war on terror” that put the Government in an unbeatable position (2002b: 91).

133 A review announced by the party’s new Leader Simon Crean following the November 2001 Federal Election aimed at assessing the party’s organisation, structures and internal processes (Hawke & Wran, 2002: 6).
“refugees” (2002: 5). The CFMEU (Mining and Energy division) and the MUA in their joint submission to the Hawke-Wran Review argued that the ALP’s mimicking 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” (2002: 3). For 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). Frontbencher Lindsay Tanner rejected the idea that the *Tampa* and September 11 were solely responsible for Labor’s loss, arguing instead that the deeper issue was the party’s “reactive” and “defensive” strategy of relying on electoral discontent with the Government (2001: 13). Barry Jones stated that out of the 20 elections in which he had cast his vote, this had been the most depressing because it was fought “in the context of a complete moral vacuum” (2001: 15). Jones noted two “rigidities” into which the campaign was locked: surplus budgets, and the idea that border security was under threat from boatpeople. Labor, he concluded, needed to dispense with “convergence politics” (Jones, 2001: 15). Somewhat later, Jones made the harsh assessment that “[i]n the past six years, the Opposition has barely laid a glove on the Government” (Shanahan, 2002: 1). 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 inventing “New Labor”, which would involve an appeal to the “new centre of Australian politics” – “aspirational” voters, average working families, and small business owners – and a scrapping of the Socialist Objective, to be replaced with a generic statement of social democratic values, and a belief in reward for individual effort (2001: 75).

At the time of writing (late-2003) it seemed that Rudd’s perspective was more likely to hold sway than was Tanner’s or Lawrence’s.

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134 It could be argued that this does not mean that these members were opposed to Labor’s stance on *Tampa*. It was reported, for example, that the party had received heated feedback from members in favour of both sides of the argument (see Marr & Wilkinson, 2003: 155, 156). However, it is unlikely that party 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, both within and outside Labor, correctly singled out the “small-target” strategy as a contributor to Labor’s election defeat. This strategy dictated Labor’s policies (or lack thereof) on issues such 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, or at least allowed their passage through the Senate. However, this does not explain the decision to opt for the “small-target” strategy itself: why did not Labor decide to be bold, to strike out in a radical direction, to promise, for instance, to repeal the GST, to scrap the private health rebate, or to block private health funding, in short to offer “prosperous social democracy” rather than “parsimonious social democracy”?

One option was to repudiate free market policies, which to some commentators Labor appeared to be doing post-1996, and to return to a Whitlam-esque “big government” orientation, or at least a more redistributive model. However, the economic context was not conducive to this. Just as the sea-change in economic conditions was the key factor in the overall political direction of the Hayden Opposition, the direction of Beazley Labor has to be seen in the context of the world economy’s failure to emerge from the “crisis of profitability” that first set in during the late-1960s (Brenner, in Callinicos, 2001: 42). As Table 10.1 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 dismally commenting that the September 11 terrorist attacks had “exacerbated an already very difficult situation in the global economy” (2001a: 1).135

135 For an analysis of the contradictions of the American boom, and the underlying fragility of the world economy around this time, see Harman (2001).
Labor’s meagre health and education proposals must be seen in this light. Making significant inroads into these areas necessitated tax increases or cutting big programs such as Defence – always an unlikely prospect given its “privileged arrangement” (Blewett, 1999: 19), and given Beazley’s Defence background. Reformist government, as was noted in the Hayden period, 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 these foreign exchange 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”, and to the extent that they try to overcome them, they do so with a

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136 Excluding interest.
137 Excluding interest.
138 Based on figures in IMF (2001b).
139 Minister for Defence in the Hawke Government, Beazley’s fascination with matters military is legion. 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). However, owing to the “privileged arrangement”, it is unlikely that any Labor Opposition Leader would pledge big cuts to Defence spending.
state machine “built on the assumption of collaboration with capital, not opposition to it, and
dominated at the top by those who identify with the interests of capital” (1996: 25). A
considerable number of the tools that could be used to fund an expansionary program,
including hypothecated taxes, clamping down on tax rorts, and retargeting of existing
spending (eg the private health rebate) (Argy, 2001: 11), would be unlikely to engender
capital flight nor seriously spook the financial markets. Bill Mitchell has calculated that a
Labor government could achieve close to full employment for around $6.2 billion per year in
spending – just 1.2 percent of GDP or around half of defence spending – most of which would
be recouped in the corresponding fall in transfer payments to the unemployed, extra tax
revenue, or increased goods and services (1999: 42, 43).

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 is forlorn about the prospects of such a
challenge succeeding “except as part of an international movement and through tremendous
upheavals” (2003: 120, 121). Governments’ prioritisation of the health of the economy above
all other policy issues (Castles, 2000) 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 reverse (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 write 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” (1996: 421).

The union revival in Australia has been even more modest than that in Britain (see below),
and it is unclear whether there has been “a shift to the left” during the Beazley period of
Opposition. Yet, arguably for the same reasons mentioned by Cliff and Gluckstein, the
widespread opposition to economic rationalism and the development of an the anti-capitalist
movement have not led Labor to adopt more interventionist politics aimed at, in Chifley’s words, bringing “better standards of living” to “the mass of the people” (cited in Crisp, 1961: 414).

There was, as has been already 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 been ill-judged, and not considerate enough of the needs of developing countries (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 point to as an alternative. Many on the Labor Left believed that the state ownership and bureaucratic planning of those countries represented some form of socialist alternative. When those models collapsed they were no longer able to offer an alternative to the market.

