

# THE BROMPTON REPORT

*A new approach for Labor*

commissioned by the Forestry and Furnishing Products  
Division of the Construction, Forestry, Mining and Energy  
Union

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## **Foreword**

In the aftermath of the 2004 Federal Election the Forestry & Furnishing Products Division (FFPD) of the CFMEU came under sustained criticism from some sections of the ALP and union movement for doing what our members pay us to do – that is, look after their interests, first and foremost.

This criticism, in our opinion, was not only wrong and misguided, but also reflects a wider and more fundamental problem on the Labor side of politics. There is a vast gulf between the beliefs and aspirations of working-class Australians – the type of workers our union represents, and the professional political class running the Labor Party.

In an attempt to begin debate about the implications of this gulf in attitudes the FFPD commissioned this analysis, *A New Approach for Labor*. This report is not an attempt by the FFPD to justify itself – we don't need to do that. Rather it is an honest and genuine attempt to explore the issues that led to a huge number of workers deciding their interests, at least at this election, lay with the other side of politics rather than the party that supposedly best represents them.

When I entered the workforce at the age of 14 most of my co-workers believed that the Labor Party was the party that best represented their interests. There was a view that its policies, especially its economic policies, were the ones that were best for them. Today, post Hawke/Keating, this clear difference is no longer apparent to the vast bulk of workers. As a consequence of Labor's love affair with deregulation, privatisation, the lowering of tariffs and 'free trade', most workers are left with the opinion that there is not much difference between the parties on economic matters – and in reality, this is largely true.

Today, if workers in a timber mill, textile factory, furnishing factory or manufacturing workshop decide that on economic matters the major parties are pretty much the same, then, when the Liberals try to muddy the waters on issues like health and education, (as they have done), cultural issues will assume a greater prominence for these voting workers.

It is in regard to these social and cultural issues upon which much of this report focuses. The FFPD does not agree with everything raised in this discussion paper, but it does support the central argument that there are serious and fundamental contradictions that need to be addressed if Labor is not to face another decade of irrelevancy in opposition.

The economic questions touched upon above and raised in this paper will also be the subject of further discussion papers commissioned by the FFPD in the months ahead. It is beyond the comprehension of the FFPD how the Labor Party can continue with its free market adulation when there is ample evidence that all is not well following twenty years of supporting an agenda which essentially is that of the banks, stockbrokers and corporate moguls.

Our current account deficit and import/debt culture surely raises the question that the lack of government incentives for industry needs to be addressed. In our own industry there is a continuing surge of imported paper and wood products which Australia could supply on a sustainable basis, given the appropriate support from government. In most other high import areas there are more options than the current bi-partisan policies of leaving everything to the market.

The current skills shortage that is occurring at the same time as there are endemic levels of long-term unemployment surely must raise another serious question mark about our free market approach. Generational poverty (which is clearly behind recent riots in parts of the country) and the creation of a low-wage underclass suggests to this union that the Labor Party needs to be

addressing these fundamental economic concerns by reference to something other than tinkering around the edges of the economic debate.

The FFPD of the CFMEU is often portrayed as an organisation of red-neck unionists. The truth, of course, is far removed from this characterisation. I have been a member of the left of the Labor party for over thirty years and the union has consistently been in the left wing mainstream of union and ALP politics over this period.

There was a time when our unambiguous defence of workers' jobs and their livelihoods was seen as progressive, admired and respected.

What has changed over this period is the people running the Labor Party machine – the apparatchiks, advisors and politicians – are no longer attuned to the basic aspirations of honest working men and women but sing to a completely misguided (and electorally wrong) tune that seeks to appease the unappeasable. They place their faith, not only in the free market, but also in the shallow and cheap propaganda of a wealthy, inner-city elite which has a barely concealed contempt for a bunch of workers from the bush or outer suburbs. They have fallen for Green propaganda, (consistently found to be inaccurate and/or embellished) and, worst of all, they actually believe these policies are in the best interests of the country.

Until such time as the Labor Party machine realises that they have a fundamental disconnection with large sections of mainstream Australia, they will continue to face electoral isolation. If they do not address this problem, Labor could face a period of opposition equivalent to the lost years of the 1950s and '60s.

I trust this discussion paper is seen as a serious attempt by committed members of the labour movement to see their party achieve success at the Federal level. Experience tells me that some may categorise it otherwise but, as someone who has actively, enthusiastically and loyally supported Labor all of my adult life, I remain hopeful that there are enough good people, who have at heart the interests of those who need the most support, to take up the challenge to start addressing these fundamental problems.

If we don't start soon then the claim by the Liberal Party to be the preferred party of the working class unbelievably may become true



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23<sup>rd</sup> June, 2005

## ***In Brief***

*'The consensus at our meeting was that it is only the urban intellectual middle class who worry about the preservation of the countryside because they don't have to live in it. They just read about it. Bernard says their protest is rooted more in Thoreau than in anger.'*

*The Complete Yes Minister* (London, BBC Books, 1988) edited by Jonathon Lynn and Antony Jay, p. 134

**B**y the end of the 1980s the Berlin Wall had collapsed, socialism and central planning were discredited and Labor had recanted its commitment to the nationalisation of the means of production, distribution and exchange. Labor needed a new foundation stone but, realising the internal divisions embarking on such a quest would expose, it avoided this challenge.

Labor is paying the price. On economic policy, it seems to be torn between either succumbing to free market ideology or restoring the welfare state.

With respect to social and cultural issues, it is trying to please inner metropolitan dwellers and university-educated professionals on the one hand and traditional supporters living in the outer suburbs and regions on the other — constituencies with diverging, if not contradictory, views.

The free market is no more acceptable to Australians living in the outer suburbs and the regions than the discredited welfare state is. However, commentators and many inner metropolitan supporters are urging Labor to embrace the market.

Labor cannot out-Liberal the Liberals on economic policy, and there are not enough votes to be got by Labor's being economic rationalists with a human face.

Labor needs a new way which favours small business and ordinary Australians rather than the big end of town. It must respond to the perception that ordinary Australians are stuck in the middle between paying taxes which go to people who do not need assistance on the one hand and people who are doing very well but not paying their fair share of tax on the other.

Labor's political problem has been compounded by the increasing influence cultural and social issues are having on how people vote. This development has exposed the gap between its core constituencies. Their lifestyles and aspirations are so different as to appear irreconcilable.

Inner metropolitan voters are attracted to a secular, socially progressive party and have been the biggest beneficiaries of privatisation and globalisation. In the regions and outer suburbs, there is skepticism, if not antagonism, towards economic rationalism and family and community are still important.

Labor's parliamentary representation reflects its dilemma. Of the 150 federal electorates, 45 are classified as rural. Labor holds four of these seats — one more than the independents. Then there are the outer suburban seats in Sydney and Melbourne on which the Liberals' stranglehold is such that an outer eastern suburban seat, Aston, is the Liberals' safest seat in Victoria.

Unless this situation changes, Labor can look forward to re-visiting the 1950s and 1960s — the period during which they were in permanent opposition federally.

Last year, Labor appeared to have a good chance of re-establishing itself in regional and outer suburban Australia. Mark Latham came from western Sydney, had written extensively about the vast gulf between inner metropolitan dwellers and residents in the outer suburbs and regions, and sided with ordinary Australians against the café latte set. (While liking good coffee is not the preserve of inner-city professionals, most Australians do not have the time and the money to pontificate on issues

which do not affect them personally while reading their *Age* or *Sydney Morning Herald* or dining out every other night and sipping café lattes.)

However, Mr. Latham imposed Peter Garrett, the epitome of the café latte set, on Labor in Kingsford Smith. Then followed the US free trade agreement, the public revolt by Labor's Left over Mr. Latham's decision to support legislation banning gay marriages, reviving memories of *Tampa* and finally the disastrous Tasmanian forests policy.

Since the election, there has been an attempt to re-write history by claiming that John Howard set Mark Latham up on forest policy. The fact is that both leaders had the same information, were under the same pressures and had to make the same choice. John Howard got it right and Mark Latham got it wrong.

Labor must learn the lesson. It can promise different groups different things, but it cannot promise them contradictory things.

It must accept that there are times when it cannot satisfy both constituencies and that it has no choice but to identify either with the outer suburbs and regions or with the inner metropolitan voter.

However, there are also times when Labor need not make such a choice. For example, had it focused on climate change and water instead of Tasmanian forests, it would have demonstrated its environment credentials without alienating traditional supporters and delivering the vital last week of the campaign to the Liberals.

Labor can build on Mark Latham's stand that multicultural issues have moved on from the 1970s and 1980s and that another approach is now viable.

There are more effective ways to deal with hate speech than to enact legislation.

The Liberals are vulnerable on economic

policy. They have used unfair dismissal legislation to disguise the conflict they have between representing both big business and small business. Their vulnerability will be exposed when the Government enacts its unfair dismissal legislation later this year.

Labor can exploit this dilemma. Its policies are more beneficial to small business than the Liberals'. Labor can build on this advantage by adopting, as the foundation of its economic policies, a set of values and beliefs compatible with the aspirations and attitudes of the voters whose support it needs to attract.

One reason for Labor's failure to rise to these challenges is that neither its membership nor its parliamentary members reflect a broad cross-section of the community — about which headlines alleging branch stacking are a regular reminder. The membership is dominated by the inner metropolitan suburbs, and the parliamentary party by a new class of professionals whose social set reflects more of the same. The situation has worsened since Hawke government minister, John Button, first highlighted this issue and is now parlous.

Labor must find ways of overcoming the limitations imposed by its structural weaknesses. The backgrounds and interests of the members of its decision-making bodies should be more diverse, and it must select candidates who reflect the interests and aspirations of their communities they want to represent and develop policies which are relevant to the majority of Australians.

For Labor to have a successful future federally it needs to see the latest election defeat as an opportunity to grapple with the hard issues by mapping out a fresh approach which is relevant to the 21<sup>st</sup> century and the era of the post-1960s cultural revolution.

The alternative is a long time in the political wilderness.

## **The Background**

*'It is not as though the Howard Government has a special quality that makes it, unlike any other government that has gone before, unassailable. There is a degree of softness in its support.'*

Shaun Carney, 'Polls Mask Labor Morass', *The Age*, 19<sup>th</sup> March, 2005 p.11

The discrediting of central planning and the collapse of the Berlin Wall in 1989 presented a major challenge to both of Australia's major parties. Labor's foundation was a commitment to the nationalisation of the means of production, distribution and exchange; and Sir Robert Menzies said that *'the great issue to which Liberalism must direct itself is Socialism.'*<sup>1</sup>

By the 1990s, events had rendered their *raison d'être* redundant and they needed to re-create themselves. Each has avoided facing up to this challenge.

At a state level, this avoidance has favoured the Labor Party. In most states the Liberals have alienated significant numbers of traditional supporters by becoming more philosophically liberal on social and cultural issues — issues based primarily on beliefs and values rather than economic considerations. For example, maintaining communities is a cultural issue; much of the potency of interest rates, an economic issue, derives from the importance Australians place on home ownership which is a cultural issue; and while many commentators treat farming as a business (e.g. *'When will the Howard government have the courage to treat farming like any other industry?...Droughts and floods are factors in farming, just as business cycles, changes and obsolescence are factors in all businesses'*<sup>2</sup>), for many family farmers, farming is a way of life.

Federally, however, this avoidance is favouring the Liberals. They have become economic liberals, but they have not paid a political price for this move with a conservative electorate for a number of reasons.

First, Labor, under Bob Hawke and Paul Keating, was the original economic

liberal. It de-regulated our currency and sold off the Commonwealth Bank and Qantas. Voters think there is not much difference between the Liberals' and Labor's economic policies, and Labor is now compromised internally, unable to agree on the philosophy which ought to underpin its economic policy.

Secondly, the Liberals standing as a 'conservative' party has not been challenged. In part this is because commentators incorrectly brand economic liberalism 'conservative'. It is also because, under John Howard, conservatism on cultural and social issues is prevailing within the Liberal Party federally.

Thirdly, Labor has suffered because it has failed to formulate an effective political response to the challenge Mr. Howard's pragmatism presents. Many in Labor see him as an ideologue. However, as journalist Paul Kelly<sup>3</sup> has observed, Mr. Howard is not a conviction politician, but a person of instincts who is driven by political imperatives.

Nor is he a Paul Keating or a Jeff Kennett. He never stops campaigning, and he has resisted the temptation to be seen to be basking in his own glory.

This failure has greater significance than it would have had in by-gone years. Lacking core beliefs, the parties have focused the spotlight on the leader, so that increasingly the leader is the Party.

Labor's federal performance in recent years and its future direction needs to be considered against this background.

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1 *Afternoon Light* (Melbourne, Cassell Australia, 1967), Sir Robert Menzies, pp.294-295

2. Editorial, *The Australian Financial Review*, 6<sup>th</sup> April, 2005, p. 62

3 'PM is no right wing social engineer', *The Australian*, 24th November, 2004, p.15.

## Australia's Biggest Focus Group — the People

*'The post-referendum analysis of the voting patterns throughout Australia repeatedly indicated the way in which the republican proposal divided the electors. The country against the cities. The small States against the big States. The high income earners against the "battlers". The educated elite against those who had lost their economic advantages in the structural adjustments which had occurred in recent times in Australia and under successive governments.'*

The Hon Justice Michael Kirby AC CMG, *A Centenary Reflection on the Australian Constitution: the Republic Referendum, 1999*, R G Menzies Memorial Lecture delivered at King's College, London, 4<sup>th</sup> July, 2000

The 2004 Australian election study, a survey of 1769 voters by researchers from the Australian National University, Queensland University and the Queensland University of Technology, has challenged the prevailing wisdom within Labor that it lost the election largely because of the Liberals' interest rate scare campaign.<sup>1</sup>

This study is not the first to reach this conclusion. An analysis, by former Labor senator John Black and former South Australian academic John Lockwood, of the size of each home-buyer's mortgage, the ratio of household debt to income and disposable income after servicing debt informed by post-election demographic modeling, also challenges this mythology. All lead to the same conclusion — the swing to the Coalition 'took place amongst formerly rusted on Labor voters — those in lower to middle income, unskilled or blue collar trades jobs, who just happened to be paying lower to middle sized mortgages. The swing to Labor took place amongst groups disaffected with the Coalition since 2001, like the well paid and the better educated, or professionals...who just happened to be paying higher mortgages and carrying the largest total household debt.'<sup>2</sup>

Professor Bob Birrell, Lyle Allen and Ernest Healy from the Centre for Population and Urban Research at Monash University have concluded that '*...(I)n Sydney...Labor's seats were all in the west and south-west. In every case, high proportions of NESB [non-English speaking background] voters lived in these seats with most coming from the relatively low-income component of Sydney's NESB*

*population....*

*'(The) evidence indicates that Labor does well in Melbourne because the NESB impact has been magnified in south-eastern Melbourne...spreading... over five federal seats.*

*'Why does Labor enjoy such strong support from the NESB constituency? It is partly a matter of class. The voters in question are blue-collar and often welfare-dependent. It is also partly cultural...Labor's strong support for migration and multiculturalism makes it the obvious political home for voters who feel threatened by the Coalition's strong nationalist stance on these issues....*

*'The danger with such pro-immigration policies is that...(t)he ever-increasing number of outer-suburban voters that Labor must attract if it is to win in Melbourne and Sydney are unlikely to be impressed by policies that appeal to sectional NESB interests or to gentrifying inner-city electorates.'*<sup>3</sup>

Mr. Black has observed that '*(t)his would, perhaps, be a useful time for... Labor('s) Leadership team to acknowledge that you don't win votes from rusted on Labor voters by insulting their intelligence over Medicare Gold, or by taking away provincial logging jobs to suck up to the Sydney latte sippers or by taking money out of the pockets of single mums because you don't have the courage to find the spending cuts to fund a proper family tax package.'*<sup>4</sup>

These analyses all point to the importance of cultural issues. This is news a deeply divided Labor does not want to hear. In 2001, Labor's response to the Tampa affair divided the parliamentary party and Labor's inner

metropolitan and outer suburban and regional supporters. Last year, Labor's Tasmanian forests policy divided inner metropolitan and outer suburban and regional supporters, and its support for banning gay marriages divided the parliamentary party.

