Turnbull's cabinet to deepen attacks on Australian working class

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Newly-installed Australian Prime Minister Malcolm Turnbull yesterday announced his cabinet, accompanied by supportive headlines throughout the mass media describing the changes as a "cabinet clean-out," and a "game changer."

The most significant appointment was that of former immigration and social security minister Scott Morrison to the crucial treasury position. He will be in charge of implementing the policies that the Abbott government and Joe Hockey, its treasurer, failed to deliver on behalf of the corporate and financial elites—major cuts in government spending and corporate taxes.

While voting for Abbott in last week's leadership ballot, Morrison won the position by effectively running dead and refusing Abbott's offer to stand as his deputy. He had been widely tipped to take the treasury position because of his "effectiveness" in implementing the government's vicious anti-refugee policy as immigration minister and then pension cuts during his term as social security minister.

Morrison's appointment as treasurer was supported by all sections of the media, top levels of the Liberal Party and by Turnbull himself. This comes in the wake of his unique contribution to establishing the Australian government as a by-word for the illegal and inhumane treatment of asylum seekers under the auspices of Abbott's mantra, "turn back the boats."

He will now bring this approach to the Turnbull government's central task—cutting public spending and targeting the social conditions of the working class as part of major "economic reform."

Given his record as immigration minister, where the military was deployed to turn back asylum seeker boats and place hundreds of lives at risk, in contravention of international law, Morrison issued what can only be taken as a chilling warning about his approach to his new role.

"In the days and weeks ahead I will be bringing my team together, taking briefings and consulting widely," he said. "My intention is to take the same deliberate, conscientious and methodical approach to these issues as I have applied in previous roles."

While receiving little coverage, a significant appointment to Morrison's "team" was the elevation of extreme right-wing Liberal Party factional operative Alex Hawke to the position of assistant minister to the treasurer.

In an editorial published today, the *Australian Financial Review* spelled out the essential task of the government and Morrison's specific role. It said the failure of Abbott and Hockey to carry out the "sort of policy changes required to secure our modern prosperity is what brought them to grief." Turnbull, it continued, had outlined a "bold ambition" to embrace the new "disruptive forces" reshaping the global economy and it would be up to Morrison to implement it.

So far in his parliamentary career, the editorial continued, "Morrison has displayed the resolve to implement Mr Abbott's boatpeople policy as minister for immigration and border protection and in gathering support for clipping the growth in the aged pension as minister for social services."

The rhetoric issuing from Turnbull, with the enthusiastic support of the media, about the need to embrace disruptive change, and adopt a "nimble" and "innovative" approach to the vast changes in world economy, is so much window-dressing. The investment boom, generated by rising exports to China, which provided a certain amount of protection to the Australian economy from the full effects of the global financial crisis, has come to a halt. The corporate and financial elites are demanding an assault against the working class. More than three years ago, Hockey spelled out the agenda as "ending the age of entitlement," but proved incapable of implementing it.

The essential policy planks include: major cuts in health

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and social services; tax reform—in essence an increase in the regressive Goods and Services Tax—to make way for cuts in corporate taxation rates; and industrial relations "reform" aimed at further eroding wages and working conditions.

As head of the Abbott government's National Audit Commission, former Business Council of Australia chief Tony Shepherd wrote on Friday that one of the main problems facing the Australian economy was a minimum wage rate that was among the highest in the OECD group of major economies and penalty rates that were "killing" small business.

At the centre of the Turnbull government's strategy is an attempt to win a social base for this reactionary agenda among layers within better-off sections of the middle class by portraying the government as "progressive" and "innovative."

Hailing Turnbull's "brave new world," the *Sydney Morning Herald* pointed to changes "more dramatic than foreshadowed," including the country's first-ever female defence minister, the first female cabinet minister within the treasury portfolio, and the first indigenous member of parliament to be appointed a member of the Executive Council.

Writing in the *Australian Financial Review*, political columnist Laura Tingle gushed: "Malcolm Turnbull has put a long overdue bomb under the coalition, not just clearing out dead wood or Abbott loyalists but repositioning the government on key policy areas and, as a result, stealing the future from Labor. The sheer scale of Turnbull's renovations is breathtaking."

The Murdoch press took up the same theme. The *Australian's* editor-at-large Paul Kelly wrote there had "never been anything like this in our politics—a sweeping reconstruction and renewal of a first-term government." While there had been no election, Turnbull had put his stamp all over the Liberal party, with the unifying slogan being "a contemporary 21st-century government." An editorial in the same newspaper said the ministerial changes were "transformative" and intended to "embrace the future."

Foreign policy issues received little media coverage, because Liberal Party deputy leader Julie Bishop continues in the post of foreign minister. Nevertheless, they are being keenly studied in ruling circles both in Australia and internationally, because of the importance placed by Turnbull on Australia's economic ties with China.

While Australia is strategically committed to the US alliance, which Turnbull fully supports, the issue remains whether, at some point, closer economic integration with China will come into conflict with Canberra's commitment to Washington's anti-China "pivot to Asia."

An article in today's *Australian Financial Review* reported that both Washington and Wall Street were "watching the new prime minister closely." There was an "open question" about whether Turnbull "will operate a foreign policy more independent of the US and tilt Australia closer to China." Behind the scenes in security and intelligence circles, "Turnbull's close ties to China through years of business, family and political dealings are a point of chatter."

The article pointed to differences between Turnbull and Bishop. In a speech last month, when he was undoubtedly well advanced in his move against Abbott, Turnbull described the relationship with China as Australia's "most important" economic partnership. However, in remarks in January 2014, Bishop pointedly nominated the US as Australia closest economic partner because of the extent of American investment in the country.

"Hence," the article noted, "Americans will welcome Bishop's retention as deputy leader and foreign minister, to assist with continuity in strong relations."

The Turnbull government will maintain the Australian military interventions in Iraq and now Syria, initiated under Abbott, and commitment to the US pivot will remain firmly in place. But a defence white paper is due to be brought down later this year, in which the Australian government will define its military attitude to China, and it will indubitably come under intense scrutiny in Washington.

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