Emy has written of the impact of the fall of the Berlin Wall and the dissolution of the Soviet Empire:

[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 (1993: 18).

Francis Fukuyama’s influential argument that the collapse of the Soviet bloc heralded the “end of history” and the triumph of the free market (Callinicos, 2003: 1) resonated with key Labor figures such as Gareth Evans and Mark Latham.140

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. Although it was argued in Chapter Eight that

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140 In a debate with CFMEU organiser Stephen Roach, Mark Latham, in response to Roach’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, 2000b: 42). Gareth Evans described Fukuyama’s thesis as “genuinely brilliant” and “compelling” (cited in Scott, K., 1999: 217).
Labor’s nomination of 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 put it, “to take the politics out of politics…political debate could only centre around minor technical issues and the presentation of personality” (2003: 3). Recall that in the literature review several writers pointed to the impact ideological differences (or lack thereof) would have on an Opposition party’s approach to the Government. For Kirchheimer, the SPD’s post-World War Two embrace of market economics meant that disputes between Germany's two main parties were reduced to “the nature of a collision between people obliged to squeeze through the same narrow thoroughfare to punch the clock before 8:45” (1966: 245, 248). This is particularly apt in terms of the 2001 Election. Glenn Milne in 1996 commented that the “pressure of global economics” prevented Labor 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…” Milne wrote that Australian politics would stoop to the superficial level of US politics, where arguments revolve around “who can best manage the economy”. Beazley was thus keeping “his fingers crossed” that a Howard blunder would be enough to get him elected (1996c: 23).

Other factors influencing Beazley Labor

As has been argued, it was not inevitable that Labor would move in a conservative direction during this period, although a number of factors led them in this direction. One factor that might have served to offset this is a resurgent trade union movement, which can in Opposition exert greater influence over the FPLP. Despite efforts from both wings to pursue a looser relationship in Opposition, unions still occupy an indispensable role in the party, in terms of providing finance, carrying out electoral work, and underpinning the factional system (Manning, 2000: 232). However, the trade unions under Beazley were in an even weaker state than under Hayden. The period was not without its successes – including the MUA’s defeat of the Federal Government’s 1998 assault, and the construction unions’ successful negotiation in Victoria in 2000 of an agreement with major employers for a 36-hour week and a sizeable pay rise (see Field, 2000: 18; Long, 2000c: 22). Overall, however, strike rates remained at historic lows (see Table 10.2 below), reflecting low levels of union confidence,
and there seemed little prospect of an end to the general employer/(Federal) Government offensive against wages and conditions (see Ellem, 2001). The general perception was that unions were in crisis (Griffin, 1999), with density falling from around 35 percent in 1996 to 24.7 percent in 2001 (Pocock & Wright, 1997: 129; Cooper, 2002: 249). This, of course, was interrelated with the poor overall economic conditions and high levels of job insecurity, which militate against confidence among unionists, as well as factors detrimental to workplace organisation, such as casualisation, contracting out, as well as structural changes in the economy (Ellem, 2001: 199).

Low levels of union density and passivity affect the ability of the union movement to influence the political wing. A significant revival in the trade unions may have had radicalising consequences for ALP policy. Humphrey McQueen has argued that for the ALP to adopt policies such as redistributive taxation would require “a shift in the balance of class forces throughout Australia, indeed across the globe” (2003: 23). Labor’s response to the 1998 Maritime Dispute showed what might have been possible. Although heavily compromised by its support for “waterfront reform”, when Patrick Stevedores and the Federal Government set out to break the MUA in 1998, 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 sponsorship of the attack on the union was less to do with waterfront reform and more to do with its desire to “target a particular union and seek to destroy the lawful rights of 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 of tramways union official Clarrie O’Shea in 1969 (Long, 1998: 4). This led Beazley to commit Labor to what Manning called a “classic blue-collar struggle” (2000: 231). Beazley and Deputy Simon Crean joined other Labor MPs on the picket lines (Hannan, 1998b: 1).
The problem was, of course, that such industrial disputation was limited, and did not lead to a general union revival of the kind seen in the late-1960s and 1970s.

Table 10.2: INDUSTRIAL DISPUTES in Australia 1996-2001

<table>
<thead>
<tr>
<th>Year</th>
<th>Disputes</th>
<th>Employees involved '000</th>
<th>Working days lost '000</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996</td>
<td>543</td>
<td>577.7</td>
<td>928.5</td>
</tr>
<tr>
<td>1997</td>
<td>447</td>
<td>315.4</td>
<td>534.2</td>
</tr>
<tr>
<td>1998</td>
<td>519</td>
<td>348.4</td>
<td>526.3</td>
</tr>
<tr>
<td>1999</td>
<td>731</td>
<td>461.1</td>
<td>650.5</td>
</tr>
<tr>
<td>2000</td>
<td>698</td>
<td>325.4</td>
<td>469.1</td>
</tr>
<tr>
<td>2001</td>
<td>675</td>
<td>225.7</td>
<td>393.1</td>
</tr>
</tbody>
</table>


A similar thing 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. However, the movement against global capitalism did not attract, in Australia at least, the large numbers of people who participated in the Anti-Vietnam War Movement: it had difficulty attracting union support, and it did not permeate public consciousness on the same scale as Vietnam. Moreover, 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 a much more radical direction. There was talk of a modest revival in student activism in the late-1990s (Hogarth, 1998: 43; Cervini, 2001: 6). Again, however it was neither consistent nor large enough to

141 The largest anti-capitalist action in Australia was that in protest against the WEF meeting in Melbourne, September 2000 (see “Labor and Globalisation” above). Estimates of numbers for that protest range from 10 000-20 000 people (see Socialist Worker, 22 September 2000). This is a significant number, but this is where it peaked. Not only did the number of Vietnam protestors at the peak of the Movement far exceed this, it lasted considerably longer. Moreover, the Anti-Vietnam War Movement coincided with a period in which there was a much clearer political shift to the left.
begin to affect the FPLP. Moreover, the FPLP is arguably more aloof from grassroots movements than it has ever been (see “Conclusion to Part IV” below), meaning that its responses to any movements are likely to be much more tentative and reluctant.

