

Central Intelligence Agency



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DIRECTORATE OF INTELLIGENCE

28 June 1984

Australia's Bob Hawke:
Facing the Left at the Labor Party Conference [redacted]

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Summary

The Labor Party's biennial conference in July will provide Prime Minister Hawke his first opportunity to shape the party's theoretically binding policy platform. Since his election in March 1983, Hawke has reinterpreted and often ignored the existing platform in pursuit of his own policy goals, provoking criticism both from Labor's left wing and some party stalwarts. If Hawke is able to bring right and centrist elements of the party together in support of his views in July--as we expect--the conference will undercut his critics and project an image of party unity. This would bolster Labor's chances in the early elections expected for late this year or early in 1985. [redacted]

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This memorandum was prepared by [redacted] Islands Branch, Southeast Asia Division, Office of East Asian Analysis. Information available as of 28 June was used in its preparation. Comments are welcome and may be directed to the Chief, Southeast Asia Division, [redacted]

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A Test of Influence

The Labor Party's biennial conference, scheduled for 9-13 July, will be Hawke's first opportunity to revise the platform that he inherited when he became party leader in 1983. The platform includes Left-sponsored planks obliging the party to reaffirm its condemnation of Indonesia's annexation of East Timor and work for withdrawal of Australia's peacekeeping force from the Sinai, renewal of economic aid to Vietnam, reevaluation of the ANZUS alliance, and a gradual phase out of Australia's uranium industry--all policies personally opposed by Hawke. [redacted]

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Since his election last year, Hawke has attempted to reshape party policy to his more moderate views. Because the Labor Party considers the platform binding, however, Hawke's policy initiatives have brought persistent and potentially damaging criticism.¹ Several times during the last year, for example, Hawke has been threatened with censure both by leftwing parliamentarians and some moderate party stalwarts for his repeated breaches of party procedure. [redacted]

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Hawke's efforts to recast the ALP platform will be vigorously opposed by the party's fractious left wing. In addition to its specific ideological concerns, we believe the Left will pressure Hawke on a broad range of issues in order to maintain some measure of leverage and to brighten its fading image as a viable party faction. [redacted]

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In our judgment, Hawke wants to avoid a damaging intraparty battle at the conference. He recently has made an effort to improve relations with the Left by reinstating left wing minister Stewart West to the cabinet and staging a meeting with the full leftwing caucus to present his

¹Labor's platform dictates party policy initiatives during the two-year period between conferences. All Labor parliamentarians, including the Prime Minister become subject to a variety of sanctions--including withdrawal of party endorsement--if they break ranks. Hawke has tried to rationalize his departures from the platform by arguing that global events had rendered the existing policy obsolete. [redacted]

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economic policies.² We believe this suggests that Hawke--aware of the electorate's sensitivity to signs of factional fighting--is focusing on unifying the party in preparation for upcoming early elections.



An Australian cartoonist depicts the Left's skepticism over Hawke's recent gestures of goodwill.

The Issues

Based on press accounts and reporting by the US Embassy, we believe Hawke will face significant leftwing resistance at the conference on the following issues:

- Uranium. We believe Hawke will face the greatest challenge from the Left on the uranium issue because of the Left's strong ideological commitment to halting Australia's uranium industry and Hawke's equally strong determination to liberalize uranium mining and exports. Australian political observers in early 1984 reported that the Left had, in private, conceded defeat because of growing support

for the industry among the electorate and the softening of the anti-uranium position of the Australian Council of Trade Unions. US officials are now reporting, however, that the Left has renewed its fight and is mustering eleventh hour support. Encouraged by anti-uranium sentiments expressed at several state ALP conferences, it appears that although the Left will not have the strength to reinstate a moratorium on uranium mining and export, it may be able to force the party to adopt a platform position banning new uranium projects. [redacted]

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In addition, there are indications that the Left may convince the party to back a reimposition the government's ban on uranium exports to France. Australia imposed a ban on uranium exports in June 1983 to protest France's continued nuclear testing in the Pacific. The embargo was imposed as a gesture of disapproval rather than as a punitive measure, however, as the next scheduled shipment is October 1984--after the ban's expiration date. Although Hawke may be sympathetic to the Left's demands regarding the ban, we believe he is wary of further antagonizing the French. In press statements issued during Foreign Minister Hayden's May visit to Paris, the French threatened to retaliate against a renewed Australian ban by canceling imports of Australian coal and urging the rest of the EC to follow suit. [redacted]

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- Foreign Affairs-ANZUS. In our judgment, the Left will continue to oppose what it sees as Hawke's overdependence on the US in foreign policy and will make its customary appeal for Australia's withdrawal from the ANZUS alliance. We believe Hawke has undercut the Left's position, however, with a recently released draft foreign policy platform. Without compromising Hawke's important policy objectives, the draft makes cosmetic gestures to the Left by reaffirming support for:

³French coal imports from Australia are estimated at US\$100 million annually. During fiscal 1982-83, Australia sold almost \$500 million in coal and \$190 million in uranium to the EC. [redacted]

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- Regular review of the ANZUS alliance
- Strengthening arms control initiatives
- Increasing Australia's defense capabilities
- Closer relations with nonaligned countries
- Acknowledging the importance of the Asia-Pacific region in Australia's future.