### 1999 Referendum

Labor's failure to recognise the depth of the cultural divide in Australia and to understand its consequences is surprising. Australia's biggest 'focus group' on cultural issues — a referendum on a republic — was held in 1999. This referendum was rare, if not unique in that neither partisan political positions nor stances adopted by state governments could influence the result.

In Victoria, the 'yes' vote in Higgins and Kooyong, Liberal seats, was comparable to the 'yes' vote in Labor's Melbourne and Melbourne Ports. The 'no' vote in Labor Lalor matched the 'no' vote in Liberal La Trobe and the 'no' vote in Liberal McEwan matched the 'no' vote in Labor Burke.

In Queensland, only two of the 27 federal electorates recorded 'yes' majorities — Brisbane, a Labor seat, and a Liberal seat, Ryan. The votes were comparable in both seats. This story could be repeated in every state. The further one goes from the Central Business Districts of the capital cities, the higher the 'no' vote becomes. The different life-style and attitudes of the inner metropolitan dweller are not only reinforcing but extenuating the cultural divide between inner Sydney and Melbourne and the rest of Australia, especially the suburbs and regional areas.

Some thought it was all very well for referendum supporters to carry on over the issue, but they had more immediate issues to think about. Others were tired of self-appointed élites imposing their views and decided that the élites were not going to get away with imposing a model which further strengthened their position. Many would not support

change just for the sake of it. The café latte set and Labor still has not got this message.

The referendum result mirrors the conclusions about cultural developments in the USA drawn by the late Christopher Lasch, Watson Professor of History at the University of Rochester and a well-known commentator on American culture in the latter part of the twentieth century. During the 1950s, while in his 20s, Professor Lasch was a man of the Left. He was driven more to the Left by the events of the early 1960s, by the end of which he was attending meetings of the Socialist Scholars Conference.

However in the mid 1970s *'the unexpectedly rigorous business of bringing up children exposed (him)...to our "child-centered" society's indifference to everything that makes it possible for children to flourish and grow up to be responsible citizens.'*<sup>5</sup> His subsequent study led him to the conclusion that *'it was not just condescension, however, but a remarkably tenacious belief in progress that made it so hard for people on the left to listen to those who told them things were falling apart.'*<sup>6</sup> He found it was *'the belief in [historical] progress — the death of which he had taken for granted — that explained the left's curious mix of complacency and paranoia.'*<sup>7</sup>

In *Revolt of the Elites and the Betrayal of Democracy*, which was published in 1995 after Professor Lasch's premature death, he wrote:

*'The culture wars that have convulsed America since the sixties are best understood as a form of class warfare, in which an enlightened elite (as it thinks of itself) seeks not so much to impose its values on the majority (a majority perceived as incorrigibly racist, sexist, provincial, and xenophobic), much less persuade the majority by means of rational public debate, as to create parallel or "alternative" institutions in which it will no longer be necessary to*

*confront the unenlightened at all*.<sup>8</sup>

The referendum result sent a clear signal. Many voters understood that, within the ranks of the referendum model's proponents, were people with the mindset described by Professor Lasch.

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**Endnotes:**

1 'Election not won on rates scare: poll', *The Australian Financial Review*, 23<sup>rd</sup> March, 2005, p.4

2 'Hit and Myth — debunking Labor's interest

rate theory,' *The Australian Financial Review*, 4th December, 2004.

3 'Loss in any language', *The Sunday Age*, 16th January, 2005, p.17

4 'How Family First made Labor last', *Online Opinion*, posted December 17, 2004

5 *The True and Only Heaven* (New York, W.W. Norton and Company, 1991), p.33

6 *ibid.*, p.35

7 *ibid.*, p.36

8 'Introduction: The Democratic Malaise', *Revolt of the Elites and the Betrayal of Democracy* (New York, W.W. Norton and Company, 1995), pp.20-21.

## ***If You Go Down in the Woods Today***

*'Trying to appease the Greens is a significant cause of the continuing decline of Labor's primary vote. But the problem goes deeper: Labor policy-making processes have been hijacked by well-heeled, vain, self-indulgent ideologues who are not just green but noisy advocates for a variety of policies that are anathema to people who vote Labor — or used to vote Labor.'*

Peter Walsh, *The Australian*, 28th October, 2004, p.13.

**D**r. Nick Economou, a senior lecturer in Monash University's School of Political and Social Inquiry highlighted Labor's lack of understanding of the cultural gap between inner city metropolises and outer suburbs when he wrote: *'Regional electorates were, and are, central to Australian election outcomes. Yet, far from seeking to secure their support, the Latham-led national ALP appeared to embark upon a strategy of deliberately antagonising regional and rural voters, particularly with its approach to environmental conservation.'*<sup>1</sup>

Rod Cameron, managing director of ANOP Research Services and former Labor Party pollster, described the consequences of this failure as follows: *'Tasmanian forestry, a concern largely in the inner-city electorates and among some of those souls unkindly referred to as "doctors' wives", is simply not a mainstream issue. For Labor in the last week of the campaign to invest so much attention (and dollars) into Tasmanian forest practices was political madness.'*<sup>2</sup>

### **The Green myth**

**T**wo events stand out as turning points in the election campaign — Mr. Latham's driving past timber workers without so much as a wave and Mr. Howard's being embraced by them two days later during the vital last week and the focus, during the first week of the campaign, on the Greens' economic and social policies.<sup>3</sup>

However, Labor had been warned well before then to ignore the Green's pitch. Hawke Government Minister Peter Walsh, for example, wrote in March last year that, at former Senator Graham Richardson's insistence, a recommend-

ation that 8 per cent of Tasmania's forests be listed as world heritage was increased to 70 per cent. He said:

*'The decision taken by the Hawke cabinet effectively ignored the highest quality scientific advice and instead succumbed to green demands based on secular religious fervour...*

*'In the mid '90s attempts were made to make processes less arbitrary and pay some attention to scientific and economic reality in regional forests agreements...Without exception they locked away from logging huge additional forest areas based on the belief that the Greens would accept a "compromise" heavily weighed towards their demands. In other words, appease them. It didn't work with Hitler and it doesn't work with Greens.'*<sup>4</sup>

(The appeasement of the Greens began with the saving of the Franklin River and the World Heritage listing. As Mr. Walsh said, more land was added in the late 1980s. By the time the Regional Forest Agreement was signed in 1997, 2,255,000 hectares of land had been reserved. The RFA added a further 458,000 hectares. The Community Forest Agreement signed by Mr. Howard and Tasmanian Premier Paul Lennon recently reserved another 148,000 hectares of land, bringing the total area reserved to 2,861,400 hectares or 42 per cent of Tasmania.<sup>5</sup> Left to Mr. Latham, the total would be even higher as he wanted to lock up a further 240,000 hectares)

At the time, a third generation timber worker, Peter Ryan, told *The Australian* no amount of money could compensate small towns for the *'profound "social misfortune" that would follow if logging jobs were abolished. "If Mark Latham*

*thinks he can come here and dish out some sort of compensation policy, and take no notice of the Tasmanian people, he'll be committing political suicide".*<sup>6</sup>

A senior Labor figure told *The Australian's* Steve Lewis that '*Bob [Brown]'s really good at distorting the facts. But there is a high dependence on (the forestry) industry down there and to completely undermine it would have significant political consequences*'.<sup>7</sup>

### **Mark Latham's reaction**

Given Mr. Latham formulated the Tasmanian forests policy without consulting the relevant shadow ministers, it is natural he would say the problem was the timing of the policy's release, not the policy itself. Notwithstanding Mr. Latham's resignation as Labor's leader, his assessment is still disturbing — not only because it has been echoed by others but also because, given his background, it was reasonable to expect him of all people to understand that the forests policy was a symptom of a much broader cultural issue. If a boy from the Green Valley housing commission estate could not grasp this reality, who amongst Labor's leaders can?

Mr. Latham never explained his policy in the light of the comments he made during his visit to Tasmania in March last year. Back then, he thought the 2010 deadline set to end clear felling in old-growth forests was a good thing, and he promised that not a single worker would lose his job. *Experience tells us that if a mature-age worker with one set of skills loses a job, it is incredibly hard at that age to move to another industry. I say it is not social justice to put people like that on the dole queue, it's just not on,* he told Hobart radio.<sup>8</sup> He also said that '(w)e're not here to be fiddling with the RFAs or fiddling with the process that leads to job security'.<sup>9</sup> He ruled out monetary compensation and said *I think you have to have a job*.<sup>10</sup>

The message was clear. Mr. Latham had his feet planted firmly in the world of the

outer suburban and regional residents rather than that of the inner metropolitan city dwellers who could afford to eat out every night and pontificate on the world's problems. Tasmanian forests was about more than economics. It was about understanding the limited options semi-skilled workers have. It was about recognising the importance of the dignity and sense of personal worth which comes with having a job and not being dependent on welfare. It was about standing with small communities which would be decimated if the timber industry were destroyed rather than supporting the high flyers and would-be high flyers in Sydney and Melbourne.

The managing director of Gunns, Tasmania's largest saw miller and promoter of a \$1 billion pulp mill, told Mr. Latham jobs would be lost if access to old-growth forest was lost.<sup>11</sup> At the time, the CFMEU's Forestry Division Assistant National Secretary, Michael O'Connor, said: *We never thought Mark Latham was the type of Labor leader who'd advocate policy (that) leads to working class people losing their jobs*.<sup>12</sup>

According to Mr. Walsh, four months prior to that '*...when he was scrambling for leadership votes, Latham promised the three Tasmanian timber-seat MPs he would do nothing to upset the RFA*'.<sup>13</sup> Mr. Latham made another commitment three months after his Tasmanian visit. To put to rest unease within Labor about Peter Garrett's recruitment, Mr. Latham promised the Forestry Division he would consult it about forests policy.

An article by timber worker, Ken Hall, published the day before the election, indicated where community sentiment lay:

*I have come to believe that Howard is the best leader to represent the timber workers of Tasmania. And that's a pretty big mouthful coming from a lifelong Labor supporter who first voted for Arthur Calwell in 1966 and has voted for every Labor leader in every election since then...*

*I went to a protest...to hear Howard's*

*pitch to timber workers. I expected to hear the worst. But I quickly learnt he is the right man in the right place at the right time...*

*'Latham's idea about another silly inquiry, however, would return our state to uncertainty. To me, Howard's ladder now looks a much more attractive prospect to climb. After all he, unlike the Labor leader, has kept his word on the agreement.'*<sup>14</sup>

This accommodation of the Greens puts the spotlight on the latte set's political judgment. Then Queensland ALP secretary, Cameron Milner, for example, wrote an article while Mr. Latham was in Tasmania contending, *'(s)o what are the arguments against this decision? There are essentially two: jobs and votes. The jobs issue has to be dealt with by fair compensation.... And on the issue of votes, it has been argued by Tasmanian members of parliament that their seats will be put at risk and that angry timber workers will vote Labor out.*

*'That would be true if John Howard's Liberals campaigned for continued woodchipping...Howard is likely to follow suit and thereby neutralise any electoral damage. If he doesn't then Labor has a national issue to campaign against Howard.*

*'...Latham would win convincingly on this issue nationally. And, locally in Tasmania, any votes lost to the Liberals in electorates would be returned through higher preference flows from green voters and Labor winning votes from the Liberals based on our strong environmental credentials.'*<sup>15</sup> Indeed!

The Wilderness Society campaigned 'seriously' in marginal seats for the first time since 1990.<sup>16</sup> Of the ten seats on which they concentrated, Labor fell over the line in Richmond, a seat the Nationals were destined to lose sooner rather than later. Labor retained Brisbane and the Liberals won Bass. Malcolm Turnbull retained Wentworth for the Liberals and the other six Liberal members retained their seats easily.

As Mr. Walsh has pointed out, *'(t)he reality is there was neither need nor justification for meddling with, let alone repudiating, the Regional Forest Agreement signed in 1997, strongly and successfully upheld by the Tasmanian Labor government. Mark Latham's decision was arrogant and stupid. It got what it deserved'*.<sup>17</sup>

Mr. Walsh's criticism was echoed by Age journalist Shaun Carney who wrote that *'Brown's reaction was pure spin; this was a bad election for the Greens.... 'The Greens' lower house vote was poor. With the seemingly permanent collapse of the Democrats and the final week of the election focusing on a central Greens issue — the forests — the circumstances were never going to be better for the Greens. They managed a lame 6.9 per cent, about 250,000 short of the million vote target party officials had set....'*

*'The net effect of the Greens rise has been to weaken Labor and entrench the Coalition...*

*'Despite preference deals, the fact is that, all along, the Greens have really been running against the Labor Party, not with it. Success for the Greens comes through taking seats and votes away from Labor, not the Liberals. If Labor cannot learn the lesson from its own experience, in which it gave the Greens everything they wanted in terms of forests only to see its electoral fortunes reversed, perhaps it should look across the Pacific.*

*'George Bush owes his 2000 election victory above all to Ralph Nader...who dragged precious votes away from Al Gore. And who did Nader represent in the presidential ballot? The Greens.'*<sup>18</sup>

### **Conspiracy**

**T**he idea that John Howard conned Mark Latham into adopting the Tasmanian forest policy that he did, is a post-election re-writing of history which is not supported by the facts. It has the effect of exonerating not only Mr. Latham from blame for the election

result by creating the impression that he was simply outmanoeuvred by a cynical, old campaigner, but also diverting attention away from those:

- in the Labor Party who supported Mr. Garrett's endorsement and Mr. Latham's forests policy;
- in the media who bought the Greens' propaganda that supporting the end of old growth logging in Tasmania was all gain and no pain on the mainland; and
- Liberal advisers who urged Mr. Howard to adopt a policy which would appease the environment movement.

At the start of the election campaign, Mr. Howard felt obliged to accept advice that he should appease the environment lobby because it was so overwhelming. He had a few concerns including the fact that he personally had signed Tasmania's Regional Forest Agreement and the impact of his decision on timber workers and their communities.<sup>19</sup> Given that advice, it is obvious that, when journalists were re-directed from a sawmill to a forest near Murwillumbah for a photo opportunity in early September, and urged by Mr. Howard's advisers to question him about his attitude towards the logging of Tasmania's old-growth forests, it was part of a plan to assess community attitudes, not a Machiavellian plot to hoodwink Mr. Latham.

