

decades. It will be interesting to observe the manner in which he disappoints them now.

Having, for the first time in its history, brought down a Labor leader—the one who has been its most successful electorally—the ALP has sacrificed more than an individual by subscribing to the ethos of leadership pre-eminence, itself a direct consequence of the overriding importance of winning elections. The morale of the parliamentary party is going to depend absolutely on continuing evidence it is blessed with a potential election winner.

For the ALP there is the additional factor of factions with pretensions to sovereignty over their own adherents. The leadership ethos presumes that the leader must prevail; the faction system presumes that the factions decide on policy stances and anoint candidates for the ministry and other positions. Hawke encountered formidable obstacles in his efforts to place favoured sons and daughters in the ministry—and he was operating in the aftermath of election victories. Something will have to give. It will be the faction system as we know it. Individuals will realign themselves; the factions will redefine their postures. The Left will surely drop the fiction that its members possess sufficient in common to remain together. The hatred between the two tendencies of the Left will force the creation of two separate Left factions.

As always, the consequences of a future Coalition victory at the polls will be the single greatest reason for unity. Customary as it is to claim that the next election is critical to the future of Australia, next time it will actually be true. The policy details of the Opposition's 'Fightback!' package provide Australia with perhaps the clearest ideological divide between the parties since 1949. Indeed, given the reception to that package as at least providing "an alternative vision", one wonders how Labor might have fared if it had dared to argue for interventionist politics and the social rights of the community.

Defeat for Labor will empower the conservatives to strike at the capacity of the ALP to remain electorally competitive. Presuming the conservatives can get their legislation through the Senate, they can repeal prohibitions on broadcasting political advertisements at the same time as they repeal provisions for public funding of political parties and introduce mandatory plebiscites for both union affiliation to the ALP and to ban union donations to party funds. Only then will the parliamentary leaderships of the ALP appreciate the significance of the passing of the party membership.

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# Labor's Last Best Hope

*David Burchell looks at the Paul Keating's chances of turning Labor's fortunes around.*

**F**or federal Labor these are desperate days. The Opposition has staked its claim for government with an audacious social and economic package which late last year laid embarrassingly bare the policy paralysis of the dying days of the Hawke Government. The recession is now palpably much deeper and more disastrous than anyone in Federal Cabinet had anticipated when they made the fateful decision to staunch the import

haemorrhage with high interest rates. The external constraint and the fragile dollar combine to severely curtail the government's room to move. Yet the ever-rapacious media commentators and, indeed, the public at large are expecting both a clear and coherent 'answer' to the recession and a bold response to 'Fightback!' from the economic statement scheduled for later this month. How can the government possibly deliver what is expected of it?

In the midst of all of this angst, federal Labor should at least take heart in one thing; it made the right decision on the leadership in mid-December, and it probably made it at the right time. This is worth saying not least because Paul Keating's stewardship of the prime ministership may quite conceivably be a short and unsuccessful one. The odds are certainly stacked against him.

Why, then, was it the right decision? Because Labor needs a responsible but definite change of policy direction, and a change in the language through which it is expressed. In the latter days of the Hawke Government, it seemed almost constitutionally incapable of responding combatively or imaginatively to the unexpected challenge provided by the first really competent Opposition in nine years. Most importantly, it failed to communicate to the electorate a wider set of themes or values it felt important; its language was technocratic, its vision tired. It needs a campaigner.

Throughout the 1980s, Paul Keating was Labor's great political campaigner. His message then was the inevitability of the internationalisation of the Australian economy through the agency of deregulation; now he will have to shift the content and style of his message sharply, even though its evangelicism remains the same. It will not be an easy task, but it is one which was palpably beyond Bob Hawke in his latter days.

After the leadership change the parliamentary Labor Left is clearly in a mean mood. It sees the individuals who supported Paul Keating as traitors to the sacred unity of the faction; there are moves to remake the faction in order to exclude them. This mood is surely accentuated by the strange, even unsavoury character of the alliance. Keating is the man who most dented Labor 'traditions' in the 1980s with his market-based policies; his Left supporters are chiefly denizens of the old unreconstructed hard Left, politicians whom one might normally expect to find chastising the mainstream Left for its excessive pragmatism. Yet refusing to support Keating on these grounds is a poor argument, and very poor politics.

ALR argued quite some time ago that the factional system which developed over the life of the Hawke Government was a fetter upon genuine political debate within the labour movement. The animosities now brewing in the Left, whatever their bases in past political disputes, have far less to do with politics than with the prevalent tribalism of Labor's contemporary political machinery. The mainstream Labor Left, after all, is angry with the dissidents not because of their political views but because they failed a group loyalty test and upset a cosy compromise whereby the mainstream Left enjoyed increased attention in return for its support of the moribund Hawke leadership. If the Left had genuine political reasons for believing that Bob Hawke could provide a more cogent sense of political direction for the government than Paul Keating, it would have been good to have heard them during the leadership struggle itself. Instead, we heard only that Bob Hawke was a very popular man, and that it's not the done thing for Labor to drop long-term leaders. This is a decidedly politi-

cal argument for a supposedly ideological faction to direct towards the political future of the Labor government.

Why did the Labor Left stay so loyally behind Bob Hawke for so long after it had become apparent to most attentive observers that his shelf life as an effective leader had run out? Part of the answer surely lies in the peculiar attachment of the Left to sentiment, particularly when it is directed towards a figure of past glory. In the late 1940s, Ben Chifley was reviled by many on the Left for his part in the coalfields dispute of 1949; nowadays he is a symbol of all that is to be revered about 'traditional Labor'. Bill Hayden as once deprecated as Australia's first monetarist Treasurer; in his last days he was defended to the death by the Left against the usurper Hawke. Now, it seems, if the emotional outpouring immediately following Bob Hawke's defeat for the leadership is anything to go by, that some on the Left will reasure him in retrospect as the great guarantor of social justice.

Clearly the greatest single factor, though, was the Left's collective hatred of Paul Keating. As one Left Labor MP commented bitterly afterwards, Keating had humiliated the Left too often at party conferences to be forgiven. Keating's responsibility for many of the wilder free-market fantasies of the 1980s was also obviously important, and understandable—though it is worth remembering that the Hawke-Keating Government was at all times a Cabinet government, and that there was hardly ever any practicable alternative path expressed in Cabinet to many of those excesses.

Equally important to remember, as Rodney Cavalier notes above, is Paul Keating's quite remarkable capacity to remould himself to suit the demands of the situation. In the mid-1980s, when the need to internationalise the Australian economy seemed paramount, he remoulded himself from old-style Keynesian nationalist and acolyte of RFX Connor to sleek Treasury-line free-market economist. And as the stunning impact of the recession has become apparent, the backbencher Paul Keating has remoulded himself again.

His new intellectual persona is certainly not simply the old-style 1970s Keynesian reborn; with the external constraint's winged chariot still hurrying near, the times are not calling for that. But nor is it simply Treasurer Keating with a sloppily applied new human face. His first speech after his accession stressed that his chief goal, as it had been in the early to mid-1980s, was growth and jobs—only now from a position of economic stagnation rather than expansion. This goal was to be achieved by 'policy dexterity'. What does this quirky phrase mean? Presumably, something like this: a preparedness to consider heterodox economic solutions within the limits of the awesome constraints set by our economic plight. One might be forgiven for thinking that this is as much as could be expected from any representative government in this formidable situation. Whether he is able to deliver such a dexterous manoeuvre, only the next few months will tell.

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