By placating the Left on these points, we believe Hawke hopes to maintain fundamental support for ANZUS and gain ground on other critical issues-- notably strengthening relations with Jakarta by downgrading the importance of human rights in determining Australia's stance toward other countries. [REDACTED]

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- US-Australian Defense Arrangements. Although the Left will certainly launch an attack on various aspects of bilateral defense cooperation, we believe Canberra's public statement on naval ship visits and drydocking earlier this year--as well as the recently released joint statement on the US-Australian joint facilities--has handicapped the Left's ability to sway party members to its view. We believe the joint statement is strengthening domestic acceptance of the facilities even though it has renewed criticism of Hawke by the Left.

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- East Timor. The Left's anti-Indonesian position has been weakened over the past year, largely because of the favorable findings of a Hawke-appointed bipartisan parliamentary delegation on conditions in East Timor. Nonetheless, leftwing ministers are still pressing for a reaffirmation of Labor's condemnation of Indonesia's 1975 annexation of East Timor. [REDACTED]

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The Left's position will probably be strengthened by the visit of Fretilin (Timor Liberation Front) leader Jose Ramos Horta this month. Although the visit has been generally low-key, pro-Fretilin groups are apparently planning a program of rallies, press conferences, and possible demonstrations. Further, US officials indicate that some ALP members have requested Horta be invited to address the conference. Hawke's success in fending off leftwing demands could also be complicated by mounting public criticism of Indonesia's policies toward ethnic minorities prompted by the recent record flow of about 8,000 refugees from Indonesia's province of

Irian Jaya into neighboring Papua New Guinea. We believe Hawke will try to mollify the Left with a proposal which recognizes Indonesia's incorporation of East Timor while criticizing its method of annexation. [REDACTED]

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- Security Services. The Left over the past year has repeatedly called for the abolition of the Australian Security Intelligence Organization (ASIO) and the Australian Secret Intelligence Service (ASIS) as the result of a number of incidents--including the involvement of an Australian lobbyist with the expulsion of a KGB agent and a "bungled" training raid on a Melbourne hotel widely reported by the press. Subsequent government investigations into ASIO and ASIS resulted in recommendations for reform which have already received the endorsement of the cabinet. These reform measures should protect Hawke against significant leftwing gains, but they are unlikely to pre-empt an embarrassing debate at the conference. [REDACTED]
- Economic Policy. In our judgment, the Left is planning to regain ground lost to Hawke by focusing efforts on his conservative economic policies--an area where it believes it has greater support among moderate party members. According to political observers, the most contentious economic issue for the conference will be the Hawke-Keating proposal to allow the entry into Australia of between four and six foreign banks--with up to 50-percent foreign ownership. Hawke is aware of the widespread party sentiments against foreign bank entry--it is officially prohibited by the party's current platform. Some political analysts believe that Hawke may not openly raise the banking issue because of the higher risk of failure, but will instead try to gain support for overall liberalization of the ALP economic platform. [REDACTED]

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Outlook

Hawke will deal with his opponents at the party caucus from a position of strength. His personal charisma is generally credited as a major factor in Labor's return to power after a hiatus of over seven years. Moreover, since Labor's election victory, Hawke has maintained high approval

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ratings in public opinion polls.⁴ He has earned the respect and support of many segments of the business community--typically wary of Labor governments--and has presided over a period of relative industrial peace and wage restraint. Finally, Hawke is reaping political benefits from Australia's economic recovery, although it is the result of factors largely beyond his control--including the economic upturn of Australia's major trading partners and the end of a devastating four-year drought. [REDACTED]

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Political insiders predict the voting breakdown at roughly 30 for the Right and 30 for the new Center-Left faction versus 40 for the Left (see chart).⁵ It thus appears that Hawke will carry the conference. As a result, we believe Labor's 1984-86 platform will conform more closely to the Hawke government's pragmatic actions of the past year than did the 1982-84 platform. Hawke will still have to push hard to win substantial gains on individual issues. With the exception of the uranium and foreign bank entry issues--on which he will probably settle for a temporary compromise until after the election--Hawke is expected to prevail. Nonetheless, Hawke may find that his leadership role at this year's conference has narrowed his latitude to stray from the new platform. [REDACTED]

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If Hawke follows this firm but conciliatory course--as we believe he will--the conference will bolster his political strength for the 1984-85 budget battle in August. More importantly, a clear show of strength will be a key political asset as Hawke seeks to increase Labor's parliamentary majority in early elections, which he is expected to call later this year or early in 1985. [REDACTED]

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⁴A recent public opinion poll showed Hawke's popularity at a record 78 percent. [REDACTED]