*The Bulletin's* Tony Wright summed the situation as at the middle of September:

*'Howard has hatched a plan he believes will blindside Labor and put those voters — particularly middle-class mainlanders — planning to vote Green on environmental issues in a bind....*

*'In the doing of it, Howard has merrily stolen a tactic used to great electoral success by Queensland's Labor premier....*

*'The man who crafted Beattie's strategy, former Queensland Party state secretary Cameron Milner, advised federal Opposition Leader Mark Latham in*

*March this year to adopt precisely the manoeuvre, and to put Tasmania's forests at the centre of it...*

*'Latham, hamstrung and heaved by a Tasmanian Labor government that is joined at the hip and the pocket with the state's timber industry, could not see his way clear to take Milner's advice, although he is belatedly planning a Tasmanian forests policy....*

*'Howard has nothing to lose in Tasmania by shifting to a pro-forests stance, anyway: all five House of Representatives seats are held by Labor. His focus would be on the mainland towards Liberals who might be thinking of voting Green...*

*He would, in short, startle the electorate by declaring he would save the old-growth forests (while switching loggers into new jobs in the softwood industry and perhaps a new pulp mill, while throwing money from the new-found surplus billions at new Tasmanian tourism projects).'*<sup>20</sup>

How then can the dramatic turn-around which occurred subsequently be explained? Why did Mr. Latham adopt what was widely expected to be Mr. Howard's policy and why did Mr. Howard do a U turn? Since the election there has been speculation about who influenced Mr. Latham to adopt the position he did. While some, such as Senator Faulkner, have denied responsibility for the decision, nobody has admitted involvement in it. Consequently, Mr. Latham's resignation makes it even more important for Labor that this question be answered.

The influence of the café latte set — 'doctors' wives' — within Liberal ranks had been brought into focus by the events in Murwillumbah and the fact that the Liberals were avoiding upsetting the latte set in their ranks by not directly attacking the Greens. In response to this development, the Liberals were presented with a scenario which challenged the Greens' claims and required them to think about issues such as:

- how many seats might actually

change from Labor to Liberal because of this issue,

- whether there were mainland seats the Coalition could lose if they accommodated the Greens, and
- which Tasmanian seats could be won by the Liberals on the back of the forests issue.

The timber industry announced that it would campaign actively in the seats of Richmond, Page, Eden-Monaro, McMillan and McEwen, and it encouraged an independent to nominate for Gippsland. It also said that, in Tasmania, it would support whoever put jobs ahead of trees.

When the timber industry spoke to Coalition members in mainland, marginal seats with timber interests in early September, they were complacent. Stewart McArthur, the Member for Corangamite was a notable exception. Surprisingly, they not only regurgitated but also believed the Party line that Tasmanian forests would not be a factor on the mainland.

However, that all changed dramatically. When an independent candidate nominated against Science Minister Peter McGauran in Gippsland, he ensured the timber industry knew that he always had been a supporter. Gary Nairn, the Member for Eden Monaro, was galvanised into action when the industry's first advertisement appeared in his electorate, ensuring that Mr. Howard understood the importance of the timber industry to his electorate. Local National Party officials quickly acquainted their state headquarters with the consequences of acquiescing to the Greens' agenda in Richmond and Page.

For the observant, Mr. Howard indicated his response to these developments on the 26<sup>th</sup> September, one week before Mr. Latham announced his Tasmanian forests policy. News Limited columnist, Glenn Milne, wrote that *'despite speculation to the contrary, Howard says he won't be abandoning the present regional forestry agreements: "A lot of people want to see old-growth logging finished.*

*But I'm not prepared to throw the workers on the scrap heap. That won't happen.'"*<sup>21</sup> Mr. Howard's announcement should not have taken Labor by surprise.

Both Mr. Howard and Mr. Latham had the same information, were under the same pressure from advisers and inner metropolitan lobbies and had the same choice to make. M. Howard's judgment was right and Mr. Latham's was wrong. It is ironic that the leader who represented western Sydney capitulated to the latte set while the leader who represents an inner metropolitan electorate went with the suburbs and the regions.

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#### Endnotes:

- 1 'Faultlines and Failures', *After the Deluge? Rebuilding Labor and a Progressive Movement* (Blue Book No. 9, Australian Fabian Society, 2004), p.BB8.
- 2 'Anatomy of a Labor train crash', *The Age*, 15th October, 2004 p.15
- 3 'Greens back illegal drugs', *Herald Sun*, 31st August, 2004, p.1.
- 4 'Don't fall for Green fallacies', *The Australian*, 19th March, 2004.
- 5 RPDC Background Report RFA Review
- 6 'Battle lines drawn on old forests', *The Australian*, 17th March, 2004.
- 7 'Caution: Being green not as easy as falling off a log', *The Australian*, 16th February, 2004.
- 8 'Charmed in the woods', *Weekend Australian*, 20th-21st March, 2004.
- 9 'Latham takes axe to anti-logging lobby', *The Australian*, 18th March, 2004.
- 10 *ibid.*
- 11 *ibid.*
- 12 'Charmed in the woods'.
- 13 'Stop coddling the Greens'.
- 14 'Latham betrays workers', *The Australian*, 8th October, 2004, p.15.
- 15 'Labor must take Green initiative', *The Australian*, 17th March, 2004.
- 16 Wilderness Society media release, 3rd September, 2004.
- 17 'Stop coddling the greens'.
- 18 'Latham must learn the Greens are no friend of Labor', *The Age*, 20th October, 2004, p.15
- 19 Conversation between CFMEU official and Liberal insider.
- 20 'Will the real green please step forward', *The Bulletin*, 22nd September, 2004.
- 21 'PM's delicate balancing act — election 2004', *Sunday Telegraph*, 26th September, 2004, p.93.

## ***It's All in the Family***

*'The religious revival we are now experiencing is not only -perhaps not so much - a religious revival as a moral revival.'*

Gertrude Himmelfarb, Professor Emeritus of History at the Graduate School of the City, University of New York,  
'Democratic Remedies for Democratic Disorders', *The Public Interest*, Spring, 1998

Tasmanian forests was not the only cultural issue on which Labor found itself on the back foot. It ended up in a similar bind over gay marriages, even though as far back as February last year Mr. Latham had said that Labor would not support them.

Presumably, Mr. Latham was conscious of how the *Tampa* affair transformed the 2001 election campaign and wanted to avoid a repetition of that experience. Since gay marriages were a hot issue in the USA by then, it was not difficult to imagine that Mr. Howard might latch onto it, especially given that polls were suggesting the election result was likely to be close or that Labor might even win.

At the same time, the ACT Legislative Assembly was generating controversy by passing legislation enabling same-sex couples to adopt children.

Moreover in the 2002 South Australian elections, a retired Assemblies of God pastor, Andrew Evans, formed Family First and, with minimal resources, won a seat in the Legislative Council. By the middle of last year, it was clear that Family First would contest the Senate elections in every state and, as a consequence, nominate candidates in as many House of Representatives seats as it could.

The fastest-growing Christian denominations in Australia are the Assemblies of God and other Pentecostal groups and the Baptists, all of which have members who were likely to be attracted to Family First. These developments raised critical issues for the major parties. Would Family First have the resources to mount an effective campaign; would they attract enough votes to be significant; and, if so, what issues would influence how they allocated their preferences?

The Liberals had additional reasons to ponder the significance of moral issues. Sydney's largest protestant church, Hillsong, which 20 years ago started with a group of 75 people and now has a weekly attendance of 18,000, is located in Greenway, which the retiring Labor member held with a margin of three per cent. There is also a significant Muslim population in the electorate. The Liberal candidate, Louise Markus, headed Hillsong's community outreach programme. Before the campaign, Peter Costello made a well-publicised visit to the church. Mr. Latham declined a similar invitation to attend a service. In the Tasmanian seat, Bass, which Labor held by a margin of about two per cent, the Liberal candidate, Michael Ferguson, was an active Christian.

Last year, with growing talk of a close election result, the Government introduced legislation clarifying the definition of marriage and prohibiting international gay adoptions. In June, the Australian Democrats, with Labor's support, referred the Bill to a Senate committee. In doing so, they made clear that their intention was to defer debate on the Bill until after the election.

The Australian Christian Lobby, the Fatherhood Foundation and the Australian Family Association organised a day-long seminar, *Why Marriage Matters*, in Parliament House on the 4<sup>th</sup> August while Parliament was sitting. Within one month they had been able to mobilise about 1000 people from around Australia to attend. Politicians from all sides were astounded by this effort.

The organisers invited the leaders of the three major parties to speak. Mr. Howard and National Party leader John Anderson accepted. Mr. Latham declined and sent Shadow Attorney

General Nicola Roxon in his place. She said Mr. Latham had another engagement. The excuse was lame.

At that seminar, Mr. Howard threw down the gauntlet. He announced that, within the following fortnight, the Government would force a vote on a new Bill dealing solely with the definition of marriage on which Labor would not have an excuse not to vote.

Ms. Roxon said Labor would support a new Bill — a seemingly unexceptional response given Mr. Latham's statements and the decision of Caucus. She also said that a Labor government would introduce national racial and religious anti-vilification legislation.

Labor seemed unprepared for this response to the reference to the Senate Committee. On the 9<sup>th</sup> August, left wing frontbenchers Anthony Albanese, Lindsay Tanner, Alan Griffin and Kate Lundy led a 90-minute discussion in shadow cabinet over Labor's support of a ban on gay marriage. According to *The Australian's* Patricia Karvelas:

*'Mr. Albanese and other frontbenchers argued Ms. Roxon had gone too far in an attempt to impress a group of Christians, who were unlikely to vote Labor, at the expense of the gay and lesbian community, which had shown the party support.... They said the Labor Party needed to formally recognise gay and lesbian unions in "some form".'*

*'But Mr. Latham left it to Ms. Roxon to restate the Labor position to support the ban, although she agreed to listen to their calls to give "more teeth" to anti-discrimination laws....'*

*'A Labor MP who would not be named said Ms. Roxon deserved a "dressing down" for her comments.'*

*'"She didn't need to go that far. We had convinced the gay and lesbian community that we were on their side and she went and insulted them," he said.'*<sup>1</sup>

Caucus considered the matter for a third time the following day. The Left believed it 'won a significant concession in

*caucus, with Mark Latham moving an amendment that says Labor will examine "options to achieve more consistent national treatment of all de facto relationships". Labor Left MPs said the amendment moved by the Labor leader "opened the door" for gay unions to be registered officially if Labor won government.'*<sup>2</sup>

Following the seminar, commentator on family issues, Angela Shanahan, wrote a column which must have had the Liberals drooling: She said:

*'Two weeks ago I spoke at a forum in the Great Hall of Parliament House in defence of marriage as a union exclusive to a man and a woman.'*

*'The forum was a great success. There were 1000 registrations and hundreds more in the lobby... (I)t has left gay marriage campaigners frothing at the mouth at the enviable might of the Christian right....'*

*'(W)hat really has fired the ire of the pro-gay-marriage lobby is the fact that the forum was organised by a coalition of Christian groups, which that lobby would rather see as...just a bunch of right-wing "fundamentalists".....'*

*'Instead, what it represents is a committed group of people in the middle. Increasingly they cross the political divide, and, what is even harder in a country whose history is flawed by sectarianism, they cross the ecumenical divide....'*

*'Although it is the fashion to speak of the Christian right, partly because the political tendencies of the Protestant groups is conservative, there were people at the forum who came from the old tradition of the Catholic left....'*

*'(M)ost practising Catholics find themselves having more in common with the so-called fundamentalists from the Protestant churches on issues that represent a real line in the sand.'*

*'But while it's convenient for the radical gay agenda to portray the new muscular Christianity as a vocal minority, what they won't accept is that because the*

*nature of marriage is an intrinsic issue, Christian groups do not simply represent themselves and their own traditions. They have galvanised a strong basic community feeling against this.*

*'...(T)he view that heterosexual marriage is far different from any other domestic personal partnership and the basis of a civilised ideal of family life is not exclusive to one theology — it is common to all, Jewish, Christian and Muslim. Indeed, the Australian Muslim Public Affairs Committee sent a message of support to the forum.'*<sup>3</sup>

Maybe Mr. Albanese and his friends were right and Mrs. Shanahan was wrong. However, they should examine Mr. Black's analysis. In describing Family First voters, he wrote: *'(t)he first group was what you would have expected from a party founded by religious activists; middle income, professional, evangelical — and Liberal. But the second group, equal in size, was rusted on Labor voters — agnostic, blue-collar, lower income, single parents.'*<sup>4</sup>

Whether or not Mr. Black's assessment is valid is important. Family First preferences determined the outcome in Wakefield, Kingston, Makin, Bonner and Braddon, and they should have secured a senate position in Queensland.

Meanwhile Labor's support for the Bill

neither cost it the seats of Brisbane, Sydney, Melbourne or Melbourne Ports nor prevented it from winning Adelaide and Hindmarsh in South Australia.

Further, it is not as though Family First is pathologically opposed to preferencing Labor. While they preferenced the Liberals in the House of Representatives with only a few exceptions, they preferenced Labor in the Senate in Victoria and Tasmania, even though it upset some Liberals. More recently they have preferenced Labor in the Werriwa by-election.

Many Australians do not equate gay marriage with discrimination against gays. If traditional Labor voters are changing their vote because of issues like gay marriage, Labor must address these concerns. To say that Labor must make a sober assessment of how progressive a policy it can adopt if the policy lacks wide community support is simply a rational and sensible approach for a political party which needs majority support from the electorate.

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**Endnotes:**

1 'Gay marriage splits Labor', *The Australian*, 10th August, 2004, p.2.

2 'ALP ban on gay marriage remains', *The Australian*, 11th August, 2004, p.2.

3 'All main religions agree on marriage', *The Canberra Times*, 21st August, 2004, p.4

4 'Votes pinched by Family First'.

## ‘Culture Wars’

*‘The distinctive features of our two nations are ethos and culture rather than class, race or ethnicity.’*

Gertrude Himmelfarb, Professor Emeritus of History at the Graduate School of the City, University of New York,  
‘Democratic Remedies for Democratic Disorders’, *The Public Interest*, Spring, 1998

### Trust

Last year Labor sought to discredit Mr. Howard by making an issue of what he knew when he committed Australian troops to Iraq. The ‘you cannot trust John Howard’ theme culminated with Labor’s supporting the establishment of a short Senate inquiry in August to capitalise on the claim by a former adviser to the Defence Minister that he told Mr. Howard before election day 2001 that children were not thrown overboard.

Why did Labor revive memories of *Tampa* in August 2004? Labor should have known it would not win a vote. In the last week of the 2001 campaign, Labor devoted two days to exposing the fallacies of the Children Overboard affair. Labor did not win a vote. If anything, it reminded voters of what the Government did on border security and reinforced support for the Coalition.

Despite the fact that Labor had signaled its punch, thereby giving the Liberals ample time to develop a strategy to blunt this attack, Labor seemed surprised when Mr. Howard turned Labor’s truth campaign on its head by talking about trust to get the job done — running a strong economy and protecting Australia’s interests. It did not require focus groups to foresee this argument.

### Cultural warrior

One mystifying question for Labor is how it ended up in the web of the café latte set given it had, to use Paul Kelly’s words, a ‘leader who can contest the “culture wars” against (John Howard).’<sup>1</sup> In February last year, Mr. Kelly wrote that ‘Latham knows that repositioning Labor on social issues is a necessary step to regain office. He was one of the first ALP figures to grasp the significance of Howard and explained in

Civilising Global Capital that Howard was using cultural issues to split two ALP constituencies, “the highly skilled cosmopolitan internationalists and the less secure, more traditional working class.”

*‘This week Latham confronted Howard and sought to steal his social and family values position. Don’t fall for the nonsense that this was a non-event. It is about the struggle between Latham and Howard over values, a fight that Labor had previously declined to wage.’<sup>2</sup>*

Journalist Margaret Simons’ essay, *Latham’s World: The New Politics of the Outsiders*, published at the start of the election campaign, reinforced the idea that Mr. Latham understood the ‘culture wars’ and was equipped to engage Mr. Howard. She wrote that Mr. Latham: ‘speaks of “Tourists” and “Residents”. He says the insiders live like tourists in their own country. There is a sense in which they don’t live in Australia at all. “They travel extensively, eat out and buy in domestic help. They see the challenges of globalisation as an opportunity, a chance to further develop their identity and information skills. This abstract lifestyle has produced an abstract style of politics. Symbolic and ideological campaigns are given top priority. This involves a particular methodology: adopting a pre-determined position on issues and then looking for evidence to support that position.”

