

# The international significance of the political coup in Australia

**Patrick O'Connor****7 July 2010**

The sudden ousting of former Australian Prime Minister Kevin Rudd in a political coup last month has punctured the myth, promoted around the world and at home, of Australia as a land of social stability and political quiescence. Julia Gillard's anti-democratic installation is symptomatic of escalating global economic and political turbulence and stands as a warning to the working class about the turn by the ruling elite to new and repressive mechanisms of rule.

The manner of Gillard's elevation is without precedent in Australian politics. Previously, leadership changes within Labor governments have involved open challenges to the incumbent, protracted lobbying, both publicly and behind the scenes, by the various contenders, discussion and votes within caucus (made up of all the party's parliamentary representatives) and generally lengthy transition periods from one prime minister to the next. Rudd's political execution, on the contrary, was conducted without notice, and without any parliamentarian raising a single public criticism of Rudd, on any issue, before it was carried out. Instead, a handful of faceless factional leaders, acting at the direct behest of the major transnational mining corporations and other sections of business and finance capital, simply installed Gillard in a matter of 24 hours.

The Labor caucus, let alone the party's general membership, played no role in the process. Even Finance Minister Lindsay Tanner—who alongside Rudd, Gillard, and Treasurer Wayne Swan, was one of the government's supposedly all-powerful "Gang of Four"—watched the leadership challenge unfold on television, without any prior knowledge of what was happening. The next morning, no-one, including Rudd himself, made any protest as Gillard was crowned leader. Not even a caucus vote was held.

One of the key factors in these extraordinary events was hostility, on the part of multi-national mining companies, to Rudd's proposed Resource Super Profits Tax. The Labor Party apparatus is bound to the resource giants by a thousand

threads, including campaign donations, personal connections, and employee exchanges. Within a week of Rudd's ousting, Gillard had met the mining magnates' deadline for a back down on the new tax, by awarding them a multi-billion dollar windfall through various concessions.

These sordid manoeuvres shed light on where political power really resides within so-called capitalist democracy. Economic and political policies are determined not by the people, expressing their will through democratically elected and accountable representatives, but by powerful corporate and financial interests which act ruthlessly, behind-the-scenes, to impose their demands. Behind the facade of bourgeois parliamentary democracy stands the dictatorship of capital, backed, as Friedrich Engels once explained, by the state—detachments of "armed men and also material adjuncts, prisons, and institutions of coercion of all kinds".

In the final analysis, the political coup in Australia was driven by the rapidly deepening crisis of global capitalism.

While the mining tax was intended to benefit other sections of business and finance through a lower corporate tax rate, and the boosting of giant superannuation funds, Rudd proved incapable of rallying them behind his government and against the miners' campaign. Powerful sections of the ruling elite, including the Murdoch media empire, had concluded that he was no longer able to deliver what they required—a major assault on the social position of the working class. Gillard's installation signals the refashioning of a new Labor government, one more responsive to the demands of finance capital. Her task is to implement a new wave of pro-market "deregulation", privatisation and "economic reform" to drive up productivity. This will entail eliminating the massive budget deficit and ramming through a series of austerity measures, slashing public spending in areas including welfare, public sector jobs and wages, health, education, and social infrastructure.

Such an agenda cannot be implemented in a democratic manner. In Australia and throughout the world, the needs of the ruling elite stand in direct opposition to the interests and sentiments of the vast majority of the population. Moreover, social inequality has escalated over the past three decades to unprecedented levels, which are ultimately incompatible with democratic forms of rule. This is what lies behind the global move towards new forms of authoritarian and dictatorial rule. Fundamental contradictions within the world capitalist economy itself, which have been developing for a protracted period, are now erupting to the surface of political life, creating a series of convulsions across Europe, Asia, and North America. At the same time, under conditions of a historic decline in the global position of the US, relations between the major powers are becoming ever more fractious.

In 1929, Leon Trotsky explained that the rise of dictatorial and fascist tendencies within Europe reflected the fact that bourgeois democratic forms of rule could not withstand the pressure of heightened class tensions domestically and clashes between rival nation-states. “By analogy with electrical engineering,” he wrote, “democracy might be defined as a system of safety switches and circuit breakers for protection against currents overloaded by the national or social struggle. No period of human history has been—even remotely—so overcharged with antagonisms such as ours. The overloading of lines occurs more and more frequently at different points in the European power grid. Under the impact of class and international contradictions that are too highly charged, the safety switches of democracy either burn out or explode. That is what the short circuit of dictatorship represents.”

Australian political and economic life has always been acutely sensitive to shifts in the geo-strategic balance of power.

In 1975, during a period of acute international turmoil, the Whitlam Labor government was sacked by the governor-general after the bourgeoisie lost confidence in its ability to suppress the movement of the working class. The Canberra Coup involved the highest levels of the state apparatus, as well as international intelligence agencies including the CIA and MI5. Whether similar forces were involved in the coup against Rudd remains, as yet, unclear. What is beyond doubt, however, is that Gillard would not have been installed without a thorough vetting by Washington, with her carefully cultivated pro-Israel and pro-US alliance stance being approved within the highest circles.

The decision by Whitlam and the Labor Party as a whole to accept their ousting had far-reaching ramifications. It sent a signal to the ruling classes internationally that they could attack the working class with impunity. Within a few short years a series of right-wing governments had come to power, launching, in the name of anti-Keynesian monetarism, a sustained offensive against the working class.

In the 35 years since the Canberra Coup, the Labor Party, like its social democratic counterparts in every country, has undergone a qualitative transformation. No longer enjoying any genuine and active support from the working class, it cannot be regarded as a political party in the popularly understood sense of the term. The Labor Party, together with the trade unions, functions as a corrupt and bureaucratic network of rival cliques, representing different sections of the corporate elite. Rudd’s ousting confirms that there is nothing that this putrefied apparatus is not prepared to do on behalf of its political and economic masters.

The working class internationally must draw definite conclusions. There is no constituency within the bourgeoisie of any country for upholding fundamental democratic rights. These can be defended only on the basis of an independent and unified struggle of the international working class for socialism. Genuine democracy can only exist on the basis of genuine social equality. And this requires the development of a rationally planned global economy, aimed at satisfying the social needs of the majority, not the accumulation of private profit by a tiny minority.

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