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⁵Ninety-nine delegates, comprising state representatives plus leaders of the state and national parties, will vote at the conference. [REDACTED]

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Chart 1
ALP Caucus: Factional Breakdown*

House of Representatives (75)The Right (29)

Kim Beazley, WA
Lionel Bowen, NSW
John Brown, NSW
 John Brumby, Vic
 David Charles, Vic
 Joan Child, Vic
 Robert Chynoweth, Vic
Barry Cohen, NSW
 Barry Cunningham, Vic
 Ron Edwards, WA
 Ross Free, NSW
 John Gayler, Qld
 Russell Gorman, NSW
 Alan Griffiths, Vic
Bob Hawke, Vic
Clyde Holding, Vic
 Ben Humphries, Qld
Paul Keating, NSW
 Ros Kelly, ACT
 Richard Klugman, NSW
 John Lindsay, Qld
 Leo McLeay, NSW
 Michael Maher, NSW
 Bill Morrison, NSW
 John Montford, NSW
 Gary Punch, NSW
 John Reeves, NT
 David Simmons, NSW
Ralph Willis, Vic

The Left (20)

Peter Baldwin, NSW
 Allen Blanchard, WA
 Doug Everingham, Qld
 Wendy Fatin, WA
 Ken Fry, ACT
 Gerry Hanen, Vic
 Colin Hollis, NSW
Brian Howe, Vic
 Harry Jenkins, Vic
 Lewis Kent, Vic
 Jeanette McHugh, NSW
 Peter Milton, Vic
 John Saunderson, Vic
 John Scott, SA
 Peter Staples, Vic
 Peter Steedman, Vic
 Andrew Theophanous, Vic
 Robert Tickner, NSW
Tom Uren, NSW
Stewart West, NSW

The Center-Left (17)

David Beddall, Qld
 Gordon Bilney, SA
Neal Blewett, SA
 Ric Charlesworth, WA
 Manfred Cross, Qld
 Elaine Darling, Qld
John Dawkins, WA
Michael Duffy, Vic-Independent
 George Gear, WA
Bill Hayden, Qld
Barry Jones, Vic-Independent
 Len Keogh, Qld
 Helen Mayer, Vic
 John Mildren, Vic-Independent
 Lloyd O'Neill, SA
 Deane Wells, Qld
Mick Young, SA

The Senate (30)The Right (8)

Mal Colston, Qld
Gareth Evans, Vic
 Gerry Jones, Qld
 Doug McClelland, NSW
 Robert Ray, Vic
 Graham Richardson, NSW
 Ted Robertson, NT
 Kerry Sibraa, NSW

The Left (12)

Nick Bolkus, SA
 Bruce Childs, NSW
 John Coats, Tas
 Ruth Coleman, WA
 George Georges, Qld
Arthur Geitzelt, NSW
 Patricia Giles, WA
 Jean Hearn, Tas
 Gordon McIntosh, WA
 Cyril Primmer, Vic
 Margaret Reynolds, Qld
 Olive Zakharov, Vic

The Centre-Left (9)

John Button, Vic-Ind
 Peter Cook, WA
 Rosemary Crowley, SA
 Ron Elstob, SA
 Dominic Foreman, SA
 Graham McGuire, SA
Susan Ryan, ACT
 Michael Tate, Tas
Peter Walsh, WA

Floater-Senate (1)

Don Grimes, Tas (C-L target)

Floaters-House (9)

Bob Brown, NSW (C-L target)
 Graham Campbell, WA
 Ralph Jacobi, SA (Right)
John Kerin, NSW
 Allan Morris, NSW (C-L target)
Peter Morris, NSW (C-L target)
 Jim Snow, NSW (Left)
 Gordon Scholes, Vic (Right)
 Chris Hurford, SA (C-L target)

*Compiled by the Australian in consultation with faction members and on general voting records. Bold print indicates cabinet members.

Typescript: Australia's Bob Hawke: Facing the Left at the Labor Party Conference

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Original

1--OEA/ITM
2--OEA/SEAD
1--OEA/NA
1--OEA/C
3--D/OEA
2--C/Production/OEA
1--
1--C/NIC (7E62)
1--NIO/EA (7E62)
2--DDI (7E44)
5--CPAS/IMD/CB (7G07)
1--C/PES/DDI (7F24)
1--

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Outside:

Defense:

1--LTC James Riordan
1--Bill Mayo
1--Don Berlin
1--John Greenwood
1--Stewart Ring
1--Jay Sloan

State:

1--Paul Wolfowitz
1--Bob Carroll
1--John Dorrance
1--William Brown
1--Robert Brand
1--RADM Jonathan Howe
1--Richard Baker
1--David Lambertson

Treasury:

1--Douglas Mulholland

Commerce:

1--Bryan Jackson
1--Bill DesRochers
1--Stephen Hall

NSC:

1--Richard Childress

1--David Laux

1--Gaston Sigur

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