

Australia's financial press promotes Labor's shadow treasurer

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As the Liberal-National Coalition government, currently headed by Prime Minister Scott Morrison, is torn apart by factional warfare, Australia's primary financial newspaper has again hailed the Labor Party's shadow treasurer Chris Bowen.

"How Chris Bowen plans to emulate hero Keating as a reformist treasurer," was the headline on an *Australian Financial Review* background piece last weekend, in which Bowen restated his determination to match former Labor Treasurer and Prime Minister Paul Keating's record from 1983 to 1996 by further restructuring the economy in the interests of big business.

The promotion of Bowen as a potential "new Keating" is another warning of Labor's preparations to return to office as a totally committed pro-business government, while posturing as a champion of a "fair go" for workers in order to head off explosive social discontent.

Both the *Australian Financial Review* and the *Australian*, the other main print media mouthpiece of the capitalist class, ran "new Keating" promotions of Bowen last February, as the Coalition government, then headed by Malcolm Turnbull, began to implode.

At that time, the WSWS warned: "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."

Twelve months on, and nearly six months since the Liberal Party's most right-wing elements ousted Turnbull and installed Morrison, the tensions engulfing the Coalition and the parliamentary system are even greater. The Coalition, one of the two main big business parties, is being aggressively shifted toward the far-right in an attempt to divert the intensifying economic and political disaffection in jingoistic, anti-immigrant and militarist

directions.

After three short-lived prime ministers—Morrison, Turnbull and Tony Abbott—since 2013, the financial elite also is fed up with the Coalition government's failure to enforce its agenda of sweeping cuts to company tax and social spending. These frustrations have intensified amid worsening signs of Australian capitalism's vulnerability to the US-China conflict, trade wars, the bursting of a seven-year property bubble and soaring household debt levels.

Once again, key elements in ruling circles are looking to Labor and the unions to try to stamp out working class unrest and impose the austerity requirements of the corporate elite, as they have done in every economic and political crisis, including two world wars, the 1930s Great Depression and the 2008 global financial breakdown.

Bowen boasted to the *Australian Financial Review's* John Kehoe about his close connection to Keating. "We talk most days. Certainly several times a week," he said. Kehoe wrote approvingly: "Bowen is positioning to be the Keating of the modern Labor Party."

Labor's treasury spokesman insisted that the Hawke-Keating governments' economic "reforms" helped pave the way for 27 years of economic growth, while also "investing in the social wage," such as the introduction of compulsory superannuation. "We're doing something very similar—refreshed, updated, renewed," he declared.

Bowen disagreed that the era of reform was "dead." Instead, "the problem has been a lack of political courage to get a mandate." Thus, Bowen denounced the Coalition from the right, accusing it of lacking the courage to push through unpopular measures.

Hawke, Keating and their partners in the Australian Council of Trade Unions (ACTU) were ruthless in crushing working class resistance to their "reforms." Together they slashed corporate and high income tax rates, deregulated the economy to the benefit of the

financial elite, privatised major government enterprises, such as the Commonwealth Bank, eliminated thousands of industrial jobs and overturned hard-won working conditions.

The Labor-ACTU “political courage” included outlawing the Builders Labourers Federation—the main union covering militant construction workers—mobilising the military to break an airline pilots’ strike, imposing a series of wage-cutting Prices and Incomes accords, shutting down workplace shop committees and blacklisting workers who opposed the pro-business agenda.

Kehoe observed that Bowen and Labor leader Bill Shorten, an ex-union bureaucrat, had agreed to a division of labour. Shorten adopts a populist posture of criticising aspects of corporate behaviour and feigning concern for those “left behind” by the increasing accumulation of wealth in the hands of the super-rich, while Bowen reassures corporate leaders that Labor will serve their interests better than the Coalition.

Bowen told Kehoe he had contact details for most of the country’s top 50 CEOs in his mobile phone and is a “regular caller and texter” to captains of industry.

“Bowen is the mastermind of Labor’s economic policies and Opposition Leader Bill Shorten has given him wide latitude to develop the party’s platform,” Kehoe noted, adding “corporate leaders consistently speak highly of Bowen and his open door policy.”

Graeme Samuel, a former government competition regulator, Macquarie investment banker and one-time treasurer of the Liberal Party’s Victorian state branch, agreed. He said that his ongoing dealings with the would-be treasurer, Bowen had always demonstrated “economic common sense.”

Bowen denied that Labor was anti-business, pointing out that it opposed the Coalition government’s legislation to force energy companies to divest assets if they charged too much for electricity and had a “more rational” climate change policy.

At the same time, Bowen revealed Labor’s nervousness about the popular discontent and explained the need for Labor to put on a political show. He told Kehoe that Labor’s “fairer” distribution of taxes would help to stem the rising tide of global populism. Kehoe said Bowen was “aware many people in the suburbs and the regions feel the spoils from Australia’s 27 years of unbroken economic growth have not been shared around equally.”

In reality, while Labor has promised to curtail, in a limited way, some tax handouts to wealthy investors, such

as “negative gearing” subsidies for landlords, it is offering large corporations lower taxes than the Coalition. Under Labor’s “Australian Investment Guarantee,” unveiled last March, companies can immediately enjoy tax deductions of 20 percent of investment in eligible depreciable assets over \$20,000.

While Kehoe lauded Bowen, he warned Labor not to deviate from its commitment to the financial markets to cut government spending in order to also generate bigger budget surpluses than the Coalition. Kehoe noted that Bowen had pledged to “improve the budget bottom line to build a fiscal ‘buffer’ defence in case of a future economic downturn.”

In other words, the ruling class is reinforcing its message that Labor must prove that it can inflict on the working class the further cuts to living and working conditions that will be unleashed as global capitalism lurches toward another crash, as well as intensifying economic and military conflicts between the US and its rivals.

Kehoe said Bowen had already earned his spurs under the Rudd and Gillard governments of 2007 to 2013, which propped up the banks and financial markets after the 2008 global breakdown and enforced the sacrifices demanded from working class households.

“Bowen spent six years in the Rudd and Gillard ministries, including various responsibilities as assistant treasurer, minister for financial services, superannuation, competition and consumer affairs, and trying to stop the boats as immigration minister.” In mid-2013 Bowen was installed as treasurer after Rudd ousted Gillard to retake the prime ministership, just three months before Labor suffered a landslide election defeat because of its anti-working class record.



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