The Hayden Oration

by

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It is a great pleasure to be asked to present the second Hayden Oration. And to do so in the company of Bill and Dallas Hayden.

Bill and I, over the years, have shared many hours together. And at this later stage of our lives, it is a real joy to be able to share some more.

Bill Hayden and I have many things in common, one of them being that we each arrived in the House of Representatives at a very young age: in Bill's case 28, in mine aged 25.

This may not seem remarkable these days but in the Federal Parliamentary Labor Party of those years, the membership was decidedly older. And not only older, quite seriously divided as to loyalties and outlook.

One's footwork and intellectual interests had to be relatively slick even to be noticed, let alone listened to.

The long period of opposition following Menzies's victory in 1949 had put a pall over the party, exacerbated as that was by the Split in the 1950s and its reverberation through to the 1970s.

One had to be not simply a member of a faction or grouping but possessed of some real ability at psychoanalysis, for in the jumble of competing interests and ideologies, it was imperative to be able to size up and understand members of the Parliamentary Caucus; to understand the motivations of each and every one of them.

In the human zoo which these parties are, there are few guides or indicators as to motivation or integrity.

When I arrived in 1969, in the expanded Caucus following Gough Whitlam's success at that poll, the task of calibrating one's position was daunting.

For a start, the party was rent with competing ideologies, along with the almost complete confusion between ends and means. A party always with noble aspirations but lacking any clarity as to how it might fulfil them.

In those days, of course, Bill Hayden had never been a minister. And though regarded as being a person of great promise, no one knew or was able to know, how he would respond or measure up to the burdens of office.

And though, as a young outsider, I was a long way from any ministerial post, I regarded anyone within cooee of my own age as needing to be assessed and watched.

At that point, Bill was well on his way to being a senior minister in any Whitlam administration. And so I would, in an intellectual way, assess him and mark him in things he said to the Caucus or how he behaved in committees, and more than that, how he performed in the House of Representatives.

Coming as he did from the post-Split Queensland Labor Party, and as a former policeman, he was not someone with whom I had expected to find any natural common cause.

The NSW Party in those days had survived the trauma of the 1950s, but unsplit, had a wider, less ideological view of political life, evidenced by the success and longevity of its state governments.

I was always professionally affronted by the fact that the federal coalition had been in office for just on a quarter of a century, led by a vacuous dandy in Menzies; someone the Labor party, for all its altruism, had been unable to defeat.

So, true political effectiveness, the ability to belt Liberals, and really hurt them, was a test I applied universally across the Caucus. And I never knew how Bill would shape up in real battle dress.

Of course, the principal figure at the time was Gough himself, who was utterly determined to defeat the Liberals and become Prime Minister. He was the spearhead and the front bench, more or less, followed.

It is only in office that people's real capacities and ambitions are revealed.

Before office, they are all part of the jumble; in office they acquire particular colours and stripes.

Gough Whitlam gave Bill Hayden the job of Minister for Social Security, a portfolio that fell comfortably on Bill's shoulders as he had, through both personal and policy experience, a commitment to those less well off, for whom the state meant the difference between some security and prosperity, versus an otherwise diminished quality of life.

Everyone here will know that Bill introduced the country's first single mother's pension, while at the same time he was constructing Australia's first universal health insurance system, Medibank.

But not everyone will know or appreciate the virulent opposition he met from the medical profession or the fact that Gough himself thought he and Bill might have to, in the end, give it up.

But these successes marked Bill out as a minister of depth and substance, lifting him above the ruck of the general ministry - a ministry as often as not, inchoate in its deliberations.

When Gough Whitlam's chancy play with Jim Cairns as treasurer came unstuck, he called upon Bill to take charge of the government's economic policy; to bring rationality and order to it, to rebase his government in some greater font of policy ballast.

It is a matter of record that as Treasurer, Bill Hayden began the arduous task of reining in government spending, run rampant under his predecessors.

Indeed, I believe that owing to Bill's command of the portfolio and his success in moderating the budget balance, that Malcolm Fraser decided he could not afford to allow Whitlam's government to progress unchallenged.

Following Bill's budget of 1975, the government's stocks showed a marked improvement. It was this which led Fraser to the policy of driving the government to an early poll.

This poll and the one that followed, 1977, spelt the end of Labor's post-war policy history. That long period of political ineptitude and ideological confusion only saved, in part, by Gough Whitlam's relatively short reformist government. We could perhaps call it post-war Labor Mark I.

Labor Mark II to the present time began with Bill Hayden's appointment as party leader in 1977.

For many of us, Bill was still an unlikely figure to lead the party; self-effacing, with a certain diffidence and lacking the egotism that characterised some of his predecessors and successors, he was up against a driven and unforgiving person in Malcolm Fraser.

