

SEP (Australia) first national congress

Resolution 5: The 2010 coup and the crisis of bourgeois rule

9 May 2012

The following is the fifth of seven resolutions passed unanimously at the first national congress of the Socialist Equality Party (Australia) held from April 6 to 9, 2012 in Sydney (see: "Australian SEP holds first national congress"). See resolutions 1, 2, 3, 4, 6 and 7.

1. This Congress directs attention to the significance of the unprecedented turmoil that has engulfed the Labor government and the parliamentary system over the past two years. It is the political expression within Australia of the impact of the deepening crisis of global capitalism and the reactionary agenda of war and social counter-revolution being dictated by the ruling elites.

2. The overnight removal of Kevin Rudd as prime minister in the coup of June 23–24, 2010, orchestrated by a handful of factional powerbrokers inside the Labor Party, was driven by the profound geo-strategic shifts associated with the Obama administration's "pivot" to the Asia-Pacific region against China, and with the insistence by finance capital internationally for the dumping of economic stimulus in favour of austerity.

3. The ouster of Rudd has parallels with the Canberra Coup that removed Gough Whitlam and his Labor government in 1975. That coup took place in the last period of deepening economic and political crisis—the collapse of the post-war boom, the defeat of US imperialism in Vietnam and a series of revolutionary upheavals from 1968 to 1975. Its significance was revealed in the events that followed. Whitlam's removal was the start of a process that resulted in the forging of a new Labor leadership. In the form of the Hawke-Keating governments of 1983–96, Labor abandoned its previous national reformist program, and implemented a free market agenda, in line with those imposed by Reagan in the US and Thatcher in Britain, as it "restructured" Australian capitalism and carried out an unparalleled assault on the working class, in collaboration with the trade unions.

4. The ongoing political turmoil that has followed Rudd's removal, including the recent resignation of Rudd as foreign minister while in Washington, his failed challenge for the Labor leadership, and the fiasco surrounding the appointment of Bob Carr as his replacement, underscores the fact that the crisis today is even deeper than that of 1975. It is not the product of clashes over personality and leadership style, as the political and media establishment claims, but flows from the fundamental economic and political problems confronting the Australian ruling class in this new period of global capitalist breakdown.

5. Conflicts over foreign policy are a key factor. Australian capitalism faces a historic dilemma between its heavy economic dependence on China, and Asia as a whole, on the one hand, and its strategic reliance on the US on the other. While remaining an unabashed supporter of the US-Australia alliance, Rudd not only attempted to ameliorate the sharpening geo-political tensions between Washington and Beijing by acting as something of a moderator, he also failed to consult Washington first. In so doing, he fell foul of powerful interests in the US political and military establishment. Gillard's slavish support for the Obama administration's "pivot", however, has failed to resolve the conundrum. The conflicts that continue to fester within the Labor Party, and across the Australian political, financial and corporate establishment, over this dilemma, mirror those wracking the ruling elites in countries throughout the Asia-Pacific region and the world.

6. The June 2010 coup took place as the culmination of a growing crisis, whipped up by powerful sections of the media and financial and corporate elite that were becoming increasingly hostile to the Labor government's economic policy. Rudd, who had been most closely associated with the stimulus measures introduced in the immediate aftermath of the collapse of Lehman Brothers in September 2008, was named "Australian of the Year" in January by Murdoch's *Australian* newspaper. By May, daily front-page headlines were lambasting his government for its "wasteful" stimulus projects. That month, Rudd announced his proposed mining tax, drafted by the Australian Treasury and aimed at transferring a portion of the mining companies' super profits to those sections of industry being adversely affected by the impact of the mining boom on the Australian currency and on the availability of skilled labour. In response, the three major transnational mining companies, BHP Billiton, Xstrata and Rio Tinto, launched an unprecedented multi-million dollar anti-government advertising campaign. Its aim was revealed in the immediate aftermath of the coup, when Rio chief executive Tom Albanese warned that any other government contemplating similar measures should consider "the risk of the Australian approach" and "think carefully" about the factors involved.

