

The Privatisation Debate and Labor Tradition

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The debate surrounding the ideological underpinning of the Australian Labor Party (ALP) has been a constant companion to the development of policy both in government and in opposition since the Party's origins in the 1890s. The privatisation debate of the 1980s saw the Hawke governments come under sustained criticism for the shifting of the Party to the right and for the betrayal of the Labor tradition. This paper will examine the privatisation debate in the light of this concept of tradition, and its usefulness to historians in trying to gain an insight into the motivations of the protagonists of the time. The fundamental nature of the privatisation debate to the understanding of what the ALP actually stands for makes it an important and controversial subject for labour historians. Much previous work in this area, due not least to the closeness of the era to current writing, has been of a highly politicised and partisan nature. A more sober overview of this crucial debate within the Labor Party, focussing less on whether Hawke was right, and more on the impact of the debate on the positioning of 1980s Labor in relation to its past is necessary. This paper will argue that an awareness of the complexities and contradictions of the concept of tradition is essential to the study of this debate, and that an understanding of the evolutionary nature of this tradition is needed to link the Hawke governments of this era to Labor governments of the past.

There are many competing views as to what constitutes the Labor tradition, and it will be argued in this paper that there is no one *true* tradition. However an example of some popular concepts of the Labor tradition will help clarify the argument. In *Transforming Labor*, Peter Beilharz argues that there are three main "golden ages" of Labor history focused on by different groups within the Party.¹ Some look to the Party's formation in the period of the Great Strikes of the 1890s as what Beilharz describes as a "... foundation of fire" and the moment when Labor was closest to its working class origins.² Others look to the 1940s and the Curtin and Chifley governments as the "golden age" of full employment and opportunities of post-war reconstruction.³ Still others see the Whitlam era of the early 1970s as the benchmark.⁴ These periods are idealised and romanticised and are then used to measure present incarnations.

Eric Hobsbawm defines this as "inventing tradition" and suggests that, "[i]n short, they are responses to novel situations which take the form of reference to old situations, or which establish their own past by quasi-obligatory repetition".⁵ The privatisation debate of the 1980s saw this concept of tradition mobilised by both sides in arguing for a more market oriented approach to the ownership of Government Business Enterprises (GBE), or in appealing to an interventionist past. That privatisation is now part of the Labor tradition is an example of the evolutionary nature of these "invented traditions", if one that many contemporary members feel uncomfortable with.

In examining the Hawke governments relationship to any Labor tradition, an understanding of what the Party had committed itself to by the time of the 1983 Federal election, particularly in relation to public ownership, is essential. The 1982 ALP Platform began with the statement of the "Objectives", committing the Party to "...the democratic socialisation of industry, production, distribution and exchange, to the extent necessary to eliminate exploitation and other anti-social features in these fields".⁶ Does this objective commit the Party to public ownership? If this is

ambiguous, section two would appear to be more explicit, committing the Party to the "establishment and development of public enterprises, based upon federal, state and other forms of social ownership, in appropriate sectors of the economy".⁷ The 1982 Conference that had developed this Platform had however passed a resolution that gave the incoming Hawke government some freedom. Policies geared toward producing a "sustained economic recovery" were to be given precedence over all other Platform commitments.⁸ This was to prove a significant caveat.

The future arguments within the Party dealing with privatisation were to centre on this commitment to public ownership, both "traditionally" and explicitly in the Platform, and the need for those arguing for privatisation to convince the Party to change the Platform to allow for major enterprise sales. With the focus of the Hawke government's shortened first term being the deregulation of the finance and banking sector and the establishment of the Accord, it was during the second term that the privatisation debate emerged as a central and divisive issue. The Coalition had begun highlighting the potential for the privatisation of public enterprises such as Australian Airlines (or TAA in the early 1980s), Qantas and Medibank Private, with at least the deregulation of Telecom under consideration by the 1984 Federal election. In 1985 the Liberal Party committed itself to the sale of the Housing Loans Insurance Corporation, the Australian Industry Development Corporation and Medibank Private, and to examining other enterprises including the Commonwealth Bank.⁹