But what he was bringing to the Labor Party and the Parliament was a sense of scale, order and rationality that the public debate to that time had lacked and that the Labor Party had rarely, if ever, known.

He assembled around him a front bench of not only effective people but people who were prepared to conduct themselves around the principles of rationality and accountability to which Bill was committed.

People like John Dawkins, Ralph Willis, Peter Walsh, Susan Ryan, Lionel Bowen, John Button, Neal Blewett, Don Grimes, Gareth Evans, John Kerin, Chris Hurford and at the time, myself.

Bill Hayden's shadow cabinet meetings were marked by their sense of order, focus and policy consistency. This was especially true in economic policy and in social policy more broadly, as it was in relation to industry and foreign policy.

Indeed, Bill wrote in his biography, 'the not unimportant need was to re-establish public trust in our ability to manage the economy soberly. For the first time, careful costings were made…credible revenue measures adopted and policies selected on the basis of economic and social priorities.'

So notwithstanding Malcolm Fraser's two huge mandates of 1975 and 1977, the Hayden opposition was able to mark itself out as a competitive grouping – transcending former party divisions on issues such as economic and foreign policy.

That policy unity and with it, political unity, struck so much of a chord with the public that at the subsequent 1980 poll, Labor finished less than one percentage point behind Malcolm Fraser's government on a two-party preferred basis - off the back of a national swing of four percentage points.

After 1980, the game for Bill and for Labor, got stronger. Fraser was mired in a recession of his own making, which was both deep and prolonged and which ran from the end of 1980 to the middle of 1983.

During the period post-1980, Bill also led the intervention in the Queensland Labor Party, as fifteen years earlier Gough Whitlam had done in Victoria.

The reformation of the Labor Party was as important to Labor as shifts in the policy settings.

But he was done no favours by the ACTU, which had presided over a wage breakout in 1980 and where Cliff Dolan as ACTU president made clear the ACTU would never advantage Hayden by entering into an accord process while ever he was leader.

By that stage, Bob Hawke was a member of the parliamentary party and following Labor's unsuccessful showing in the by-election for the Victorian seat of Flinders in December 1982, the momentum inside both the parliamentary Caucus and the party shifted away from Bill Hayden towards Bob Hawke. And as history well knows, on 3 February 1983 Bill resigned as leader, bequeathing to Bob Hawke the most effective opposition front bench and policy structure in Labor's post-war history.

Any interested person knows that upon office, Bob Hawke granted Bill his wish to become foreign minister.

This was at a time of heightened tensions between the superpowers.

Bill firmly believed that the country's interests should not only be political, economic and strategic but should also devolve to what he called a 'moral duty' embracing such things as human rights, world poverty, arms control and the resolution of conflict.

But Bill was not only the foreign minister he was also a cabinet minister. And he always conducted himself as a cabinet minister, sharing responsibility for the collective issues – I know this well because I sat beside him.

Bill was entirely important to the big shifts in economic policy, in economic deregulation, indeed, in the whole internationalisation of the economy.

The Centre Left group in the Caucus which he broadly led, largely shared Bob Hawke's and my own view that the whole Deakin structure of protection had failed Australia badly and that the most propitious pathway available to us was to pull down the barriers and internationalise the place. He was supported in this principally, by his Centre Left colleagues John Dawkins, Peter Walsh and Neal Blewett, as he was by John Button and Susan Ryan.

In the big drawdowns in government spending and the budget balance in the years between 1983 and 1988, Bill was a key actor in these deliberations. He was always supportive of the necessary fiscal consolidation, though of course, he always maintained a sharp eye for equity.

At the time, I was trying to interest the cabinet and the party in the virtues of an open competitive economy, with all that leap entailed. And I am happy to record here I had no firmer nor consistent supporter, both philosophically and in policy terms, than Bill Hayden.

Indeed, after I had myself decided, in March 1983, that the crawling peg exchange rate system had had its day, the first cabinet minister I discussed the issue with was Bill Hayden – the idea of moving to a quantity-based floating exchange rate system.

I truly valued Bill's economic perspective and policy judgment, for if I could not convince Bill, or more than that, failed to secure his support for such a shift in the setting of the exchange rate, I knew I would have an uphill battle in making the change, notwithstanding my confidence in having Bob Hawke's support.

And as it turned out, nine months or so later, on the evening before the Hawke cabinet actually decided on the float, I had engaged Bill in the parliamentary dining room, which was full, being the last sitting night of the year, seeking both his support and leadership on the issue the following day.

You will not be surprised to know I was not disappointed.

But Bill was not only the effective leader of the key swing group in the Caucus and cabinet, he was also, importantly, shifting the party towards a more nuanced and moderate position in foreign policy – on the US alliance.

