Australia: Gillard touts her economic "reform" credentials but coup questions persist

Patrick O'Connor
16 July 2010

Labor Prime Minister Julia Gillard appeared at the National Press Club yesterday to deliver what the government had billed as a major address on the economy and its "reform" credentials. The event was entirely overshadowed, however, by new reports of Gillard's personal role in the coup against her predecessor, Kevin Rudd. Despite the prime minister's, and her colleagues', best efforts to "move forward" and prevent any scrutiny of the unprecedented manoeuvres of June 23-24, the still unclear story as to how Rudd was brought down, and by whom, continues to dog the Labor government.

During question time, Laurie Oakes, veteran Canberra journalist with Channel 9, asked Gillard about her meeting with Rudd the night before she was installed as prime minister: "Is it true that Mr Rudd told you that night that he was working towards an October election because he knew issues like climate change needed to be sorted out? Is it true that Mr Rudd indicated to you that if closer to the election, polling showed he was an impediment to the re-election of the government, and if leading Labor figures such as [former defence minister] John Faulkner agreed he was an impediment, that he would then voluntarily stand aside and hand over the leadership to you before the election? Is it also true that you agreed this offer was sensible and responsible? Is it true that there was then a brief break during which Mr Rudd went outside and briefed a couple of colleagues on what he thought was a deal, while you contacted your backers, and that when the meeting resumed you said you'd changed your mind? You'd been informed he didn't have the numbers in caucus and you were going to challenge anyway?"

Gillard refused to answer the questions, insisting that she would never, "for the rest of my life", reveal what was said in the meeting she had with Rudd. She absurdly attempted to present this stonewalling as a principled gesture of respect for a private discussion with the former prime minister, but it in fact amounted to a contemptuous dismissal of the right of the Australian people to know the means through which she became head of government.

Oakes's question was clearly fed to him by sources within the government, almost certainly from Rudd's supporters, if not by the former prime minister himself. It points to bitter behind the scenes infighting within the Labor Party, as well as mounting concerns among many parliamentarians that Rudd's ousting at the hands of a small cabal of factional powerbrokers and union bureaucrats may well prove to have been a disastrous miscalculation.

On Tuesday, Labor backbencher Chris Trevor, who holds the marginal Queensland seat of Flynn, declared: "It is no secret that I think the way various factional bosses treated former prime minister Kevin Rudd was absolutely disgraceful. I also think it's pretty disgraceful the way they have tried to destroy his character and his achievements since they got rid of him. I ask that the attacks on Kevin Rudd stop now."

The *Australian Financial Review*'s Laura Tingle added: "Labor is concerned that lingering anger in Queensland over the way Mr Rudd was toppled could be hurting its vote in the crucial election state, and the new claims seem certain to play to that anger... The part of the story that remains particularly unclear [regarding Rudd's political execution] is the idea that factional powerbrokers were counting numbers without any encouragement at all from Ms Gillard. 'You just have to ask yourself: do you believe in the virgin birth?' one senior right wing figure said."

Today's *Australian Financial Review* also featured a four-and-a-half page article headlined, "Kill Kevin: the untold story of a coup". The story contained additional details of the various manoeuvres by the factional chiefs in the lead up to Rudd's ousting, including information about a secret meeting in early June between the Labor Party's national secretary Karl Bitar and mining giant BHP Billiton's public affairs chief, former Labor Party national secretary, Geoff Walsh.

Consistent with the media's cover up of the real issues involved in the coup, however, the *Australian Financial Review* remained silent on the powerful interests that stood behind the faction bosses. Australia's elected prime minister was brought down by a coordinated campaign involving the major transnational mining companies and other sections of business and finance, backed by the Murdoch press—and with the likely backing of powerful sections of the US military and foreign policy establishments. (See: "What was Washington's role in the coup against Australian prime minister Rudd?")

Gillard's speech before the National Press Club was carefully crafted to demonstrate that she understand what she was required to deliver: not simply a "fresh face" for the Labor government but a new policy orientation—one more closely aligned with the latest demands

© World Socialist Web Site

of big business and finance capital. Decisive sections of the ruling elite had concluded that Rudd had squandered his opportunity to deliver various pro-business reforms, and was incapable of delivering the austerity measures the world markets were insisting upon, amid a deepening global sovereign debt crisis.