Labor attacked the Coalition's policy at this time, with senior figures including Hawke and Keating making strong statements reaffirming Labor's commitment to public ownership and opposition to any "Thatcherite" privatisation plans. In a quote that was to be consistently used against his later pro-privatisation arguments, Hawke stated in July 1985 that the proposed sale of assets by the Liberal Party would be "... a one-off fire sale; a 'sale of the century' of your assets, the assets of the people of Australia. They would transfer them into the hands of a privileged few to the cost of every one of us".¹⁰ Keating also went on the record in May 1985 stating that: "No matter where one looks whether it be at TAA or the other authorities there is no case for the Opposition's argument in economics except simply to indulge ideologically in a Thatcherite vandalistic splurge to try and destroy these authorities".¹¹

By early 1986 however changes began to appear publicly at the top levels of the ALP in its attitude toward the privatisation issue. Minister for Finance Senator Peter Walsh made a speech to a seminar on the topic of privatisation organised by the *Financial Review* for February 26, 1986 in which he stated that "... if its cheaper to put the control of operations of public enterprises into private hands, then I'd like to do it that way".¹² Walsh went on to suggest that he had no particular ideological preference for public or private ownership, and that he was disappointed that people were allowing the privatisation debate to become "politicised and polarised".¹³ "Those at the conservative end of the spectrum want to privatise everything that moves. Some at the progressive end seem to favour public ownership at all costs, simply because the conservatives want privatisation".¹⁴ Walsh was not suggesting wholesale privatisation of GBE in this speech, in fact making the point

that selling off the "good performers" and leaving those with worse balance sheets was a major flaw in the opposition's approach, but it was a significant public shift in emphasis from a significant figure within the Cabinet.

The June 1986 policy discussion paper *Statutory Authorities and Government Business Enterprises: Proposed Policy Guidelines*, echoed the tenor of Walsh's February speech in calling for a more rational, less "ideological" debate.¹⁵ As an official statement of future policy direction this provides greater evidence of the government's thinking. It again criticises those who "... seem to favour public ownership at all cost..." and establishes the guidelines for the future control of GBE along deregulated, "market - oriented" lines.¹⁶ The paper goes on to state that: "The proposed approach to government business enterprises has three specific components: the preparation of strategic plans including financial performance objectives; a reduction in direct controls over the day to day operations of enterprises; and improved quality of information for the assessment of enterprise performance".¹⁷ The first two of these were of particular significance to the broader debate in that the government was both deregulating in terms of its direct control over the enterprises, and through setting financial objectives, demanding a commercial rate of return.

Thus by 1986 the Hawke government had made significant strides toward the deregulation of the public sector and the framework for the major skirmishes within the Party over the issue in the lead up to the 1988 National Conference had been laid. In calling for the removal of "ideology" from the debate, and in implicitly acknowledging the need for a more market oriented approach to the management of major public enterprises the Hawke ministry would appear to be moving away from adherence to any "socialist objective" in regard to public ownership. While not at this stage calling for actual privatisation, the shift in approach toward the GBE was seen by many as a step in that direction and from mid 1986 onward, the privatisation debate was well under way within the ALP.

1987 was to prove a key year in the development of the privatisation debate. On the first of April the Prime Minister announced in response to a question in Parliament that the Labor government would be considering the "disposal of some public assets".¹⁸ "I simply say to the Leader of the Opposition that, unlike the Opposition, my Government is not a captive of any privatisation ideology. We have adopted a calm and reasoned approach on this matter."¹⁹ He went on to suggest that the needs of the economy and the community changed over time and that part of a "normal Budget process" was to assess all public expenditure and assets.²⁰