These were difficult times for him. The Cold War was at its peak. Reagan, Shultz and Weinberger had well and truly taken on the Soviet Union. Reagan, in fact, had branded it an 'evil empire'. But more than that, our next door neighbour, the New Zealand Labour Prime Minister, David Lange, had decided, in a fit of opportunism, to ban all American nuclear naval vessels from visiting New Zealand ports.

Lange's action played a very strong tune inside the Australian Labor Party, particularly to the Left.

Bob Hawke, on his first visit to Ronald Reagan, on which I had the pleasure of accompanying him, was determined to establish a new equilibrium between Australia and the United States, given the acrimony which had obtained during the Whitlam years between Whitlam himself and Richard Nixon. This was a wise approach, given international circumstances at the time.

But the person whom Bob had chosen to superintend the policy was Bill Hayden, the former leader, leader of the Centre Left and key opinion-maker on the middle-Left axis of the party.

Bill took on foreign policy with the same intellectual rigour and independence that he had earlier applied to social and economic policy. And his portfolio was controversial.

At the time, disarmament and anti-nuclear issues were prominent such that the traditional Palm Sunday Peace March, across the country in 1984 attracted an estimated 250,000.

During these demonstrations, the putative role of Australia's joint intelligence and control facilities with the United States in any nuclear exchange came under renewed focus and criticism.

Bob Hawke responded to the reaction and called for a review of the ANZUS treaty to address the concerns of the party's Left, while needing, at the same time, to assure the Americans that the objective of the review was to strengthen the alliance.

Were it not for Bill Hayden and his credibility with the Left, this balancing act could not have succeeded.

Bill was intellectually convinced that without the joint facilities the balance of power between the United States and the Soviet Union would be more problematic and less stable.

On this major matter, I think it is worth quoting Bill himself: 'I came to believe that in the interests of deterring nuclear conflict between the superpowers, we were obliged to support America. That commitment was morally driven: it would be immoral to claim neutrality and non-alignment on such an issue when most life on the globe could have been extinguished by a major nuclear conflict. In those circumstances one has to choose and I chose, but with the important rider that our support for deterrence was committed on the expected basis we would vigorously push ahead with our arms control objectives.'

I can remember Gerry Hand, the leader of the Left and a critic of the policy, saying at the time, 'the bastard has convinced us'. He said 'it's a tough message but I think we'll have to cop it'.

The Americans, of course, regarded any independence or notion of independence from what they regarded as a client state, as anathema. They were suspicious of Bill and he had his run-ins with them.

When arguing with the Americans over the need of a settlement in Cambodia, US Secretary of State, George Shultz, upbraided Bill, whereupon Bill quickly reminded Shultz of the greater legacy of US ineptitude over Vietnam.

Bill Hayden's stewardship of the ANZUS review and his carriage of the issue within the party and following that, Bob Hawke's ability to affirm Australia's support for the joint facilities, completely rebased the ANZUS treaty, not only providing a reaffirmation of its centrality, but doing so from a position of respectable independence.

This is the difference between the intelligent management of the alliance during the Labor years 1983-1996 and the obsequious quality that characterises it these days.

It is worth reminding people that the point of sovereign independence which Bill had established within the alliance structure, informed the Hawke and Keating governments in the conduct of their relations with the Americans in the eight years of Labor government that followed.

Bob Hawke was able to deal with the Americans and the Labor Party off the back of Bill's ANZUS review as Gareth Evans did when he followed Bill into the foreign ministry.

Indeed, a quality appeared in the relationship which was much more healthy than anything that had obtained during the coalition years or the Labor years, to that point.

I can certainly say that as Prime Minister, I conducted my relations with the Americans from that standpoint, as said earlier, from a position of respectable independence.

The history books already record that I met President George Herbert Bush on the then second only presidential visit to Australia, ten days after I became Prime Minister and where I immediately set about suggesting the building of a pan-Pacific piece of political architecture at head of government and presidential level.

That kind of initiative, the APEC Leaders' Meeting, a purely Australian one, would not have been attempted under the previous forelock-tugging protocols.

Indeed, when George Herbert Bush's White House adviser Bob Zoellick later upbraided our Ambassador, Don Russell, telling him policy things I had said in Japan were ultra vires of the US interests and were not, he said, 'how the United States expects a 'client state' to behave', I had Russell slap him back - and hard.

That kind of healthy independence, in the end, gave the Americans themselves more confidence about us, as a thinking and useful ally rather than the relatively useless and fawning one they had formerly gotten used to.

Perhaps it is worth mentioning here that things like a Cambodian peace settlement, which Bill had singularly championed against American resistance and which at the end of the Cold War, Gareth Evans was able to bring to finality, along with our leadership on the Chemical Weapons Convention, were instances where the Americans could see real value in our ability to progress important international ideas.