*‘The outsiders, on the other hand — the people who live in the outer suburbs and the regions — are the Residents of Australia. Their values are pragmatic. They cannot distance themselves from the problems of the neighbourhood, and so good behaviour and good services are important. There is no symbolism, and also no dogma, in the suburbs, Latham says. The Residents look for small,*

pragmatic improvements, and they are not interested in "big pictures".

'Today Labor insiders tend to blame Paul Keating as much as John Howard for the ruin of the alliance between workers and intellectuals. Keating was hated in the suburbs. Tourists were able to believe the country was moving forward on issues like Aboriginal reconciliation, the Republic and social tolerance.... (but) (t)he Residents haven't moved at all.'<sup>3</sup>

What a contrast there is then between Mr. Latham's ideas and Dr. Economou's post-election assessment that: '(s)winging voters perceive Labor not so much by the Hawke record but rather by the contribution made by the prime ministerships of Gough Whitlam and Paul Keating.... (T)hese prime ministers are viewed by swinging voters as the personification of everything threatening about Labor activism....

*It does not help the contemporary Labor cause when the parliamentary leader leads the charge to further romanticise Whitlam and when it is reported in the press that, during the campaign, he regularly took counsel from Paul Keating.'*<sup>4</sup>

Initially, Mr. Latham's performance was consistent with his cultural analysis. He:

- talked about the need to involve people in politics, and held community meetings,
- labelled the politicians' super-annuation scheme what the public believe it is — a 'rort',
- responded to the Redfern riots by asking where the parents were and saying children should be in school during the day and at home at night,
- opposed recognising gay marriages, and
- pre-empted the Government's decision to abolish the Aboriginal and Torres Strait Island Commission.

In his response to the budget last May he said young people should earn or learn and also said: *'I've been traveling*

*around this great country of ours ...talking to the Australian people about their concerns....It's an important process, because as parliamentarians we need to be honest with ourselves. The Australian people have become disillusioned with the political process.'*<sup>5</sup>

However, it was about this time that Mr. Latham imposed Midnight Oil celebrity and Australian Conservation Foundation President, Peter Garrett, on the people of Kingsford Smith. This was contrary to everything he had been saying about restoring the democratic process and public confidence. This action also suggested that the boy from the housing commission estate was denying his heritage by lining up with the 'Tourists'.

Why did he do it? It is another question that must be answered. Perhaps Mr. Kelly was right when, in February last year, he wrote that *'(i)n a policy sense it is unclear where the real Mark Latham stands. The conundrum is obvious: the chasm between party sentiment and public sentiment. The ALP is unrepresentative of the community. The more Latham concedes to the party, the more he weakens his hand in the electorate.'*<sup>6</sup>

For Labor it was downhill from there, with first the gay marriage issue and the free trade agreement with the USA, then the Senate hearing to revive *Tampa* memories and finally the election campaign itself.

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#### Endnotes:

1 'Latham: the power of image', *The Weekend Australian*, 31st January -1st February, 2004.

2 'Latham's third way', *The Australian*, 21st February, 2004.

3 'Latham's World: The New Politics of the Outsiders', *Quarterly Essay* 15, 2004 pp.27-28

4 'Faultlines and Failures', pp.BB7-BB8

5 'Latham's World', p.24

6 'Latham: the power of image'.

## Lessons from Abroad — the US Experience

*‘The signs have all been there for at least two years that there is a cultural shift going on. Because the media is not in the churches they don’t see it. But this was not a political election in my view. It was a cultural election. I think a lot of people were concerned not about Iraq and the current issues. I think they were worried about where the direction of the culture is going in the next 40 years.’*

Rick Warren, founder of Saddleback Church in Lake Forest, California and author of *A Purpose Driven Life*  
 ‘Pastor advises the President, eyes the Globe’, *The Age*, 25<sup>th</sup>-26<sup>th</sup> March, 2005, p. 12

Mr. Cameron’s observation that *‘(t)he Tasmanian forestry decision was the reason that Labor lost badly rather than narrowly’*<sup>1</sup> is a reminder that it would be too easy for Labor to put the election results down simply to an interest rate scare campaign and the perception that it is an inadequate economic manager. More fundamental analysis is necessary.

There appears to be a view that the ‘Residents’ need only to be satisfied about the benefits of Labor’s economic policies, including policies on education, health and family support, for them not to be influenced by cultural issues which pre-occupy the ‘Tourists’. While Australia’s popular culture may be that of the USA’s five years before, it does not follow that Australia reflects US political trends in the same way. Nevertheless, there is now discussion about the political influence of Christianity in Australia, and to what extent it reflects developments on the other side of the Pacific.

Democrats in the USA are suffering from the same erosion of their traditional, blue-collar base as Labor is in Australia. Last year, before the US elections, journalist Serge Hamili wrote<sup>2</sup>:

*‘West Virginia is coal-mining country.... Free trade is not popular here. Nor are environmentalists, who are suspected of endangering the few remaining jobs in industry that relocations and pit closures have spared.... In early November schools close on the day that the deer-hunting season opens.’*

*‘West Virginia, which is even poorer than Louisiana or Mississippi, is a stronghold of the United Mine Workers*

*of America... Over the past 20 years the population...has declined and is now 1.8 million. In the 1980 Presidential election it was one of only six states to vote against Ronald Reagan.*

*‘This Democratic stronghold — it has a Democratic governor, four out of its five members of Congress are Democrats, along with 70% of local representatives and two-thirds of the adult population who are registered to vote — nevertheless did the unthinkable [in 2000] and came out in favour of George Bush.’*

In explaining this turn-about in a state which it *‘would be difficult to find anywhere in the US further from the bourgeois Bohemian neighbourhoods and talking-shops of New York, Boston or San Francisco’*, Mr. Halimi said that *‘it was (President) Clinton’s mix of free market economics with pseudo-progressive social measures that made the Democrats into a minority party.*

*‘Here, as in other swing states — Ohio, Pennsylvania, Michigan — the free trade policies of many leading Democrats are proving a distinct disadvantage....’*

*‘To compound Senator Kerry’s problem, despite the poverty in the state, ‘on 1 August the Democratic governor of West Virginia decided to cut cash assistance by 25 per cent, from \$453 to \$340 for a family of three. The plan also eliminated the \$100 marriage incentive. At the same time the state government, which is led by a Democrat majority allocate(d) a \$750,000 subsidy to a golf tournament.’*

By comparison, *‘Bush never forgets family values.’*

According to a waitress in Mullens (population 1,800) where *‘half the*

houses and shops look as if they have been empty for years,...voting for the Democrats in the presidential election, even though they still hold the majority locally, is a weird idea: "...One of the main reasons I like Bush is that he isn't for abortion. Gore was for the environment and it would have hurt states like these. He was against logging. You are not against coal mining in Logan (County), and that's about it." ... 'Jobs and the environment are connected.'

The Republicans' West Virginian chairman does not apologise for supporting the miners:

"...(W)e have got to allow people to work or there won't be anybody left. The mere existence of the firms that remain in business is threatened. If the likes of Massey Energy closes their doors in West Virginia, there will be absolutely no hope (in the south of the state). And these guys are good neighbours....(T)hey build ball fields for the kids, they put on events. The way of life in southern West Virginia would be severely curtailed without the likes of Massey Energy."

'Robert Byrd, an influential Democratic senator who voted against ratification of the Kyoto protocol says: "Mr. Gore and the Clinton administration were drifting too far away from the shore with respect to environmental issues largely having to do with coal".'

Mr. Halimi concludes that the politics of West Virginia 'draws on resentment fuelled by the upper classes' undisguised contempt for those not in the know. This particular kind of populism almost exclusively targets the cultural elite; it does not target business. This con trick is only possible because the smugness of those in the know is even more insufferable than the insolence of the rich.'

In *What's the Matter with Kansas?*, Thomas Franks, editor of *The Baffler*, reaches the same conclusion:

'Kansans just don't care about economic

issues, gloats Republican Senator Sam Brownback...Good wages, fair play in farm country, the fate of the small town, even the one we live in — all these are a distant second to evolution, which we strike from the books, and public education, which we will undermine in a hundred inventive ways.'<sup>3</sup>

Franks compares the way Kansas is today with the way it used to be:

'Kansas has always been a religious place, but when I was growing up there in the seventies and eighties there was not much of a religious right to speak of....

'All through the eighties, the state legislature was dominated by traditional moderate Republicans...

'In 1991, though, began an uprising that would propel those reptilian Republicans from a tiny splinter group into the state's dominant political faction, that would reduce Kansas Democrats to third-party status, and that would wreck what remained of the state's progressive legacy...

'The push that started Kansas hurtling down the crevasse of reaction was provided by Operation Rescue, the national pro-life group famous for its aggressive tactics against abortion clinics....

'This was where the Kansas conservative movement got an idea of its own strength; this was where it achieved critical mass....Bud Hentzen, a Wichita contractor who served at that time as a Sedgwick County commissioner, described the moment in the stadium as a kind of awakening. "My thought" he said, was "bring on the vote."

'And bring it on they did....

'The moderates deplored and denounced. A Republican Party without themselves as its leaders was not a Republican Party at all, they said....

'(T)he prairie fire burned on. Nineteen ninety-four was a Republican year everywhere, and in Kansas the Cons [Conservatives] managed to clean out the state's congressional delegation of Democrats altogether...

*'By the end of 1996 the conservatives had reason to celebrate: the state's pro-choice consensus, so haughty and cocksure back in 1991, had been utterly routed.'*<sup>4</sup>

How then does one explain this revolution?

*'The subject of social class is always a disconcerting one for Americans, and most journalists find it simpler to blame the backlash on racism, sexism, or some unfathomable religious conviction than to broach this troubling topic.'*

*'The Mods [Moderates] are the worst offenders in this regard. As a rule, they do not admit the possibility that what separates them from the Cons is social class. They will acknowledge a geographic divide, however, separating the older, inner suburbs of Johnston County, where the Mods tend to live, from the newer, outer suburbs, where everyone seems to be pro-life, pro-gun and anti-evolution...'*

*'On the demographic maps of Johnson County, the hard-core right-wing parts of Olathe and Shawnee stand out for their slightly lower real estate values and lower per capita incomes. Generally speaking, people who live in these neighbourhoods are more likely to have blue-collar jobs; they are probably less likely to have college degrees, and they probably experience the ups and downs of the business cycles with a greater sense of dread and insecurity than do the lawyers and executives of Mission Hills.'*<sup>5</sup>

The 1999 referendum result in Australia invites a similar observation. While Lindsay Tanner, the Member for Melbourne, the seat which recorded the highest 'yes' vote in Australia, says Labor is *'the party of the social progressive secular society'*,<sup>6</sup> Dr. Economou points out that Labor needs to *'find ways of redressing the representational imbalance that sees the Coalition so dominant in states like South Australia, Western Australia and especially Queensland'*.<sup>7</sup> It was in these

states where, together with Tasmania, the 'no' votes were the strongest. If Mr. Tanner's view were widely held within Labor, it would be one explanation for Labor's holding only four out of the 45 federal seats classified as rural.

Franks argues that *'..backlash [Con] leaders systematically downplay the politics of economics. The movement's basic premise is that culture outweighs economics as a matter of public concern....Over the last three decades they have smashed the welfare state, reduced the tax burden on corporations and the wealthy, and generally facilitated the country's return to a nineteenth-century pattern of wealth distribution. Thus the primary contradiction of the backlash: it is a working-class movement that has done incalculable, historic harm to working-class people'*.<sup>8</sup>

The circle in which Mr. Franks mixes has contributed to the success of the Conservatives' strategy. He says that the 'Mods' *'are no liberals by any means: they are still far to the right on any issue having to do with taxation or the economy'*,<sup>9</sup> and *'(t)he Mods are plenty conservative in their economic views.'*<sup>10</sup> (Like most commentators, Mr. Franks does not to understand that economic liberalism is not 'conservative'.)

Mr. Franks writes that: *'(i)n the election of 1994 [Witchitans] took their frustrations out on Democratic representative Dan Glickman, a staunch Clinton loyalist who supported NAFTA — a free trade agreement originally negotiated by the Republicans...Says Dale Swenson, a union painter at Boeing (and a Republican state legislator): "When (Glickman) voted for NAFTA, I couldn't any longer vote for him. I know a lot of union members were really mad when he voted for NAFTA." With Democrats and Republicans having merged on free trade, the issues that remained were abortion and guns.'*<sup>11</sup>

He also says that *'(t)here is a lesson for the liberals in the Kansas story...It is,*

rather, an utter and final repudiation of their historical decision to remake themselves as the other [emphasis original] pro-business party. By all rights the people of Witchita and Shawnee and Garden City should today be flocking to the party of Roosevelt, not deserting it. Culturally speaking, however, that option is simply not available to them anymore. Democrats no longer speak to the people on the losing end of a free-market system that is becoming more brutal and more arrogant by the day.’<sup>12</sup>

While Australia is not the USA:

- concerns about economic uncertainty, with which interest rates movements are associated, are higher in the outer suburbs than in the inner suburbs;
- people in regions and outer suburbs thought saving jobs and small communities was more important than saving trees;
- those who were present at the *Why Marriage Matters* seminar were inspired by the experience;
- a wide cross-section of the community opposes recognising gay marriage; and
- after the election, the Liberals’ federal campaign director, Brian Loughnane, said that ‘post-election analysis suggested some of the biggest swings to the Coalition were in traditional Labor strongholds and that “(t)he party that represents the workers in Australia is the Liberal Party”.’<sup>13</sup>

The Liberals are not the only ones pointing to the erosion of Labor’s traditional vote. Evan Thorley, founder of internet company Looksmart and currently,

among other things, Research Director for the Australian Fabian Society, observed that ‘(e)ven in “safe” Labor seats like Calwell in northern Melbourne, we suffered large swings against us. In traditional working-class Broadmeadows it was 9 per cent. In faster growing Craigieburn South it was 12 per cent. It’s been a 15 per cent swing there since [emphasis original] the 1996 wipe-out.’<sup>14</sup>

The analysis of Messrs. Black and Lockwood supports Mr. Loughnane’s claim. They have concluded that from 1996 onwards, the industrial backbone of the ALP vote, as measured by their modeling, began to weaken, until, at the last election, the correlation between tradesmen and the Labor vote lapsed into statistical insignificance at 0.06. The relevant figure for tradeswomen was minus .08.<sup>15</sup>

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#### Endnotes:

- 1 ‘Anatomy of a Labor train crash’.
- 2 ‘What’s the Matter with West Virginia’, *Le Monde Diplomatique*, October, 2004
- 3 *What’s the Matter with Kansas* (New York, Metropolitan Books, 2004), Thomas Frank, p.68
- 4 *ibid.*, pp.90-99
- 5 *ibid.*, pp.102-104
- 6 ‘Latham’s rate stunt backfired Tanner’, *The Australian*, 29th November, 2004, p.4
- 7 Faultlines and Failures, p.BB8
- 8 *ibid.*, p.6.
- 9 *ibid.*, p.105
- 10 *ibid.*, 108
- 11 *ibid.*, p.177
- 12 *ibid.*, p.245
- 13 ‘Labor’s heart bleeds to Labor’, *The Australian*, 28th October, p.1
- 14 ‘To my friends on the occasion of an election defeat’, *After the Deluge? Rebuilding Labor and a Progressive Movement*, p.BB4
- 15 ‘Votes pinched by Family First’

## ***The Economy Rules...but Whose Rules?***

Question: *'Is it possible for the economy to actually change direction, which you seem to be suggesting?'*

Reply: *'Part of the problem is that the economic advisers and analysts have all been trained by the system which has got us into this position. None of them has any knowledge of how to change it or what to change it to. All we can do is hope to develop a better sort of Elastoplast. The possibility of actual change is nil.'*

John Clarke 'interview' of Paul Keating, *The Bulletin*, 28th February, 1989, p.38

**L**abor seems to have forgotten that economic policies are the means by which principles and values are translated into priorities and policies. When Labor dumped its commitment to the nationalisation of the means of production, distribution and exchange, it did not create an alternative foundation stone. Instead, Labor seems to accept the prevailing assumption that there are only two options — the welfare state or free market economics.