One other factor influencing Labor’s direction might have been the party leadership’s conservatism. Beazley was, as we have seen, an economic rationalist in spite of any claims to being a “traditional Leader”.\textsuperscript{142} He was also extremely conservative on social issues: for instance, 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). As Neal Blewett put it, Beazley admired Churchill, but he was marked by “a streak of most un-Churchillian timidity” (1999:18). This might partly explain Beazley’s actions during the Tampa crisis, or his more general penchant for the “small target” strategy. Beazley aspired to be, in his own words, "the most conservative Labor leader since Chifley" (Milne, 1999: 15).

However, as an overarching explanation for the general tenor of Beazley Labor it does not suffice, not just because of the other influential factors described above, but because Beazley’s conservatism reflected the state of the ALP at the end of the 20\textsuperscript{th} Century: as the old adage would have it, the ALP got the Leader that it deserved.

\textsuperscript{142} In addition to his support for economic rationalism (see Chapter Eight), 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 favour of then-Treasurer Paul Keating’s “Option C” consumption tax in 1985 (Kelly, 1992: 161).
Conclusion to Part D: the Beazley Years (1996-2001)

Former Labor Senator John Button described the demoralising atmosphere of his local Victorian ALP branch meeting in April 2002, which was attended by eight people, two of whom were MPs (one federal, one State):

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 done 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 people like her: “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” (2002: 75). Peter Botsman has 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).

Falling Membership and Voter Support

These examples illustrate the crisis of the contemporary ALP. Party membership has fallen from nearly 300 000 during World War Two, to around 50 000 at the turn of the 21st Century, which indicates a 15-fold decline (Clark, 2001: 52).143 Senator Chris Schacht nominated a lower figure of 30 000 members – less than the “Adelaide Crows” football team, he claimed – only a third of whom were active (Gray, 2001: 1). While declining party membership is not

143 That is, after accounting for population changes.
peculiar to the ALP (Weller & Young, 2000: 158), there is evidence that some of the ALP’s decline in the 1980s was attributable to member disenchantment with the economic rationalist policies of the Hawke Government (Scott, 1991: 45). Moreover, it is not just the quantitative, but also the qualitative, decline in Labor’s membership. Lindsay Tanner describes it 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 within the Labor Party” (1999: 195-197). The ALP membership has also become 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).144

On the wider issue of partisanship, political support for Labor has long been in 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). 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 – reduced allegiances to sporting teams, less loyalty between employers and employees, declining union membership, falling church membership, higher divorce rates (cited in Macken, 2001b: 13).

Yet, 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.145 Labor’s primary vote at the 2001 Federal Election (37.8 percent) was the lowest since 1906 (Hawke & Wran, 2002: 9). As Geoff Walsh admitted, Labor is “experiencing a dangerous decline in its primary vote”, making it more reliant on the unpredictable preference decisions of minor party voters (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 go to preferences (Thompson, 2002: 164, 165).

144 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 (see, for a full definition, Ste Croix, cited in Callinicos, 1989: 51), 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 conflating blue-collar workers with working class (Parkin & Warhurst, 2000: 26).

145 Indeed, they may have similar roots: for instance, 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”, leaving voters with little to choose between them (Singleton, Aitkin, Jinks & Warhurst, 2003: 270).
That Labor is losing electoral support may seem in contradiction to the recent successes of Labor at the State level, where at the time of writing (late-2003) Labor held power in all States and Territories. Not only is federal government arguably far more important to Labor (Rodan, 2002: 15), these victories were rarely indicative of support for the ALP. Thus, in the case of the West Australian State Election in February 2001, Labor won with a historically low primary vote (37.6 percent), suggesting that the vote was more against the incumbent than for the challenger (Steketee, 2001c: 13). At the Queensland Election later that month, where Labor increased its primary vote by around 10 percent, the vote for “Other” candidates rose seven percent (Kelly, 2001c: 1). Furthermore, the result was a product of the large degree of resentment towards economic rationalism rather than any enthusiasm for Labor (Costar, 2001: 15).

**A Less Democratic Party**

Perhaps related to the trends of declining membership and voter support is the less democratic character of the modern ALP compared to, say, the ALP 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” (2002: 113). While discontent with party democracy can be traced back as far as the 1960s (Warhurst, 2002: 197), in recent times it has risen. The inability to influence party processes and the development of party policy was the commonest complaint raised by Labor members as part of the post-2001 Election Hawke-Wran Review (Hawke & Wran, 2002: 8). We have seen that the role of the stage-managed National Conference has become essentially to showcase the Leader’s authority, with virtually no debate or discussion about important political issues allowed. Part of this can no doubt be attributed to the role of the media 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 Caucus is now far more deferential to the Leader. The equivalent of Whitlam’s defeat over strike penalties in 1971 would have been a defeat for Beazley over the *Tampa* affair – something largely unthinkable. When one federal Labor MP in 2003 described to former Labor minister Barry Cohen the situation where the FLP Leader Simon Crean and a few shadow ministers decide before each day Parliament sits which questions will be asked and who asks them, Cohen claimed to have
“heard nothing like it” in 20 years as an MP, such was its denial of 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 argued that the ALP had always produced political opportunists 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 eroded party democracy that the members had virtually no input, giving priority of place to opinion pollsters, advertising agencies, and public relations experts (Davidson, 2001c: 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). Rodney Cavalier has recently described factions as mere “executive placement agencies” (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). 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 hungry for power. Whereas the Left could once justifiably be accused of putting principle before power, 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 [a then-ABC television program], 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 (1999: 55). In relation to the 1998 Federal Conference, the Canberra Times asked: "Why has the Left, famous for being

