

As Liberal-National government implodes

# Australia's corporate media promote Labor's "new Keating"

Mike Head  
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With Prime Minister Malcolm Turnbull's Liberal-National Coalition government unraveling, Australia's main mouthpieces of the corporate ruling class have begun highlighting Labor's preparations to return to office as a thoroughly committed pro-business government.

While the Murdoch tabloids and other mass media outlets conducted a sensationalist "sex scandal" affair to remove Deputy Prime Minister and National Party leader Barnaby Joyce, another political operation was underway in the *Australian* and the *Australian Financial Review*.

Over the past two weekends, both newspapers published lengthy feature interviews with Labor's shadow treasurer Chris Bowen, anointing him as "possibly Australia's next federal treasurer."

The publications hailed Bowen's vows to revive the Hawke-Keating "reform" agenda that restructured Australian capitalism at the expense of the working class from 1983 to 1996. They presented Bowen as a potential new Paul Keating—a dedicated protégé of the former treasurer and prime minister, whom Bowen described as his "mentor."

Frustrations are mounting throughout the financial elite over the failure of the Coalition government, in office since 2013, to enforce its agenda of sweeping cuts to company tax and social spending. These concerns have intensified amid growing signs of Australian capitalism's vulnerability to US-China military conflicts, global trade wars, the bursting of a six-year property bubble and soaring household debt levels.

The Labor Party is being groomed, and grooming itself, to again impose on the working class an all-out assault on jobs, working conditions and basic rights, in the name of "economic reform," as it did in close partnership with the trade unions under Prime Minister Bob Hawke and Treasurer (later Prime Minister) Keating.

Labor leader Bill Shorten, alarmed by the intensifying popular disaffection with the entire parliamentary establishment, is cynically posturing as an advocate of

"fairness" and compassion for people who "feel left behind." But Bowen's interviews sent a clear message to business leaders: This is simply an electoral and political façade to enable a Labor government to find ways to implement their demands.

In last weekend's *Australian Financial Review Magazine* (AFR Magazine) Bowen declared that Labor's aim was to take office with a "mandate" for "a comprehensive reform agenda," including "budget repair" to eliminate the deficit, which is still running at more than \$30 billion a year.

Bowen accused the Liberal-National government of "derailing economic reform" by taking office in 2013 with a "small target" strategy that sought to hide its austerity plans. "Reform" was not dead, he declared, but needed a new "consensual" approach, as delivered by Hawke and Keating. Labor would harness "the forces of the broad progressive left" to "appeal to people on economic grounds."

By these "forces," Bowen means the trade union bureaucrats, upper middle class layers and their pseudo-left cheerleaders who have combined to suppress working class struggles over the past three decades. Starting with the Labor-trade union Accords and the "Australian Reconstructed" program of the 1980s, they used the demand to "make Australian competitive" to forcibly slash jobs, wage levels and hard-won conditions.

Bowen claimed that Canadian Prime Minister Justin Trudeau and French President Emmanuel Macron "have shown that you can win the arguments." Far from "winning arguments," Macron has effectively retained emergency powers and imposed labour decrees allowing bosses and unions to police mass sackings and pay cuts, while moving to gut the public service and privatise the railways. Trudeau, a big business Liberal, hailed by the trade unions as "labour-friendly," is offering low-wage conglomerates like Amazon a "business-friendly environment."

Bowen told the AFR magazine he has been working hard to raise his profile with the business community. He claimed

to have the mobile phone numbers of most CEOs of the country's 50 largest companies and done "a very substantial number" of board lunches—sometimes several in a week.

The AFR Magazine confirmed that in the past six months Bowen has had "discreet" boardroom meetings with more than a dozen companies, including ANZ, ASX, BlackRock, Coca-Cola Amatil, Mirvac, QBE, Rio Tinto and Westpac.

Bowen said he wanted to take the economic debate to "a sensible place: less confrontation and recognising that the old paradigms have not got us very far. We need wages growth but we want wages growth that is generated by economic growth."

In other words, the suppression of the class struggle must continue and workers must accept ongoing real wage cuts—even as prices for essentials like electricity, healthcare, petrol and housing soar—until rising profits supposedly spur economic growth.

Under the sub-heading "bad cop, good cop," Bowen and others harked back to the Hawke-Keating partnership, describing a two-faced division of labour between Bowen and party leader Shorten. "Bill [Shorten] and I have very complementary skill sets," Bowen said. "We work very well together."

To try to contain social discontent, Shorten has opposed the government's proposed \$65 billion company tax cuts and railed against the "greedy banks" that put "profits ahead of the national interest and the interest of mums and dads."

Unnamed "Labor insiders" told the AFR Magazine that Shorten's role was "chief salesman for Labor to the masses who are frustrated by stagnant wages." Whereas, Bowen's job was to be "the link between Labor and business."

One "Labor strategist" said: "Bill [Shorten] will be the bad cop and Chris [Bowen] the good cop. But these are matters of presentation, not of fundamentally different views about policy."

Shorten told the magazine: "We are not anti-business." The Labor leader said he had a huge regard for Bowen. "I would actually characterise our relationship as a 'bromance'... Chris has got the policy nous and the bravery to be a great Labor treasurer."

Keating also sang Bowen's praises, saying his protégé had "the right stuff" to take up his mantle of the reforming Labor treasurer.

Business chiefs joined the applause. Catherine Livingstone, chair of the Commonwealth Bank, said she has long had a constructive relationship with Bowen, saying: "I have always found him thoughtful and open." Australian Industry Group chief executive Innes Willox endorsed Bowen's "good economic sense," although Labor's opposition to the government's company tax cut plan was a problem.

That "problem" will not last long. In an extensive interview with Bowen, published on February 17, *Australian* editor-at-large Paul Kelly reminded his readers that in a 2013 book Bowen advocated "promoting growth through cutting company tax" as a "Labor thing."

The Hawke and Keating governments slashed the company tax rate more than any other government—from 49 to 33 percent. Kelly predicted: "Provided the budget improves, you can expect Bowen as treasurer at some point to propose a cut in the corporate tax rate."

Kelly, a long-time Murdoch newspaper editor and opinion writer, proclaimed that Bowen "plays a pivotal role." His "central mission" was "the creation of a new Labor reform agenda for volatile and fracturing times."

It would be "a blend of Hawke-Keating refurbished" and government intervention, dressed up as delivering social mobility and economic opportunity. "Bowen sits at the heart of Labor's strategy to tap into public disaffection by devising policies to better spread the dividends from growth."

That "mission" is fraught, however, precisely because decades of working-class "sacrifices" enforced by the Labor and union machine since Hawke and Keating have generated deep hostility. In two recent speeches, Labor Party national president Mark Butler sounded an alarm about the accelerating collapse of membership and support for both the Labor Party and the trade unions.

Bowen's interviews must be taken by workers and youth as a warning of the preparations being made for an even more reactionary and vicious Labor government, backed by the unions.



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