

Amid deepening political crisis

Former Australian prime minister raises questions about 2010 coup

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Former Australian Prime Minister Kevin Rudd, who dramatically resigned as foreign minister in Washington on Wednesday morning, today launched a challenge to the leadership of Julia Gillard. Gillard replaced Rudd in a backroom coup in mid-2010.

On his arrival back in Australia this morning, Rudd revealed new details of what he termed the “midnight coup” of 2010—revelations that raise key questions about the events of June 23-24 and the forces that orchestrated them.

At an airport media conference, Rudd said he had been given no notice of the move against him, despite the evidence that emerged last week that Gillard’s office had been preparing for his removal for two weeks.

Rudd went on to confirm that on the evening of June 23, 2010 Gillard had initially made an agreement with him, witnessed by an “independent person,” to allow him four months to “work through” the complaints she had raised about his leadership. Ten minutes later, however, Gillard returned to his office and declared that “all bets were off” and she would move immediately against him.

These facts pose significant questions. With whom did Gillard consult? Who actually made the decision to remove Rudd? Why was it imperative to oust him so swiftly, without any further discussion, and without informing, at the very least, the Labor Party parliamentary caucus?

At this morning’s media conference, Rudd also referred to the “shock and awe” tactics used by Labor’s “faceless men” in 2010 to ensure that the caucus would fall into line behind the coup, *ex post facto*, the following morning. Those tactics had included threats to withdraw the party pre-selections of any MPs who resisted. Rudd charged that the same methods were once again being used to intimidate his supporters during the current

leadership battle.

Rudd attacked the claims of the Gillard camp that he had been ousted because he had led a “dysfunctional” government. These were simply retrospective efforts to justify the coup, he pointed out. But he did not address the obvious question. What then were the real reasons behind his abrupt removal? And why did Rudd himself not oppose it at the time? No journalist probed these issues either, continuing what has been a systemic media cover-up of the underlying forces behind the unprecedented ouster of a first-term sitting prime minister.

Rudd and his supporters have demagogically appealed for a “people power” campaign—calling on voters to lobby their local MPs—to counter the machinations of the “faceless men.” This is an attempt to tap into intense and widespread popular hostility toward the manner in which Rudd was forced out. Yet Rudd is also intent on keeping the public in the dark about the forces behind the “faceless men” and the political issues at stake.

In her response to Rudd’s challenge, Gillard has been equally disingenuous. She has sought to justify the 2010 coup by declaring that Rudd had displayed “very difficult and very chaotic work patterns” as prime minister. This justification flies in the face of the well-established fact that Rudd primarily governed through a so-called gang of four, which consisted of himself and Gillard, together with Treasurer Wayne Swan and then-Finance Minister Lindsay Tanner.

Gillard cannot explain how she worked daily, hand in glove, for two-and-a-half years with a prime minister whom she and her senior cabinet backers now refer to as “dysfunctional” and “deeply demeaning” (Swan), a “chaotic manager” (Environment Minister Tony Burke) and having “contempt for the cabinet, contempt for the caucus, contempt for the parliament” (Communications

Minister Stephen Conroy).

The demonisation of Rudd being carried out by Gillard and her backers points to deep-going tensions and rifts that cannot be explained as mere personality differences. This is all the more so because the denigration of Rudd is clearly tearing apart the government and the Labor Party, the oldest political party in Australia.

Today's headlines and commentary capture something of the acute and profound political crisis that has arisen. "ALP burns its own house down," proclaimed the *Australian*, characterising the current "open warfare" as the Labor Party's "worst crisis in decades." The *Australian Financial Review* intoned, "Labor tears itself apart" and cited business leaders warning that the political breakdown was damaging business and risking a flight of investment from Australia.

Gillard's supporters have launched an intensive campaign aimed at politically discrediting and burying Rudd for good, with several announcing they would refuse to work with him even if he were to win Monday's party room ballot. Paul Kelly, the *Australian's* editor at large, observed: "Pro-Gillard ministers, in effect, have vetoed Rudd's return. The personal vitriol in their remarks is calculated—the real aim is to convince caucus that Rudd's return is untenable."

This deep-going crisis within the government and the Labor Party points to powerful destabilising forces at work, not just in Australia but worldwide.

Firstly, what is not mentioned in all the media coverage, or by either Rudd or Gillard, is the connection between Rudd's removal and the escalating offensive by the Obama administration against China, which has become Australian capitalism's largest market. Whereas Rudd sought to moderate the conflict, insisting that the US accommodate itself to China's rise, Gillard has aligned unequivocally with Washington. WikiLeaks cables have documented that the "faceless men" who brought down Rudd, such as Gillard ministers Bill Shorten and Mark Arbib, were secretly communicating with the US embassy at the time.

Secondly, despite the government's claims to have rescued Australia from the global economic breakdown that began in 2008, its international consequences are now starting to hit home, producing an avalanche of job losses and business collapses. In the first two months of this year alone an estimated 16,000 jobs have either been eliminated or placed under review by major industrial, airline, retail and financial corporations, while a recent Dun & Bradstreet survey reported a 48 percent increase in

the number of small businesses going bankrupt over the past year.

The worsening European situation and signs of slowdown in China have put paid to the official rhetoric about an ever-lasting mining boom. This is leading to increasingly insistent demands by the financial and corporate elite for a ruthless restructuring of the Australian economy at the expense of workers' jobs, wages and conditions, along the lines of the all-out assault being imposed on the working class in Greece and across Europe.

There is intense frustration in ruling circles that the Labor government, whether led by Rudd or Gillard, has failed to deliver the labour market "flexibility" and other "reforms" necessary for Australian-based firms to compete on global markets. This dissatisfaction is not only directed against the Labor Party, but at the Liberal-National Coalition led by Tony Abbott as well and the seeming inability of the present parliamentary set-up to implement the kind of austerity measures now on the agenda.

These frustrations found expression, yet again, in this morning's editorials in the *Australian* and the *Australian Financial Review*, each decrying the incapacity of any of the current political leaders to carry through the demands of the financial and corporate elite. The *Australian* declared that both Labor Party protagonists, despite talking about driving up productivity, falsely claimed the "reform mantle" and were unable to "deliver results." Opposition leader Abbott appeared to be "just as reform-shy," even shrinking from the "holy grail of labour market reform."

Whatever the immediate outcome of Labor's raging civil war, nothing will be resolved by a party room ballot on Monday. Whoever prevails, the government will be bitterly split, with leading figures camped in exile on the parliamentary backbenches. The outright character assassination and full-blown battle are symptoms of a profound and systemic crisis wracking the entire ruling establishment.



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