

Australia: Howard government returned, courtesy of Labor

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The Liberal-National Party coalition government led by prime minister John Howard has been returned to office in Australia in an election result that once again underlines the collapse of support for the Labor Party, following its 13 years in government from 1983 to 1996.

Howard won his fourth consecutive election as Liberal leader, increasing the coalition's primary vote by more than 3 percent, to 46.6 percent, largely as a result of the disintegration of the right-wing populist One Nation party, while the Labor Party primary vote remained at just over 38 percent—the second lowest result since 1931. After the distribution of preferences the result was a victory for the Howard government by 52.6 percent to 47.4 percent—representing a swing of just under 2 percent to the coalition.

With both US President George Bush and British Prime Minister Tony Blair putting in congratulatory calls to their Iraq war partner, some international media commentary has presented Howard's victory as endorsement for the war by the Australian electorate.

The London-based *Independent* claimed that voters had “delivered a positive verdict on John Howard's support for the war in Iraq” while the *New York Post* insisted that “the presence of Australian soldiers in the Coalition of the Willing had been a major issue in a bitterly fought campaign.” Taking a different tack, the *Financial Times* maintained that, in contrast to the US and Britain, “Iraq has faded as an issue in Australia.”

Both assessments are false. The election was not a referendum on the Iraq war because the issue was buried by the Labor Party and the mass media. Despite the mountain of evidence showing that the war was based on lies, Howard was never challenged by opposition leader Mark Latham, who maintained that the issue of “trust” centred on whether Howard was going to continue as prime minister for a full three-year term. The Labor Party dropped all reference even to Latham's previous comments that he would withdraw Australian troops by Christmas, and said nothing during the entire six-week campaign about the ongoing repression of the Iraqi population by US and other occupation forces. According to the Labor leader, Howard's Iraq commitment was simply a “mistake.” Latham's position was echoed by the Greens, who by and large dropped criticism of the war as well. While the Greens' vote went up by around 2.2 percent, attracting those seeking a “left” alternative to Labor, it turned out to be substantially less than they expected.

Significantly, in the prime minister's own seat, the one

electorate where the war was made an issue, there was a different outcome. Following a campaign by former intelligence officer Andrew Wilkie, who resigned in protest prior to the invasion of Iraq, and former Liberal Party national president John Valder, who denounced Howard as a “war criminal”, the prime minister experienced a swing against him of 3 percent, forcing him to preferences. Had such a result been repeated on a national scale, the government would have been ousted.

The fact that Howard felt unable to make any mention of Iraq in his victory speech on election night—supposedly his biggest triumph in more than 30 years in national politics—was testimony to the deep-seated anger over the war and the systematic campaign of lies and disinformation organised by the government.

With the war and the government's lies off the election agenda, thanks to the Labor Party, Howard was able to resort to his tried method of electioneering—a scare campaign. In the 2001 election campaign his scare tactic centred on refugees, boat people and “border protection”. Three years on, his pitch centred on a warning that, unless a Liberal government were returned, interest rates would rise, spelling disaster for heavily-indebted families who have borrowed large amounts to cover escalating house prices.

There are, in fact, real grounds for fears. A speculative property market boom has resulted in an unprecedented escalation in debt. Total household debt increased by 15.4 percent a year in the five years to 2002 and by 20 percent in 2003. In 1993, the ratio of household debt to household income was 56 percent. By 2003 it had more than doubled to 125 percent—one of the fastest rates of increase in the world.

Summing up the electoral disaster for his party, senior Labor Party frontbencher Bob McMullan denounced the interest rate scare campaign as “one of the greatest lies of modern politics.” But the reason it proved to be successful had more to do with the Labor Party than any campaign waged by Howard and the Liberals.

In his victory speech, Howard hailed Australia as a “confident nation, a cohesive nation, a united nation.” In fact the falsity of his claim was demonstrated by the nature of the Liberals' campaign, which was grounded on deep-felt economic and social insecurities, produced not only by fears of interest rate rises, where a jump of just one or two percentage points could spell disaster for many families, but by the growth of part-time and casual work. The Labor Party, however, could not address these concerns, because it adheres to the very “free market” agenda that has produced them.

