

Australian PM makes a desperate pitch to avert economic disaster

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Amid an escalating Covid-19 health crisis in Australia, and a bloodbath on share markets, Prime Minister Scott Morrison this morning delivered a fraught and lying speech to a big business forum, anxiously seeking, above all else, to stem the financial meltdown.

Morrison claimed that his primary goal was to “protect the health, wellbeing and livelihoods of Australians through this global crisis,” but it was obvious that his main concern was to protect corporate profits and prop up his discredited and despised government.

While saying nothing about the growing chaos and confusion throughout the ill-prepared health system, Morrison foreshadowed a multi-billion “stimulus” package intended to pour more tax handouts into the pockets of companies and the wealthy elite.

The prime minister spoke before the opening of the local share market—in the hope of slowing the crash that saw share prices plunge by more than 7 percent or \$140 billion on Monday. He told an *Australian Financial Review* Business Summit in Sydney that his main focus was ensuring “we are well positioned to bounce back strongly on the other side” of the economic crisis.

In other words, the preoccupation in ruling circles is how to exploit the crisis, like the global financial breakdown of 2008-09, to impose the next wave of “structural reform” to slash working class jobs, wages and conditions for the benefit of the financial aristocracy.

Up until now, the government’s response has echoed that of US President Donald Trump, who is still comparing the prevalence of the virus to the common flu. Trump tweeted last night: “Nothing is shut down, life & the economy go on.”

This morning, Morrison abandoned his dangerously misleading message, repeated for weeks, that everyone should remain “calm and confident.” He said Covid-19 is “clearly a global health crisis,” with economic impacts “potentially greater than the Global Financial Crisis for

Australia.”

Yet Morrison still falsely claimed that his government was “ahead of the curve.” He said: “We confront today a new, complex, hydra-headed and rapidly evolving challenge—the coronavirus, Covid-19. While not immune, so far we have been able to get ahead of this.”

This was said as reports flooded in that the health system is unable to cope with the disaster. A national hotline has been overwhelmed by callers seeking advice. Doctors and patients are being given conflicting information, and people urgently seeking medical tests face lengthy delays, with doctors’ clinics and pathology labs unable to cope.

Governments, federal and state, have told the public that the health system is among the best-placed in the world to handle an epidemic. Yet, potentially contagious patients are being shunted from one pathology clinic to another, often travelling on public transport. Some have been told they need to wait four days to be tested.

Australian Medical Association president Tony Bartone said: “Right now, frontline doctors feel utterly exposed.” Many doctors had found it difficult to obtain accurate clinical guidance or access to personal protection equipment, he said.

Mask makers warn that only properly-certified N95 respirator masks are effective at stopping contagion. Health experts say that because of Australia’s relatively older population, its death rate could be higher than in China. Deaths are occurring in aged care facilities, and schools are shutting down after reporting cases of infection.

So-called “panic” buying is continuing in supermarkets. That is because people have no confidence in what the government is saying, especially after its indifferent and contemptuous response to the summer’s bushfire calamity.

Morrison appealed to his corporate audience to play a

“huge” part in producing an eventual “economic recovery” by paying their bills faster and not rushing to lay off workers. But he did so only for reasons of corporate self-interest.

“Hold onto your people, you will need them on the other side,” he said. “Wherever possible, support them—whether full-time, part-time, or casual—including with paid leave if they need to take time off due to the virus.” That was because the damage to the economy “would be greater if coronavirus were to have a significant impact on the health of our workforce.”

As Morrison knows, business chiefs will ruthlessly slash jobs and wages to shore up their profits and returns to investors. Already, thousands of workers, especially those in the insecure “gig economy” created since the 2008-09 crash, are being laid off, or having their hours slashed.

Corporate giants are leading the way. Even as Morrison spoke, Qantas announced another dramatic cut to its flights and CEO Alan Joyce said he would forgo three months of his enormous pay packet. This phoney gesture is designed to insist that workers must also “sacrifice,” supposedly to hold onto their jobs.

Significantly, Morrison defined companies’ role as one of “patriotism,” with the country facing a “national interest” moment. Around the world, capitalist ruling classes and governments are likewise acting in the interests of their own rival nation-states, preventing a globally-coordinated response to the pandemic.

In the same vein, Morrison pledged that despite his Liberal-National Coalition government’s promised budget surplus being swept aside, military spending would still rise to 2 percent of gross domestic product this year—that is, about \$40 billion—meeting a commitment made to the Trump administration.

Aware of rising social and political discontent, the prime minister vowed not to cut spending on schools, hospitals or the National Disability Insurance Scheme, all severely under-funded. But with Australian capitalism heading into its first official recession for three decades, reflecting its acute vulnerability to the Chinese and global slump, these promises are meaningless.

Having rejected calls for “stimulus” measures for months, even after the bushfire catastrophe, the government will release an economic package this week. It will consist primarily of company tax concessions, investment incentives and other business subsidies.

To placate popular anger, Treasurer Josh Frydenberg said that some one-off cash payments via the welfare system may also be considered, but most likely not until

the federal budget, due on May 12.

Any such payments would be designed to boost business by giving money to people who are so impoverished they are guaranteed to spend it immediately. It would provide a cynical veneer of “fairness” so that the Labor Party and the trade unions can justify backing the government’s handouts to the rich.

In line with its own pro-corporate character, Labor has offered its “constructive” bipartisan support up-front. Its only concern is whether the package “is big enough and fast enough to make a genuine difference in a floundering economy,” Labor’s shadow treasurer Jim Chalmers said.

The union leaders are today meeting behind closed doors with Industrial Relations Minister Christian Porter and employer representatives, mainly to discuss how to prevent strikes, walkouts and other opposition by workers.

In his speech, Morrison said the government’s package would be based on seven “principles.” The most revealing is number seven: “To favour measures that will lift productivity and enable the economy to grow more strongly on the other side of the crisis.”

The *Australian Financial Review*’s editorial today welcomed Morrison’s message, saying it underlined the need for “structural reform” to “boost business confidence and drive investment.” It demanded “sharpening incentives through tax, workplace, energy market and red-tape reform.”

These are euphemisms for even greater tax handouts to the rich, the further breaking down of working conditions and gutting of safety and environmental regulation. The editorial concluded by expressing the hope that the coronavirus could be “the wake-up call” or even a “burning platform” for such measures.

That is the authentic voice of the capitalist class—exploit the disaster to accelerate the decades-long offensive against the jobs and conditions of the working class.



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