

# Swan throwing stones at Romney from a fiscal glasshouse

**Peter Costello**



**M**itt Romney must be surely shaking in his boots. It is not because of Barack Obama. It is not because the polls have turned against him. Wayne Swan has now attacked the US Republican Party. With a heavy blow like that, poor Romney must be reeling. Swan rather prides himself on understanding American politics. Back in August, he told us, in the John Button lecture, that he grew up as a Labor activist listening to the American rocker Bruce Springsteen. Swan reckons the music of “the Boss”,

as Springsteen is known, has relevance for Australia today. For those who have ears to hear, the message is “Don’t let Australia become New Jersey”. This is apparently what will happen if Swan’s mining tax does not collect a bundle of new spending money for the Commonwealth government. It surprises me that Swan goes for a singer called “the Boss”. Surely there is a singer out there somewhere who calls himself “the Worker”? Imagine the heights to which those songs could inspire us. On Friday, Swan fronted up to a business audience with this claim in a prepared written speech: “Let’s be blunt and acknowledge the biggest threat to the world’s biggest economy are [sic] the cranks and crazies that have taken over part of the Republican Party.” First the good news. The Greek default and fragility of the euro is no

longer much of a problem. Nor is the \$US16 trillion (\$15.4 trillion) of US federal debt. China’s currency, which has long been a preoccupation in Washington, can be put in perspective. And, in a week in which Islamist militants murdered the US ambassador in Benghazi, just remember who constitutes the greatest threat to the US. It is the cranks and crazies in the Republican Party. If Romney isn’t one of them, his running mate, Paul Ryan, sure is and Romney is dancing to their tune, which makes him a pretty dangerous person, according to Swan. This weird thinking arises from the fact that legislated tax rises and spending cuts are due to take effect next year to enable the US government to stay within its debt limits. Some of those cuts will be very damaging, including cuts to defence, which will undermine US security interests in much the same

way as our government is undermining our capability with ill-conceived cuts to defence spending. Swan blames the Republicans for not increasing taxes. But US legislators frequently cross party lines. Earlier this year, 19 House Democrats voted with Republicans to oppose a tax rise proposed by their own party. It isn’t as simple as Democrats v Republicans; good v evil. These are legitimate questions for elected representatives to grapple with. There isn’t a Springsteen song to explain it to Swan. But one thing is for sure. His partisan urgings will have no influence. And Swan, who is yet to balance a budget, is not quite the right man to be lecturing the Americans. Which makes you wonder why he did it. Those who sprang to his defence pointed out that John Howard criticised Obama when he was running for the Democratic nomination in 2007. I

remember the comment well. It was a Sunday morning TV interview. Howard decided to go on the show to announce a new aged care initiative agreed by cabinet. Because Obama announced his candidature overnight, Howard was asked for a reaction, which he gave totally unscripted and in a huge surprise to the cabinet. It blew away the aged care announcement. Howard recognised it as a gaffe and later apologised to his colleagues. But Swan’s remarks were not impulsive. They were part of a prepared speech. They were carefully leaked to *The Australian* the day before to get him front-page coverage. He then backed them up with film footage for the evening TV news bulletins. This was a deliberate and cynical tactic. Swan thinks there is political advantage in attacking US Republicans. Just as he thinks there is advantage in promoting a caricature

of the US via Springsteen songs. Just as he believes there is political advantage in attacking miners such as Andrew “Twiggy” Forrest and Gina Rinehart. The idea is to generate a bit of envy and “class consciousness”. By setting up a “them and us” conflict, he hopes people will identify with Labor against all those “rich people” who, he says, are trying to rip them off, just like they ripped off New Jersey. When he talked of his love for Springsteen as a young man, Swan wanted to assure us that he had not forgotten his roots. He hasn’t. He has hardly moved on from his pre-parliamentary days as the state secretary and campaign manager for the Queensland branch of the ALP. He has always been better at electioneering tricks than public policy. **Peter Costello is a former federal treasurer.**