### **Liberal's inheritance**

**H**owever, this is a framework that the Liberal Party's founder, Sir Robert Menzies, did not accept. Take, for example, his views on public ownership:

*'I do not employ the word socialist as a term of abuse. We have, for example, socialist railways and a socialist Post Office, mainly to our great advantage. Whether it is a good to have some activity completely controlled by the Government with a 'no choice' obedience by the citizen, seems to me to depend upon the nature of the activity. As one who receives and sometimes answers letters, I do not care who delivers them to me, as long as they arrive. The dweller in the suburbs who commutes daily to the city has no desire to select the staff or the rolling stock...; he simply wishes to be carried safely and punctually.*

*But there are other activities in our community which depend for their success and value upon personal choice and personal confidence.'*<sup>1</sup>

When today's Liberals want to establish or re-enforce their legitimacy, they associate themselves with Sir Robert. A recent example<sup>2</sup> is the brazen attempt of Health Minister Tony Abbott to envelop

Sir Robert Menzies and to wrap the cloak of Edmund Burke, a founder of conservatism, around Mr. Howard who says he is not ideological: all this in a speech by a 'conservative' defending the undermining of the states and showing no regard for Lord Acton's famous dictum that 'power corrupts and absolute power corrupts absolutely'.

Why is it that Labor does not expose the inconsistency of today's Liberals, who crave the legitimacy attached to using Sir Robert's name, but who have an ideological agenda at odds with what he stood for?

Why does Labor not, for example, confront the Liberals with Sir Robert's view that *'(e)ver since its establishment sixty-six years ago, the system of compulsory conciliation and arbitration in industrial disputes has enjoyed great public support.... I have no doubt that the system has justified itself in terms of industrial peace and productivity. I have never thought the collective-bargaining processes which go on, without compulsion, in Britain and in America have produced comparable results...'*<sup>3</sup>

Then there is education which also is currently topical, given federal Education Minister Brendan Nelson's desire for the Commonwealth to have total responsibility for universities and Mr. Howard's destroying the last vestige of the Liberals' claim to be the defenders of states' rights by promising, during the election campaign, to build 24 technical and trade schools. Sir Robert told the Australian College of Education in 1960:

*'It's just because I think that too much uniformity in education is bad, and philosophically considered, self-defeating,*

that I don't believe that the constitutional power over education should be transferred to the Commonwealth Parliament. In a continent like ours, with immense varieties of physical and human characteristics, variety should be developed. Men are different. It is just because they are different that our parliamentary democracy survives.'<sup>4</sup>

### The real conservatives

One reason for Labor's unwillingness to challenge the Liberals with Sir Robert's views may be that it does not want to be branded 'conservative' — a word which, in the Anglo-Saxon world, has been hijacked and misused by politicians and commentators of all political persuasions. For example, John Hewson was branded a conservative simply because he was a leader of the Liberal Party, when he is anything but.

While Labor sees its job as being to attack 'Tories' or conservatives, notwithstanding the millionaires within the ranks of its supporters, we are constantly reminded that Australians are inherently conservative, a reality Mr. Latham acknowledged when he said '(t)he Residents look for small, pragmatic improvements, and they are not interested in "big pictures".'<sup>5</sup>

Mr. Latham's observation was echoed by Dr. Economou who said that '*for voters in the marginal seats, good government is understood as incremental and careful decision-making in which restraint is exercised over the nature of programs proposed and the amount of funding to be allocated to them.*'<sup>6</sup>

Dr. Economou's observation reflects the analysis of Professor Lasch who said: '*Lower middle class culture, now as in the past, is organised around the family, church and neighbourhood. It values the community's continuity more highly than individual advancement, solidarity more highly than social mobility. Conventional ideals of success play a less important part in lower middle class life than the maintenance of existing*

*ways. Parents want their children to get ahead, but they also want them to be good: to respect their elders, resist the temptation to lie and cheat, willingly shoulder the responsibilities that fall to their lot and bear adversity with fortitude. The desire "to preserve their way of life" as E. E. LeMasters writes in a study of construction workers, takes precedence over the desire to climb the social ladder.*'<sup>7</sup>

Rejecting conservatism is not an option for Labor because its traditional base is the heartland of conservatism. Mr. Howard does not suffer from Labor's inhibition even though the Liberals are vulnerable because they have been poor stewards of conservatism. To quote Professor Lasch:

*'If conservatism is understood to imply a respect for limits, it is clearly incompatible with modern capitalism or with the liberal ideology of unlimited economic growth...*

*'Capitalism's relentless erosion of proprietary institutions furnishes the clearest evidence of its incompatibility with anything that deserves the name of cultural conservatism.'*<sup>8</sup>

### Labor's response

The Liberals' economic policies undermine the cultural values on which they have relied to gain and retain the loyalty of the Howard 'battlers'. However, Labor has failed to take advantage of the political opportunity this presents.

There appears to be a view within Labor, urged on by economic commentators in particular, that Labor has to demonstrate that it is a better bookkeeper and manager than the Liberals (demonstrated by bigger tax cuts, more outsourcing and more privatisation). However, this will not be sufficient to win an election.

As well as demonstrating it is a competent and diligent bookkeeper and manager, Labor needs to have economic policies which —

- are underpinned by a value system

compatible with that of its traditional base,

- are much more comprehensive than simply tax cuts and spending on schools and health, and
- are not determined by the imperative of obtaining the tick of economic commentators with a free market obsession.

The free trade agreements with Thailand and the USA are worthy of reflection. Labor supported the agreement with Thailand, ignoring human rights issues. A free trade agreement with the USA was first seriously publicly mooted in the afterglow of the Second Iraq War at a time when President Bush thought he could deliver for Mr. Howard on agriculture. As the domestic political situation in the USA changed, President Bush had second thoughts. Mr. Howard had to accept what he could get and the free trade agreement turned into a market access agreement.

Labor could have determined its position as soon as details of the proposed agreement were known early last year, focussing on threats to the Pharmaceutical Benefits Scheme, the consequences of tighter copyright provisions and the raising of the threshold for intervention in foreign takeovers, and the Government's desertion of the intended primary beneficiaries — farmers. Instead Labor prevaricated, allowing an internal debate to carry on for months and support for the agreement to become a test of Labor's commitment to the US Alliance. Perhaps this is what Labor's economic rationalists intended.

If it was inevitable that the agreement would turn into a debate about Labor's attitude to the USA after Mr. Latham announced he would bring troops home from Iraq by Christmas last year, Labor paid a high price. Labor grandstanded. Its two amendments to legislation might have impressed the Press Gallery, but they did not have the slightest impact on

the people who mattered — voters in the seats Labor needed to win. It should not have come as a surprise that this year's Lowy Institute poll entitled *Australians Speak 2005* revealed that only 34 per cent of respondents think that the agreement will be good for Australia.

Labor tried to capitalise on widespread public opposition to the privatisation of Telstra to demonstrate the difference between it and the Coalition on economic policy. This ploy failed.

Labor is tainted. It was Labor which floated the dollar and sold off Qantas, the Commonwealth Bank and CSL. People in regional areas have not benefited from the so-called competition which was to flow from the deregulation of the airline duopoly and believe they have not benefited from the sale of the Commonwealth Bank. Labor also initiated National Competition Policy, the application of which has had a serious impact on small and medium businesses in regional areas especially.

Voters know that one issue does not make a coherent, economic policy. Opposing the further sale of Telstra while supporting demonstrably flawed free trade agreements, for example, is not convincing. Then there is the problem of which Mr. Keating was conscious in 1993. Over the last 25 years, many voters concerned about a single issue have used the Senate as a safety valve rather than changing governments.

In explaining why Labor approved a US free trade agreement, of which it was critical and which did not have a significant financial benefit, Mr. Latham said *'at another level I've always been a free trader — multilateralist, yes, but, at the end of the day, you make a free trade decision based on the evidence....'*<sup>9</sup> Mr. Latham has quite a few friends, especially in Labor's parliamentary ranks. He was not deterred, even though he knew the gap between the 'Tourists' and the 'Residents' is not restricted to

cultural issues. The ‘Tourists’, he wrote, ‘*see the challenges of globalisation as an opportunity, a chance to further develop their identity and information skills..., (but) (t)here is no symbolism, and also no dogma, in the suburbs...The Residents look for small, pragmatic improvements, and they are not interested in “big pictures”.*’<sup>10</sup>

What Labor appears not to have considered is that the cultural divide, which it ignores, and the economic gap, which it does not acknowledge, are inextricably linked.

**Endnotes:**

1 *The Measure of the Years* (London, Cassell and Company, 1970), Sir Robert Menzies, p.121

2 Speech to Young Liberals National Conference, 22nd January, 2005

3 *The Measure of the Years*, pp.155-156.

4 *Central Power in the Australian Commonwealth* (London, Cassell and Company, 1967), Sir Robert Menzies, p.113

5 ‘Latham’s World’, p.28

6 ‘Faultlines and failures’, p.BB7

7 *ibid.*, p.18

8 *ibid.*, p.19-20.

9 Press Conference, Parliament House, 3rd August, 2004, p.2.

10 ‘Latham’s World’, p.28

## Religion

“*Oh no, Prime Minister*”, he replied wickedly. “*An atheist clergyman could not continue to draw his stipend. So, when they stop believing in god they call themselves modernists*”.

*Yes Prime Minister*, Volume 1 (London, BBC Publications, 1986), edited by Jonathon Lynn and Antony Jay, p. 220

The influence of religion today poses a challenge for Labor. Historically, its connection has been with Roman Catholics. As divisions within those ranks have widened, it has become more difficult for Labor to have a sense of the thinking inside that Church and of the issues which might influence its members.

Today senior Labor leaders do not have personal relationships with the Church’s leaders. On the contrary, the Liberal Party, once seen as the home of the Presbyterians, now has the two highest profile Catholics in federal politics — Mr. Abbott and Minister for Employment and Workplace Relations, Kevin Andrews. During the election campaign, it was a meeting between Mr. Abbott and Cardinal Pell which attracted media attention — not a meeting between a senior Labor frontbencher and a prominent member of the Hierarchy.

While Labor leaders might have good relationships with Uniting Church leaders, that denomination’s numbers have declined significantly, and its leadership does not reflect the views of many of its members. Its leaders are theologically liberal at a time when fundamentalism is in the ascendancy within Protestant ranks.

The story of Kansas highlights the declining influence of theologically liberal, mainstream churches. There, the support of the ‘Mods’ from mainstream denominations such as the ‘*Village Presbyterian, a fashionable church*’, the minister to which ‘*was probably the most respected church leader in greater Kansas City at the time*’,<sup>1</sup> did not even slow the progress of the ‘Cons’. Presenting the ‘Cons’ as “*a threat far greater than the old threat of Communism*” fell on deaf ears.

This development appears not to be limited to the USA. To quote Mrs. Shanahan, ‘*(w)hat has changed is that the organisational muscle is now to be found within the Christian Pentecostal movement*’.<sup>2</sup> Labor’s own traditions compound its problem. As Mrs. Shanahan says, ‘*(u)nfortunately for the Labor Party, the Labor traditions of political social justice (which grew out of Christian impetus) have been hitched to another social agenda too radical for most people*’.<sup>3</sup>

Labor’s Foreign Affairs spokesman, Kevin Rudd thinks ‘*(t)he challenge... is to get out a very clear message that God isn’t a wholly owned subsidiary of the Liberal Party*’.<sup>4</sup> The fact that about a third of Caucus attended a meeting he initiated last November to discuss increasing Protestant activism indicates the level of concern about the political implications of this development.

If Labor wants to neutralise the Liberals’ advantage, it will need to do more than make speeches. *The Australian’s* Matt Price noted last November that ‘*84 Coalition MPs were sworn into the new parliament; 83 opted to hold a Bible and swear an oath to God...Of the 63 Labor MPs, 30 opted to make an affirmation of allegiance to the Queen*’.<sup>5</sup>

Whether politicians swear an oath or make an affirmation does not reflect on them personally. However, it sends messages and makes impressions. The extraordinarily high number of Coalition members who made oaths, proportionately higher than after the 2001 federal election, is a stark contrast to the number of Labor affirmations.

When Mr. Tanner says Labor is a secular party, he is merely stating a fact. However, all Australia’s major parties

and most minor parties are secular parties. The cumulative effect of Mr. Tanner's statement, the number of Labor politicians who made affirmations, and Mr. Latham's being unable to speak at the *Why Marriage Matters* seminar is to fuel the suspicion that an anti-religious sentiment permeates Labor.

Meanwhile, the Liberals are marching on relentlessly. Mr. Price also noted that last December '*Howard did something he's not done before. The PM spent a large slab of his speech reflecting on the religious and spiritual dimensions of Christmas. In the past, Howard has paused to nod at Christianity...On Thursday, we got a mini-sermon... Howard was being sincere about his beliefs, but the very public expression of support for Christianity coincides with the increasing influence of religion on politics.*'<sup>6</sup>

In the same month, Western Australian Liberal leader, Colin Barnett, who was in full campaign mode, promised to ban gay adoptions and Victorian Liberal leader, Robert Doyle, joined the 'put Christ back into Christmas' movement. Interestingly, in the same month, Western Australian premier Geoff Gallop backed away from religious vilification legislation after the Anglican and Roman Catholic churches publicly opposed it. Since then Mr. Howard's meeting with Family First, even though they will not have the balance of power in the Senate, has been widely publicised.

Labor will face some tough decisions. There were more than 16,000 submissions to the inquiry into the proposed legislation banning gay marriage. The *Financial Review's* Mark Davis wrote that, while organisations make most submissions to Senate inquiries, '*the overwhelming majority of submissions on gay marriage were one or two page handwritten letters from individuals expressing strong support for the government's bill.*'<sup>7</sup> More than 90

per cent of the submissions supported the legislation. By way of comparison, Mr. Davis said the number of submissions to a Senate inquiry into the US free trade agreement was 548.

Then there are issues like racial and religious anti-discrimination which bubbled away below the surface and which Family First included in the questionnaire it sent to candidates in the recent election. Coalition candidates said they opposed such legislation. Widespread awareness of this issue extends beyond Christian groups because of the publicity given to a complaint made by the Islamic Council of Victoria against two pastors under Victoria's *Racial and Religious Tolerance Act*. The Victorian Civil and Administrative Tribunal found that the two pastors had breached the Act, after a lengthy hearing involving lawyers on both sides who reputedly are entitled to send out bills totaling up to \$1 million.

It is difficult to judge the effect of publicising the retributions within Labor over preference deals with Family First, which could not have cost Labor a Senate place, but which led to the election of a Family First senator in Victoria instead of a Green — and almost produced a similar result in Tasmania. The media was reporting this acrimony at the same time Mr. Rudd was trying to change any perception that Labor is anti-religious.

