

Australian politics in turmoil

Editorial Board
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The fact that almost one in four electors voted for the right-wing populist One Nation party in last month's Queensland state election has sent a shock wave through the Australian political system.

Just three months ago, Prime Minister Howard's Liberal government was confident of sweeping to victory in an early double dissolution election. A long prepared confrontation with the waterfront union was underway, the government was about to unveil a sweeping 'tax reform' program and the multi-billion dollar privatisation of the government-owned telecommunications organisation Telstra was set to provide a bonanza for the sharemarkets.

At the same time, Howard jettisoned further negotiations over his Wik native title legislation, allowing the Senate stalemate to become the trigger for a double dissolution election, in which both Houses of parliament -- the House of Representatives and the full Senate -- would be dissolved. (A normal federal election involves the dissolution of the House of Representatives and only half the Senate.)

Howard's strategy even brought praise from some of his harshest critics in ruling circles. An editorial in the *Financial Review*, which had been critical of the government throughout the previous year, hailed the turnaround and even held out the prospect that, with his offensive on the waterfront, Howard could consolidate his government like Thatcher and Reagan had done in the early 1980s.

Three months on, the political landscape has been completely transformed. All the reasons cited for a double dissolution election have become arguments for abandoning it.

- Faced with the prospect of as many as a dozen One Nation MPs entering the Senate if a full Senate election were held, Howard hastily reopened negotiations on the native title bill, manoeuvring a compromise and thus removing the double dissolution trigger.

- The Telstra privatisation, which weeks earlier had seemed such a sure fire means of financing electoral bribes, has turned sour. Opinion polls indicate growing opposition to the sell-off, amid fears in crucial rural areas that unprofitable, but necessary, services will be cut back when the organisation is privately-owned.

- The government's national competition policy, which envisages the privatisation of electricity and other services and the introduction of competition in postal services, is likewise under attack.

- The waterfront confrontation, in which the government pledged to end the control of the Maritime Union of Australia, has ended in a fiasco, with leaked Cabinet documents providing growing evidence of an illegal conspiracy by the government and Patrick's Stevedoring against the union. The Workplace Relations Minister Peter Reith has all but disappeared from public view.

- The tax reform plan, based on the introduction of a goods and services tax (GST), foreshadowed almost a year ago, has still to be unveiled. But even before it is, business organisations are already castigating the government for failing to cut company taxes far enough, while social welfare organisations have calculated that any tax cuts funded by the GST will provide another major redistribution of wealth up the income scale.

Within both the ruling Liberal and National parties deep divisions exist over how to respond to the racist, anti-immigrant agenda of One Nation and its economic populist agenda, based on a return to protectionism and national regulation. These divisions are reflected in the internal wrangling over whether One Nation should be placed last in the allocation of preferences in elections.

There are members of both parties who advocate an adaptation to the One Nation agenda and are even preparing to join its ranks. Others, expressing the fears of big business over the consequences for their Asian markets, have demanded a stepped up attack on its policies. Two leading Asian-born NSW Liberals have already quit the party in protest at Howard's failure to direct Liberal electorates to place One Nation last in their preferences.

Adding fuel to the policy conflicts are the opinion polls. The coalition was swept to office in March 1996 with a near-record majority. Now its support rating stands at 34 percent. Howard's could become the first government to lose office after only one term since the ill-fated Scullin administration of 1929-32.

Howard himself is under challenge, with predictions that within 12 months, whatever the results of the next election (due to be held by next May at the latest) he will no longer be prime minister -- either having been voted out of office or replaced in a party-room coup by deputy Liberal leader and Treasurer Peter Costello, the preferred leader of major business organisations and the Victorian Liberal Party establishment.

The situation confronting the Labor Party is not much different. Electoral support remains where it was at the 1996 election when the ALP was swept out of office with less than 40 percent of the vote. No policies have been produced and the party's 'star recruit', Cheryl Kernot, former leader of the Australian Democrats, whose defection was supposed to be the spark that would turn support for Labor around, has been conspicuous by her absence.

While the immediate catalyst for the crisis of the official political establishment has been the growing electoral support for Pauline Hanson and her One Nation party, the emergence of this right-wing populist grouping is itself symptomatic of deeper processes.

The rise of One Nation is above all a reflection of the collapse of support among broad layers of the middle classes and the working class for the old parties and organisations which have dominated the political stage in the post-war period -- a process encompassing far wider layers of the population than those who have voted for Hanson.

This change in mass sentiment, characterised by frustration, anger and alienation from the traditional organisations, is in turn the outcome of profound economic changes which have transformed social conditions for millions of people. In other words, shifts in the economic base of society are now finding their expression in rapid changes in the political superstructure.

Here an analogy suggests itself. When the earth begins to shift under a house, cracks start to appear in the walls. These can be plastered over, and the inhabitants go on living as before. But if the underlying shifts continue, they eventually reach the foundations, whereupon the house gives way.

The cracks have been appearing in the walls of the Australian political system for some time -- the growing disillusionment with the Labor Party throughout the 1980s, the rise of independent candidates, the sometimes large electoral support for third parties, the violent swings against incumbent governments, especially in by-elections.

Vast economic changes

Now the foundations themselves are starting to crumble under the impact of the globalisation of production and finance over the post two decades.

