

Two former Australian prime ministers tout Labor's pro-business record

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Former Labor Party prime ministers Bob Hawke and Paul Keating issued a statement to the *Sydney Morning Herald* on Wednesday, touting their record of “modernising” the Australian economy through a frontal onslaught on the working class and calling for the election of a Labor government.

Their intervention into the final stages of the campaign for the May 18 federal election was part of a broader attempt by Labor to pitch itself to the ruling elite as the party most capable of forming a stable government, committed to the dictates of big business, amid an accelerating slowdown of the Australian economy.

It was particularly striking, given that the two former prime ministers have reportedly had very little contact with each other and have scarcely shared a platform for the past three decades. Keating ousted Hawke as prime minister in an acrimonious leadership spill in 1991.

Their statement centred on a denunciation of Liberal-National Prime Minister Scott Morrison’s “fallacious claim that Labor can’t manage the economy.”

Hawke and Keating declared such arguments were a “blatant denial of history.” Morrison, they wrote, “knows the design and structure of the modern Australian economy was put in place exclusively by the Labor Party.” He was advancing the “dubious proposition” that Labor “can’t manage its own creation.”

The statement was another signal that a Labor government would carry out sweeping cuts to social spending and oversee stepped-up attacks against jobs, wages and working conditions.

The legacy that Hawke and Keating were hailing, and that has been invoked repeatedly by current Labor leader Bill Shorten, was the biggest pro-business overhaul of the Australian economy in history.

In office from 1983 to 1996, the Hawke and Keating governments, working with the trade unions, implemented a similar free market agenda to that imposed by the right-wing governments of Margaret Thatcher in Britain and Ronald Reagan in the United States.

In the 1980s, the Hawke government signed a series of “Accords” with big business and the unions. These provided for the deregulation of vast swathes of the economy. This was in line with the demands of the financial elite that labour and operating costs be driven down to ensure that Australian business remained “internationally competitive” so as to attract globally-mobile capital.

The Accords were responsible for the destruction of hundreds of thousands of jobs across manufacturing and the greatest transfer of wealth from the working class to the corporate elite in Australian history.

Entire industries were decimated, with Hawke’s steel and car plans leading directly to the axing of 20,000 positions. Hundreds of thousands more jobs were destroyed as a flow-on effect, with the Accords setting in motion the union-enforced destruction of the Australia car industry and a drastic reduction in steel production.

At the same time, the highest income tax rate was slashed from 60 to 36 percent. Privatisations were carried out, including of Australian Airlines, Qantas and the Commonwealth Bank. Other state-owned services, including the telecommunications firm Telstra, were corporatised and deregulated, to prepare them to be sold-off.

In the 1990s, the Keating government, with the full backing of the unions, introduced enterprise bargaining, dividing workers, employer-by-employer, and tying wages to the speedup and profit demands of their

individual companies. Enterprise bargaining has been used by the companies and the unions to enforce an endless series of regressive agreements providing for the gutting of jobs, wages and working conditions.

In other words, when Hawke and Keating lay claim to credit for the “modern economy,” they are referring to a program imposed by Labor which has led to an unprecedented growth of precarious, insecure employment, poverty and social misery in working-class suburbs and the rise and rise of the wealth and power of the financial sector.

Hawke and Keating identified Shorten as the inheritor of this legacy, declaring that the Liberal-National Coalition had “completely given up the economic reform agenda” and that “Shorten's Labor is the only party of government focused on the need to modernise the economy.”

The statement coincided with a series of signals, from Labor, to the financial elite that it could be counted on to impose the austerity demands of big business.

At Labor's official election launch on Sunday, Shorten stressed what he claimed was unprecedented unity within Labor. This was a pitch to frustration within the ruling elite over the inability of the deeply-divided governments of the past decade to impose the dictates of big business.

At the final leaders debate on Wednesday, Shorten touted his role as a union official in telling workers that they could only have “so much” but “no more” and that they would need to accept “workplace changes” to ensure “profitability.” He also expressed his pride over Labor's role in the persecution and indefinite detention of asylum seekers.

Further evidence of Labor's pro-business program was provided yesterday by the release of its budget costings, forecasting a four-year surplus \$17 billion higher than that being claimed by the Coalition over four years. This demonstrates that Labor's vague claims that it will boost funding to healthcare and other essential services are bogus, and that the party is committed to sweeping cuts to spending.

Hawke and Keating's intervention expresses the concern within the political establishment, over mounting social anger within the working class.

The elevation of both figures was bound up with the response of the ruling elite to the period of mass social and political struggles internationally, including in

Australia, from 1968 to 1975.

Hawke, as the president of the Australian Council of Trade Unions (ACTU), had played a crucial role in politically suppressing mass opposition to the 1975 ousting of Labor Prime Minister Gough Whitlam in a political coup by the governor-general. Dominant sections of the ruling elite had turned against Whitlam, after concluding he was no longer able to control the huge increase in working-class strikes and struggles.

Hawke oversaw the restructuring of the Labor Party over the following period, to enable it to play the role that it did in the 1980s in imposing a counter-offensive against the working class, hand-in-hand with the unions and big business.

Now, there is a growing recognition within the ruling elite that amid an upsurge of the working class internationally, and a worsening deterioration of the Australian economy, that mass social struggles are inevitable.

At Labor's conference last year, ACTU secretary Sally McManus warned of a looming “tsunami” of social discontent. Shorten declared that Labor's main opponent was “distrust and disengagement, scepticism and cynicism,” i.e., among workers and young people.

Hawke and Keating, as decades-long defenders of capitalism, are, in effect, calling for the election of a Labor government, backed by the unions, to prevent these sentiments from erupting in mass struggles and above all, to forestall their development into a political movement against the profit system.

The fact that Hawke and Keating overcame their longstanding animosity to release a joint statement is testimony to the fears in ruling circles over the depth of the crisis. They provided their statement exclusively to Peter Hartcher, the foreign editor of the *Sydney Morning Herald*. A week before, he had written a column headlined “Could Bill Shorten be the saviour of capitalism?”

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