

# Australian prime minister's speech points to growing political crisis

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4 February 2017

Both Prime Minister Malcolm Turnbull and Labor Party opposition leader Bill Shorten delivered what were billed as heartland addresses to the National Press Club in Canberra this week, laying out their visions for 2017. Each speech, in its own way, underscored a profound crisis engulfing Australia's political establishment.

Donald Trump's election as US president has sent shockwaves through the parliamentary elite. Not only has Trump's campaign underlined the deep popular hostility to the major capitalist parties internationally. It has accelerated the global turn to trade war and war, with catastrophic implications for Australian capitalism, which is already reeling from the collapse of the mining boom.

The US president's naked "America First" program is intensifying the dilemma facing the Australian ruling elite as Washington ramps up its confrontation with China, Australia's biggest export market. Trump's brutal anti-immigrant measures and aggressive pursuit of the profit interests of American big business are also fuelling popular opposition to the social offensive being waged by the capitalist class worldwide.

There is already widespread working class disaffection after decades of attacks on jobs and social services by successive Liberal-National Coalition and Labor governments. According to a world "2017 Trust Barometer" published last month by PR company Edelman, the "implosion of trust" in government, business and the media in Australia is among the greatest of the 28 countries surveyed.

The "trust index" in Australia is 40, below that of the US, on 47. Last year, when Turnbull's Coalition government narrowly survived the July federal election, the proportion of Australians trusting government plunged from 45 percent to 37 percent, one of the

sharpest falls recorded, comparable only to Mexico, Russia and China.

Neither Turnbull nor Shorten has any answer to the deepening crisis of Australian capitalism or the mounting geo-political tensions and drive to war, other than a deepening assault on the social position of the working class to provide tax cuts for the wealthy and boost military spending. Like Trump, both are whipping up anti-refugee xenophobia to divide workers and divert attention from their own regressive policies and records.

Turnbull's speech gave an indication of political paralysis. It was devoid of anything new, except for a call for new coal-fired power stations. The financial media outlets immediately denounced Turnbull for not laying out any agenda to meet their demands for sweeping company tax cuts, the dismantling of welfare entitlements and a full-scale assault on workers' wages and conditions.

Writing in Murdoch's *Australian*, contributing economics editor Judith Sloan condemned the speech as "predictable, unenlightening guff" that was also "gutless." The *Australian Financial Review* said Turnbull's agenda "continues to fall short of the bold economic program needed to deal with the emerging global order."

These comments reflect the mounting handwringing by big business over Turnbull's failure to deliver on his promise, when he ousted Tony Abbott as prime minister in September 2015, to supply an "economic narrative" to overcome the public backlash that erupted against the government's austerity measures in 2014–15.

Remarkably, Turnbull virtually said not a word about Trump's victory or the world situation. There was no mention of Trump's program of protectionism and

militarism, which has already provoked tensions with China and the European powers. The only hint of the consequences came when Turnbull said his government was “disappointed by America’s withdrawal from the TPP”—the proposed US-led Pacific trade bloc now dumped by Trump in favour of threats of more open trade war measures against China.

Later, without referring explicitly to Trump’s plan to slash US corporate tax rates from 35 to 15 percent to boost profits and attract investment, Turnbull tried to use the global cutting of business taxes to demand support for his own scheme to cut the company tax rate from 30 to 25 percent over the next decade.

Acutely aware of the rising public animosity toward his government, Turnbull tried to present his tax plan—which would hand companies an estimated \$50 billion over 10 years—as a boon for ordinary workers. Without offering any explanation, he claimed that “full-time workers on average weekly earnings would have an extra \$750 in their pockets each and every year.” In reality, the spiralling global race to reduce corporate taxation will only benefit the super-wealthy, while further stripping billions of dollars from basic social spending.

Likewise, Turnbull cynically tried to dress up his pledge to promote supposed “clean coal” technology—in the interests of the coal mining giants—as a means to protect households from soaring electricity prices.

While avoiding any reference to the growing threat of war following Trump’s victory, Turnbull reiterated his government’s intentions to massively expand military spending. “No peacetime government has committed more resources to national security than mine,” he declared.

Claiming it would “create thousands of new jobs,” he described the “Defence Industry investment program”—\$195 billion for warships, plans and other weapons systems over 10 years—as a “truly a historic national enterprise.”

Turnbull also echoed Trump in demonising refugees, vowing to ensure that asylum seekers would never reach Australia. “Since 2013, Operation Sovereign Borders—an initiative that began under Mr Abbott and that I reinforced—has stopped the boats and restored integrity to our borders.”

During his National Press Club address, Labor leader

Shorten also emulated Trump’s drive to divert the rising social and class tensions in reactionary nationalist, protectionist and militarist directions. Shorten claimed to have heard the message of what was a “global phenomenon”: “Too many Australians think the political system is broken—and more than a few don’t trust us to fix it.”

Scapegoating overseas workers, Shorten demanded a drastic cut in work visas for them, to protect the “jobs of Australians.” Feigning concern for soaring levels of youth unemployment, he said a Labor government would ensure that one in every ten jobs on defence projects went to an Australian apprentice.

These policies, like Trump’s, will only divide workers and youth in Australia from their fellow workers around the world, and whip up xenophobic sentiments—a prelude to inciting workers to fight each other on battlefields in the interests of “their” national capitalist class.

Toward the end of his speech, Shorten, a former trade union chief, underlined the crucial role of the unions in peddling this divisive agenda. He declared: “We need to revive the co-operative spirit of the Hawke-Kelty consensus between businesses, unions, the Commonwealth and all sectors of our community.”

Throughout the 1980s and 1990s, under the banner of “making Australia globally competitive,” the Labor governments of Bob Hawke and Paul Keating worked hand-in-glove with Australian Council of Trade Unions secretary Bill Kelty and the entire union leadership to smash up workers’ conditions, eliminate tens of thousands of jobs and privatise major enterprises.

That offensive launched an endless process, intensified by every government since, of shifting wealth more and more into the hands of the privileged few. The speeches by Turnbull and Shorten point to the turmoil now wracking the political system as a result of the enormous discontent produced by this assault, and the escalating global geo-strategic tensions.



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