Hawke was preparing the way for the asset sales that were to be announced in the Economic Statement of 13th May, 1987. This statement of Budget Initial Measures announced one billion dollars worth of asset sales, including the sale of Williamstown Naval Dockyard; the sale of part of Australia's Embassy site in Tokyo and the former Ambassadors residence in Paris, among other Commonwealth holdings.²¹ Reflecting Hawke's statement quoted above, the actual Budget paper itself states that "These sales are part of a sensible ongoing review of assets and holdings which the Government has been undertaking over recent years. They have not been motivated by any ideological view like some privatisation campaigns overseas".²²

The 1987 election was called on 27th May, and shortly after the election victory the Prime Minister declared himself in favour of examining the potential for privatisation of the GBE, not just the 'assets and holdings' so far announced. The election having been on 11th July, by mid August the anti-privatisation forces within the Party and the broader labour movement began a more concerted public campaign of opposition. Senior Vice-

President of the ACTU and Secretary of the NSW Labor Council John MacBean suggested on 16th August that the union movement would "call for the scrapping of the prices and incomes accord if the government moved forward on any planned major enterprise sales", and that the "view of the ACTU executive was 'bloody near' unanimous".²³ The Victorian ALP conference on the weekend of the 15th and 16th of August had passed a motion condemning any sell off of major enterprises such as Australian Airlines, Qantas, Australia Post, Telecom and the Commonwealth Bank.²⁴ As holder of a Victorian seat the message could not have been clearer to Hawke.

However the plans of Hawke and Keating for further asset sales remained unclear. The crux of the argument for potential privatisation presented by Hawke was that the need to reduce government spending and the need to restrict public sector borrowing as a drain on available finance and levels of debt, may inhibit the growth of GBE and reduce their efficiency and value to the public.²⁵ The government could not afford to simultaneously inject large quantities of capital into enterprises such as the airlines and fund initiatives in the social security and health areas.

With the next National Conference of the Party set for June 1988 the leadership pushed hard to gain support for a change to the Platform to allow for privatisation. The major figures that indicated support at least for debating the issue included Hawke and Keating themselves, Finance Minister Walsh, Senate Leader John Button, and the new Transport and Communications Minister Gareth Evans. Evans was to do much of the work to deregulate the airline industry; in particular drawing up the bill to end the Two-Airlines Agreement that was introduced on 7th October 1987. It was Evans who was to most clearly articulate the need for capital injections to run the major GBE successfully, and to argue strongly in the lead up to June 1988 that the party should at least consider the relaxation of its opposition to privatisation.

Despite the support of these powerful figures privatisation was opposed strongly from within the Cabinet itself. Administrative Services Minister Stewart West was quoted as having attacked privatisation plans in a speech delivered to a conference of the Left in Canberra in October 1987.²⁶ West suggested that public enterprises could be made more efficient without recourse to sale, and that the money they required could be financed by borrowing without placing any more pressure on money markets than would private sector borrowings.²⁷ Outside Cabinet, other Labor members of parliament made strong anti-privatisation speeches in the House.²⁸ Clearly there was a significant coalition of opposition to privatisation among both the Parliamentary Party and the broader Labour movement. A motion by the Centre Left of the Party moved in Caucus in November of 1987 by Senator Peter Cook calling on ministers to provide reports on ways of securing the capital needs of major GBE while maintaining full public ownership, almost ended the debate at this point. Only a last minute compromise under heavy pressure from Hawke personally, (it was claimed he lobbied Cook during a plane flight!), managed to secure an agreement to keep debate alive "to ensure a wider public understanding of the issues involved".²⁹

