

“Reckless spending must stop”

Labor leader’s campaign launch pledge to corporate Australia

Patrick O’Connor, Socialist Equality Party candidate for Grayndler
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Opposition leader Kevin Rudd’s extraordinary speech yesterday at Labor’s official election campaign launch centred on a pledge to obey the dictates of the financial markets by reining in public spending.

Rudd’s address demonstrates once again that there is nothing the Labor Party will not do to win corporate backing. The opposition’s entire election campaign has been aimed at convincing the ruling elite that Labor is best able to deliver the next wave of right-wing “free market” economic “reform”.

Labor’s campaign launch was cast as a direct response to sharp media criticisms of Prime Minister John Howard’s election spending promises.

During the government’s official launch on Monday, it announced new policy promises costing \$9 billion. An *Australian Financial Review* editorial on Tuesday accused Howard of “throwing money around like a drunken sailor” and running an “opportunistic and unprincipled” re-election campaign. Financial commentators warned that the spending promises would heighten inflationary pressures and counteract the Reserve Bank’s efforts to restrain economic growth through a succession of interest rate hikes.

“I have no intention today of repeating Mr Howard’s irresponsible spending spree,” Rudd declared yesterday. “Unlike Mr Howard, I will heed the warnings of the Reserve Bank... Unlike Mr Howard, I don’t stand before you with a bag full of irresponsible promises that could put upward pressure on inflation. Today I am saying loud and clear that this sort of reckless spending must stop. I am determined that any commitments I make are first and foremost economically responsible... I have said I am an economic conservative. Today, I deliver on this undertaking.”

In other words, a Labor government will not commit

public money to fund decent public healthcare, education, and other vital social services. Not even a fraction of the enormous budget surplus—created courtesy of the boom in mineral exports to China, Howard’s regressive goods and services tax and his government’s massive cuts to public services and facilities—will be diverted to address poverty and disadvantage. By making this his central campaign commitment, Rudd is telegraphing a clear message to corporate Australia: my Labor government will be even more ruthless than Howard’s in prosecuting your interests.

Notably Rudd’s emphatic declarations of economic conservatism received the loudest rounds of applause from the handpicked audience—largely comprised of past and present Labor parliamentarians, staffers, and union officials.

Those spending promises he did make, cost “less than one-quarter of Mr Howard’s promises,” Rudd boasted.

Most of these centred on Labor’s so-called “education revolution”. Rudd promised an additional 450,000 training places and 65,000 more apprenticeships. He said Labor would connect every school to a new high speed broadband network and ensure secondary students had access to their own computer. Undergraduate and postgraduate university scholarships would be doubled.

Rudd’s “education revolution” is a fraud. Labor fully agrees with the Howard government’s privatisation of education. All its proposed measures will see the further running down of public education. Rudd will maintain the annual multi-million dollar pay out of public money to elite private schools and will do nothing to reverse the Howard government’s massive cuts to university funding. Universities will not receive an additional cent under his “revolution”. An article in the *Australian* today noted that even after Labor delivers its promised reforms, Australia

would rank 20 out of 28 OECD countries on education spending relative to gross domestic product.

Rudd promoted his education measures as a means of satisfying business demands for a more skilled workforce. Every one of Labor's policies—including carbon trading, renewable energy, water infrastructure, and broadband—is directly pitched at big business.

On all these issues Rudd portrays Howard as behind the times and yesterday's man. The podium at yesterday's launch featured the slogan, "New leadership. Fresh ideas". Large parts of the Labor leader's speech consisted of a succession of mechanically repeated sound bites and catchphrases. For example, he uttered the word "future" 31 times. While the Labor Party logo was not even visible during the television broadcast, "Kevin 07" slogans and t-shirts were given pride of place.

The entire upbeat affair was completely manufactured. Rudd, like Howard, delayed his official campaign "launch" until the final stages so that Labor parliamentarians could continue to have their campaign costs covered by public money. The two parties even held their events in the same venue in Brisbane, Queensland—because they are both desperate to win every vote possible in the north-eastern state, where a number of marginal seats are located.

Much of Rudd's speech dealt with the Howard government's industrial relations WorkChoices legislation. Labor hopes that its purported opposition to these laws will win support from the many workers and young people who are deeply opposed to its savage cuts to wages and entitlements. Rudd's stated commitment to "fairness" and "decency" in the workplace is a cynical ploy aimed at covering over Labor's essential agreement with the Howard's measures. Its industrial relations policy retains all the key components of WorkChoices, with the only difference being Labor's insistence that the unions continue to play their role as the industrial police force.

Throughout the period of 1983 to 1996 the Hawke and Keating Labor government joined with the unions to suppress wages and carry through a massive transfer of wealth from the working class to the wealthy. It was notable, therefore, that Labor's launch featured an apparently newly reconciled Hawke and Keating (normally kept well apart since they reportedly despise each other), together with Labor heavyweight Gough Whitlam, standing hand-in-hand to a standing ovation. All three clearly embrace Rudd's right wing program as a continuation of their own.

Predictably, Rudd's performance received rave reviews in the corporate media.

"The *Australian* believes Mr Rudd has done the right thing and deserves congratulation," beamed the national Murdoch newspaper. "The promise of greater financial rectitude is nonetheless both a bold statement by Labor and a calculated risk... If he succeeds, Mr Rudd has set a worthy precedent that may change the way campaigning is done in the future, for the better."

Two days earlier, Rupert Murdoch, visiting Australia for a News Corporation shareholders' meeting, had been asked whether a Labor or Liberal government would be better for his company's profits. "I am finding it difficult as an outsider coming in for two days to distinguish between them," he replied.

The "dirty digger" went on to demand lower business taxes and to defend Australia's participation in the US-led occupation of Iraq.

Any lingering concerns the billionaire businessman might have had on these issues would have been assuaged at Labor's launch. Rudd referred to the Iraq war just once, when he called for an "exit strategy" for combat troops—that is, about one-third of total Australian forces in Iraq—"who are needed much closer to home". Rudd wants troops withdrawn so that they can be deployed to bolster Australia's own neo-colonial operations in the Pacific region, where they are being used to carry out "regime change" to install governments aligned with Australian financial and strategic interest.

Rudd said nothing about the Bush administration's preparations to wage war against Iran, nor the situation in Afghanistan, nor the so-called "war on terror". The deliberate silence reflects the continuing bipartisan agreement on all these issues between the major parties—and between both of them and Washington.

Authorised by N. Beams, 100B Sydenham Rd, Marrickville, NSW

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