

# Australian SEP conferences discuss Gillard coup and the global economic crisis

**Our correspondents**  
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The sharp shift in the political situation signified by the backroom coup that installed Julia Gillard as Australian prime minister was the focus of discussion at Socialist Equality Party conferences in Sydney and Melbourne over the past two weekends on “The World Economic Crisis, the Failure of Capitalism and the Case for Socialism”.

SEP (Australia) national secretary Nick Beams opened the conferences by noting that the tearing up of the facade of parliamentary democracy to remove Kevin Rudd had given millions of people a “whiff of dictatorship”. It was a warning of the type of autocratic measures to which governments internationally were increasingly resorting, as they turned to imposing austerity measures on the working class in the wake of their bailouts of the banks and major corporations, following the onset of the financial meltdown in 2007-08.

Altogether, some 150 participants, including high school and university students, young workers, older working people and pensioners, enthusiastically debated and adopted a resolution that explained the historic implications of the political and economic turmoil, advanced the necessity of a socialist solution and outlined a program for the working class.

Underscoring the internationalist perspective that animated the conferences, Jerry White, a leading member of the SEP in the US, delivered a report on the deepening economic, social, political and environmental catastrophe being presided over by the Obama administration. The conference resolution and the reports by Beams and White will be published in full on the WSWS over coming days.

In his opening report, Beams emphasised that the coup against Rudd and the decision of the Gillard government to accede to the demands of the giant mining multinationals for the dropping of the “super” profits tax had revealed the real situation: “the economic and political order is not shaped according to the will of the people through the exercise of their vote in democratic elections, but determined by powerful corporate and financial interests, acting ruthlessly to impose their demands”.

Beams noted: “Of course all sorts of efforts are being made by the mass media and their pundits and commentators to, so to speak, close the curtains again, lest the population dwells too long on what has taken place and starts to draw political conclusions. In opposition to these attempts at cover-up, our task here is to penetrate more deeply into the events of the past days, and draw out their essential significance and implications for the future struggles of the working class.”

Beams traced the underlying causes of the financial crash that erupted to the surface with the US sub-prime crisis of mid-2007. He demonstrated that between the early 1980s and 2007, global financial assets had grown

four times faster than GDP, producing a mountain of worthless “wealth”. Now that the resulting toxic debt has been transferred onto government books, the price could only be extracted by clawing back all the social programs and other gains made by the working class in decades of struggle.

“These rapid shifts and movements in the global economy and the new political imperatives they bring forward are an essential component of the driving forces of the coup against Rudd,” Beams explained. “It was aimed at bringing to power a government ever more closely aligned with, and responsive to, the dictates of the most powerful transnational corporations and financial interests. The economic policy with which Rudd was most closely associated was the fiscal stimulus package. But that must now be changed in line with the insistence of finance capital that all governments turn to austerity measures.”

Beams said Rudd’s removal, without any resistance within the Labor caucus, demonstrated that “the Labor and trade union apparatuses not only have no connection with the needs, interests and aspirations of the working class. They are the direct instruments of the ruling class.” A new party of the international working class had to be built, in direct opposition to the various pseudo-left groups that insisted that Labor remained a “lesser evil” to the Liberal-National Coalition.

The report provoked a host of questions. In Sydney, a Chinese student asked four—about the high level of fees for international students in Australia, the Gillard government’s dropping of the mining “super profits” tax, the impact of Rudd’s removal on relations with China, and how to proceed from capitalism to socialism. Other questions followed; on the response of workers to the slump, the apparent short-sightedness of austerity measures that would cut consumer demand and the plight of the Russian working class.

Responding to a question from another student about the best outcome “for the country” in the coming federal election, Beams explained that the working class was an international class, and that no parliamentary party, including the Greens, represented its interests. The most important outcome of the elections would be for the SEP to clarify the critical issues that confront the working class, both in Australia and internationally, to develop its political consciousness, and thereby make important inroads in building the mass socialist party required to fight for a workers’ government and socialism.

In Melbourne, the questions included the relationship between financialisation and globalisation, the labour theory of value, the decline of the euro currency, the response of the American working class to the social crisis, and the implications of the threatened loss of the US dollar’s status as the world’s reserve currency.