The Conference of early June then was one overshadowed by the divisions over the privatisation issue. A comprehensive defeat for the party leader on the floor of the Conference was not something the Party could afford politically while in government, and with the numbers against any change to the platform and with Hawke having led the debate publicly a compromise had to be found. To save face for the Parliamentary leadership of the Party a compromise was moved by Senator Michael Beahan of the Centre Left faction, and seconded by Senator Evans of the Right to refer the question of how to fund the capital requirements of the two publicly owned airlines, (no other enterprises), to a cross factional

committee.³⁰ This committee could consider all options including full or partial privatisation, but if these were to be promoted a Special Conference would need to be called to allow for any changes to the Platform to be debated.³¹ This was passed ahead of a motion put by the Left arguing for an end to the divisive privatisation debate and recognition of the Party's traditional commitment to public ownership.³² The numbers were not there to change Labor's policy commitment rejecting privatisation, but the faction system was able to secure a compromise deal that seemed to be a defeat for just about everybody, but importantly for the pro-privatisation forces, kept the debate alive.

While leaving the headlines for some time after the Conference, the debate dragged on within the Party and was reignited publicly by Hawke's post 1990 election commitment to the pursuit of micro-economic reform in the telecommunications sector. The cross factional committee of the 1988 compromise motion was never to report but the push to end Telecom's monopoly position, in conjunction with plans to partially privatise the airlines, and the deal with Victoria that led to the sale of one third of the Commonwealth Bank, resulted in the calling of the Special Conference to change the Platform.³³ The partial privatisation of the Commonwealth Bank to fund the purchase of the ailing State Bank of Victoria was in fact secured before the Special Conference called for 24th September had debated the proposed changes to the ALP Platform to allow for privatisation. The deal was incredibly neat in simultaneously allowing for partial privatisation of the Commonwealth Bank, saving the Victorian ALP government from financial disaster, and presenting an almost unarguable case for privatisation to a left wing Premier. Keating's office was reported in *The Age* of 25th August as saying "...honestly, there's no trick".³⁴ Keating had been able to move quickly in securing the deal before full party approval by arguing the urgent financial necessity of the change and that in his reading of the platform it wasn't controversial as it was expanding the size and influence of the Commonwealth Bank and that it was still in majority public ownership.³⁵

Less than a month out from the Special Conference that would have to make the decision regarding the ALP's policy toward privatisation, the Commonwealth Bank deal complicated the debate, but crucially for those promoting change, forced the Party to accept change in the enterprise perhaps most valued. As Michelle Grattan argued in *The Age*, "...if a third or nearly half of the hallowed Commonwealth Bank goes, is it much use fretting over 49 percent of Qantas?"³⁶ In the end, the Conference was still very hard fought, with the Party exhibiting strong divisions over the issue within parliament in the weeks leading up to it³⁷, and on the Conference floor. The debate was described as "heaping insult upon insult"³⁸ with Barry Jones saying there were "...more dead sacred cows here than in an abattoir".³⁹ The Cabinet proposals to alter the telecommunications monopoly, to privatise AUSSAT and to allow for the forty-nine percent privatisation of Qantas and one hundred percent of Australian Airlines were all eventually accepted. The telecommunications reforms were the hardest won, with the vote being fifty-eight for to forty-three against⁴⁰. The Airlines changes were passed sixty to thirty-nine.⁴¹ The Commonwealth Bank deal was not extensively debated having already been announced.

While initially only authorising the sale of Australian Airlines and forty-nine percent of Qantas, by June 1992 it had been announced that Qantas would purchase Australian Airlines as part of a merger deal, and would then be sold in its entirety.⁴² Twenty-five percent of the merged airline was sold in a trade sale to British Airways in March 1993, with the remaining seventy-five percent being held back by the government until 1995.⁴³ The Commonwealth Bank, perhaps the most controversial of the major asset sales

was initially intended to have only thirty percent private ownership. By August of 1993 a Bill was introduced to the House to sell down a further nineteen percent, and in October 1995 the Keating government introduced the Bill that was to see one hundred percent of the bank sold.⁴⁴ The telecommunications reforms announced as part of the package approved by the Special Conference of 1990 were passed with some Senate amendments, but no further sale of Telecom was undertaken by the Labor government. In the ten years that had elapsed between the strong condemnation by Hawke and Keating of the Opposition's privatisation policies as "a one off fire sale", and "... a vandalistic splurge" the government had engineered the full sale of Australian Airlines, Qantas and the Commonwealth Bank, among other less symbolically important assets such as the Commonwealth Serum Laboratories and the Williamstown Naval Dockyard.

