

# One year since the Australian Labor Party coup

**The Socialist Equality Party (Australia)**  
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On June 23-24 last year, a handful of Labor Party factional apparatchiks and trade union leaders orchestrated an unprecedented coup against former prime minister Kevin Rudd. Without any prior public discussion of policy or other differences, Julia Gillard was effectively installed by fiat. Neither the Labor cabinet nor the caucus, not to speak of the general population, had any prior involvement in, or even knowledge of the affair.

Twelve months later, the crisis of the government has only deepened, as the geopolitical and economic contradictions that gave rise to Rudd's ousting have intensified. Widespread hostility to Gillard's anti-democratic takeover remains, while the utterly putrefied character of both the Labor Party and so-called parliamentary democracy has been thoroughly exposed. The chasm that separates the entire parliamentary setup and the working class has never been greater.

The coup continues to be justified on the sole ground that Rudd was performing poorly in opinion polls. Yet Labor is now polling at just 27 percent, the lowest level ever and far worse than when Rudd was prime minister. The situation underscores the fact that no-one in the official political and media establishment has ever advanced a credible explanation.

The reason is that any serious analysis contradicts the assiduously promoted myth that Australia has stood apart from the economic and political upheavals erupting in Europe and the United States as a result of the global financial crisis. The coup was, in fact, the initial expression within Australia of the breakdown of the world capitalist system that began with the 2008 financial crash.

In a statement issued four days after the coup, the Socialist Equality Party explained: "Thirty-five years ago, in the midst of the last major global crisis of the capitalist system, the Whitlam Labor government was sacked in a coup involving the highest levels of the state apparatus, as well as intelligence agencies including the American CIA. No doubt these same forces were either directly involved in, or at least had knowledge of, the ousting of Rudd... As the events of 35 years ago demonstrated, Australia is extremely sensitive to geo-political shifts. The Whitlam government was sacked within just seven months of the defeat of US imperialism in Saigon, in conditions of great uncertainty for the United States in South East Asia. Today, one of the central features of the geopolitical situation is the increasing tension between the US and China, under conditions where Australia is economically dependent on China but politically subordinated to the

United States. Throughout the South Pacific and Southeast Asian region, the 'China factor' is now a major issue in political affairs."

This analysis has proven to be correct. The public release via WikiLeaks of US diplomatic cables has revealed that Washington became deeply dissatisfied with Rudd not long after he assumed office in December 2007. Rudd publicly launched various diplomatic initiatives, such as the proposed Asia Pacific Community, without first running them by Washington; he resisted suggestions that his government send more troops to Afghanistan; and, above all, sought to position Australia as a "middle power" mediator between the US and China. American diplomatic officials identified Gillard as Rudd's likely successor and sounded out her pro-US and pro-Israel credentials through the embassy's wide network of assets and informants in the upper echelons of the Labor Party and trade unions. These included the key factional powerbrokers who finally organised Rudd's removal.

At the same time, BHP, RioTinto and Xstrata along with other major mining companies, waged an extraordinary campaign against Rudd over his proposed Resource Super Profits Tax.

Underlying the mining tax furore was a broader shift by the corporate elite behind the demand for public spending to be slashed. The turn by governments in Europe and the US to implement savage austerity measures against the working class created an imperative for similar policies here, in order to maintain the "international competitiveness" of Australian capitalism. Rudd, however, had become closely identified with the stimulus spending strategy enacted immediately after the 2008 financial crash and was regarded as a liability on this issue within media and financial circles.

Thus the escalating tensions under Rudd's leadership were directly bound up with the historic decline of the United States as a world power, and its growing rivalry with China, and with the most severe capitalist crisis since the 1930s. That is why they could not be managed within the old framework of parliamentary politics and why immense efforts have been made to hide their real content from ordinary people.

Leon Trotsky once explained: "By analogy with electrical engineering, democracy might be defined as a system of safety switches and circuit breakers for protection against currents overloaded by the national or social struggle... 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 essentially what the short circuiting of dictatorship represents.”