In bringing greetings to the conference from the Socialist Equality Party in the United States, SEP National Committee member Jerry White pointed out that, in defiance of the sentiments of the vast majority of the American people, President Barack Obama “has handed the keys to the US Treasury to the most powerful financial interests”. White explained: “Trillions in public resources were used to bail out the banks and investors and assure the personal fortunes of billionaires and millionaires ... While millions suffer from unemployment and owe more money on their homes than they could possibly get from selling them, the top bankers, executives and traders are once again rewarding themselves with multi-million salaries and bonuses.”

White said the clearest example of the American social crisis and the historic decline of US capitalism was the city of Detroit. “Once the symbol of US industrial might—producing 4 out of 5 of the world’s cars in 1950 and boasting of the highest rate of home ownership and living standards due to the struggles of auto workers—today Detroit is one of the poorest big cities in the nation, with abandoned factories, burnt out homes, and where families are cut off of gas and electricity for non-payment, and the city’s mayor is preparing to shutdown whole areas of the city deemed too poor to keep up fire, police, lighting, sewer and school services.”

On the international front, White said it had become clear, as the SEP had warned, that Obama was selected to put a new face on US imperialism while escalating the criminal policies of the Bush administration, including the illegal occupations of Iraq and Afghanistan, ratcheting up threats against Iran and continuing the policies of torture, illegal renditions and secret prisons. “Confronting popular resistance to the US occupation of Afghanistan and growing military casualties, Obama has intensified the ‘good’ war in Afghanistan—now the longest in US history—and extended it to Pakistan, and continued to aid and abet the war crimes of Israel.”

After lively day-long discussions about the reports and the conference resolution, the participants unanimously adopted the resolution, which called for the building of the SEP as the new mass party of the working class: “Its aim is not the reform of capitalism, but the creation of a socialist, democratic and egalitarian society through the establishment of a workers’ government and the revolutionary transformation of world economy.”

SEP national organiser James Cogan delivered a report outlining the SEP’s plans to stand candidates in Sydney, Melbourne, Newcastle and Perth in the coming federal election and explaining the political axis of the party’s campaign. He noted that all the various ex-left groups would, in one way or another, promote the conception that Labor remained some form of parliamentary “lesser evil” and that the most important issue would be to prevent the election of Tony Abbott and the Liberal-National coalition.

“We will advance an utterly opposed perspective. Our campaign is aimed at politically preparing the working class for the challenges, dangers and opportunities it faces ... As our resolution today details, we will put forward a program that meets both the immediate and historical interests of the working class and provides the means for it to break from the Labor Party and trade unions and assert its political independence as part of a unified world movement.

“The struggle against militarism, environmental catastrophe, state repression and social inequality can only be taken forward as a struggle for international socialism and a workers’ government.”

Cogan urged all participants to join the election committees that will be established around the country to conduct an aggressive campaign for the perspective of the SEP.

Summing up the discussion at the conclusion of the Melbourne conference, Beams stressed that, just as the pseudo-left groups’ response to the current political crisis was determined by their history, and their orientation to the Labor Party and the trade unions, so the SEP’s stance was determined by its protracted struggle to establish the political independence of the working class on a socialist and internationalist program. “We base ourselves on the pending intersection of the party’s program with the coming explosive social and political struggles that will soon be waged by the working class,” he said.

Beams pointed out that in the 1972 federal elections, just after the formation of the SEP’s predecessor, the Socialist Labour League, there were enormous illusions in the Labor Party and its leader Gough Whitlam. Similarly in 1983, incoming Labor leader Bob Hawke had a definite standing among significant layers of workers. Even in 2007, there were lingering conceptions that a Rudd government would prove to be a “lesser evil” to the conservative Howard Coalition government.

“The objective conditions now exist for the development of political consciousness among broad layers of the working class regarding the nature of the Labor Party,” Beams continued. “The transformed character of the party, which we have been analysing for two decades, has perhaps not been widely apparent for ordinary working people—until now, with the Gillard coup. We need to recognise the sharp shift that has taken place, and politically prepare the working class for what is coming.”

The conferences concluded with powerful collections for the SEP’s election fund. Many participants also purchased Marxist books and pamphlets, including the SEP’s founding documents, *The Historical and International Foundations of the Socialist Equality Party (Australia)* and the *Statement of Principles* and copies of Jerry White’s book on the struggles of US miners, *Death on the Picket Line: The Story of John McCoy*.



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