The same was the case when, as the first Western government ever and as Prime Minister, I established the Canberra Commission for the Elimination of Nuclear Weapons; an initiative which was pointing the way to the abolition of all nuclear weapons, including those held by the United States. And the Americans were accepting of our attempts in this very important respect. Something that would definitely have not been the case in earlier settings.

And, in hindsight, how much better the world would be had the Howard government championed the report before the long tail of nuclear proliferation gained momentum - in India, Pakistan, Iran and of course, now, North Korea.

Instead, in a return to obsequiousness, Howard encouraged the Americans into Iraq, their greatest strategic post-war mistake.

As Bill Hayden might have said, who was the better friend - those who were encouraging the United States into better policy stances, as Labor continually did, or those who led the United States up a blind alley, as Howard did, wrapping a war around its head, now for thirteen years.

Of course, the alliance with the United States, which Bill Hayden spent so much time both nurturing and developing, remains a current topic to this day, partly because Howard walked away from the more independent stance Labor had adopted .

Howard's embrace of the Americans up to and into Iraq had the effect of militarising the alliance and as a consequence, we began talking about our long and broad relationship with the Americans as though the relationship itself was the alliance – or had become the alliance.

And this is from where the now sacramental quality of the alliance emanates. As Bill labelled it in his biography, 'consecrated territory'.

Now, anyone who dares adopt some position of independence or questioning of policy within the alliance structure, is portrayed as offending the sacrament.

That's how far we have slipped.

In 1918, General Monash commanded American troops in France against the Germans, bringing nearer, the end of World War One. That is a hundred years ago next year.

In the hundred years since, we have not simply absorbed American culture, and all too often aped it, we have fought beside the United States in every major conflict – World War Two, the Korean War, the Vietnam War, the Gulf War and Afghanistan.

We have with the Americans a long and enduring social and cultural relationship which has been annealed by our military cooperation.

After a century, we do not need to get about in some obsequious posture because we think some American official or a group of them might not approve of our position or even our motivations.

Australia's relationship with the United States is fine. What is not fine is the Austral-Americans in this country conducting themselves as though Australia is some branch office of the United States or worse than that, its lickspittle.

The position of independence within the alliance which Bill Hayden seriously built, all those years ago, is where we have to return.

With the great shift of power and wealth from the West to the East, Australia can no longer pretend that the Pacific is a pond singularly superintended by the United States.

Economic and political realism, especially in the face of China's renaissance, demands that Australia be capable of an intelligent and nuanced foreign policy – one that weighs off the interests of our great and powerful friend in the Americas with the great states of Asia.

Our community here deserves no less.

But let me return on a personal note. I have always appreciated Bill Hayden's interest in me; more than that, his faith in me.

I was perhaps an unlikely character for him to vest such confidence and regard.

Bill understood that the frame of protectionism and old Labor think could never rescue the country or the party from its descending fortunes.

He knew that I thought the same and that I broadly stood apart from the Labor orthodoxy in terms of the remedies.

He had that instinct, that perspicacity – that ability to see through the shibboleths, the opaque prescriptions, ones more rooted in Romanticism than anything approaching rationalism.

On this basis, he nominated me as the Shadow Treasurer. It was a big call. Some said at the time, a wild call.

But had he not, I would not have become Treasurer when Bob Hawke's government was sworn into office. I might have later – but then I would have been denied that all-important opening field of play. And the upending of the whole Deakin legacy may never have got the momentum needed to supplant it.

More than that, I may never have had the pulpit and the power which, in the end, delivered me the Prime Ministership and that unique opportunity to paint an even bigger canvas.

Even our opponents, these days, talk about the great reform period of the Hawke and Keating governments and well they might. The slew of changes set up the country for the modern age.

But, the antecedents of those changes, those great reforms, began with the frameworks Bill Hayden brought to the front bench, the day he became Leader of the Labor Party.

His front bench had not sketched out the subsequent internationalisation of the economy nor even some of the later social standards like superannuation.

But what it did do was develop and have regard to a process and matrix of discursive reason, the likes of which pre-Hayden Labor had never had.

And it was that process that ultimately, the Hawke government was built upon.

The success of Bill Hayden's leadership of the Labor Party was, in the end, personally disappointing, as he watched the Prime Ministership slip away.

But his leadership was hugely successful for the Labor Party. It was its turning point.

The turning point from Labor's perpetual confusion between its post-war political ends and its proffered policy means.

Bill made that turn and Labor has never looked back. And as it turned out, nor has the country.

The policy coherence that has given Australia its quarter century of uninterrupted growth, began its long coalescence the day Bill Hayden convened his first Shadow Cabinet meeting.

In that great ledger of national credits, on this basis alone, Bill Hayden deserves a big and enduring entry.