In an earlier historical period, when a limited possibility existed for social and economic reforms, the Labor Party presented its program, at least in broad outline, well before an election campaign. Those days have long gone. The process of “reform” no longer signifies the improvement of social and economic conditions in the interests of the working class, but the reverse, as the financial markets and corporations insist on the unfettered operation of the “free market”.

Neither party can afford to have detailed scrutiny of its agenda. Consequently, both Howard and Latham unveiled their policies just weeks and, in some cases, days before polling day. The Labor Party never addressed the economic concerns that Howard’s interest rate campaign sought to tap into and, in the case of its timber policy, exacerbated them.

Just days before the election, without any prior discussion, Latham announced that Labor would hold a scientific inquiry into the banning of further logging of old growth forests in the state of Tasmania, coupled with an \$800 million restructuring program of the industry. The policy was presented as a *fait accompli*, whose sole aim was to secure preferences from the Greens. Fearing that their jobs were on the line, timber workers rallied to Howard as he pledged to maintain the status quo. In the event, the Liberal Party gained two of Labor’s Tasmanian seats.

Apart from Howard’s increased majority in the House of Representatives, the other major outcome of the election was that the coalition will most likely have a majority in the Senate. Since it came to power in 1996, the government has had several major pieces of legislation blocked by Labor and the minor parties in the upper house. Measures held up include the privatisation of the telecommunications giant, Telstra, industrial relations legislation that would make it easier for small firms to carry out sackings, and changes to disabled pensions, forcing recipients to seek work.

Throughout its term of office, the government has been continually criticised by corporate and financial interests for moving too slowly on these areas of privatisation, taxation, industrial relations and welfare.

Now that the Senate constraints appear to have been removed, the demand for the implementation of a “reform” agenda is being stepped up.

Under the headline “Vote means no more excuses”, the editorial in today’s *Australian Financial Review* declared that Howard now had the chance to make amends for his previous lack of “reforming vision.” It was necessary to raise productivity with urgent action on the sale of Telstra, the deregulation of media ownership, tax and welfare reform to cut marginal tax rates, and action to “trim welfare rolls.”

The editorial writers at Rupert Murdoch’s flagship, the *Australian*, were positively salivating. The removal of the “logjam” in the Senate should see “the ignition of a new reform program that can make Australia more competitive in the world.” The bills still stalled in the Senate were a “potential economic bonanza.” The privatisation of Telstra and changes to cross-media and foreign ownership laws would be just a beginning. The government would have no excuse for not implementing “root-and-branch” reform of the taxation system, including a cut in the top rate to 30 cents in the dollar (from the present level of 47 cents),

thereby leaving “billions in the pockets of the people who earned it and who know much better than the government how it should be spent.”

These editorial comments express, at least in outline form, some of the key agenda items of the fourth-term Howard government: the removal of legislative constrictions on business and finance and deepening attacks on the social conditions of the working class.

Major political and economic conflicts lie ahead. But the working class will not be able to advance its independent interests in these struggles through the Labor Party. This election campaign has again underscored the fact that it is a moribund organisation.

Two decades ago, almost one in two voters supported the Labor Party in elections. Today that figure has dropped to just over one in three and has showed no upward movement for the past decade. Within these quantitative changes, there is an even more significant qualitative transformation. In the earlier period, large sections of working people saw in the Labor Party a prospect for economic and social reform. That is no longer the case.

Herein is the significance of the campaign waged by the Socialist Equality Party. In opposition to the various radical tendencies grouped in the so-called Socialist Alliance, which based their politics on a “revival” of the Labor Party or pressuring the Greens to the left, the SEP insisted that the central issue confronting the working class was the development of a perspective grounded on socialist internationalism and the construction of a new political party of the working class.

While the SEP received a small number of votes—412 for Mike Head in the seat of Werriwa, 187 for James Cogan in Kingsford Smith, 166 for Peter Byrne in Batman as well as an initial count of 269 for Nick Beams and Terry Cook in the Senate—vital political issues were clarified in the election campaign, laying the foundation for important advances in the struggles ahead.



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