

RANDOM HOUSE AUSTRALIA

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What did it avail working people if they received wage increases in an inflationary economy? If what they gained in the pay packet was doubly lost at the grocery store counter? This was one of Paul Keating's explanations for the fundamental redefinition of what was truly progressive policy in a changing economy. It was the explanation he gave me on the long flight in the government jet to North Queensland. It was the explanation he had given to the Australian people during the hard years of economic reform in the 1980s.

The arguments for economic reform in the interests of the future of Australians, including and especially those to whom Paul Keating felt an abiding obligation and fidelity, those from the wrong side of the tracks, are all laid out here in Don Watson's book. Like Don Watson, I recognise that economic policy is not the exclusive province of so-called 'rational' people, separate from those who are concerned with society and culture. In an engaged democracy, all citizens have a responsibility to concern themselves with the main questions of economic policy, because on them depend the common good. It is a responsibility with which Paul Keating intellectually grappled and which he shouldered more completely than anyone, for the lion's share of two decades. It is a responsibility that is distinct from theory, commentary and reportage – it is the responsibility that must result in policies that bring about real change in a real society and a real economy. It is responsibility at the anvils of political practice, where one does not have the luxury of being the voyeur or the dilettante, where the colours of leadership must be nailed unequivocally to the masts of office. How else would fundamental reform and change be achieved if there was no responsibility and no-one prepared to, or capable of, shouldering it? Especially at such a critical time in economic history?

The arguments in favour of the reforms of the Hawke-Keating years were from the start, contrary to the mainstream Australian orthodoxies. And it would be Labor governments that delivered this reform in the teeth of the accumulated comforts and certainties of eight decades of the Deakenite Australian Settlement and Ben Chifley's post war Welfare State.

I credit John Howard for his recent acknowledgement of the country's indebtedness to his predecessors for the strengths of the Australian economy in this new century. Might I venture my feeling – a feeling somewhat heightened after reading this book – that it was an act of rare grace in a too often graceless country.

Before I chloroform you with what are now largely truisms about the story of economic reform in the Hawke-Keating years, let me say that there is only one other person without whom the history made by Paul Keating, would not have been possible. Bill Kelty took on the responsibility of leadership – intellectually, and in practice – and it is to me one of the wonders of our woeful lack of comprehension of our history that the role played by Kelty and the organised labour movement in the economic reform story from 1983, goes without acknowledgement. I said this in my Ben Chifley Memorial Lecture two years ago:

When I consider the history of your people, I am struck by the ironies. Few Australians today appreciate their history...Wage restraint underpinned the reform processes pursued under Prime Ministers Hawke and Keating. If these reforms were essential and have underpinned the current economic performance of our country what credit did the working people get from the

responsibilities that they shouldered for the sake of the national economic interest? The irony is that rather than taking the credit for the outcomes of the economic reform process during this period (when incomes declined and profit shares surged) the organised labour movement ended up being perceived as retarding economic performance and the call for labour market flexibility never abated. Indeed the pressure mounted and continues today. At the end of the day, organised labour was left between a rock and a hard place: responsible for economic reform, but unable to claim credit...

More gracious nations would have recognised the service to the common good rendered by the former secretary of the ACTU. Instead the true heroes of the economic revolution for a better Australian society are virtually dust-binned by a complacent nation without memory: the subject of disrespect, slander and opprobrium.

In economic policy, Paul Keating had fundamentally redefined what it was to be truly progressive. Not just progressive in posture, but progressive in substance. Not just progressive in perception and opinion, but progressive in the real sense of making life and the future prospects of people better.

It would have been politically easier to be progressivist, as opposed to progressive. Progressivist policy would have left unchallenged the established nostrums – such as protection which did not only comfort battlers but the owners of businesses who had long relied upon it – and concerned itself with the traditional questions of redistribution rather than taking responsibility for ensuring that there is a healthy common weal from which opportunity for all could flow.

The most part of the reform challenge had been achieved in Australia long before theorists and Tony Blair conceptualised ‘The Third Way’, as the philosophical framework for social democratic parties embracing market-oriented policies. Paul Keating had developed and executed ‘triangulation’, long before Dick Morris articulated it for President Clinton’s comeback strategy in the leadup to 1996, after their 1994 congressional election disaster.

My point here is to distinguish between progressive and progressivist thinking about the reforms that were needed in our national economy. The transition to an open and internationalised economy which the Hawke-Keating governments had superintended, was not a wholesale implementation of the neo-classical policies prescribed by the think tanks of the Right – rather there was melioration in favour of workers rights to bargain and to rely upon minimal conditions, and the maintenance of universal social provisioning and guarantees.

It is hard for me to see how the compromises between market and society shaped by Paul Keating do not lay down the acceptable parameters of an Australian settlement for this new century. How can there be further labour market deregulation than we now have? Did not the profit share for business rise with the assumption of wage responsibility by workers during the reform years? Do we not now have a low inflation, growth economy of the kind which Paul Keating said we would have? Why must working people continue to shoulder the burdens and responsibilities for our society’s unemployment problem – alone?