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#### Endnotes:

1. *What's the Matter with Kansas*, pp. 97-98
- 2 'All main religions agree on marriage'.
- 3 *ibid.*
- 4 'Labor turns to God in its quest for answers', *The Weekend Australian*, 27th-28th November, 2004, p.32.
- 5 *ibid.*
- 6 'Pollies wary of the power of prayer', *Sunday Tasmanian*, 12th December, 2004, p.20.
- 7 'Voter letters slam gay marriages', *The Australian Financial Review*, 13th December, 2004, p.4.

## The Party

*'The disenchantment with the ALP by low-to middle-income, hitherto rusted-on Labor voters became apparent at the 1990 election.*

*'Since then, these voters, to varying degrees, have continued to shift their allegiances from election to election until 2001...*

*'During their journey across the political spectrum, they have reacted to their fears of losing their economic, physical and cultural security. They also feel the ALP disregards their personal beliefs and standards and is responsible for a general decline in civility.'*

Bob Hogg, 'Electoral Myths are Looking Insecure', *Australian Financial Review*, 7<sup>th</sup> January, 2005, p.47

### Membership

**L**abor's fourth, consecutive election loss federally, going backwards in the process, puts the spotlight on Labor's organisational and parliamentary membership, and invites the question as to how representative they are of the community.

After the 2001 federal election, Hawke Government minister, John Button, wrote an essay which began:

*'One night in April 2002 I attended a local ALP branch meeting....*

*Eight people attended the meeting. Two of them were members of parliament, one federal and one state...*

*'Lindsay Tanner, the federal member, spoke about the last election and then about the problems besetting the ALP. He said the political "trendlines" were bad. 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"...It was an honest analysis but depressing...*

*'(A)t the start of the twenty-first century, the ALP enjoys a history of which it is proud but which has limited relevance to the future...*

*'Voters can sense the fatigue of the two-party system. They yearn for new ideas, fresh visions of what Australia might be. Ultimately they have little choice and they return to the party that they believe best represents their interests....*

*'Perhaps the fundamental question is this: can a political party organised for the early twentieth century, that has grown content with recycled ideas, compete for influence and power in the*

*twenty-first century?'<sup>1</sup>*

Later he wrote:

*'In 1978,... the parliamentary party of sixty-four members contained ten former union officials, six of whom had worked in the trade or calling represented by their unions, six from wholesale and retail business and two accountants. It also included three farmers, six lawyers, three academics, four medical practitioners, two policemen, five public servants, five tradesmen and five teachers. There was one engineer, one journalist, one former merchant marine officer and one shearer, the late Mick Young. Five were former members of state parliament and two former party officials.*

*'The mix was still there in the first Hawke ministry...*

*'Yet look at what a cloistered profession the Parliamentary Labor Party has become. After...the 1998 election, Labor returned to parliament with a party of ninety-six members of vastly changed occupational backgrounds. Although one medical practitioner, one public servant and one engineer remained, no farmers or tradesmen did. There were two academics and two teachers, as well as nine lawyers, but the whole social complexion had changed....*

*'(F)ifty-three came from jobs in party or union offices...There were also ten former members of state parliament and nine described as political consultants, advisers and lobbyists.*

*'Seventy-six of the ninety-six members had tertiary qualifications, a mere two had trade qualifications...*

*'There are other alarming signs. The Federal ALP has retreated from the*

bush. On the Australian mainland it holds only three predominantly rural seats, and each is represented by an MP strongly identified with the local community...

'In the 1990s the ALP gained nothing from dissatisfaction with the National Party and the decline in its parliamentary representation, and this is largely a result of neglect...

'Labor's "heartland", its historically working-class vote in the city and suburbs, is also contracting.'<sup>2</sup>

Labor ignored this analysis.

Then last December Mr. Button wrote:

'...Just under half the membership of the ALP in Victoria live in eight inner-suburban seats...In some outer-suburban seats (two of them once held by the ALP) the membership is below 100. In some rural seats it is lower still.

These are symptoms of being out of touch; recipes for misunderstanding. The ALP has retreated to the inner suburbs with a few outposts in traditional Labor areas and regional towns. In parliament, the background and life experience of ALP members has narrowed immensely since the time of the Hawke Government. It's difficult to imagine a party contesting for control of the national government in Australia without a farmer, a businessman or a blue-collar worker in its representation. That is what the contemporary ALP does.'<sup>3</sup>

Derek Parker, author of *The Courtesans: The Press Gallery in the Hawke Era*, says the situation now is even worse:

'The most striking feature...is the large number who have been full-time union officials — 35, or nearly 40 per cent of the total. Some of the longer standing of this group began as union members, and then became full-time officials, but the younger generation — a bit more than half of the group — went into union work directly from university, often after involvement with student politics or Young Labor.

'Another important point is the number of ALP parliamentarians that formerly

worked as advisers to ministers or other parliamentarians — 36 of them. The union group and the adviser group are not mutually exclusive, and a significant trend, especially with younger members, is the pattern of going from a mid-level union position to a political staff position prior to entering parliament. About 15 fit into this pattern.

'Aside from this, there are 10 who have worked in the public service, and eight who have been teachers. Interestingly, there are three ALP members with experience in small business...

'The Liberals have taken a very different route. The largest occupational group (21) is lawyers, including solicitors. The next largest group is managers (15) and small-business operators (14). There are 11 farmers, five academics, three public servants, and three former policemen. There are four former doctors and three former teachers. Interestingly, ...the recent waves of new Liberals contain only a few from the legal profession.

'... Twenty-six Liberals and one National had previously worked on political staff. Only three Liberals had worked primarily or solely on political staff prior to entering parliament...

'(A) common thread is that many Coalition parliamentarians become involved with politics only after extensive involvement with the electorate.'<sup>4</sup>

The lesson from these analyses is not that Labor's problem is that unions contribute to its political class, but that genuine rank-and-file unionists are absent from these ranks. University graduates, for whom a short stint in a union is merely a good career move, have replaced them.

Like the old Soviet communist party, modern Labor has a class of political apparatchiks who control the factions. The way ahead now is by delivering union or branch votes to factional allies, not by developing and promoting ideas. Advocating an alternative point of view is not what modern Labor does. The cumulative effect of this process, which

has been occurring over the last 20 years, is that, with a few exceptions, Labor's caucus and political machine appears to put career before any policy issue and does not have a coherent view about how to advance the interests of ordinary Australians.

Recent headlines about branch stacking in Victoria reinforce the perception that Labor is not interested in mainstream Australia and that it has not learnt anything from its latest defeat. Former member for Burke, Neil O'Keefe said that his *'best intelligence is that...over 50 per cent of affiliated members would be described as "stackees".'* According to *The Age*, *'(p)arty sources...estimated that only 100 out of the 800 members in Gorton [a new electorate which replaced Burke] were genuine.'*<sup>5</sup>

*'More conservative estimates put the extent of stacking across the state at between 30 and 35 per cent, but another highly placed party official said it was so widespread that "our genuine rank-and-file membership is now situated in non-held seats and marginal seats" [the seats Mr. Button describes as 'outposts']. Up to \$30,000 a year was spent rigging numbers in safe seats, he said.'*<sup>6</sup>

### Graduates

In her essay, Ms. Simons highlighted how the views of university graduates differ from the rest of the community:

*'The 2001 Australian Election survey, conducted by political scientists at the Australian National University, showed that only one in five Australians disagreed that asylum seekers should be turned back. But 44 per cent of graduates were against turning them back. Twice as many graduates as other Australians disagreed with the statement that migrants should try to be "more Australian". Overall Australians supported the return of the death penalty by more than two to one. Among graduates, the proportions were reversed. The residents of western Sydney — home of the Howard battlers... — varied from national opinion on seven key questions of*

*migration, multiculturalism and national identity by just nine percentage points. Graduates differed from the rest of Australia by almost eighteen percentage points — in the opposite direction.'*<sup>7</sup>

The gulf between Labor's membership and ordinary Australians may be even greater than Mr. Button's observations suggest. The 'outposts' he referred to may not be representative of the communities in which they live and, the union movement, which ought to be the leading voice of the 'Residents', is unintentionally contributing to the entrenching of the latte set as political careerists exploit it for personal advancement.

It is not inevitable that graduates, who dominate both wings of Labor, dictate its views and policies. In the aftermath of *Tampa*, for example, Julia Gillard, as Shadow Immigration Minister, steered through a policy which addressed an essential concern of the 'Tourists' without alienating the 'Residents'. She thought that the latte set had become more realistic and told Ms. Simons she was *'optimistic about the party's ability to heal the alliance between Tourists and Residents. Already, she says, many of the Tourists have shifted, forced by the 2001 election to realise how far removed their views are from those of the majority'*.<sup>8</sup>

Others, it seems, have not been as skilful or dedicated at corralling the café latte set. By the time Ms. Simon's essay arrived at the booksellers, the Left had attempted a revolt over the decision to oppose gay marriages. Prior to that, Mr. Garrett had been imposed on the citizens of Kingsford Smith and, subsequently, Mr. Latham capitulated to the latte set with his Tasmanian forest policy.

### Indigenous Australians

It is not as though the latte set can even continue taking the moral high ground. Delivering the 2001 Overland Lecture, Professor Marcia Langton, the Chair of Australian Indigenous Studies at Melbourne University, said: *'Because the Australian left seldom strays beyond the comfort of the cities, it*

*has minimal impact on the complex problems of Aboriginal social life...I am often left wondering if we live in the same country.... The poor white trash whom Pauline [Hanson] purported to represent are my nemesis and your food for thought. Their problems are my problems, and not yours. As a grazier put it at a reconciliation event..., Aborigines and remote area graziers have one thing in common that no one can take away from us — poverty....*

*'Several experiences have prompted my dissatisfaction with the left stance towards Aboriginal people. First, I have experienced the racism that casts Aborigines as eternal mendicants of the state. Secondly, I have observed the empirical vacuum of the left on Aboriginal situations...A third contingent problem is the Left's shallow understanding of Australian history and its consequences for Aboriginal people.*

*'Most of all, the Left refuses to understand that there is an Aboriginal jurisdiction, that Aboriginal society has its own hierarchies, and that people like myself have a status that in no way derives from Australian society but from my Aboriginal cultural heritage.'*<sup>9</sup>

Later she said that *'(t)hose of the Left like to assume a stance of moral superiority because of their inherited view of themselves as the defenders of Aborigines. The facts do not support this hubris. Most major advances in land rights and native title have been achieved by the efforts of extraordinary individuals in the legal profession who have been conventional social democrats or conservatives'*.<sup>10</sup>

Defending Noel Pearson she observed that *'(t)he Left has vilified Noel for this speech [the Ben Chifley Memorial Lecture delivered in August 2000] and the policies he subsequently developed to overcome passive welfare'*.<sup>11</sup>

The latte set greeted this devastating critique with a stony silence, and Labor may be about to pay the price. With the

possibility that the Coalition has secured a two-term majority in the Senate and the House of Representatives, some Aboriginal leaders have endorsed Mr. Pearson's approach to dealing with the issues that afflict Aboriginal people. Labor may be left sitting on the sidelines as the Liberals make the most of this unexpected opportunity to vindicate their approach in this area.

### **Liberation or more oppression?**

Then there are the consequences of the cultural revolutions of the 1960s and 1970s. Mr. Tanner has observed that *'(o)ur community has paid a significant price for its liberation. The removal of restraints on various forms of social behaviour has seen a huge increase in social problems. Crime, gambling, family breakdown, drug abuse, suicide and teenage delinquency have soared since the sixties. The liberationist left has very little to say on the very serious issues of social disintegration facing western societies....*

*'Those of us who fought and largely won the great liberation battles of the '60s and '70s must confront the negative social consequences that also flowed from the great social upheavals of that era...The sixties revolution is not the cause of the enormous social problems of our time, but its proponents still have a responsibility to tackle these problems. So far we have failed to take that responsibility seriously, allowing conservatives like John Howard to monopolise genuine community concerns about these issues.'*<sup>12</sup>

Clive Hamilton, the executive director of The Australia Institute and a *'card-carrying member of the protest generation'*, has a different view which is much more difficult for the latte set to ignore. At the Sydney Writers' Festival in 2003 he said that *'despite the gains, the social movements of the post-war period have for the most part represented no threat to consumer capitalism. Indeed, the counter-culture, the civil rights movement and the women's movement have*

served to reinvigorate it. Post-war rebellions against oppression have worked in the interests of consumer capitalism because they have swept away long-standing cultural and religious barriers to the most insidious form of oppression.

'...(T)he counter-culture tore down the social structures of conservatism that, for all their stultifying oppressiveness, held the market in check....(I)t is now evident that demolition of the customary social structures did not create a society of free individuals. Instead, it created an opportunity for the marketers to substitute material consumption and manufactured lifestyles for the influences of social tradition...

'The women's movement attacked the social and family conventions that kept women in the kitchen. The family built around the male breadwinner undoubtedly denied women the opportunity to spread their wings, but it also conditioned the labour market to operate on the assumption that workers had family responsibilities....

'...Now workers are free-floating commodities in the labour market, often employed casually or on contract, the only consideration being their measurable contribution to the firm's productivity...

'Equality is good for the market. It has meant a growing and better qualified workforce; it has destroyed old-fashioned ideas that employers need to pay enough to support a family; it has helped turn nurturing households into nodes of consumption; it has hastened the development of lifestyle thinking; and it has exposed a much larger proportion of the population to the direct influence of the advertiser.'<sup>13</sup>

Again, the café latte set has turned a deaf ear to this devastating critique. Labor has not challenged the Liberals to reconcile their professed family values with their free market mantra. Nor has it asked the Liberals how they can deny Professor Lasch's conclusion that '(t)he

more closely capitalism came to be identified with immediate gratification and planned obsolescence, the more relentlessly it tore away the moral foundations of family life'?'<sup>14</sup> Labor, with members of the parliamentary party in the vanguard, continues to champion the free market which is exploiting the achievements of the cultural revolution, and members of the latte set sneer at the views from the outer suburbs and regions, which intuitively understand what Mr. Hamilton said, and accuse them of voting out of self-interest.

Paul Kelly has written that '(a)s for the pro-Labor Left intelligentsia, it is locked in denial of the (economic) problem.'<sup>15</sup> It is not just the economic problem about which sections of the 'Left' are in denial. Yet, because of the café latte set's dominance of both the organisation and the professional class in the parliamentary party, Labor risks electoral failure federally by adopting policies which are not only out of touch, but also at odds, with the attitudes of the voters in the seats Labor must win to form government.

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#### Endnotes:

1 'Beyond Belief: What Future for Labor?'

*Quarterly Essay* 6, 2002, pp.1-5

2 *ibid.*, pp.22-26

3 'After the bawling is over', *After the Deluge? Rebuilding Labor and a Progressive Movement*, p.BB2

4 'Labor's occupational hazards', *The Australian*, 11th January, 2005, p.13

5 'Beazley, Bracks urged to end stacking', *The Age*, 11<sup>th</sup> March, 2005, p.2

6 'More than half of state Labor members "bogus"', *The Age*, 10<sup>th</sup> March, 2005, p. 3

7 'Latham's World', p.28

8 'Latham's World', p.30.

9 'Senses of Place', *Overland*, Autumn 2002, pp.75-76

10 *ibid.*, p.77

11 *ibid.*, p.83.

12 *Crowded Lives* (Melbourne, Pluto Press, 2003), Lindsay Tanner, pp.32 and 34

13 Speech to Sydney Writers Festival, 25th May, 2003.

14 'Conservatism Against Itself', p.20

15 'PM is beyond Menzies', *The Australian*, 23rd-24th October, 2004, p.32.