The privatisation debate can then be seen to have been at the centre of claims of a "sell out" of Labor tradition by the Hawke governments of the 1980's, and furthered under Keating after 1991. The issue of Labor's commitment to public ownership was seen by many to be at the core of what it meant to "be Labor". Hawke's view may have been that "over time, clearly, the needs of the economy and the community generally change and so too will an efficient use of public capital",⁴⁵ but by the Special Conference of 1990 he was unable to convince many within the Federal Parliamentary Caucus, let alone the broader labour movement. In speeches to the House in the two weeks leading up to the 1990 Special Conference, Left wing figures such as Stewart West and Frank Walker argued strenuously against privatisation. West argued that any large scale privatisation program would place "heavy demands on domestic savings and means a certain increase to our already overloaded foreign debt".⁴⁶ Frank Walker's speech went further, calling into question the leadership's commitment to Labor's heritage and damning its "blind faith in the inherent value of competition".⁴⁷ Walker wondered whether "... these admittedly fundamental economic changes constitute a permanent catapulting of Labor deep into the spectrum of right wing politics or merely a temporary aberration during tough times."⁴⁸

Hawke tried consistently during the debate to negate this line of argument by emphasising the lack of "ideology" in his approach. For Hawke and other pro-privatisation figures such as Evans, Walsh and Keating the issue was less an argument of Labor adopting a "New-Right" free-market approach to the issue, and more about a pragmatic choice between the need to spend scarce public funds on buying new aircraft for Qantas and Australian Airlines, and spending on welfare and social justice programs. In attempting to differentiate his position, and by his definition Labor's, from the Opposition's privatisation plans Hawke added, "The difference between us will be one of ideology. Our change will be based upon the proposition that we need to have competition in the telecommunications sector, including retaining a fully publicly owned telecommunications facility. That will distinguish us from the Opposition".⁴⁹

It is this question of the capacity to remove "ideology" from the privatisation debate that seems to be so problematic. The ideology that Hawke was referring to was the Coalition's commitment to the economic theories of the "New-Right", however those critical of the Party under Hawke's leadership, including people like Frank Walker and Stewart West from within its ranks, were bemoaning the influence of this "free market" ideology on 1980's Labor. Not only did the Hawke government appear to be moving the party away from any "socialist objective", it was accepting many of the pro-private enterprise beliefs that this objective was accepted as opposing. This was most marked in its decision to sell government enterprises.

The privatisation debate was then central to the Party's understanding of who they were and what they represented. Concepts of tradition are central to this understanding, and the privatisation debate can be seen to have challenged some of the longest held elements of these traditions. In looking at the Party platform documents as they developed over the century, the recurring theme stated up front in the Objective from 1921 onward was the commitment to "socialisation". The "socialist" nature of this commitment has been a source of debate and not little disappointment to many, seeing "socialisation" as shorthand for "nationalisation", but it was at least assumed to confer a commitment to the public ownership of the major enterprises that had been established. The Commonwealth Bank had been founded by Labor in 1912 and the Chifley government of the 1940's had seen Qantas come under government control and the domestic airline, TAA set up as a publicly owned competitor to the privately owned Ansett.⁵⁰ The failed attempt to fully nationalise the banks by the same government, and the role played by the constitution in thwarting Chifley's aims has become a further rallying point for those in the Party claiming Labor's commitment to public ownership as fundamental to the Labor tradition.