I turn now to Paul Keating's legacy on Aboriginal policy. In relation to his acknowledgment of the truth of our colonial history, Keating was correct. The Redfern Park speech was and continues to be the seminal moment and expression of European Australian acknowledgment of grievous inhumanity to the Indigenous of this land. The Prime Minister had spoken on behalf of all Australians and to the extent that he used the rhetorical ‘we’ in that speech, he had of course not claimed the individual responsibility of

Australians for the actions of the past, but rather a collective owning up to the truth of that past and to its legacies in the present. The Prime Minister had explicitly said that it was not a question of guilt, but one of open hearts. How could this acknowledgment have been better put?

As much as I could never understand the reactions and campaigns on the part of the Right in relation to Paul Keating's Redfern Park speech, I could never understand the subsequent incessant campaign on the part of the Left seeking an apology from John Howard. The truths of the past in relation to the stealing of children and the destruction of families were already the subject of Prime Ministerial acknowledgment. And that acknowledgment came without prompting and could not have been more sincerely expressed. The pointless campaign for an apology from John Howard, to the extent that it expresses the importance which people attach to reconciliation, I can understand it, but to the extent that it is touted as one of the most important questions in Aboriginal policy, it underlines for me the distinction between being progressive and progressivist. Paul Keating's Redfern Park speech was progressive. Seeking an apology from John Howard is progressivist and is not the main game in terms of what is important in Aboriginal policy.

Paul Keating's stand on native title was not just progressive – it was in turn liberal in its respect for the law and property rights and rejection of racial discrimination, and conservative in its fidelity to the legal traditions and institutions that gave us Mabo. The prescriptions of the political Right in this country towards the native title property rights of Indigenous Australians would have horrified Friedrich von Hayek. They proposed the very legislative discrimination and governmental appropriation of property that von Hayek stood firmly and clearly against.

Paul Keating recognised the High Court's decision in Mabo as the very 'once in a nation's lifetime', opportunity to make peace between the old and the new Australians. Native title proffered the basis for what he called 'peace' and could be the cornerstone for the settlement of fundamental colonial grievance.

Without Paul Keating's Native Title Act this cornerstone that had been hewn by Eddie Mabo, Ron Castan and their colleagues, would have been lost to the nation. The cornerstone would have been turned to dust if protective Federal legislation had not been put into place by the Keating Government. The Age editorial got it right when it said that the Native Title Act 'may yet be judged the most profound achievement of Paul Keating's political career'. If it had not been a career of so many achievements I would not hesitate to endorse the view of The Age. Let me make only two brief observations about the negotiation and passage of the Native Title Act.

Firstly, to Don Watson's description of Gareth Evans performance in the Senate as a 'tour de force he was born to deliver one day', I say Amen. On his feet for 48 of the 60 hours it took for the debate to be had in the Senate, Evans turned in what must count as one of, if not the greatest performances of Australian legislative history. The sheer complexity of the law, the policy and the politics which Evans commanded was staggering.

Secondly, no other leader – not then and not in the past – would have had the will, the courage and the fidelity to get the Native Title Act through Parliament and to keep faith with its indigenous beneficiaries, other than Paul Keating. Even Evans, someone who had been a supporter of Aboriginal causes since his early days, was one of many people in the Cabinet who would have chosen to drop us. Evans rose to the occasion and made his outstanding contribution because of Paul Keating's leadership.

With the opportunity of Mabo having been seized by the Federal Labor Government it was time for a necessary redefinition of what it is to be socially progressive in Aboriginal affairs.

Let me reiterate some things I said in my Charles Perkins Memorial Oration last year:

The prevailing analysis is that substance abuse and addiction is a symptom of underlying social and personal problems. But the symptom theory of substance abuse is wrong. Addiction is a condition in its own right, not a symptom, and substance abuse is a psychosocially contagious epidemic. Of course substance abuse originally got a foothold in our communities because many people were bruised by history and likely to break social norms. But when somebody is recruited to the grog and drug coterie today the decisive factor is the existence of these epidemics, because it is no longer a breach of social norms to begin with substance abuse.

These epidemics cannot be cured with our current policies, which are based on voluntary rehabilitation and clinical care, because it is mainly during the first part of his or her career that an addict spreads the abusive behaviour, not when he or she has become a social invalid.

The ground we might gain in fighting substance abuse will be difficult to defend unless we move beyond passive welfare. The irrational basis of our economy has compounded the effects of dispossession and trauma in making us susceptible to an epidemic of grog and drug abuse. We must now deal with both passive welfare dependence and substance abuse simultaneously, as these two problems feed off one another and undermine all efforts toward social recovery.

