Australian PM marks first 100 days as Murdoch demands "stiff dose of Brutopia"

Laura Tiernan 13 March 2008

Yesterday marked the new Australian Labor government's first 100 days in office. Just weeks after Prime Minister Kevin Rudd's formal apology to the Aboriginal stolen generations—hailed by the media as an exercise in "national healing" and "reconciliation"— Rudd has used the 100-day milestone to underscore his commitment to "fiscal conservatism".

The 100-day occasion has been observed with considerable fanfare in the big business news media, with accolades from the Murdoch and Fairfax press. From the small '1' liberal commentators, praise was especially effusive. *Sydney Morning Herald* columnist Annabel Crabb wrote of Rudd's "unprompted acts of kindness, performed without apparent political motive, [which] sparkle randomly and confoundingly from this otherwise straightforward tale of vaulting ambition." In the wake of Labor's November 24 election victory, there was, she enthused, "a humanisation in his personal style".

Dennis Glover, writing for the *Australian*, compiled a list of the Rudd government's "early achievements": "ratification of the Kyoto protocol, an apology to the Stolen Generations, the end of the Pacific Solution, the settlement of compensation for Cornelia Rau, clearing the way for Mohammed Haneef to return to Australia, relaxation of some of the onerous restrictions on David Hicks, a pledge to bring combat troops home from Iraq, and the introduction of legislation to repeal WorkChoices."

"Rudd's government looks like a progressive, not a conservative, Labor administration," he concluded.

Glover, a former speechwriter for Labor leaders Kim Beazley, Simon Crean and Mark Latham, is part of a veritable phalanx of journalists, academics and "public intellectuals" who have seized on Rudd's "symbolic acts" to promote illusions that Labor is a socially progressive government.

The "early achievement" of Rudd Labor has been its appeal to precisely this affluent section of opinion makers. During the past 100 days they have all become pro-Rudd converts. Having dropped their previous (albeit timid) criticism of the Labor leader's me-tooism with former Prime Minister John Howard, they are busily furnishing Rudd and his ministers the required support, gloss and spin for a program that is even more right-wing than that of their Coalition predecessors.

The asking price of this social constituency has not been high. Rudd Labor brought them across with the merest tweaking and re-packaging of Coalition policies, jettisoning those aspects of Howard's agenda—particularly his resort to racism and fear—that had, by last November, already unravelled beneath the weight of overwhelming public opposition.

Remove Crabb and Glover's rose-coloured glasses and Rudd's first 100-days are anything but "caring". The military intervention into the Northern Territory, launched by the Howard government, proceeds apace, with ever wider areas subject to draconian welfare quarantine provisions—now extended by Rudd into Queensland and Western

Australia, and to impoverished non-indigenous populations. The system of mandatory refugee detention, illegal under international law, has been preserved intact. Labor's industrial relations policy has been enacted, retaining the core elements of Howard's hated WorkChoices legislation, including individual contracts and anti-strike provisions. And while Rudd has pledged to withdraw Australian combat troops from southern Iraq, logistical support for the Bush administration's criminal occupation will continue. Meanwhile the prime minister has flagged increased troop numbers for Afghanistan and has deployed 350 more police and military personnel into East Timor, to protect, not the local population, but Canberra's control over lucrative oil and gas reserves.

Opinion polls released on February 25 show support for Rudd at 71 percent, the highest popularity rating for a prime minister in more than two decades. These polls reflect widespread illusions that Labor represents a departure from the policies of the Howard government. They are also the outcome of a concerted 100-day campaign to revamp Rudd's image, casting the aloof technocrat, former career diplomat and senior public servant (whose moniker was "Dr Death"), as "just an average dude on the street" (*Sydney Morning Herald*, March 1, 2007). A range of stunts, including "community cabinet meetings" and inquiries into petrol and grocery prices, have been consciously developed to foster the image of a government willing to listen to ordinary people.

Publicly, Rudd speaks of "keeping faith" with the electorate. But in the pages of the financial press the new PM is less circumspect. In an interview published in the *Australian Financial Review* on March 1-2, Rudd pointed to the underlying imperatives at work, bluntly explaining his government's symbolic measures were really a softening-up operation: "[I]t's very important to have the trust of people when in future you are going to be taking hard decisions."

Rudd Labor is winning "the trust of the people"... for the sole purpose of enforcing a program completely inimical to their interests. This is in keeping with the entire history of the Australian Labor Party, which has formed the central prop of capitalist rule in Australia over more than 100 years. In every period of global crisis, from World War I, the Great Depression, World War II, the break-up of the post-war boom in the early 1970s, and the vast transformations in world economy in the 1980s and early 90s, the ruling class has relied on Labor to enforce its demands—at the direct expense of the working class.

Last week, in an interview with the *Australian*'s Paul Kelly, former Labor Prime Minister Bob Hawke alluded to this essential function. He explained that when Labor came to power in 1983, Australia was a "riven country". It had been necessary then, as now, to establish "a link and trust with the electorate". This was the meaning of the economic summit convened at federal parliament by Hawke's government in March 1983. It brought together the chief employer groups, the Australian Council of Trade Unions (ACTU) and Labor, advancing the need for "consensus". Hawke told Kelly: "Mungo MacCallum [a former Canberra journalist] came up to me at the end of the 1983 summit and said, 'Hawkey, it was

all f..king bullshit but it worked.' And it did work. My belief was that you could bring people together and get a basis for economic change and that worked."