\[146\] Indeed, it is doubtful that many federal Labor Left MPs stand even for such things as protectionism, such has been the rightward shift in the party. Anthony Albanese, for instance, arguably one of the FPLP’s most left-wing politicians, ruled out a “return to protectionism” as a solution to the ills caused by globalisation (HRH, 30 August 1999: 9385).
feral in opposition, been relatively docile in relation to the platform?" One of the answers that it provided was "the party has convinced itself that it is in with a chance of winning when Howard calls the poll" (Canberra Times, 23 January 1998: 11). The chance that it might upset Labor’s prospects of winning in 2001 is undoubtedly one reason why the Left remained silent during the Tampa crisis.

An important underlying reason for the factional convergence, at least in terms of ideology, is the impact of the collapse of the Soviet Union and the Eastern Bloc, which, as we have seen, has hampered Labor’s capacity as a whole to develop an alternative economic model to that of the Coalition. Thus, the Left is 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, Latham could point to the failure of the State banks and the Commonwealth Bank to provide adequate services in the regions: “Albanese has fallen for the tired old answer of public ownership and big government spending” (Daily Telegraph, 12 February 1999: 11). The collapse of the Soviet Union has made it more difficult for the Left to respond to such arguments, contributing to the ideological convergence that has occurred inside the FPLP.

A Party of “White Bread Politicians”

However, a deeper problem contributing to the conservatism and lack of debate within the party is its unrepresentative character. This is borne out by statistics revealing the narrow social background of Labor MPs. John Button has calculated that, whereas the Caucus of 1978 contained a healthy mix of MPs from different occupational backgrounds, over half of the 96 members of the post-1998 Election came from jobs in party or union offices, 10 were former members of State parliaments, while nine described themselves as political consultants, advisers and lobbyists. Button claims that a new development is the party hierarchy’s domination 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” (2002: 22, 23). Barker is correct to point out that this transformation reflects not merely the embourgeoisement of Caucus (Barker, 2001e: 80), but wider structural change in the economy since the first federal Caucus in 2001 was dominated by men backgrounded in
manual labour (see Macintyre, 2001: 19-24). Yet were this wholly the case, one would expect to see bank tellers, secretaries, call centre workers, and flight attendants rising up through the ranks to become MPs. Plainly this is not the case. 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 in 2001) and discovered that 25 of them (close to 70 percent) had either a background as a union organiser or political staffer, or both (Walker, 2001d: 83). Moreover, the same gentrification of the party can be seen in the backgrounds of delegates to the National Conference: State and federal politicians, union officials, political staffers, and party officials comprised 90 percent of the ALP members elected to determine party policy at the 2000 National Conference (McGregor, 2000: 11).

Arguably, the cumulative result of all this is that party policies and politics reflect the narrow and relatively privileged strata of the labour force that dominate, so that the watchwords of modern Labor are caution and moderation. The party now produces in spades what former National Secretary Gary Gray calls “white-bread politicians”: lacking diversity or experience outside the Labor Movement, they become career politicians from an early age (cited in Walker, 2001d: 83). Walker argued that Labor’s candidate in the Aston By-Election in July 2001 Kieran Boland was a “white-bread politician” par excellence: as 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, 2001d: 83). Walker added, sardonically, that Boland must 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, 2001d: 83).

Thus, Beazley’s leadership was symptomatic of a party led by “white bread politicians”. All of these problems suggest that any electoral successes Labor may enjoy in the near 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 claims that the “Labor party is morally, philosophically and ideologically in deep trouble” (cited in Jaensch, 2002: 209). One commentator advanced the theory, based on some of the factors just described, that Labor may never again be able to win federal government in its own right, reduced instead to occupying a “leadership” role in a progressive party alliance (Rodan, 2002: 15). Perhaps the
central problem for Labor – in particular in terms of falling electoral support and membership – is the widespread confusion about what contemporary Labor stands for (see Hawke & Wran, 2002: 8). The common perception that there are no longer meaningful differences between the major parties might explain why falling electoral support and membership is common to both parties (Singleton, Aitkin, Jinks & Warhurst, 2003: 270).

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 – see Osmond, 1970: 183, 184), it is likely to continue to experience falling membership levels and voter support, and to continue to be dogged by the question of what it stands for. Yet, it is not even clear that Labor would respond to Vietnam today in the fashion it did during the 1960s and 70s. This view is strengthened by the fact that it has not seized upon the opportunities presented by the growing opposition to global capitalism. 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 global capital: the “light on the hill” may still serve as a rhetorical device for Labor leaders seeking the support of a disillusioned membership, but policies of the kind that would be necessary to achieve it will receive scant consideration.

Conclusion

Labor’s bipartisanship on the Tampa and September 11 represented the final instalment of the “small-target” strategy. Labor would still likely 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 different, it would have been at least in a much stronger position. The decision to support the government on “border protection” also lost the party votes to the Greens, and it more than likely contributed in a significant way to the uncertainty about the contemporary party’s moral purpose.