The post-war political order in Australia rested on the re-establishment of the equilibrium of the world capitalist economy at the conclusion of World War 2. Expanding markets in the major industrialised countries provided markets for Australian agricultural production and mineral resources.

Tariff protection, combined with a government-backed immigration program, provided an expanding home market for the development of secondary industry.

Together, these conditions provided the material basis for the policies of social compromise adopted by all the capitalist parties in the post-war period.

Indeed, the Liberal Party itself was a veritable child of this new era. Brought together in 1944 under the leadership of Robert Menzies, it sought to replace the cliques and groupings which had dominated the pre-war capitalist parties, with a broad-based party, one that would appeal to wide sections of the middle classes -- the so-called 'forgotten people' who stood outside the orbit of both big business and the unions and the Labor Party.

Forming a coalition with the Country Party [now the National Party], founded in 1920 to represent farmers and rural interests, the Liberals held government for 23 years from 1949 to 1972.

But as the long post-war boom came to an end internationally, so the political situation in Australia became increasingly unstable. The coming to power of the Whitlam Labor government in 1972, and its ousting in the Governor-General's constitutional coup of 1975, was an expression of the growing international political turbulence which saw events such as the May-June 1968 general strike in France, the Watergate crisis in 1973-4, and the bringing down of the Heath Tory government in Britain by the miners in 1974.

After the ousting of Whitlam, the Liberals returned to office under Fraser, but the relative stability of the past decades was over. The international fixed currency exchange rate system broke down in the early 1970s, and the consequent rise of international financial markets increasingly overshadowed the power of central banks and government authorities. The policies of national regulation, which had formed the cornerstone of Australian politics in the post-war period, became untenable.

The floating of the Australian dollar in 1983 by the newly-elected Hawke Labor government and the subsequent deregulation of the banking system were the start of a series of far-reaching changes throughout the economy to meet the demands of global finance capital.

In essence these changes -- the privatisation of government-owned enterprises, the ending of labour market regulations, sweeping cuts in government spending on health, education and social services, together with the spread of the 'user pays' principle -- have spelt the end of the program of social compromise pursued by the ruling class and its parties in the immediate post-war decades.

The unfettered operation of the capitalist market has decimated jobs and social conditions for vast layers of the population, creating unprecedented social inequality.

Deepening social inequality

The ideological cement binding together the system of parliamentary democracy in the post war years was the carefully cultivated illusion of a unified 'national interest.' The reality, of course, was that, in all decisive matters, the interests of industrial and finance capital prevailed. But the program of economic regulation and social concessions provided material with which to sustain the fiction.

Now it has been shattered by the increasingly unrestrained operation of global market forces and the drive for profit. There is no such thing as 'one nation' -- society is being polarised between a fabulously rich elite, enjoying almost unimaginable luxury, and the rest of society, desperately struggling to make ends meet.

According to the latest figures from the Australian Bureau of Statistics, the top 20 per cent of income earners receive 47.5 per cent of all income. In other words, one fifth of the population receive almost as much income as the remaining 80 per cent. The bottom quintile earn less than 4 per cent.

More and more the wealth of the elite is bound up with the activities of finance capital -- privatisation, company floats, increasing stockmarket values and government tax concessions -- the very same activities responsible for downsizing, loss of jobs, and cuts in social welfare facilities for millions of working people. Thus, the restructuring of global capitalism has resulted in a massive redistribution of wealth and income from the bottom up.

Definite political consequences ensue. While everyone votes in elections, day-to-day political decisions are made to further the interests of this narrow social elite, at the direct expense of the vast majority.

The broad, and growing, hostility to this state of affairs finds expression in the electoral support for Hanson's One Nation party. But the fact that it has erupted in a right wing direction, with the formation of a potentially fascist-type organisation, must sound the alarm for all socially-conscious workers, youth and middle class people.

There is absolutely nothing inevitable about the growth of right wing forces such as One Nation. Their rise is above all attributable to the paralysis of the working class, the result of decades of domination by the nationalist and opportunist leaderships of the Labor Party and the unions. The development of an independent political movement of the working class, challenging the very foundations of the profit system and the capitalist market, is the key to the transformation of the political situation.

The entire capitalist order is wracked by a deep crisis. But the danger is that unless the working class begins to intervene, the bourgeoisie will overcome the present crisis and shift the political framework even further to the right.

The One Nation organisation is already playing its part in the restructuring of capitalist politics. As Howard himself recognised, when he welcomed Hanson's maiden parliamentary address as a return to 'free speech', One Nation's racist and anti-immigrant agenda performs an important political function. It serves as a lightning rod to divert anger and frustration away from the real cause of the social crisis -- the profit system -- and towards its most vulnerable and oppressed victims -- immigrants and Aborigines.

Having created the conditions for the emergence of One Nation, the major capitalist parties will adapt themselves to its reactionary social policies, as they step up their attacks on the working class.

The Liberals are already boasting about their slashing of immigration intakes, while NSW Labor Party leader Bob Carr has sought to outflank Hanson by demanding that immigrants learn English and live by 'Australian' customs.

Whatever the immediate future of the One Nation party, the entire framework of capitalist politics is moving rapidly to the right.

Nothing short of a broad-based political movement, grounded on the principles of socialist internationalism, can resolve the crisis of the profit

system in the interests of the working class, the overwhelming majority of society. It is to develop such a movement that the Socialist Equality Party has been founded.

See Also:

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