## Trade Unions

*'Unions, of course, have had a long involvement in politics. They started the ALP and once dominated party conferences with numbers and ideas. They pumped their best-qualified members into parliament, often from self-educated and politically motivated rank and file members. Now it is the other way round.'*

John Button, 'Beyond Belief: What Future for Labor?' *Quarterly Essay* 6, 2002, p. 28

While Labor's relationship with the Greens has not been subject to sufficient analysis until now, the same cannot be said about its relationship with the union movement. As the level of union membership, particularly in the private sector, has declined, the Liberals and a number of media commentators have intensified their criticism of the apparent level of union influence over Labor.

This criticism has encouraged some within Labor to think that they would be better off politically if Labor broke its formal links with the union movement. Mr. Button, for example, has argued that in Sweden, Norway and Germany *'union movements and social democratic parties have worked together closely and effectively despite having no formal affiliation'*.<sup>1</sup>

However the image of unions does not appear to be Labor's problem. Notwithstanding declining membership, a poll conducted for Unions NSW recently revealed that 90 per cent of the 1,000 employees earning under \$60,000 annually polled want unions to remain a force in Australia and nine out of ten people polled disagreed that Australia would be better off without unions.<sup>2</sup>

The Coalition has practical, as well as ideological, reasons for destroying Labor's relationship with the union movement. Labor thought the public disclosure of donations associated with taxpayer funding of election campaigns would reduce the advantage the Coalition enjoyed over it through corporate funding. The Liberals thought likewise. They also believed, and continue to believe, that it would advantage Labor because union support for Labor would not be affected.

On the other hand, there are those within the union movement who appear to take the view that the structure of the Labor Party it formed should continue to reflect that fact a hundred years' later.

Both Labor and the union movement must represent effectively the interests of the people they were formed to represent — ordinary Australians. To do so, Labor must treat the knowledge, experience, history and resources of the union movement as an asset to be utilised; and the union movement should be involved in Labor in a way which honours the Party's origins, focuses on the interests of the people it represents, and enhances the effectiveness of Labor. It would be pointless to assume they could develop a meaningful relationship which was immune from the criticism of the Coalition or elements of the media.

Former leader Simon Crean attempted to pacify the media by forcing a change to the rule under which, in some states, union delegations comprised 60 per cent of Party conferences. However, to quote the ACTU's senior research officer, Grant Belchamber, *'the strategy did not work. Crean made enemies of natural friends, and won no new friends among "New crew" apparatchiks in the parliamentary party....'*

*'What has it delivered? Howard flogged the union bogey mercilessly during the 2004 campaign, and in the aftermath the Murdoch and Fairfax press still pumps out the asinine and self-serving crap alleging union control of the policy agenda.'*<sup>3</sup>

The public is not interested in the internal machinations of political parties. All that a Labor leader's spending a significant amount of energy and time on internal Party matters does is to reinforce

the public perception that Labor is out of touch with reality.

Mr. Belchamber writes that claims about union control of the policy agenda could not be further from the truth. By the mid 1990s, the relationship between Labor and the union movement had so deteriorated that *'former Prime Minister Hawke was resurrected as industrial advocate for the ACTU in the Weipa dispute, much to the chagrin of then current Prime Minister Keating in Japan for an APEC meeting.*

*'Since that time communication between the industrial and political wings of the labour movement has been haphazard, intermittent, and limited essentially to matters of industrial legislation...*

*'There simply was no collaboration on most of the policies affecting the social wage that Labor took to the 2004 election...*

*'ACTU figuring showed it was possible to deliver an income tax cut to all workers earning less than \$52,000 a year....*

*'Higher income earners would keep \$27 a week out of Costello's \$48 a week tax cut. No low-paid workers lost out.*

*'The detailed proposal was forwarded to relevant shadow ministers. No response was ever received. As it happened, in the run-up to the 1998 and 2001 elections, no discussions ensued....*

*'The low-income losers under the Labor package were single income couples with children, and single parent families. The ALP response to this group was (1) the \$600 of Howard cash they would lose was "not real" and (2) the package would improve the incentive to work. Those of us who argue for Safety Net wage increases in the national wage case each year were flabbergasted....*

*'The essential details of the Labor package were not known to the ACTU until after the policy's release. In the interests of gaining economic authority and credibility for the package, however, the full details were provided to Access*

*Economics, the Melbourne Institute and NATSEM...*

*'Regrettably, (Labor's IR legislation package) was seriously undermined in public perception, by Access Economics' endorsement of the coalition IR policy. The vehicle was an Access report commissioned by the BCA on Labor's IR proposals...*

*But this same firm — that would willingly torpedo Labor's IR policy — was relied on by Labor to give credibility to its economic policy....*

*'(T)he ALP promise — born out of concern for fiscal rectitude — to use \$800 million of unclaimed super to retire public debt, was hatched wholly without consultation with the industrial wing of the labour movement...*

*'Over the past three years there has been no substantive consultation or dialogue between the ACTU and the federal parliamentary Labor party on broad economic policy.'*<sup>4</sup>

Ironically, Labor is spurning the union movement at a time when its need for an antidote to the café latte set's and professional political class's lack of connection with the aspirations and attitudes of blue and white collar workers, who include franchisees, contractors and tradesmen who run their own businesses, has never been greater. Presumably, some of the 'New crew' would retort that union membership in the private sector is below 20 per cent and, in many service industries, virtually non-existent; and that many union leaders either are out of touch, inflexible, living in the past or members of the latte set themselves.

Unions do need to move beyond the idea that economic policy is limited to a choice between faith in either an unfettered free market or the welfare system. However, Labor cannot criticise unions if it will not lead the way.

According to Mr. Belchamber, one consequence of the ACTU's marginalisation is that *'(w)ithout a substantive policy development role, some union leaders*

have indulged in the politics of party personalities and endeavoured (wholly in vain as it turns out) to influence the political wing's parliamentary leadership decisions'.<sup>5</sup>

Within parliamentary ranks, there would be skepticism about this analysis. In Mr. Button's 2002 essay, he contended:

*'...Factional leaders intervene to get their man or woman into a key position in the union. Success is followed by payback: the union, under its factional management, delivers bloc votes at state ALP conferences, strengthening the faction's position in ballots for internal party positions and in pre-selections for parliamentary seats...*

*'...ALP factions try to capture the allegiance of unions to advance the interests of a breed of Labor professionals.'*<sup>6</sup>

While there are those who use the union movement to advance their political careers, the majority of union officials are committed to the interests of their members. The decision by the New South Wales Trades and Labor Council to rename itself Unions NSW, one month after the federal election, is a practical demonstration of this reality. Unions NSW Secretary John Robertson said that *'(o)ver time the Labor Party seems to have drifted away from its values in terms of the union movement. We are being portrayed, wrongly I would suggest, as lead in their saddles'*.<sup>7</sup>

Mr. Robertson said that *'eight years of polling ... consistently shows close to 70 per cent of Australians believe the country is better off with unions....*

*'Focus groups were asked whose quality of life was improving most. Politicians was the overwhelming response. When asked about the Labor Council and its functions, the same groups linked the Council with the Labor Party, and hence to politicians.'*<sup>8</sup>

Mr. Robertson said that *'(a) name*

*change doesn't mean we are removing ourselves from the Labor Party...We simply want to be able to stand up and speak with independence. We can't do that if the badge is associated with the Labor Party'*.<sup>9</sup>

If Mr. Button repeated today his call for Labor to separate from the unions, some union officials might not be as desperate to maintain their relationship with Labor as is assumed. Mr. Belchamber concludes that *'unions must work with the world the way we find it, not the way we wish it were. If parliamentary Labor declines a closer affair and prefers estrangement to engagement, industrial labour must accept that reality.'*<sup>10</sup>

Labor's current approach to its relationship with the union movement delivers it the worst of all worlds. It limits the benefit it could derive from the relationship by distancing itself, but it continues to suffer the adverse publicity generated by the public involvement of some union leaders in the Party machine and pre-selections. Both unions and Labor need to develop a relationship which is relevant to the times and serves the interests of the people they represent, and an effective strategy to counter the attacks of the Coalition and the media.

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#### Endnotes:

1. 'Beyond Belief: What Future for Labor?', p. 40

2 'Unions are on wane, but still poll well', *Daily Telegraph*, 30<sup>th</sup> March, 2005, p. 7

3 'Industrial wage and social wage: Policy development and the path ahead for organised Labour', *Dissent*, Summer 2004/2005, p.61

4 *ibid.*, pp.60-63

5 *ibid.*, p.61

6 'Beyond Belief: What Future for Labor?', pp.27-28

7 'Comrades no more', *The Sydney Morning Herald*, 5th November, 2004, p.14

8 *ibid.*

9 *ibid.*

10 'Industrial wage and social wage', p.64.

## The Road Ahead

*'This much is clear, though, from the elections of the last ten years...The more working class an area is, the more likely it is to be conservative.'*

*What's the Matter with Kansas* (New York, Metropolitan Books, 2004), Thomas Frank, p.104

**B**efore the recent US elections, William Galston, acting dean at the University of Maryland's School of Public Policy and a Deputy Assistant for Domestic Policy to President Clinton, wrote<sup>1</sup>:

*'A new Democratic majority requires a coalition between upscale professionals and average workers...The problem is that these two groups do not understand their interests or values in the same way...'*

*'If Democrats are to become a stable governing majority once again, a new synthesis is surely necessary...But speaking as someone who has labored with others of like mind for 15 years to help make progressive centrism the heart of a new majority, I must admit that the terms of a synthesis that is politically as well as intellectually viable are not yet clear.'*

Professor Stern's own analysis may explain why he has laboured unsuccessfully. He also wrote:

*'(A) political party in a two-party system inevitably represents a diverse coalition, not a full consensus on policy or ideology. And coalition can practice distributive politics, giving each of their major constituent groups something about which they deeply care. But while parties can give different things to different groups, they cannot give contradictory things to those groups...'*

*'To hold a coalition together despite its internal differences, its members must agree on something that is at least as important as the matters about which they disagree. A shared quest for political power is not enough.'*

Labor's success federally during the Hawke/Keating years disguised its need to find 'a new synthesis'. However, like the Democrats, it has two constituencies — the café latte set or 'upscale

professionals' and the outer suburban and regional voters or 'average workers'. In trying to 'manage' the differences between these groups, it has offered them 'contradictory things'.

### Small business

**O**n the other hand, the Liberals have been offering 'contradictory things' to big business and small business, but they have used the promise of exempting small businesses from unfair dismissal laws to wallpaper over the fundamental conflict of interest between these groups. However, some have not been seduced.

Last November, the Victorian Automobile Chamber of Commerce's President Tony Blake said:

*'Over regulation and unfair and, in some cases, unconscionable conduct by big business on top of intense competition, rationalisation and declining profitability have small business under siege as never before...'*

*'Unless the Federal Government is prepared to act to address the regulatory burden and to legislate for fair protections from big business, no business, no small business, in any sector, is safe....'*

*'To be fair, we acknowledge that some of the industrial relations reform proposed by the Prime Minister is welcome and clearly in small business interests.'*

*'But industrial relations reform is only part of the game. If you listened to the Federal Government right now,...you'd think the issue of unfair dismissals, and the exemptions relating to small business, was the only game in town.'*

*'For sure, it's important, but we also want action on the Trade Practices Act.'*<sup>2</sup>

Labor has laid the foundations for exposing the Liberals' dilemma. For example, farmers cannot negotiate with Coles and

Woolworths on a fair basis, but the Liberals' free market zealotry blinded them to this reality. Labor's policy to make the retail code, which is voluntary, compulsory forced the Nationals to follow suit during the election campaign.

Small business suffers because the *Trade Practices Act* has the effect of favouring big business. Last year, the Liberals had to agree to amend the Act, but their amendments are minimal. Labor's more substantial amendments ought to highlight where the Liberals' priorities lie.

Labor's support for changes to the *Trade Practices Act* to make it easier for groups such as panel beaters to bargain collectively also forced the Liberals to match Labor. The Government recently introduced legislation to fulfill its commitment, but Labor must not let it claim the credit for its action.

#### Foreign debt

Prior to the 1996 federal election, the Liberals ranted about the evils of foreign debt. Since then, however, their famous 'debt truck' has not left its garage. Now, it seems, it is not the size of the foreign debt that matters, but Australia's ability to repay.

The Liberals now also say foreign debt is not a problem since it is households, not the federal government, which are hocked to their eyeballs. Yet it is Australia's total debt, and not just government debt, which determines the value of the Australian dollar, and affects interest rates.

Why the change in the Liberals' line? The numbers tell the story. In 1996 foreign debt hit \$180 billion. Now it is \$424 billion, which is more than 50 per cent of GDP, a record high. The current account deficit in the March 2005 quarter was \$15.6 billion, or 7.25 per cent of GDP — higher than the 'Banana Republic' days of 1986 and putting Australia in the company of Romania and Bulgaria.

According to *The Australian's* David Uren, credit rating agency Standard and

Poor's said '*the deficit was the biggest risk to Australia's AAA credit rating. The agency's analyst, Sharid Jain, said Australia's foreign debt was now 2½ times the size of its total international earnings from exports and investments. "This is pretty high for a AAA-rating country", he said. "It is 50 to 60 per cent more than any other country with a AAA credit rating".*'<sup>3</sup>

Back in December, Mr. Costello blamed the appreciation of the Australian dollar for the situation. However, AAP pointed out that, over the preceding six months, the Australian dollar had fallen against the US dollar while the current account deficit and foreign debt climbed. Ironically, when in opposition, the Liberals said that the value of our dollar was a measure of other countries' assessment of the strength of our economy.

AAP noted that the terms of trade...was at a 30-year high, but that '*the problems facing the current account have coincided with a big decline in manufacturing exports. In 2002, exports of manufactures fell 5 per cent to \$31.7 billion.*

*'Last year, exports of manufactures were down another 11 per cent to \$28.2 billion.*

*'In fact, the level of manufactured exports is down to the level it was in 1999, with little chance of the sector improving this calendar or financial year.'*<sup>4</sup>

When Australia dismantled its tariff regime, it was said that we would still have a manufacturing industry at the high end of the market where we could compete. Not only are manufactured exports down to 1999 levels, but a study by the National Institute of Economic and Industry Research has shown that '*Australia's elaborately transformed manufactures trading deficit ballooned out between 1996 and 2003 from \$18 billion to \$74 billion*'.<sup>5</sup>

This is an outcome of globalisation and level playing fields about which Labor seems not to want to know. Labor has an opportunity to challenge the Liberals'

economic credentials, but it will have to challenge theories which are mantra to the market's cheer squad — a task for which it has not displayed any enthusiasm.

### **Race and religion**

Labor has failed also to understand that cultural values are important to its traditional supporters and that, by giving the latte set what it wanted, it has been trying to promise 'contradictory things' to its constituent groups. The electorate has not bought it and Labor is paying a price. Last December the co-editor of *Arena*, Guy Rundle, wrote that the Australian and US election losses 'mark a final rejection of the "suburban"—left coalition that has animated progressive politics for four decades in this country and since the *New Deal* in the US. When figures such as Roosevelt or Whitlam welded these coalitions together, they managed to convince each side that their cultural differences could be subordinated to a common social-economic project. These political-cultural differences are now felt sufficiently deep by each group to make their dissolution difficult.'<sup>6</sup>

However, there is a way forward. For example, in April last year, Mr. Kelly observed that '(t)he most complex and radical of Latham's ideas is redefinition of multiculturalism.... The task is no longer to propound a policy that is about differences and separation...