The Beazley period of Opposition was, of course, different from both of the other periods examined in this dissertation. However, if anything it shared more in common with the

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147 The Review 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).
second than with the first. Both were periods in which the unions were weak if not in decline, in which economic conditions were not conducive to an expansionary reformist platform, and in which general politics were moving to the right. In both cases, these were strong contributory factors to Labor’s conservativism.

In one notable respect, however, the Beazley period contrasted sharply with the Whitlam-Hayden years: there was little of the soul-searching or internal debate about Labor’s time in office that characterised the latter. The overall view of the Hawke-Keating years was very positive, and the strong defence mounted of the decisions made by those governments bore little resemblance to the renunciations of Whitlamism that took place post-1975. Where there was considerable discontinuity between the policies of the Whitlam Government and the Labor Opposition that followed it, the Beazley Labor Opposition 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 was committed to the free market and to globalisation.

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. Labor’s adoption of the “small-target” strategy, as well, arguably, as the trend towards more “presidential” style politics and the domination of opinion polling and spin doctoring, is indissociable from these facts: the absence of debate during the Beazley period about alternative visions or ideologies was conspicuous compared even with the Hayden period.

Overall, the Beazley period ended with Labor in a state of ideological and organisational crisis: there was a lack of clarity about the party’s purpose, and a declining membership and support base. The party’s overall direction during these years must be set in this context.
Conclusion

Chapter 11: Labor in Opposition – Contrasts and Continuities

The Research Problem

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 in Opposition, or why it moves in a particular direction. This dissertation has set out to make a contribution to filling these gaps in the literature. By examining three concise periods of Labor in Opposition, it was possible to move beyond propositions about the behaviour of Oppositions in general (and sometimes social democratic parties, such as the British Labour Party) referred to in the literature review to identifying some of the key factors that shape the ALP when it is not in government.

The Three Periods Compared and Contrasted

Each of the three periods of Labor Opposition studied in this dissertation was different from the others in a number of respects. First, the Whitlam Opposition (1967-72) was easily distinguishable from the remaining two periods by its radical content. Australian and world politics were characterised by upheaval and ferment on a scale that has not been since. In Opposition Labor has traditionally been more easily influenced by extra-parliamentary forces, and it was thus no surprise that quite a number of Labor’s policies bore the imprint of the radicalisation 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 was 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 partly explains the greater strength of the Left inside the ALP during the first period compared to 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) was the focal point for a clear move to the left: both, unlike the Anti-Vietnam War Movement, battled in a more conservative ideological climate.

The significance of the emergence of the anti-capitalist movement in the late-1990s should not be understated. It bore some resemblances to the Anti-Vietnam War Movement of the late-1960s and early 70s, in that it shared the latter’s tendency to generalise politically about the causes of diverse social problems. It also typified a much wider public disquiet with neoliberal economics. By the end of this period of Opposition, however, it did not seem that the movement had 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, as one critic argued, Beazley Labor probably 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 the opponents of global capitalism.

The other factor easily distinguishing the first period from the others was the robust nature of the domestic and international economies. While signs of the immanency of the post-war boom’s end are discernible in hindsight from the late-1960s, when Whitlam was elected in 1972 it was not expected that the economy would pose problems for the implementation of the Program. Full employment, price stability, and continued high economic growth all were to varying degrees taken for granted. Hence Whitlam’s statement in 1972 that not “for a moment [did he] 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). The ability of social democratic parties to offer meaningful reforms to its constituents rests heavily on the extent to which they can be introduced without causing damage to the market economy. The Whitlam period was the only one during which it could reasonably be predicted that such reforms could be implemented without hurting the system.

In this sense, the Whitlam-Hayden period (1975-83) was the opposite. Its most important distinctive feature was the new economic paradigm ushered in by the collapse of the post-war boom in 1974-75. The inability of Keynesianism to foresee and then remedy rising
unemployment, high inflation, and falling economic growth (when combined, known as stagflation) saw its dominance as an economic doctrine supplanted by versions of neoliberalism that stressed smaller government and less state intervention. This development, while impacting on both major parties in Australia, hit Labor the hardest, 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 centralism.

All 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 partly self-evident in the recessionary 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”. 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 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 to “political” solutions rather than direct action during economic downswings. Its embrace of the wage-cutting Accord reflected a lack of confidence in its own ability to win improvements in wages and conditions independently for its members. The tougher economic climate, and the rise in unemployment and job insecurity, played a large part in this development. Whatever its source, the effect was to remove what had been a radicalising factor during the Whitlam phase of Opposition. Indeed, on occasions, such as in the case of uranium mining, unions were a conservatising influence.
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 out of deference 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 (Castles, 2000) 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 alternative policies. This goes some way towards answering the question, first posed in the Chapter One, as to why Labor in the first Whitlam period of Opposition was able to better distinguish itself with reforms 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 few strategic choices. Thus, the continuity between the Hawke and Keating Governments and Labor in Opposition under Beazley 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 an independent ideological force inside the party 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 radicalisation in society in the late-1960s and 70s was an important factor in respect of the Left’s strengthening of its factional position at that time.

Beazley Labor’s continuity with the Hawke-Keating years contrasted sharply with the experience of the Whitlam-Hayden period of Opposition. Whereas Labor post-1975 engaged in much soul-searching and introspection, and evinced considerable hostility towards the Whitlam Government, Beazley Labor was altogether more positive about the experience of Labor under Hawke and Keating, despite the feeling among many of the party’s supporters that the free-market orientation of those years was a key factor in Labor’s defeat at the 1996 Election.

