

## Australia Dossier by Don Veitch

### Keating reelected to finish off economy

*The good news is that opposition candidate Dr. John Hewson was destroyed; but Labor's Paul Keating is no better.*

**T**he March 13 federal election in Australia was a surprise victory for the Australian Labor Party government of Paul Keating. Despite the fact that nearly every major newspaper in the country urged its readers to vote against him, the man whose free trade and deregulation policies have created the worst economic conditions since the depression of the 1930s managed not only to win, but to extend Labor's majority in the 147-seat House of Representatives from 9 to at least 15 (the vote count is continuing).

The only difference between Keating and former International Monetary Fund (IMF) economist Dr. John Hewson, the leader of the federal opposition Liberal-National Party coalition, is that Hewson's "alternative program" would have brought the economy careening downward even faster. It is generally agreed that the election was won because of fear of this alternative, which included plans to introduce a 15% goods and services tax (GST), radically deregulate wages, and privatize large chunks of health, welfare, and education.

Keating will likely continue to serve the interests of the banking sector and tax evaders. Throughout the 1980s, the Liberals promised radical deregulation of banks and "market solutions" for exchange dealings, but it was then-Treasurer Keating who implemented these policies. Indeed, Liberal Party leaders have often praised Keating for implementing Liberal policies.

Keating also presided over growing unemployment, and throughout the 1980s forced wages down using a

social contract device known as "the Accord." Throughout the 1980s, real wages fell significantly.

Massive tax scams also were allowed while Keating was Treasurer. During the election, the Australian Federal Police Association claimed that \$13 billion was lost to revenue each year by organized crime and tax cheats. The Australian Federal Police claimed that police had been prevented from investigating tax scams by senior politicians. This in itself could have been used as an issue by the Liberals to attack Labor (and Keating's) record, but it was ignored.

Keating will now promote himself as the defender against the radical right wing of the Liberal Party, but this is black humor, considering Keating's track record in the 1980s.

The fact that Australia's voters largely did little better than to choose the "lesser of two evils" was attacked by the relatively new party, the Citizen's Electoral Councils. Maurice Hetherington, CEC candidate for the federal seat of Hinkler (Queensland), told the press that he was "appalled with the level of political intelligence of the electorate," and that Australians were going to continue to suffer greatly as a result of this mentality. The election, Hetherington insisted, "was a referendum on the IMF's goods and services tax. . . . What the people haven't yet realized is that the IMF just doesn't give up so easily."

Hetherington predicts that the IMF will force Keating to introduce a value-added tax, that is, "a copy of Hewson's GST," and that Keating will accede. Hetherington, the most

important alternative candidate in the race, won slightly less than 4% in an eight-way race for the federal House of Representatives.

The fact that the opposition coalition should have walked away with this election, but did not, is having heavy fallout, and the coalition is expected to fracture. National Party Members of Parliament immediately began attacking the Liberal-dominated economic policy line, as did two prominent Liberal Party backbenchers, Ken Aldred and Steele Hall. Aldred and Hall have fought a battle within the Liberal Party against the worst excesses of Hewson's free trade insanity for some time.

Former Australian Prime Minister Malcom Fraser (Liberal Party) also joined the fray, insisting that the Liberals must break the economic rationalists' stranglehold on policy.

The other half of the federal opposition, the rural-based National Party, did better than the Liberals in races where they ran their own candidates. Two National Party members, Bob Katter in Kennedy and Ray Braithwaite in Dawson, who had both campaigned against the cut in tariffs to the sugar industry, and free market policies in general, were returned with a substantially higher vote. This is a signal to the National Party to return to protecting the interests of farmers. The success of the National Party in Queensland, picking up a possible four seats, is contrasted with the dismal failure of the Liberal Party section advocating market remedies.

The independent and small party vote, almost without exception, fell through the floor. Only two independents, Ted Mack and Phil Cleary, were returned. Cleary had just recently been elected to fill the seat vacated by former Labor Party Prime Minister Bob Hawke, a campaign that he won by opposing liberal free trade policies.