7. It was in this climate of growing crisis and hysteria that an elected prime minister was removed from office, behind the backs of Labor's parliamentary caucus, its membership and the population as a whole. Underscoring the political and economic factors involved, Gillard's first actions as prime minister were to affirm her government's

unconditional support for the US alliance and the Obama administration; capitulate to the mining giants' demands, inviting in their representatives to help draft "revised" tax legislation; and make the achievement of a budget surplus the cornerstone of her government's program, requiring major cuts to public spending on essential services including health, welfare and education. At the same time she pledged to implement a "fundamental reshaping of the Australian economy as profound in scale and ambition as the reforms of the Hawke-Keating governments." Within 18 months she had signed the unprecedented military deal with Obama. Cables made public by WikiLeaks have revealed that then US ambassador, Robert McCallum, had identified Gillard as "front runner to succeed Rudd" as early as June 2008. In June 2009, one year before the coup, another US embassy cable was headed "Gillard: On Track To Become Australia's Next Prime Minister."

8. The deepening political crisis is marked above all by the decay and disintegration of the entire parliamentary system. The anti-democratic, extra-parliamentary methods used to oust Rudd have surrounded Gillard with a political stench that has never dissipated. The August 2010 elections verged on the farcical, with none of the real issues confronting the population being even raised, let alone discussed. Instead of providing the Gillard government with a mandate, the elections resulted in the first hung parliament in seventy years and the formation of an unstable minority Labor government, resting on the support of the Greens and independents.

9. The crisis of the parliamentary system finds one of its clearest manifestations in the putrefaction of the Labor Party, which historically has functioned as its chief mainstay. Over the past century and more, the ruling class has depended on the Labor Party to weather the political storms associated with World War I, the Great Depression, World War II and the collapse of the post-war boom in the early 1970s. Now, amid the greatest capitalist breakdown since the 1930s, its key political instrument is a hollowed-out shell, lacking any significant social support as its opinion poll ratings plunge to historic lows.

10. Labor's collapse is not a temporary aberration but rooted in irreversible historical processes. Ditching its national reformist program under the impact of the globalisation of production, Labor in the 1980s and 90s became the chief political instrument for imposing the dictates of capital on the working class, in the name of "international competitiveness." Begun under the Hawke-Keating governments, this process resulted in the collapse of working-class support for Labor in the 1996 election. The party was only re-elected in 2007 on the basis that it represented a "lesser evil" to the conservative Howard government, which was widely reviled after 11 years in office. Now, the underlying trend has reasserted itself.

11. Within the ruling class, there is deep frustration at the pace of economic restructuring under Gillard's government. The financial and corporate elites are fearful, not only of their immediate economic prospects, but of the longer term consequences of the European debt crisis and global recessionary trends that are already producing a slowdown in China. During the heyday of the mining boom, key sections of the media and corporate Australia had attacked the Howard coalition government for wasting pro-market reform opportunities, and had welcomed the election of Rudd. But their hopes quickly

turned to dissatisfaction and hostility. Now, while Gillard continues to promote herself as a prime minister in the mould of Hawke and Keating, capable of implementing a sweeping restructuring of Australian capitalism, few in the ruling elite believe her. Even fewer regard right-wing populist opposition leader Tony Abbott as a viable alternative.

12. Herein lies the basis of the escalating crisis of bourgeois rule. The ruling class can no longer rely on the two-party system to impose its policies and is thus being compelled to turn to anti-democratic, extra-parliamentary methods of rule. As Leon Trotsky once explained so well: "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."

13. The pseudo-left organisations have worked assiduously to cover over the historical significance of the coup, insisting it was simply a "storm in a teacup" with nothing of any import at stake. In tandem with the campaign waged by the media and political establishment, they seek to chloroform the working class, and prevent it from developing its own, independent response to the deepening crisis.

14. The Gillard government will meet the inevitable outbreak of mass workers' struggles by escalating its offensive against democratic rights. Last year, it responded to the grounding of the Qantas Airways fleet, by invoking, for the first time, its new powers under the reactionary Fair Work Australia (FWA) legislation to shut down industrial action, demonstrating that any struggle by workers to defend their interests brings them into a direct conflict with the capitalist state itself. So far, the Labor government has been able to rely on the trade unions, and their cheerleaders in the fake "left", to isolate and suppress these struggles. But the conditions for a rebellion against both the unions and the Labor government are rapidly maturing, as revealed in the determination of Victorian nurses to defy FWA orders, even with the threat of fines and jail terms.

15. The working class is being propelled into immense industrial, social and political battles, in conditions where the mechanisms developed over the past 120 years for containing and regulating the class struggle are in an advanced state of decay. In the final analysis, that is the significance of the June 2010 coup. In this new period, any significant struggle will immediately begin to raise the question of political power, posing decisive challenges for the working class and for the Socialist Equality Party. The SEP will intervene at every opportunity to win support for the program of socialist internationalism, and to develop an independent political movement of the working class and youth aimed at establishing a workers' government, based on socialist policies.



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