Gillard emphasised her belief in "prudent and disciplined economic management" and "strong budget surpluses". She declared: "Those expecting an old-style, spend-up-big [election] campaign can forget it. Any commitments made in the upcoming campaign will not add a single cent—not a cent—to the budget bottom line. Any and all commitments we make will be fully costed and funded." Gillard added, referring to Labor's campaign, "above all else it will be very lean", involving "hard choices and some unpopular cutbacks".

This was aimed at telegraphing a clear message to big business that Gillard's government will engineer a quick shift from fiscal stimulus policies to austerity, once the election is over. The content of this shift—making the working class pay for the financial crash through reduced public spending on areas including health, education, welfare, social infrastructure, and public sector jobs and wages—cannot be openly discussed, because such measures have no support in the population. They will nevertheless be imposed by the next government, whether Labor or Liberal.

Gillard yesterday stressed her commitment to a new wave of far reaching economic restructuring measures aimed at bolstering the international competitiveness of Australian capitalism.

She emphasised the need for greater productivity growth and "higher workforce participation". The latter will involve dragooning the unemployed and disabled into low paid employment through ever more restrictive welfare measures, including forcing people to move locations to find work. Gillard pointedly referred to Australia's "economic patchwork" which saw some regions short of skilled labour, while in others "Australians live aimless lives without skills, work or hope".

The prime minister appealed to the right-wing economic legacy of "Prime Ministers Keating, Howard and Rudd", but promised to go further in delivering pro-business reforms in sectors where corporations have had restricted access.

"The sectors which may need renewal and reform are often those that were relatively untouched by the Hawke-Keating reforms," she declared, "Sectors like health and education that meet essential public needs, delivered largely within the domestic economy. Hospitals, aged care facilities, childcare centres, schools, and employment services—all services with a diverse range of providers from the public, private and non-government sectors, and services where competition and value is often held back by jurisdictional red tape and the lack of seamless national markets... The challenge is not whether to combine public and private resources in these essential sectors, but how best to do it."

In other words, under the Gillard government no aspect of social and economic life will be immune from the full force of the profit system and the market. Nor will there be any guaranteed government spending on health, education, childcare, or other sectors ,which the prime minister described as meeting "essential public needs".

No Labor prime minister has ever issued such an open repudiation of the public health and education systems. It speaks volumes for the transformation that has taken place within the Labor Party—from a party of limited reforms within the national arena, to one committed to tearing up all the past gains of the working class and reducing broad sections of the population to a life of insecurity and poverty.

The prime minister welcomed a question yesterday from a journalist with Murdoch's *Daily Telegraph* about her history in the "far left". Gillard is Australia's first prime minister formally aligned with Labor's Left faction, although the "left" and "right" factions have long lost all meaning with regard to policy differences or ideology. Moreover, Gillard herself was always reportedly regarded as a right-winger and opportunist by her "left" colleagues. As leader of the national university students' union in the early 1980s, she aligned herself with pro-Zionist forces against those seeking to defend the Palestinians; while in the mid-1980s, as organiser for Socialist Forum, a tendency that included several prominent ex-Communist Party of Australia Stalinists and was active within Labor's Victorian Socialist Left faction, she assisted several right-wing trade unions, led by anti-communist Catholic forces that were expelled from Labor in the 1950s, to re-affiliate to the party.

Gillard was nevertheless pleased to give the impression that she had definitively moved to the right since that period, declaring: "I'm 48 now, 49 this year, I'll turn 50 next year, I've learned some things from the days that I was 20 and 21."

The *Australian* welcomed the National Press Club performance. Its editorial today, "After the tax debacle, a better line from Gillard", declared that Gillard "gave every indication she understands the tough job ahead" and that her "commitment to real micro-economic reform was impressive, [marking] a refreshing change from the Rudd years when Labor dropped the ball on the infrastructure, tax and productivity changes needed to keep the nation competitive".

To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact

© World Socialist Web Site