What "worked" was the greatest reversal in the social position of the working class in Australia's history. The program of "consensus" implemented by Hawke consisted of an unrelenting 13-year assault on jobs, working conditions, living standards and the democratic rights of the working class. Hawke, who now resides in a multi-million dollar mansion in Point Piper, pontificated to Kelly that, "I had the feeling that the Australian people were prepared to accept the challenge and make the sacrifices." But the "sacrifices" were extracted from the working class by force, with the trade union bureaucrats acting as industrial policemen, suppressing and betraying the many bitter and protracted struggles that erupted during the 1980s and early 1990s against Labor's pro-business agenda.

Hawke's words, and his glowing support for Rudd's own early acts of political symbolism, are highly revealing. Behind the word "sorry", no less than "consensus", stands a mailed fist.

Over the past fortnight the Murdoch press has issued a steady flow of commentary making clear that the time has come for Rudd to deliver the goods. The *Australian*'s February 25 editorial observed that: "Up to now, Mr Rudd has enjoyed massive approval for undertaking major symbolic acts—signing the Kyoto protocol, saying sorry to the Stolen Generations—but the time for pain-free politics, is over". Rudd and Swan, the editorial warned, had so far "talked the talk on fiscal conservatism, spending cuts and federal-state reforms but now they have to walk the walk." It called for spending cuts of \$31 billion in the forthcoming budget, declaring this would mean "taking the axe to welfare".

As in the early 1980s, Labor has come to power at a time of deepening economic crisis, in this case, with mounting inflation worldwide, a global credit squeeze and the United States moving into recession. The Australian ruling class is demanding that Rudd Labor deal with this confluence of events.

The Australian's editor-at-large Paul Kelly spelt this out in a March 1 feature article in the Weekend Australian entitled "Brace for it".

"The most important unseen event in the first 100 days of the Rudd Government", Kelly wrote, "has been the sobering economic briefings given to Kevin Rudd and Treasurer Wayne Swan by their advisers, best captured in the RBA's February monetary policy statement.

"Australia faces the risk of an inflation breakout. In order to bring inflation under control the RBA intends to impose a growth slowdown on Australia that will dampen domestic demand, involve more interest rate increases during the next six months, intensify the price pressures on working Australian families and increase the unemployment rate by a significant extent.

"There is no alternative. It will occasion a hefty jolt to our economy and society... the pain imposed on Australian families in their first term will be serious."

Labor is being relied on to carry out this "hefty jolt" under conditions of complete disarray in the Liberal and National parties, with Opposition leader Brendan Nelson's approval rating down to a parlous 7 percent. An editorial published in last Friday's *Australian* observed that recent media attention focusing on the "minor transgressions" of a "dejected opposition" were a pointless distraction from examining the real issue: the "shortcomings" of Rudd Labor.

"The Prime Minister's biggest political challenge at this time does not come from the Opposition Leader or Treasury spokesman Malcolm Turnbull but in how he intends to hose down the expectations of supporters from the Left who think he will be radically different to Mr Howard... At some point, Mr Rudd will be forced to ditch the Brutopia critique he levelled at Mr Howard... Mr Rudd and the Treasurer are being called upon to offer a stiff dose of Brutopia of their own to assist the

Reserve Bank's efforts to subdue inflation."

Murdoch's editorial writers went on to outline their Brutopian prescriptions: "They should concentrate on unwinding the middle-class welfare edifice through which Mr Howard sought to buy his relationship with voters. In doing so, Labor will be forced to destroy the myth that Mr Howard was a fiscal conservative who lacked social compassion. It will confirm *The Australian*'s longstanding criticism that Mr Howard led a reform-shy, big-spending administration that fostered a dependence on government."

Rudd has moved swiftly to accommodate these demands.

In a series of media interviews the new PM has declared his government's plan to fight inflation would mean "pain" for working families. "Nothing happens in politics for free," Rudd told the *Australian* on March 3, "there will be pain." In fact, the word "pain" has become something of a standard refrain. Rudd and his Treasurer Wayne Swan speak routinely of the "pain" they will soon bring to working families, as if the mere act of acknowledging deepening social distress somehow exonerates the government's role in causing it.

Rudd has confirmed that his razor gang will slash more than \$20 billion from government spending in the federal budget to be handed down on May 18. Finance Minister Lindsay Tanner, a leading light in the Victorian Socialist Left faction, who is heading up the Rudd government's razor gang, has instructed all government departments to identify savings of 3.25 percent. According to one Treasury insider, Tanner plans to comb expenditure "line by line" throughout 2008, a systematic slash-and-burn approach that has not been conducted "in decades". Meanwhile Rudd has called on the ACTU to deliver wage restraint. Both measures, combined with the Reserve Bank's lifting of official interest rates (its 12th consecutive rise), will place the burden of inflation squarely onto the working class.

Mindful of the reasons behind the vote against Howard in last November's election, the PM is moving to hose down public expectations that Labor will bring relief to working people from growing cost-of-living pressures. In a March 1 piece in the *Australian* entitled "Rudd says no to Left agenda" the PM warned that if people had voted Labor in the hope that he would reveal an agenda for left-wing reform, then "I think they might have elected the wrong guy".

Politics, Rudd opined, had moved "beyond the classical Right-Left paradigm". "Its time to put some of these classical, and I think arcane, divides behind us."

Like Blair's discredited Third Way rhetoric in Britain, Rudd's denunciation of an "arcane" class divide amounts to a commitment to safeguard the interests of the financial and business elite while repudiating even the most tenuous association with Labor's social-reformist past. Rudd has declared that he will take no orders from the "left", but he has no such qualms when it comes to the "right". His government's entire economic agenda is being dictated through the pages of the Murdoch press.



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