In the prevailing debates, poor health is automatically seen as a product of 'Aboriginal disadvantage'. 'Indigenous disadvantage' is an inadequate term, but if we try to give the term a meaning anyway, we must begin by conceding that our material circumstances have improved greatly. At the same time our life expectancy has decreased in Cape York Peninsula. 'Aboriginal disadvantage' must therefore be the factors that make us unable to benefit from the money that has been transferred to us and the infrastructure, services and health care that has already been provided.

If you ask the progressivists, they will provide a catalogue of disadvantage factors that includes unemployment, dispossession, racism, culturally insensitive service delivery, trans- and intergenerational trauma, alcoholism, violence, educational failure and so on, and the bottom line will be a request for further unprincipled spending. But it is irresponsible to state some obvious facts and then go on to devise programs intended to create jobs, improve health, reduce substance abuse and so on, without a convincing analysis of the factors that have made previous efforts futile.

I am convinced that Paul Keating would have understood the necessity of such a redefinition of what it means to be socially progressive in Aboriginal policy. After all, it was he who told me on the way to my hometown in 1995 when I first talked to him about the need for Aboriginal responsibility to confront our social problems that 'the starting point must be leadership'. Alas, the 1996 election was lost by Paul Keating and so much more was lost.

Federal Labor is dominated by what I call the progressivist intellectual middle stratum. They have played a role in achieving recognition of Aboriginal people's property rights, but I contend that the prejudice, social theories and thinking habits of left-leaning, liberally-minded people make them unable to do anything further for Aboriginal people by attacking our real disadvantage factors. The only answer to the epidemics of substance abuse that devastate our communities is organised intolerance of abusive behaviour. The late Professor Nils Bejerot, whose thinking I tried to introduce in Australia last year, pointed out that historically, substance abuse epidemics have been successfully cured without much in

the way of research and voluntary rehabilitation. What can still save our communities is that a policy based on absolute intolerance of abuse gains credibility.

In this situation, the progressivists tend to support policies that can only waste more precious time: further research, rehabilitation, harm minimisation, improved service delivery and so on.

Let me give just one example of the strange thinking that has gained acceptance among the progressivist middle class. The Australian Council of Social Services and Australians for Native Title and Reconciliation organised a seminar called 'Practical Reconciliation or Treaty Talks? Which way forward for Indigenous Social Justice'. Two papers were presented. One paper was titled 'Indigenous Disadvantage: Australia's Human Rights Crisis', and even though it contained a section called Historical Causes of Indigenous Disadvantage, did not once mention substance abuse (but had a lot to say about the United Nations and international law). The other paper stated that grog was not the only reason why Aboriginal people live as itinerants in Darwin and Alice Springs, that was all. Making such grave omissions while discussing justice for the women and children in Aboriginal communities and the historical causes of their disadvantage is absurd.

Robert Manne wrote last year that:

Pearson's contempt for the sentimentality of the pro-reconciliation liberal Left has grown rapidly in recent times. In my view the indulgence of this irritation is a political mistake. Pearson is in danger of forgetting... that in their common struggle for the survival of the indigenous peoples against the indifference of the mainstream and the assimilationism of the Right, the support of the good-hearted, bridge-walking middle-class liberal Left remains an asset of inestimable worth.

Though I am a great admirer of Professor Manne – particularly his outstanding defence of the true history of the breaking up of Aboriginal families – I disagree with his political analysis. On the contrary, I would like to take my argument from last year one step further. I contended that the two most important factors maintaining and worsening Aboriginal disadvantage are the substance abuse epidemics and passive welfare. But these two factors ultimately depend on one single factor: the thinking of the progressive, liberally-minded intellectual middle class. A radical shift here would be the single most beneficial change for Aboriginal people, because the people in the communities who want change cannot effect it if left alone; dysfunction and social disintegration have gone too far. They need support, but it is crucial that this support is based on a new understanding of the real situation.

In recent years there has been a great change in the discussion about Aboriginal affairs. Women have spoken out about what things are really like after several decades of progressivist policies. Federal Labor has been unable to handle this situation. Labor is confined to passively scrutinising the Government's policy. In recent weeks they have pointed to Government bungling in Aboriginal education and the large amounts spent on litigation against Indigenous interests that the Federal Government included in their 'record spending' on 'practical reconciliation'. This is of course good, but I can't discern any tendency to an adequate response from Labor in the face of the real current crisis.

Because the present shift in the debate that reality imposes on us is in conflict with their prejudice and world outlook, Federal Labor seems to have abandoned Aboriginal people and simply ceased trying to develop a credible policy. It is not the case that the Government has a raft of innovative policies aimed at helping communities to move beyond passive welfare and to confront substance abuse directly – they do not.

The same energy and insight that Labor had in 1983 when it confronted a sclerotic Australian economy – and the same courage to reform its thinking – is needed in this new century if Labor is going to have any solutions to the social predicaments in our nation, not the least the predicaments of those whose social misery is the most egregious.

Federal Labor has a very hard job ahead of them changing this sorry state of affairs. I suggest they look at Paul Keating's break with old thinking and renewal of Labor economic policy for inspiration.