If the extent of Labor's commitment to its Socialist Objective has been a matter of long term debate, the role played by public ownership as a manifestation of Labor's commitment to "socialisation" must then come under similar question. In their examination of the socialist objective as it stood in 1980, both Evans and Reeves argue that "socialisation" was intended to mean more than a literal translation to "nationalisation" and that in any event the Constitutional impediments of Section 92 as used against the Chifley government's nationalisation plans had made any hopes for a radical shift from private sector ownership of industry to public impossible.⁵¹ Reeves suggests that Labor's response to this constitutional impediment to its plans was to establish public enterprises in competition with similar private sector enterprises and that this was "...an excellent way of having effective general economic management by the government within the area".⁵² Thus while stopped from any path to complete nationalisation, the Party could still establish active public enterprises.⁵³

The privatisation debate brought into sharp focus the question of the ALP's commitment to its Objective, and raised the question of what did it stand for by the end of the 1980's? As Hughes and Emy put it "Even if no-one seriously argued for socialisation or nationalisation any more; even if economic realities had changed, the ALP still stood for public enterprise. With this gone, many now wonder what the party stands for".⁵⁴ The question of the ideological underpinning of the Party, despite Hawke's attempts to avoid or marginalise it as an issue, were thrown into stark relief through the push to change the Party's platform in the 1980's. Whether Hawke saw his Party as having an "ideological" debate or not, the distance created by the privatisation issue between platform, tradition and policy centred on questions of ideology.

So what were the motivating factors behind Labor's change in policy direction during the 1980's? In terms of the specific privatisation issue, the reasons outlined by Hawke, Walsh, Evans and others during the debate centred on the capital requirements of the big public enterprises, and the inability of government in trying to "balance" the Budget and restrain public sector debt, funding both social policy areas and the needs of airlines and banks. Competition and efficiency of service provision were also promoted as factors in favour of privatisation, but these arguments were seized on by opponents as being achievable through deregulation and the setting up of public enterprise along more "market-oriented" lines.⁵⁵ The government's own guidelines for GBE as released

in June 1986 in discussion paper form, and finalised by November 1987, argued along these lines, as discussed earlier. Privatisation was however just one of the more controversial examples of a wider trend of a movement away from the interventionist tradition of Australian governance. The deregulation of the finance industry was another significant example of the "liberalisation" of the Australian economy that was begun during the Hawke government's tenure, and continued into the 1990's.

There were other significant factors leading the Hawke governments to liberalise the economy. Michael Pusey has argued that the role of senior public servants in promoting liberalisation played a very influential part.⁵⁶ In conducting a sociological study of the upper echelons of the Commonwealth public service Pusey found not a group of apolitical "centrists", but an influential body of people pursuing a strong "free market" agenda.⁵⁷ Pusey argued that: "It may be that the bureaucracy have corralled the reformist and economically oriented Hawke government into a narrowing and increasingly exclusive commitment to an "economic rationalism" that is at odds with the broad thrust of the ALP's policies."⁵⁸ In response to Pusey's questionnaires asking, among other things, what these members of the Commonwealth Senior Executive Service thought were the most pressing problems facing Australia in the mid 1980's, around two-thirds saw economic difficulties as being of most concern and Pusey states: "...there was an inward smile of approval towards the policies of Mrs Thatcher or Mr Reagan in the early 1980's and an underlying assumption that the standard for testing the worth of a politician ought to be the vigour with which they cleared the way for economic change".⁵⁹

