

Australian Liberal leader sheds a tear as Labor veteran departs

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A rare revealing moment in parliament this week spoke volumes about the real state of political and class relations in Australia. Liberal leader Tony Abbott broke down as he paid tribute to Martin Ferguson, formerly one of the Labor government's most senior ministers, who announced he would quit parliament at the September 14 election.

Abbott's emotional response conveyed not only a sense of political loss at the departure of one of Labor's most experienced figures, but a foreboding about what lies ahead, for whichever party forms the next government. He, like the rest of the political establishment, is extremely conscious of the deep popular opposition that exists to the program of severe austerity that will be imposed after the election, amid the worsening impact of the post-2008 global economic breakdown.

"Well may we shed a tear," Abbott said, as "we salute an honourable Australian." Ferguson's resignation was a "sad day for the parliament, a sad day for the Labor Party and a sad day for the country." The opposition leader lauded Ferguson's "monumental contribution" to the country, in the "best traditions" of the Labor Party as a "nation-building party," then paid homage to him as a member of a long-serving "Labor royalty" of parliamentarians and trade union leaders.

For all his portrayal by the media, and by Labor and union leaders, as a hard man of the conservative Liberal National Coalition, Abbott has had first-hand experience with the crucial role of the Labor and union apparatus in imposing the requirements of the corporate elite. He was a senior minister in the previous Howard government, whose Work Choices legislation, which outlawed most strikes and permitted employers to impose individual contracts on their employees, provoked intense hostility throughout the working class, and became a major factor in Howard's defeat in 2007.

Labor and union leaders, assisted by the various pseudo-

left groups, worked to channel this opposition behind the election of the Labor government, even though Labor's Fair Work industrial laws ended up retaining and reinforcing all WorkChoices' punitive anti-strike measures.

More fundamentally, the Australian ruling class has historically relied upon the Labor Party, and its trade union partners, to keep the working class in check, particularly in times of crisis, suppressing its struggles and subordinating it to the capitalist profit system.

Ferguson's "monumental contribution" included his role, in collaboration with the Hawke and Keating governments, as vice president and then president of the Australian Council of Trade Unions (ACTU), in imposing the notorious "prices and incomes Accords" during the 1980s and 1990s. Through this partnership, the unions became vehicles for a vast economic restructuring, on behalf of corporate Australia, at the expense of the jobs and conditions of the working class.

Ferguson was a member of a second rank of union bureaucrats, who came to the head of the ACTU after the Accords had been struck with the Hawke government, above all by metalworkers union bureaucrat Laurie Carmichael, a leader of the Stalinist Communist Party of Australia, and ACTU secretary Bill Kelty.

Prime Minister Bob Hawke, another former ACTU president, presided over the first wave of attacks on the working class, with the unions isolating and betraying every major industrial dispute and suppressing all rank-and-file opposition to the Labor and union program of "international competitiveness" and "award restructuring."

Hawke was then dumped in favour of Paul Keating in December 1991, signalling a new stage in this offensive—notably the introduction of "enterprise bargaining" to tie workers directly to the profit demands of individual employers. Ferguson, who was installed as

ACTU president in 1990, led the sellout of the Australian Pulp and Paper Mill (APPM) workers' dispute of March–June 1992 in Burnie, Tasmania, which became a key turning point in the imposition of “enterprise bargaining.”

After two major strikes, weeks of picketing and several mass marches by APPM workers and supporters, the unions pushed through a deal under which they undertook to implement APPM's every requirement. The Socialist Labour League, forerunner of the Socialist Equality Party, warned that this historic betrayal would pave the way for “never-ending speed up, wholesale destruction of jobs and demolition of basic rights” throughout the working class.

As our party fought to clarify, that bitter experience demonstrated the utter collapse of the old reformist program of the trade unions, of seeking concessions from the employers through a nationally-regulated economy. Worldwide, the globalisation of production had transformed the unions into the most fervent advocates and practitioners of boosting the profits of “their” capitalist class, in the scramble for world markets, at the expense of the working class internationally.

In his retirement speech, Ferguson boasted of the “hard decisions” he had made. “Let me tell you: standing at the factory gates with people who had just lost their jobs, all for the greater good of reforming our economy, was not easy.”

For his services, Ferguson was rewarded with a traditionally safe Labor seat in parliament in 1996, and ultimately became mining and resources minister in the Rudd and Gillard governments. He became notorious as a fierce defender of the profit interests of the mining conglomerates, repeatedly denouncing mining workers for making “excessive” wage claims.

After the backroom mid-2010 coup that ousted Rudd and installed Gillard—in which Labor faction bosses with close ties to the mining companies, as well as the US embassy, played the central hand—Ferguson worked hand-in-glove with the three biggest companies, BHP Billiton, Rio Tinto and Xstrata, to draft a revamped mining tax that ensured that they would pay virtually nothing.

Because of this record, tributes also poured in from the corporate establishment. Rio Tinto Australia managing director David Peever praised Ferguson's “outstanding contribution.” Minerals Council of Australia chief executive Mitch Hook said he was a “tireless champion of open-market reforms.” According to the *Australian Financial Review*, Ferguson had been a Labor minister

who “would be welcome in any boardroom.”

In the most immediate sense, Ferguson's exit adds to the moribund stench surrounding the Labor government. He is the third senior minister to make such an announcement, with others expected to follow. After five and half years of first propping up Australian capitalism in the immediate aftermath of the 2008-09 crash, then increasingly imposing the burden of the bailouts to the banks and major corporations by slashing welfare benefits, public education and health care and public sector jobs, there is profound hatred toward the Labor government in the working class.

Lamenting Ferguson's departure, *Australian Financial Review* columnist Jennifer Hewett wrote: “The bell tolls for Labor history—and for what is to come.” There is a clear recognition in ruling circles that the collapse of support for Labor presages a more fundamental and historic political crisis. Under conditions where the financial and corporate elite is demanding far more ferocious measures, the Labor Party, the most important instrument of rule over the past century, stands in tatters.

The SEP is standing candidates in the 2013 election as part of its fight in the working class to draw the political lessons of the entire historic experience with Laborism and trade unionism, and build a new revolutionary socialist leadership of the working class, in Australia and on an international scale. The widespread disgust with the Labor and union leadership must be translated into a conscious political struggle for the overthrow of the bankrupt capitalist profit system and the establishment of world socialism.

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