

Government campaign launch

Howard's desperate appeal to big business

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The official launch of the coalition government's federal election campaign in Brisbane yesterday saw Prime Minister John Howard, Treasurer Peter Costello and Deputy Prime Minister Mark Vaile issue a desperate plea to big business to allow them another term in office. The three leaders insisted they were the only true "economic conservatives" and that Rudd's right-wing, pro-business pronouncements could not be trusted.

The stage managed media event, held before a handpicked audience largely comprised of Liberal and National Party parliamentarians and staffers, epitomised the unreal character of the entire official campaign. Why, one might well ask, did the government wait more than four weeks into the six week campaign to hold its "launch"? Because parliamentarians can continue to spend public money covering their airfares, accommodation, office expenses, and other campaign costs up until the day of the official launch. That is why all the parliamentary parties postpone these events for as long as they possibly can. That way they can siphon the maximum public funds for their electioneering. Labor's official launch will be held tomorrow.

Yesterday's event demonstrated the degree to which the government has been unnerved by the Labor Party's largely successful efforts in winning media and corporate support on the basis of outflanking Howard from the right.

Labor leader Rudd has criticised the government for not going further in pushing through economic reforms; and, heeding the advice of the Murdoch press, has promoted himself as a Blair-style "Labor moderniser". The Howard government has attempted to counter this by insisting that the opposition leader does not really mean what he says. Thus yesterday's truly bizarre spectacle of Costello and Vaile trying to red bait Rudd by associating Labor with socialism and communism.

"[Labor] would have you believe there were never reds under the bed, just economic conservatives," Costello declared. "Poor economic conservatives, just wanting to be free. It is absurd. It is a pretence to see them through to government." The treasurer also referred to Labor deputy

leader Julia Gillard's membership of Socialist Forum in her university days.

Costello's diatribe was followed by Mark Vaile's description of Rudd's so-called education revolution—a series of meagre promises on higher education spending—as "something you hear about in a communist country, not in Australia".

These remarks underscore the mounting panic within government ranks.

The official campaign launch coincided with the publication in the *Australian* of yet another opinion poll showing Labor ahead on a two-party preferred basis 55 to 45 percent. None of the government's manoeuvres this year, or its campaign spending promises, has managed to shift the polls even slightly. Moreover, there is growing evidence that the Australian ruling elite is preparing to swing decisively behind Rudd.

Howard's speech consisted of a series of right-wing nostrums concerning individual responsibility and the family, boasts about the state of the economy and new promises of more public subsidies for private schools and day care facilities.

Remarkably, none of the central themes of Howard's previous election victories was even mentioned. The word "terrorism" was not uttered, nor "refugee" or "border security". Similarly, Iraq and Afghanistan were only indirectly referred to in the context of Howard's tribute to Australian troops working "in many trouble spots around the world". The silence on all these issues reflects the overwhelming hostility of ordinary people to the Howard government's lies on foreign policy, terror threats and "children overboard".

Howard's speech centred on a plea to be given more time to advance his agenda. "I want to complete the transition of this nation from a welfare state to an opportunity society," he declared.

This message was clearly directed towards the ruling elite. By "welfare state" the prime minister means any public support for the most impoverished and vulnerable layers of

the working class, including Aborigines, the disabled, single mothers, refugees and the unemployed. Under Howard, these social layers have been subjected to a series of punitive measures and forced into low-paid and menial work. This is what Howard's "opportunity society" means for millions of ordinary people—a life of constant economic insecurity, debt, housing stress and unaffordable health and education services.

Howard's aversion to the welfare state does not extend to the doling out of billions of dollars worth of public subsidies to major corporations and the wealthy. He announced yesterday that the government would pay the existing 30 percent rebate for childcare fees directly to childcare companies rather than to parents through tax returns. This will potentially see billions directly handed over to the private childcare operators, who are already making enormous profits. Howard claimed that parents would see fees drop once the reform is introduced. What will in fact occur is that the childcare companies will pocket the new subsidies, while continuing to ratchet up fees. This is what the private health insurance companies have repeatedly done ever since the government brought in a 30 percent rebate for their services.

Howard also announced that parents would be granted an education tax rebate worth \$400 per primary student and \$800 per secondary student. This money, he said, could be used for any education-related expense—including private school tuition fees—and could be claimed by anyone, irrespective of their income. The new rebate provides another means through which the government can funnel public money into private schools, while continuing to deliberately run down the public education system.

The prime minister also pledged to create savings accounts for people looking to buy their first home. These accounts would be tax-free, with those wealthy enough to put aside \$1000 a year eligible for a tax deduction. Howard claimed these measures would help address the national housing crisis, in which few working people can afford to purchase a home in any of Australia's major cities. In reality, the government's plan will do nothing to resolve a crisis that has been caused by the near-complete destruction of public housing development and the domination of the "free market" over every aspect of urban planning.

Howard combined these spending promises with the government's usual rhetoric concerning Australia's supposed unprecedented prosperity. This idea—echoed by the media and all the parliamentary parties—reflects the enormous chasm now separating the milieu of the political, media, corporate and celebrity elite from the lives of ordinary people. The China-driven resource boom has enriched a narrow layer that has profited from the property

and stock market boom, while broad sections of the working class have been hit by higher costs of living through rising interest rates and higher fuel, groceries, and housing costs. Escalating social inequality, poverty, and debt have not been mentioned by any of the major parties.

This grotesque distortion found its apotheosis in Howard's speech yesterday when he boasted of meeting young people in Penrith, a working class suburb in western Sydney, who had just finished school and "are literally bubbling over with enthusiasm about getting into the labour market knowing that they can confidently not only get a job but also get the job they want". The reality is that youth unemployment remains chronic in many areas of western Sydney and, together with a lack of basic social and recreational infrastructure, leads to a widespread sense of despair and hopelessness. Young people in places like Penrith, looking for a job with a high school diploma, would be hard pressed to find even low-paid casual or part-time contract employment.

The Howard government's efforts to use its campaign launch to resecure big business and media backing fell rather flat. Most of the official commentary centred on the possible inflationary impact of the prime minister's promises. The *Sydney Morning Herald's* front page story, headlined "Granddaddy of all splurges", estimated that the measures announced yesterday would cost \$9.2 billion, making total government spending promises during the campaign a hefty \$64 billion.

The Reserve Bank again raised interest rates last week—the first time this has ever happened during an election campaign—and warned that excessive public spending will lead to further increases.

Criticism is mounting of the Howard government's reckless efforts to win re-election through major spending promises. "Mr Howard is not offering a return to more disciplined, smaller government, despite his warnings of the need for caution by voters because of economic turbulence ahead," the *Australian's* lead editorial complained today.

Rudd demonstrated his "economic conservative" credentials by pledging that Labor's spending commitments would be considerably lower than the government's.

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