

# Australian Labor Party to enforce dictates of Washington, financial markets

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At its 46<sup>th</sup> national conference last weekend, the Australian Labor Party (ALP) committed itself to imposing the “hard decisions” required by the Gillard government’s unconditional alignment with Washington’s increasingly aggressive confrontation with China, as well as the austerity measures dictated by the financial markets, amid the deepening global financial crisis.

One of the first votes of the conference, last Friday, endorsed the government’s insistence on producing a budget surplus next year, at the cost of social services and thousands of public sector jobs. Yesterday, on its final day, the conference agreed to the sale of uranium to India, at the behest of the Obama administration, and rubberstamped, without any discussion, the stationing of US troops and military resources in northern Australia.

It was the first ALP conference since the June 2010 backroom coup in which Labor’s factional bosses, who had reported their preparations to the US embassy, installed Julia Gillard as prime minister at the expense of her predecessor Kevin Rudd. The conference was also convened just two weeks after President Barack Obama’s visit to Australia and the region, in which he mounted a diplomatic and strategic offensive against China. Not a single delegate referred to these developments, yet they dominated the entire proceedings.

Rudd was removed above all because he had sought to alleviate the tensions between the US, the Australian ruling elite’s military protector, and China, Australian capitalism’s biggest market. Upon her appointment, Gillard immediately made clear her unconditional alignment with Washington. She also quickly struck a deal with the three biggest mining companies to drop the Rudd government’s proposed mining super-profits tax, and signalled a shift to austerity to impose the burden of the stimulus packages used to prop up the banks and business in 2008-09 on working people.

Under the cover of several theatrical, and entirely orchestrated, “debates,” the conference demonstrated the party’s commitment to this agenda. Gillard set the tone in Friday’s opening address, declaring that the ALP had

always been the party prepared to make “hard choices” in the service of the “nation.” Referring to previous Labor prime ministers from World War II onward, she emphasised: “Curtin knew that when he raised conscripts for military service overseas. Chifley knew that in the industrial winter of 1949. Whitlam knew it when he ended the bitter debate over state aid. Hawke and Keating knew it every day they governed.”

These historical references were intended to underscore Labor’s readiness to once again forcibly mobilise troops for a war in support of the US, as Curtin did in 1941-42; to use the military to break strikes, as Chifley did against the coal miners in 1949; to overturn previous ALP policy as required, as Whitlam did in the 1970s; and to further restructure the economy to boost the financial elite, as Hawke and Keating did from 1983 to 1996.

Gillard said the party knew it had to make such “hard choices” once more. “We showed it this week, as we made the hard decisions to bring the Budget back into the black. We will show it again this weekend, as we make the hard decisions to prepare our nation for the future too.”

Ludicrously, in her next sentence, Gillard stated her desire for “a fair dinkum Labor Party conference.” In reality, what followed was a series of set-piece “debates,” stage-managed by the National Right and Left factions to deliver the results required.

The first “debate” involved defeating a token “Left” resolution which merely suggested that the promise to have a budget surplus should be reconsidered if the global economic crisis worsened, that the watered-down mining tax that Gillard negotiated with BHP Billiton, Rio Tinto and Xstrata be reviewed in 12 months’ time, and that consideration be given to a financial transactions tax. In moving the resolution, Senator Doug Cameron prefaced his remarks by expressing “full confidence” in Labor’s economic ministers and praising Treasurer Wayne Swan as the “best we’ve ever had.”

In his reply, Swan referred to the vulnerability of the Australian economy to any adverse judgment by the global

financial markets, on which the major Australian banks, mining companies and other corporations depend heavily for funds. “As a capital-hungry country we must have strong public finances,” he stated. Any move to revise the mining tax or consider a finance tax would “send a terrible message to investors.”

Swan had earlier spelled out the connection between the austerity program and the demands of the so-called “Asian Century” that both he and Gillard repeatedly invoked. Swan stressed the need for “hard reforms and hard realities,” because there were “no free passes to markets in the Asian Century.” In other words, economic survival depended on matching the investment attractiveness of Asia’s cheap labour platforms.

Swan also revealed the party’s fear of opposition emerging among working people, raising the spectre of London-style riots, European-style protests and growth of the Occupy movement.

Gillard returned to the theme of “hard decisions” on the final day when moving to dump the party platform’s prohibition on selling uranium to India unless it signed the Nuclear Non-Proliferation Treaty (NPT). “We are not a political party that shirks hard decisions,” she told conference. Making the change would boost mining exports and establish the “strongest possible relationships” with India, whose rise, Gillard declared, was just as central to the “Asian Century” as that of China.

This was as close as Gillard went to acknowledging the actual reason for the shift, which was strongly insisted upon by the Obama administration in the lead-up to the US president’s visit, and which dovetails with Washington’s efforts to promote India as a regional counterweight to China. Likewise, Resources and Energy Minister Martin Ferguson made an oblique reference to the anti-China realignment being pursued by the Obama administration in the region. He declared that the policy shift was “in line with the geo-political concerns of the region in which we live.”

Rudd had incurred the wrath of Washington in 2007 by reversing a decision by the previous Howard Liberal government to approve uranium sales to India, following a similar decision by the George W. Bush administration.

Since 1984, ALP policy has effectively given free rein to uranium mining, making Australia one of the world’s largest exporters, but it maintained the pretence of a commitment to nuclear weapons disarmament by prohibiting exports to non-signatories of the NPT—a 1970 treaty designed to maintain the monopoly of the officially nuclear-armed states: the US, Russia, China, Britain and France.

Those opposing the shift warned of further damage to the party’s already disastrous electoral prospects by eroding any claim that the ALP stood for abiding “values.” Senator

Cameron objected that the change would mean “the abandonment of any pretence of disarmament.” At the same time, those in the “Left” faction were also at pains to declare their loyalty to the US alliance. Parliamentarian Stephen Jones said the existing uranium policy was no barrier to a “strong alliance with the US.”

The determination of the factions to suppress any, even tame, discussion on the Rudd coup, the Obama visit and the agreement to station US troops was displayed in the final day’s session on foreign and military policy. Not one mention was made of the most significant turn in Australian foreign policy for decades: the creation in Australia of critical staging bases for the US military as part of a strategy to contain China, thus placing Australia on the frontline of a potential confrontation between nuclear-armed states.

Moving the party’s platform as foreign minister, Rudd demonstrated that he had heard the central message of the coup. He boasted that he had been one of the first to call for a “no-fly” zone over Libya earlier this year, thus helping to set in motion the US-led installation of a puppet, pro-Western regime in that country.

Although kept off the agenda, the Rudd coup haunted the conference, not least in the refusal of the factions to dilute their power by changing the party’s structure to provide the appearance of giving its dwindling membership some say in policy. This was despite only 11,665 members voting in a recent party presidential ballot—an indicator of the small active membership. Labor’s protracted decline to a rump of parliamentarians, staffers and trade union bureaucrats is fundamentally a product of its pro-business and militarist program, which requires a ruthless party machine to implement it.

With Labor’s opinion poll ratings plunging to historic lows of around 30 percent, Gillard’s position as party leader remains precarious, despite her orchestrated victories at the conference. Reports are circulating that Rudd will challenge her, or that she will be replaced by another faction-endorsed figure, in the New Year.



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