By itself, Pusey's thesis doesn't necessarily explain the changes in policy approach by the Hawke government during the 1980's, but it does show that one of the government's strongest sources of advice and assistance in policy formulation was leaning toward "New-Right" arguments. The editorials of major newspapers covering the privatisation debate at the time also betray an acceptance of a "free-market" approach to the issue. In writing of the opposition within the ALP to the potential for the sale of public enterprises, *The Australian* of 24th November, 1987 stated: "In any case, it is not the role of the government to run a business or worse, impede the development of one with regulations designed to protect a monopoly."⁶⁰ It went on: "Governments should get on with the job of governing undisturbed by the problems of running banks, airlines or telephone companies".⁶¹ In its reportage of the 1988 National Conference *The Australian* of 8th June, 1988 savaged the opposition within the Party to the platform changes saying: "It demonstrates that even though the Labor Party has changed a great deal in recent years its blinkered ideological outlook can still stand in the way of sensible reform. There is no reason in principle, and no justification in terms of efficiency or equity for the Government to run enterprises such as airlines, or banks. The private sector can do it more efficiently and competitively".⁶² *The Age* of 6th June, 1988 espoused a similar opinion suggesting: "In the name of economic management, the Government has no choice but to press ahead with moves to cut the cost and raise the efficiency of public enterprises...".⁶³

Given that the Coalition, especially the Liberal Party moved further to the Right during the 1980's in trying to assert their position as the true Party of private enterprise, the picture that emerges is that of a strong impetus to an acceptance of the "rationality" of a more liberal, "free market" approach to government. Through a union of the senior public service, sections of the media and their political opposition the ALP was under significant pressure to accept the "free market" approach as the pragmatic, rational approach to solving Australia's economic problems. Governments do not work in a vacuum, and are products of both their traditions,

and the prevailing discourse of the time. The Hawke government in particular, coming into office at a time of recession and with the rhetoric of being the agent of "reconciliation" and "recovery" prominent in its campaign, was open to ideas that while perhaps antithetical to ALP tradition, were presented as being pragmatic and rational in the circumstances.

In *Transforming Labor*, Peter Beilharz describes the years 1983-1993 as being an era of "innovation and exhaustion in Australian politics".⁶⁴ The ALP took on the role of attempting to modernise the Australian economy and its political framework from what Beilharz refers to as its "settler-capitalist" tradition, in response to the challenge of "the global system".⁶⁵ He suggests that in the process they "emptied out" the Labor tradition and Labor as a result were "transformed".⁶⁶ This paper argues that rather than "emptying out" the Labor tradition in achieving the "transformation" of the 1980's, the Hawke government accentuated the pragmatic strain present in this tradition. That there are significant differences between the Hawke Labor government's "free market" approach, and the Labor heritage of a more "interventionist" economic outlook is obvious, however to try and establish the concept of a Labor tradition without including the Party's longest period of office is to render the term redundant. The Hawke governments of the 1980s "transformed" Labor, not least in terms of changing the Party's commitment to public ownership. The length and divisiveness of the privatisation debate brought into sharp focus the changes being wrought to the Party's concept of what it stood for, and highlighted the exhaustion of the commitment to any "socialist objective".

In using tradition as a link between a view of the past, and the needs of the present, an acceptance of the complexities and contradictions of the concept is necessary. It is useful to historians attempting to understand the difficulties and divisions faced by the ALP in dealing with the privatisation issue in that it helps explain the baggage carried into the debate by various sides. If pragmatism and dealing with accepted "realities" were the only motivating forces behind political action then an issue like the debate over public ownership would not have been so divisive. That much of the Party saw the privatisation question in terms of a "selling out" of Labor tradition requires us to try and examine what lies behind this concept. That there may be significant complexities and contradictions to acknowledge does not negate its usefulness. These complexities help us in looking back to appreciate the emotions involved in the debate, and the motivations of the various actors.

The Hawke government did then "hi-jack" the Labor Party in the 1980s. It didn't however step in from some "other realm" and transform a previously pure political entity. The Labor Party has always argued amongst itself as to what its "true" direction should be. As can be seen by the current 1998 Platform, the ALP has been "transformed" to some degree by the changes of the 1980s.⁶⁷ Gone is the "socialist objective" and any reference to "socialisation".⁶⁸ In its place are a series of references to the challenges of "globalisation", and a commitment to "...an effective and efficient public sector operating in partnership with a thriving private sector...".⁶⁹ Thus the Party and platform have evolved. Whether they are able to take their supporters with them into the future remains to be seen.

Endnotes

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