More than a hint of dictatorship surrounded last year’s Labor Party coup. Twelve months on, relations between the US and China have become more fraught, while domestic political, economic and social tensions have skyrocketed.

Gillard’s unstable minority government—propped up by the votes of the Greens’ Adam Bandt and three independents—is pressing ahead with an agenda that is opposed by the vast majority of the population. The prime minister has remained impervious to popular discontent, making clear her willingness to simply cast aside democratic norms.

Last Saturday, Gillard declared that Australia’s involvement in the war in Afghanistan “cannot be subject to opinion polls”—in other words, mass opposition to the criminal, neo-colonial occupation would have no influence on her government’s policy. The prime minister has also claimed the executive “right” to ignore a majority vote in both houses of parliament opposing her plan to deport thousands of asylum seekers to Malaysia. And the Labor government’s flagship pro-business measure, the carbon tax, was explicitly ruled out by Gillard on the eve of last year’s election, only to be resurrected once she took office.

On every significant policy issue Labor has continued to lurch ever further to the right. Gillard has openly touted herself as the key representative of the major banks, mining companies, and other sections of big business, while the Labor Party itself has long since ceased to be a party in any conventional sense of the word. It nothing but a hollowed out shell, functioning as the primary transmission belt for the interests of finance capital against the needs and aspirations of the working class.

With the collaboration of the trade unions, the Gillard government is orchestrating a sweeping economic restructuring agenda. The mining boom is being used as the mechanism to ratchet up pressure on workers in every other sector of the economy, many of which are mired in recessionary conditions. Workers everywhere confront escalating attacks on their jobs, wages and conditions.

At the same time, Gillard is moving to implement austerity measures in order to meet her priority of returning the budget to surplus. The \$22 billion in cuts and savings unveiled in last May’s budget, including vicious attacks on welfare recipients, marked the beginning of the process. Labor governments at the state level are setting new benchmarks, with the Tasmanian administration recently slashing spending by 10 percent and sacking 7 percent of the total public sector workforce.

On foreign policy, Gillard has lined up with the Obama administration’s provocative attempt to develop an anti-China cordon in East Asia, offering a significantly expanded American military and intelligence presence to be stationed in Australia, while pledging her unconditional support for the Afghanistan war for at least a decade.

Accompanying all these measures, Gillard has led the fanning of White Australia racism and xenophobia, vilifying and scapegoating refugees and keeping thousands of traumatised men, women and

children in concentration camp-style mandatory detention in the reactionary name of “border protection.” Her purpose is to create a poisonous social climate and divert attention away from the real source of the social crisis—her government’s right-wing anti-working class policies. In this she follows in the footsteps of all her Labor predecessors.

The Australian ruling class is determined to press ahead with a social counter-revolution like that now unfolding in the US and Europe—and tear up every workplace, welfare, and social concession granted to the working class in the post-World War II period. At least for the present, it is sticking with Gillard Labor to implement this agenda.

The working class needs to draw sharp lessons from the political experiences of the past twelve months. In Australia—no less than in Greece, North Africa, and other parts of the world wracked by revolutionary convulsions—the central question is which class is to rule. The bourgeoisie has demonstrated the historic bankruptcy and dead-end of capitalism, which has only militarism and war, attacks on democratic rights, and unprecedented assaults on living standards and jobs to offer. The working class must intervene, on the basis of its own independent class interests, and develop an independent political movement that will fight for a workers’ government and socialist policies. That requires a decisive political break with Labor, the Greens and the trade unions, and their nationalist program, and the struggle, in unity with workers throughout the world, for an internationalist and socialist perspective that places the social needs of the majority ahead of the profit interests of a small minority.

The Socialist Equality Party is holding weekend conferences in Melbourne and Sydney at the end of August on “The Failure of Capitalism and the Fight for Socialism Today” to discuss the profound and complex political challenges posed by the global economic and political crisis and its impact in Australia, and the building of a new revolutionary movement of the working class. We encourage readers of the *World Socialist Web Site*, members and supporters of the International Students for Social Equality, and supporters of the Socialist Equality Party to register here and make plans to attend.



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