

Australia Dossier by Robert Barwick

'Lucky Country' Torn into Two Nations

Behind the "new economy" facade of unprecedented prosperity, lies growing poverty and despair.

Australia, once known as the "Lucky Country" for its high standard of living, is now being torn apart socially by a soaring income gap, which is afflicting the majority of the population with rising poverty levels, increased homelessness, long-term unemployment, and a skyrocketing suicide rate.

On June 25, the Organization for Economic Cooperation and Development (OECD) hailed Australia's economy as one of the top six performers for the past decade, in a class with the United States. *The Australian* newspaper, in a special "study," chipped in to claim that, since 1983, Australia's living standard has risen by 50%; that the number of "salary-earning rich" has doubled; and that the top 10% of these have enjoyed a \$200 *per week* salary increase since 1983.

However, every gain in wealth for the wealthiest minority has come at the expense of the majority, as indicated by the following statistics: While the top 20% receive 48% of the gross weekly income, the lowest 20% receive just 3.8%; while the number of salary-earning rich has doubled, so has the number of wage-earning poor; 700,000 or 14.2% of Australian children were classified as living in poverty in 1997-98, up 12.5% from 600,000 in 1995-96; the welfare agency St. Vincent De Paul in Adelaide reported an 18% increase in the demand for welfare assistance this year over last, as have other welfare agencies Australia-wide. The country's 1.7 million pensioners, 599,000 disabled pensioners, and 397,000 single parents have seen their pensions or welfare payments fall far

behind the rate of inflation over the past four years. A "silent epidemic" of dental disease has struck low-income earners thanks to government budget cuts, to the point where dental health has become indicative of the wealth divide, with low-income workers half as likely as better-off Australians to have natural teeth. And, most tragically, 50 Australians now commit suicide each week, 80% of them male, and the suicide rate for men aged 20-39 has soared by 70% in the past 20 years.

On June 26, an alarmed Australian Council of Trade Unions (ACTU) committed Australia's union movement to halting the spread of the wealth divide. "There is a widening income gap between rich and poor, between regions and between social groups," ACTU Secretary Greg Combet said. Australian Labor Party (ALP) Opposition leader Kim Beazley picked up the theme: "Under [Prime Minister] Howard, the rich are getting richer, the poor are getting poorer, and the middle is getting squeezed. . . . We are seeing the growth of two Australias," he charged in a televised address on July 4.

However, Beazley and the ALP are utter hypocrites, for two reasons: First, they have committed their party to shift Australia into the "new economy" of information and communication industries, away from its traditional strength in primary and secondary industries. One of these "new economy" (or "knowledge economy" as the ALP prefers to style it) policies, is the promotion of stock ownership among Australians, the current rate of which is already the highest in the

world. This is setting ordinary citizens up for ruin, when the speculative stock market bubble melts down.

Secondly, Beazley and the ALP are the major architects of the "two Australias," because it was the Hawke/Keating Labor governments of 1983-96, of which Beazley was a senior member, whose free trade, deregulation, and privatization policies, blew out the current account deficit and national debt; dismantled the bulk of the country's manufacturing industries, particularly in textiles, clothing and footwear, and machine tools, through tariff cuts; and shrank the real wages of working people, while unemployment hit record official levels of 11.2%.

Beazley's hypocrisy is most evident in his and the ALP's continued commitment to free trade, which has provoked outrage in the party's trade union constituency. Beazley's old boss, former ALP Prime Minister Paul Keating, further angered unions on July 21 by claiming that people "are not seeing their jobs disappear. They are seeing a new job appear." Julius Rowe, the president of the Australian Manufacturing Workers Union (AMWU), whose industry has lost 60,000 jobs in the past two years, blasted Keating's claims as "nonsense." "The reality is that most people who lose their jobs in manufacturing end up either unemployed or in low-skilled, low-paid casual jobs such as making hamburgers," he said.

Instead of heeding their own constituency, Beazley and the ALP have stuck with Keating's free-trade policy. "We can't go backwards," Beazley told the ALP's Federal Council in Hobart on Aug. 1, speaking against an AMWU resolution to replace free trade with "fair" trade. However, even sections of his own party are disgusted with free trade, and the resolution was only narrowly defeated, 105 votes to 82.