The reasons for this continuity have been explained above, but the unwillingness to grapple with the reasons for its loss of office did, it could be argued, eventually cost Labor dearly when it was outmanoeuvred by Prime Minister John Howard’s skilful 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 at the outset of this chapter 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, and the discrepancy between the reforms it has been prepared to offer and the expectations of its supporters has widened. Consistent with what has been argued in the dissertation, this is not attributable simply to ideological shifts or modernisation, but above all to the changes in material economic circumstances over time. As Cliff and Gluckstein argued in relation to British Labour, “[t]he difference between old and new [Labour] lies in the external conditions in which…reformism operates” (Cliff & Gluckstein, 1996: 13). The economic circumstances more and more put the “light on the hill”, or “better standards of living” for the “mass of the people”, more out of reach for the ALP (Chifley, in Crisp, 1961: 414).

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. 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 examined in this dissertation.

Assigning Weight to the Various Factors Influencing Labor in Opposition

The preceding analysis raises the question as to which factors are the most important in terms of understanding Labor’s direction in Opposition. The empirical evidence suggests that no one factor was key to explaining the direction of all three periods of Labor Opposition. However, some were relevant to all. 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 fact of 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 buoyant circumstances in the world economy in the post-war period.
As has been argued, the much more adverse economic circumstances largely explain the move away from reformism on the part of the post-Whitlam Opposition, particularly under Bill Hayden, who was elected FPLP Leader in 1977. The Beazley Opposition, which also, despite initial moves in Opposition to distance itself from the free-market evangelism of the Hawke-Keating years, continued to believe in small government, supported globalisation, and pledged few significant reforms. The economy, while recovered from the early 1990s recession, nonetheless still had not emerged 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 evaporated amidst fears over the economic consequences of the September 11 terrorist attacks. The economy was thus important – though in different ways – to all three periods of Opposition. The economic context will be important for any future period of Labor in Opposition.

The second major constant, though less obviously so, was the state 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 strength during the Whitlam period of Opposition. The high levels of industrial disputation, in particular, reflected the self-confidence of trade unions to fight independently of the ALP for improvements in wages and conditions. This was the main reason behind Labor politicians’ positive attitudes towards strikes compared to the generally hostile view taken by modern Labor leaders. Union density has been positively correlated with the ability 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 by unions had been applied. In general, the trade unions acted as a radicalising force within the party owing to the movement’s strong overall state.

However, the reverse 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 their salvation. A number of political and industrial defeats for the unions only hastened this process. Furthermore, a period of declining union density began in 1975, and has continued virtually uninterrupted to the present, reducing the 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 subject 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 the ostracisation of the unions.

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 the post-Whitlam Opposition. 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 revival in the unions might have. But they were too ephemeral for the unions to be able 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.

One question raised from this analysis is whether a resurgent union movement would negate the conservatising effects of a moribund economy on Labor in Opposition: 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 as a result of high unemployment and job insecurity. This need not automatically be the case, however, since there are a number of contributing factors, including, importantly, the overall political climate (Trotsky, 1983). It can be argued that a more assertive union movement would still impact significantly on the contemporary 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 70s may be, by encouraging the growth of forces to the party's left, to its electoral detriment. Division may arise amongst party leaders over how best to respond to the union upheaval as a consequence of pressure from rank-and-file party members for change. The fact that Opposition somewhat liberates parties from the conservatising responsibilities of running the state means that Labor might be prepared to ignore to a degree the economic situation under concerted pressure from the trade union movement and its supporters, but then shift back to the right in government.
Thus, poor underlying economic conditions would not necessarily prevent the ALP from responding positively 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 responding to mass movements cannot be ruled out *a priori* by consideration of economic factors, given that such movements are in some respects autonomous from economic issues. In the case of the Beazley Opposition and its relationship to campaigners against globalisation, however, 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 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 somewhat unclear.

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 grassroots movements for change, 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, but no apparent shift on the part of the FPLP. 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 Labor under Beazley.

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, it is highly unlikely that this would occur in the absence of one of the two.
Other Factors Shaping Labor in Opposition

The emphasis on such factors as economic conditions, the state of the trade union movement, and the existence of strong social movements came after examining alternative explanations for Labor’s direction in Opposition. For instance, it was argued by some in relation to the change in Whitlam Labor’s stance on the Vietnam War that the US Government’s decision to commence withdrawal of troops in 1969 was the major factor. This begged the question as to why the Government in that country changed its position, but there also was persuasive evidence that ALP leaders were cognisant of the shift in public sentiment against the War, and adapted their policies accordingly.

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 parties tend to gradually converge in order to capture the middle-ground of the electorate where the mass of voters tend 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 for its opponents as the Downs thesis would have it, the major retreat from Whitlamism (or the “move to the centre”) occurred abruptly in government when the 1974-75 global recession took place.

Another influential explanation for the move away from a more interventionist approach was the change in the ideological context in the 1970s in favour of neoliberal, rather than Keynesian, forces. First, it is argued that there was a change in the intellectual environment, but that such changes tend to follow shifts in material circumstances. In this case, it was the collapse of the post-war boom that precipitated the demise of Keynesianism, and which opened up 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. In other words, the change in the economic environment preceded the ascendancy of economic rationalist ideas.