*'The meaning of multiculturalism lies "not so much between individuals but within them" and is expressed in the reality that each individual is more multicultural than before. For Latham this is a new unifying concept. For much of the multicultural industry it will be the worst nightmare.'*<sup>7</sup>

Turning to hate speech, Moira Rayner, Deputy Managing Director of the Council for Equal Opportunity in Employment Limited recently wrote:

*'As one who does not believe that any "anti-vilification" legislation deals*

*effectively with hate speech — though I drafted them as Chairman of the Law Reform Commission in Western Australia in 1990, administered them as commissioner for equal opportunity in two states, and a HREOC hearings commissioner — I have a suggestion for reform...*

*'What should be tried is giving an independent statutory office ...the power to authorise the use of community resources, with or without an application by a victimised group, to set the record straight promptly....*

*It would only cover serious vilification against targets "silenced" by opponents who were more numerous and articulate, better financed and more media-savvy, and who were already disadvantaged and discriminated against. That would rule out bullying by campaigning, already influential groups or overuse by the oversensitive.'*<sup>8</sup>

Labor should accept this advice. It would reduce significantly friction with the outer suburbs and the regions while addressing a concern of the latte set.

### **Environment**

Banning old-growth logging in the Tasmanian forests is not the most important environmental issue facing Australia. The Australian Democrats did not even list forests in their Tasmanian package of election promises. Yet, Labor was willing to alienate outer suburban and regional voters over this issue.

During the election campaign, the focus on Tasmanian forests virtually drowned out global warming and the Coalition's refusal to sign the Kyoto Protocol in the media. Yet the Lowy Institute's 2005 poll indicates that 70 per cent of Australian respondents are very worried or fairly worried about global warming. As Labor's spokesman on the Environment and Heritage, Anthony Albanese, recently pointed out Australians are more concerned about this issue than international terrorism.<sup>9</sup>

The use of water is the greatest environmental challenge facing Australia. Labor could have demonstrated its environment credentials by focusing on either of these issues instead of Tasmanian forests, the latte set's totem.

While Labor can minimise the issues on which there are irreconcilable views, it cannot eliminate them. Labor must understand the difference between 'different things' and 'contradictory things', and refuse to offer 'contradictory things'.

### **Economics and culture**

**L**abor has failed to capitalise on the Liberals' Achilles' heel. By succumbing to the mantra of choice, competition and consumer is king, the Liberals have adopted policies which have had the effect of favouring big business at the expense of small business. However, the fig leaf they have used to disguise their priorities — small business exemptions from unfair dismissal laws — will disappear in the second half of this year.

Economic policies are the expression of a set of values, beliefs and priorities. Christopher Scanlon, co-editor of *Arena Magazine*, echoed the view of Professor Lasch recently when he wrote that *'(p)art of the problem for modern Labor is that the economy and society are treated as if they are connected by only the most delicate of threads. For the most part, modern Labor politicians regard the market as a complex machine for generating surpluses that can be used to achieve social democratic ends.*

*This approach ignores the fact that markets are as much cultural and ethical artifacts as they are economic ones....*

*Given the cultural dimension of markets, questions about how the economy works can't be neatly sliced off from politics, as many politicians would like to think.'*<sup>10</sup>

The fundamental questions are what are the underlying values and principles upon which Labor should base its economic framework and how they

differ from the Liberals. If Labor needed an incentive to decide what these values and principles are, the recent Western Australian referendum should provide it.

Despite the consumer-choice mantra of the market, on the first opportunity people have had to vote on whether they wanted the personal convenience of extended shopping hours at the expense of the impact on small business and family life, they rejected it resoundingly. Labor might ask itself if the Labor Premier's support of extended trading hours is symptomatic of its losing its moorings.

When talking about industrial relations last November, Mr. Tanner said that *'(w)e seem to be faced with this artificial choice between caving in to John Howard and the big business lobby or taking instructions from the trade union movement. There's a third, better alternative. That is we could make up our own minds.'*<sup>11</sup>

Labor has an incentive to bring the same logic to the economic debate. That also means that it must be conscious, to quote Professor Lasch, that *'(t)he bankruptcy of the left, on the other hand, reveals itself in the left's refusal to concede the validity of conservative objections to the welfare state.'*<sup>12</sup>

Labor must think beyond free market and welfare state alternatives. Professor Lasch, for example, wrote about the *'appeal of populism and communitarianism (which) reject both the market and the welfare state in pursuit of a third way... (T)hese positions belong to neither the left nor the right, and for that very reason they seem to many people to hold out the best hope of breaking the deadlock of current debate.'*<sup>13</sup>

Professor Lasch believed that populism, which is *'rooted in the defense of small proprietorship'*<sup>14</sup> *'is to be preferred to communitarianism ... Populism... rejects ... treating the poor as helpless victims of circumstance, absolving them of accountability, or excusing their derelictions on the grounds that poverty carries*

*with it a presumption of innocence. Populism is the authentic voice of democracy. It assumes that individuals are entitled to respect until they prove themselves unworthy of it, but it insists they take responsibility for themselves.'*<sup>15</sup>

Populism is also an alternative to *'the market (which) appears to be the ideal embodiment of the principle — the cardinal principle of liberalism — that individuals are the best judges of their own interests and that they must therefore be allowed to speak for themselves in matters that concern their happiness and well-being. But individuals cannot speak for themselves about, much less come to an intelligent understanding of, their happiness and well-being, in a world in which there are no values except those of the market.... The market...does not easily coexist with institutions that operate according to principles antithetical to itself: schools and universities, newspapers and magazines, charities, families. Sooner or later the market tends to absorb them all. It puts almost irresistible pressure on every activity to... become a business proposition, to pay its own way, to show black ink on the bottom line. It turns news into entertainment, scholarship into professional careerism, social work into scientific management of poverty.'*<sup>16</sup>

Recently, James Rose, a contributing editor for Ethical Corporation, echoed Professor Lasch's sentiments. He wrote:

*'In the past 10 years, the concept of corporate responsibility (CR) has moved more and more into the business mainstream.... But CR is effectively illegal. Corporations laws around the world, including in Australia, generally place the legal emphasis on financial returns or, indeed, financial survival, as the central obligation for corporate managers.*

*'...Even if (corporations) wanted to be more responsible, they are not legally enabled to do so as shareholders are supposedly entitled, at the cost of other more wide-ranging considerations, to expect maximum financial rewards for*

*their investment.'*<sup>17</sup>

The Australian Shareholders Association's opposition to ad hoc corporate philanthropy, expressed during the tsunami appeals, highlighted this issue. *The Age's* business editor, Malcolm Maiden, observed that *'(it is possible, therefore, that genuinely selfless corporate philanthropy is illegal, and certainly true that it is on shakier ground than philanthropy that in some way aims at creating a profit.'*<sup>18</sup>

Even closer to the bone, in terms of vindicating Professor Lasch's proposition that the free market undermines and destroys the social structures which conservatives champion and which are important in the outer suburbs and regions, are the recent words<sup>19</sup> of Neil Gilbert, Professor of Social Welfare at the University of California, Berkeley:

*'...(T)he main threads of family-friendly policies are tied to and reinforce female labor-force participation — and are more aptly labeled "market friendly"...*

*'...(T)he disbeliever argues that a meaningful connection exists between the decline in marriage and fertility and increasing public investments in family benefits in recent decades. In the view of such critics, the quality of family life suffers when mothers with young children go to work; hence, policies that create incentives to shift informal labor invested in child care and domestic production to the realm of paid employment are not "family-friendly" in any genuine sense.'*

Labor must adopt a new approach to economic policy. Being a pale imitation of the Liberals on economic matters is not the recipe for long-term political success. Labor needs a third way, but not the way of Bill Clinton or Tony Blair.

Adam Smith's theory is underpinned by the ideal of universal proprietorship which Professor Lasch points out *'embodies a humbler set of expectations than the ideal of universal consumption, universal access to a proliferating*

supply of goods. At the same time, it embodies a more strenuous and morally demanding definition of the good life.<sup>20</sup>

In another indication of how liberal economics undermine the social structures which the 'Residents' value, *The Australian Financial Review's* David Bassanese echoed Professor Lasch when writing about birth rates:

'Falling populations globally may force countries to question their economic models....

'We are now returning to reality. The first glimpse of the looming global tensions from falling population growth are already apparent: international trade disputes, backlashes against immigration and deflation threats from a productivity driven fall in prices....

'The rise of xenophobic right-wing political parties across Europe already suggests this transition towards immigration will not be easy.

'Neither is immigration a long-term solution. Fertility rates in developing countries are also falling and, if the history of developed countries is any guide, their populations will eventually start falling as they catch up economically...

'(T)his suggests that the world's evolution over the last 200 years towards a growth-orientated economic model, that requires population growth for its fuel, faces immense challenges. We will squabble over an ever-diminishing supply of "fuel".

'Hopefully the world will evolve towards a new model, whereby we can manage to maintain a broadly stable population and enjoy productivity based improvements in living standards while keeping within environmental constraints.

'It would help if we could learn to divert more productivity improvements into a better quality of life, such as more leisure, rather than simply consuming more and more.

'Under the existing model, all nation's are facing their own extinction but at differing rates. As the world travels

along this path towards oblivion, the demographic clashes of countries in their death throes will only get worse.'<sup>21</sup>

Developments such as these give urgency to Professor Lasch's conclusion that how to revive the ideal of universal proprietorship 'under social conditions that make it more desirable than ever but institutionally almost inconceivable, ought to be the main subject of contemporary political debate. Our grandchildren will find it hard to understand, let alone forgive, our unwillingness to raise it.'<sup>22</sup>

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#### Endnotes:

1 'Democrats Adrift', *The Public Interest*, Fall, 2004

2 *A Job Worth Doing*, VACC President's Dinner, 24th November, 2004

3 'Foreign debt level a threat to rating', *The Australian*, 1<sup>st</sup> June, 2005, p.5

4 'Love affair with foreign debt turning ugly', *Canberra Times*, 6th December, 2004, p.15

5 Kenneth Davidson, 'Going bananas for a big debt elephant', *The Age*, 3<sup>rd</sup> March, 2005, p.13

6 'Notes on the way ahead', *After the Deluge? Rebuilding Labor and a Progressive Movement*, p.BB11

7 'Latham, culture warrior', *The Australian*, 21st April, 2004, p.9

8 'Why not just let the truth speak for itself?', *The Age*, 6th January, 2005, p.11

9 'Nuclear power is not the way', *The Age*, 11<sup>th</sup> June, 2005, p.9

10 'It's the economy...and the culture', *After the Deluge? Rebuilding Labor and a Progressive Movement*, p.BB6

11 *Sunday*, Channel 9, 28th November, 2004.

12 *ibid.*, p.22

13 'Communitarianism or Populism', *Revolt of the Elites and the Betrayal of Democracy* (New York, W.W. Norton and Company, 1995), p.101.

14 *ibid.*, p.92

15 *ibid.*, p.106

16 *ibid.*, pp.97-98

17 'Companies must look beyond the bottom line', *The Age*, 7th January, 2005, p.13

18. 'Tsunami: the backlash', *The Age*, 12<sup>th</sup> February, 2005, Business 1.

19 'What do women really want?', *The Public Interest*, Winter, 2005.

20 'Conservatism Against Itself', p.23.

21 We just need more babies, *The Australian Financial Review*, 15th-16th January, 2005, p.19

22 'Conservatism Against Itself', p.23.

## **Conclusion - There is a Tide**

*'... in the affairs of men,  
Which, taken at the flood, leads on to fortune;  
Omitted, all the voyage of their life  
Is bound in shallows and in miseries.'*  
*Julius Caesar, Act IV Scene III*

**A**t the moment, Labor's best prospects of winning federally appear to rest with a recession, the Liberals making a monumental mistake, or Mr. Howard's successor being as unpopular as Labor thinks Mr. Costello is.

Of the 150 seats in the House of Representatives, there are 45 in rural Australia on which it appears Labor has given up. Thus Labor is giving itself the task of winning 72 out of 110 seats. This task would be formidable enough, but is even more so when those 110 seats include outer suburban seats, such as Aston in outer eastern Melbourne which is now the Liberals safest seat in Victoria.

Last year Associate Professor Katharine Betts from the Swinburne University of Technology used the Australian Election Study for the 1987, 1990, 1993, 1996 and 2001 federal elections to compare the values of candidates on economic and social questions with those of voters. She found that 'the overall mean absolute difference between candidates and voters is 24.2 percentage points. For all coalition voters and Coalition candidates it is 12.8 percentage points and for all Labor voters and candidates it is 37.2 percentage points.'<sup>1</sup>

This analysis highlights the imperative for Labor to broaden the range of interests and experience of its parliamentary representatives. This is a challenge to which an organisational membership dominated by inner metropolitan branches and a parliamentary party increasingly comprised of new-class politicians is ill-equipped to rise. However, if Labor is to win federal elections, a means of overcoming these limitations must be found.

It is in the interests of both Labor and

unions to counter a perception that their relationship is just a vehicle for would-be politicians to get a ride into parliament. This perception reinforces the Liberals' view that the union movement is a de facto Labor machine which they need to destroy electorally to compete on a level playing field. It also may be affecting the willingness of union members to support Labor actively. In the latest federal election, the Electrical Trades Union contacted its 580 members in Parramatta, a marginal NSW seat. Eight members volunteered to help.

In addition, Labor must remove internal machinations from the media headlines. This requires lateral thinking to address the vexed issue of branch stacking. At the same time, it needs to broaden the membership base by attracting ordinary Australians in an era when community organisations generally are struggling to attract members. The two issues may not be unrelated.

Meanwhile there are those who say that Labor's tradition is one of a socially progressive party. Yet, when Labor seeks to legitimise itself, it harkens back to the 'tree of knowledge' and the 'light on the hill'.

How ironic. The man for whom Labor was the light on the hill, former Prime Minister, Ben Chifley, came from Bathurst which is represented by an independent. The tree of knowledge is in outback Queensland — say no more! How these icons translate nowadays to being socially progressive is a mystery.

Labor has to decide whether it wants to be relevant to the people whose votes it needs to win elections. At a state level, Labor is doing it. In Queensland, Peter Beattie dominates the landscape; in 2002

the Bracks Government retained rural seats it won in 1999 and won seats in Melbourne's outer eastern and southern suburbs; and regional support was critical in Western Australian premier Geoff Gallup's recent re-election.

Experience in the states also sounds a warning about the influence of cultural issues. During former New South Wales premier Neville Wran's era, there were times when Labor held as many country seats as the Liberals and Nationals. However, Labor lost country seats when the Unsworth Government tightened gun laws 20 years ago, and has never recovered them. Equally, there are those in Victoria who say the National Party will never recover from the Coalition's tightening gun laws and imposing local government amalgamations unilaterally.

However, the current situation provides Labor with an opportunity. What is required is for Labor to admit that its

historical supporter base and its potential supporter base are culturally conservative.

Labor must choose. It can continue on the way it has in recent times, allowing itself to be dominated by an inner metropolitan, latte-sipping minority and avoiding facing hard questions. Alternatively, it can seek to represent mainstream Australia and give itself the opportunity of actually being what Mr. Chifley envisaged — '*a movement bringing something better to the people, better standards of living, greater happiness to the mass of people*' and made up of people '*not hoping for any advantage from the movement, not hoping for personal gain.*'<sup>2</sup>

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**Endnotes:**

- 1 'People and Parliamentarians: The Great Divide', *People and Place*, Vol. 12 No. 2, p. 73  
 2 Address to the 1949 NSW Annual Labor Party conference