

Australia Dossier by Lydia Cherry

A leadership challenge to Hawke

London bankers have decided that the prime minister is not moving swiftly enough to wreck Australia's economy.

When the *Financial Times*, organ of the City of London banking establishment, moots the coming demise of an Australian politician, you can be sure that some changes are in the wind. In this case, the target is Prime Minister Bob Hawke, the Labor Party leader who barely survived a challenge to his leadership early in June by his powerful treasurer, Paul Keating—a man even more eager than he to implement the “free market” austerity measures that the international bankers are demanding.

According to the *Financial Times* editorial of June 6, headlined “Mr. Hawke Goes On and On,” “Mr. Hawke has seemed less able in recent years to maintain the pace of reform, and was increasingly happy to leave the hard decisions to his Treasurer.” Hawke’s strength used to be “his rapport with the average Australian, but even this is not what it was.”

Indeed, sources in Western Australia told *EIR* that Hawke is so eager to prove that this “rapport” still exists, that he is transporting journalists in his own vehicle to his public speaking engagements, so they can observe firsthand his erstwhile popularity.

“Not that Hawke is already politically dead,” continues the *Financial Times*. “There are 19 months before the next general election in which to stop the rot and he could steal some Keating clothes by pressing ahead with unfinished business . . . speeding up privatization of the airline and telecommunications sectors and getting on with constitutional reform.” The editorial concludes that although

“Hawke is not a prisoner of the left, there is a danger its influence could grow,” and if it does, “Keating is ready.”

Hawke won the Labor Party leadership challenge by a vote of 66 to 44, but most Australians think his remaining tenure will not be a long one. A not-very-subtle indication of this was that as the leadership squabble heated up, the editorial line in the Australian press was that Hawke should go and Keating should be given a chance at the prime ministership. In that Hawke’s good friend Rupert Murdoch, the international press mogul, controls at least 65% of the metropolitan press in Australia, the fact that this press also supported Keating looked to many like the handwriting on the wall.

Keating is now a parliamentary back bencher, and will function as a thorn in Hawke’s side for whatever is left of his term, a maximum 18-month period in which the economy is expected to get much worse. The idea that Keating—who many farmers say should be tried and hanged for destroying Australian agriculture—could come back as the candidate to save the Labor Party, gives an indication of what bad shape the ruling party is in. No one in the higher Labor echelons has shown any indication of moving toward a policy perspective by which the economy could be rescued.

It is known that at the regional level in two of Australia’s six states—Western Australia and South Australia—Labor Party leaders have com-

municated that without a policy shift, they will no longer back the federal party. It is also known that some at the more grassroots level of Labor are studying policy proposals put together by the Citizens’ Electoral Councils, in a document called *Sovereign Australia*, which endorses “American System” economic ideas, rather than free enterprise monetarism.

John Koehler, a farmer who helped draft *Sovereign Australia*, thinks that one scenario in the near term would be to split up the Labor Party and bring the Liberal Party under John Hewson back into power. Hewson is a former employee of the International Monetary Fund; he says that he would go much further in taking the “tough decisions” than either Hawke or Keating; in a word, he would privatize everything. “The Liberal Party is a bunch of masons,” he says. “They get their orders straight from Britain. They don’t have the same kind of problem with a base as the Labor Party has.”

“The policies pursued by both parties over the past two decades have brought our nation to ruin,” Koehler charges. Furthermore, as in the United States, the Australian press mercilessly attacks or refuses to give coverage to genuine alternative candidates who attempt to enter races, Koehler says. The media then usually don’t take a strong side with regard to the candidates for office of the two major parties.

Candidates backed by the Citizens’ Electoral Councils have made several forays onto this playing field, in an effort to battle down the Hawke-Keating-Hewson policy line, most recently in the New South Wales state election May 25. Without a break in the manipulated politics that have characterized Australia’s history, “it’s going to end up being a question of civil war,” Koehler maintains.