The decline in Labor’s willingness to offer reforms, and more specifically the ideological convergence of the two major parties, has been attributed by some commentators to globalisation. 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 opposition and market forces is not a recent development, an Australian case in point being the defeat of the Chifley Government’s bank nationalisation policy in the late-1940s. It is argued that it was not globalisation per se that led social democratic parties to retreat from reformism, but globalisation combined with economic stagnation. And, like other explanations, the globalisation thesis does not 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. While leaders can, and often, do impact substantially on the outcomes of historical events (Barker, Johnson & Lavalette, 2001), it is argued in the dissertation that none of the FPLP leaders played a role such that their absence or replacement would have altered the course of events to any great degree. In the first period of Opposition examined, Whitlam did possess particular leadership traits – such as his “crash or crash through” approach – but it is doubtful that this was a major factor in Labor’s general direction during those Opposition years. It has been suggested that, had the late Jim Cairns managed to win the 1968 leadership ballot, things would have turned out rather differently (Senator Bartlett, SH, 14 October 2003: 16086). No doubt 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 major way. In fact, a characteristic of Whitlam’s style was flexibility. On notable occasions, Whitlam in the years prior to 1972 chose to advocate policies more leftist than he normally would care to have been associated with in order to appeal to the radicalisation occurring in wider society, as well as to stave off potential leadership challenges such as that by Cairns. Moreover, Cairns would have been subject to the discipline of Caucus (and subsequently Cabinet).

Whitlam’s successor Bill Hayden was right-wing on economic issues, which might be seen as having contributed to the post-Whitlam Opposition’s preoccupation 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 (see Chapter Five). In other words, the direction pursued by Hayden of prioritising responsible economic management largely took up from where Whitlam left off.
Kim Beazley was arguably the most conservative of all three main Labor parliamentarians who held the position of FPLP Leaders over the period studied in the dissertation. However, it was not likely that this was an important factor in relation to the lack of reforms offered by Labor under his leadership. His position on issues such as economic rationalism, globalisation, and the “small-target” strategy appeared to be shared by the majority of his 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 21st Century, the increasingly narrow social composition of its MPs, and the party’s declining and inactive membership. 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.

Structure and Agency

The heavy emphasis on factors largely beyond Labor’s control such as the state of the economy and the strength of the trade union movement should not be misconstrued as an assertion that the FPLP was “forced” against its will to adopt certain policies or pursue a particular direction. The author’s general philosophical approach is that historical change in the large is caused by mass movements and institutions, but that individuals, and the choices that they make, can have a crucial bearing on the outcome of events (Barker, Johnson & Lavalette, 2001; Callinicos, 1989). Thus, the position adopted in this dissertation has been that the political direction of each Labor Opposition was not primarily a reflection of the autonomous choices of FPLP members and leaders, but of pressure from external factors. This is not to deny, as was pointed out above, that particular leaders can play a part in pushing the party in a particular direction. Bill Hayden, for instance, stressed the primacy of “responsible economic management” in ALP policy. The party’s overall preoccupation with fiscal prudence was not the result of Hayden’s initiative, however, but had much more to do with the collapse of the post-war boom, and the ensuing domination of politics by economics.

148 Bob Hawke, although one of four ALP politicians who held the leadership over the course of the periods studied in the dissertation, held the position for only a month prior to the 1983 Election, and in any case did not have an approach to the direction of the party really different to that of his predecessor.
It is perhaps more important, though, to ask whether Labor leaders involuntarily succumbed to external pressures or whether they did what they perceived to be in the party’s interests. It can be argued that in most, if not all cases, where the party was responding to particular pressures, it was acting out of self-interest. For example, the shift to the left on the question of Vietnam was undertaken in part for electoral reasons: it was in the party’s own interests to respond politically to the change in sentiment about the War. On the issue of Labor’s renunciation of Whitlamism, it is because Labor historically has pragmatically adapted to changes in external circumstances, and because it does not seek to challenge the logic of capitalism, that it moderated its ambitions for social reform in light of the downturn in the economy. These facts make it unlikely that, all things being equal, the party would have done anything else. However, as with the Whitlam ALP’s shift to the left on Vietnam, there was also a subjective assessment about what was good for the party in light of the poor perception of its record in office as an economic manager. And, while it has been argued that Labor, through its acceptance of globalisation and economic rationalism, was hemmed into the “small-target” strategy this is meant only in the sense that its bipartisanship on key political issues logically flowed into the choice of a strategy that relied on an electoral backlash against the government, rather than a positive enunciation of its alternative policies, to sweep the ALP to power.

Marx’s well-known phrase that, while individuals “make their own history”, they do so not “under circumstances chosen by themselves, but under circumstances directly encountered, given and transmitted from the past” (cited in Callinicos, 1983: 81), thus applies equally also to Labor in Opposition. To the extent that future Labor Oppositions make choices about their future direction, influence on those choices is likely to be brought to bear by such factors as the state of the economy, the strength of the party’s industrial wing, and the ideological environment, as well as factors such as the party’s historic pragmatism, and its willingness to adapt to the constraints set by capitalism. New and different factors may arise in future periods of Opposition, but these are likely to remain as influential factors for any Labor Opposition.
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 literature review 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 the trade unions, will determine the extent to which the FPLP’s control over policy-making comes under challenge.

The study also reveals that party history and ideology are important factors shaping how an Opposition will behave. For instance, Whitlam Labor’s positive response to the Anti-Vietnam War Movement and other social movements would be unthinkable for a party such as the Liberal Party or the Conservative Party in Britain. The ALP’s historic commitment to progressive social change lent it to being influenced by these movements during this period.

Also, although it could be argued that the end of the post-war boom would have implications for most political parties – left-of-centre and radical parties alike – in the sense that it made reforms more economically costly, it is likely that the former would be disproportionately affected as a result of their commitment to improving the lot of the majority. The more conservative political climate engendered by the end of the boom went less against the grain of right wing parties than their more progressive counterparts, and thus required less policy revision on the part of the former. Nonetheless, the fact that Keynesianism had been bipartisan policy among the major parties in the Australian political system, and was subsequently abandoned by both in the wake of 1974, does illustrate the equalising 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 was to reduce politics to disputes over superficialities of image and presentation rather than competing ideologies or programs. This has consequences for Opposition in the advanced Western nations in particular. 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 lamented by some Opposition theorists than a case of Labor having less to
offer as an alternative as a result of all major political players’ acceptance of the unassailability of liberal capitalism and globalisation in the 1990s.

The observation in the literature review that major political defeats for governing parties tend to produce significant political and structural revisions in Opposition was found to be true only on occasion. The second period of Opposition, for instance, saw an abandonment of key tenets of Labor’s policy approach. However, the third period examined also saw the ALP suffer a defeat of historic proportions, yet it largely continued on the free-market approach when in Opposition, some minor electoral-based rhetorical flourishes aside. The economic and political contexts referred to in the preceding paragraphs are important in this respect.

Similarly, the perspective adopted on the experience in office – identified in the literature as a determinant of a party’s direction in Opposition – was found to be important for the latter two periods of Opposition. The Whitlam-Hayden Opposition’s conclusion that the party had been economically reckless in government, and would need to mend its reputation 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 partly led 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 Whitlam-Hayden period, it was the paradigmatic shift in economic circumstances that put a premium on fiscal stringency for parties 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 competing political programs as a feature of parliamentary politics, as well as the failure of the Australian and world economies to shake off the underlying crisis of profitability 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 the literature. 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 – whether to contest or to bargain – different party or electoral systems would not have affected the ramifications for a party such as Labor posed by the paradigmatic shift in the approach to economic policy-making.
post-1974. The resulting conclusion is that the literature perhaps should take more account of the economic context in which Oppositions conduct politics, and less account of such institutional factors as mentioned above.

Limitations of the Research

The periods of Opposition covered by this dissertation span roughly twenty years combined. While not an insignificant stretch of time, this is less than a third of the total time the party has been out of government at the federal level since its inception. It is possible, however, that an examination of an earlier period of Opposition might have yielded different answers to the question about what factors shape the direction of the party in Opposition. The Split in the mid-1950s, for instance, could conceivably have had a major bearing on the party’s policy choices in the years immediately following it.

Earlier periods similarly might have seen Labor’s direction in Opposition influenced by factors other than the economy or the strength of the trade union movement. The conclusions drawn in this thesis about the factors that shape Labor in Opposition, then, would still arguably be highly generalisable, but additional factors may come into play in other periods of Opposition.

The focus of the dissertation has been in each period on the overall political direction of the party. There is thus room to focus more specifically on such issues as the role of the factions when Labor is in Opposition, or the role of non-parliamentary bodies such as the Federal Executive and the Federal Conference, and how much such bodies are able to exert independent influence over the FPLP. Similarly, more work could be done on the relations between the unions and the FPLP, and how these are affected by by a move to Opposition.

It is possible also that an examination of policies other than the ones chosen in each period of Opposition could have led to slightly different conclusions about the party’s direction, notwithstanding the fact that the policies chosen were central to each period, and indicative of Labor’s general approach.
Future Research Opportunities

One obvious future research opportunity lies with examining the period of Opposition that commenced under the leadership of Simon Crean following the 2001 Federal Election defeat. This would allow us to examine whether the party moved in a direction substantially different from that under Beazley, which would also provide further evidence on the question about the extent to which leadership is a factor in the direction pursued by Labor Oppositions. How Labor responded to the 2001 Election defeat, and how it reflected on the tactics and strategies employed by the party in the lead-up to that election would be areas that offered interesting opportunities for further research.

The same could be said in general about periods of Opposition that are yet to occur. An examination of such periods would provide possibilities to either refute or vindicate arguments made about the importance of factors such as the strength of the trade union movement, and the state of the economy. Should a future phase of Opposition coincide with a revival of the trade union movement, it would offer the opportunity to make clearer the relative importance of union movement strength vis-à-vis the state of the economy in influencing Labor’s policies.

A future term in Opposition, were it preceded by a stint in government, would also shed light on the question as to whether the lack of soul-searching and introspection about Labor’s experience in office comparatively absent during the Beazley years was a long-term trend, or alternatively something confined to that period.

Although future periods in Opposition will pose new questions about the sorts of factors affecting its political orientation, the party is likely to continue to be dogged by some old questions, such as who its main constituency is, what are the nature of its relations with the unions, and what it stands for.
Initially, unions had been strongly anti-uranium. The 1975 ACTU Congress endorsed a ban on the mining and transport of the material until the release of the Fox Inquiry First Report in 1976 (*The Australian*, 22 May 1976: 1). A national rail strike had occurred in late May over the suspension of a Townsville railway worker for refusing to load material destined for the Mary Kathleen uranium mining in Queensland (Beeby, 1976: 11). Union division on the question, however, was evident early on. In February 1977, the AWU’s national governing body decided 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” (*The Age*, 3 February 1977: 16). This decision was largely aimed at allowing the Queensland branch of the union to continue mining at Mary Kathleen (Cameron, 1990: 682). The ACTU then modified its position in February 1978 to allow existing uranium contracts to be honoured, but to ban new mines until “adequate safeguards” were in place, a move that was welcomed by the Australian Mining Industry Council (AMIC) as a “step in the right direction” (Korporaal, 1978: 1). Meanwhile, the ACTU decided in early 1979 to take no action against unions that openly flouted the Council’s policy by engaging in the mining, processing and export of uranium from new mines (Martin, K., 1979a: 3). 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 Narbalek sites, depriving the Canberra-bound Hawke of his dream swan-song (Martin, R.M., 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).
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