

Australian Labor Party attempts to protect China-based mining profits

Mike Head
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Last week saw a remarkable display of the Australian Labor Party's efforts to shore up Australia's wealthy elite, and its own political fortunes, by ramping up its commitment to the mining giants whose booming exports, especially to China, are currently keeping the economy afloat.

Prominent Labor Party representatives, including federal leader Anthony Albanese, were featured speakers or guests at the annual Minerals Week gathering in Canberra, hosted by the Minerals Council of Australia, the industry's main lobbying and propaganda arm.

Albanese delivered a keynote luncheon address, vying with Liberal-National Prime Minister Scott Morrison to claim which party was the best guarantor of mining profits, while accusing Morrison's government of threatening the export bonanza to China by making unduly provocative remarks about a coming war against Beijing.

Confronted by near-record low votes, especially in working-class electorates, at the last federal election in 2019, as well as the recent Tasmanian election and a New South Wales state by-election, the Labor Party has responded by deepening its efforts to win the endorsement of key sections of big business.

As a token of Labor's loyalty, Albanese highlighted his recent announcement that Labor's 30 shadow ministers would assemble this month in Port Hedland, the northern Western Australian port that is currently Australia's largest iron ore tonnage port, mainly due to consignments to China.

"I recognise the importance of your sector," Albanese told the mining bosses. "That is why at the end of this month I'm taking my entire shadow ministry to Port Hedland."

This is not simply a theatrical gesture by Albanese himself. Others were on hand at Minerals Week to underscore the reliability of Labor and its affiliated trade unions. Among them was shadow resources minister Madeleine King, who told the gathering Labor "unequivocally supports the resources sector," and shadow education minister Tanya Plibersek, who is touted as a possible challenger for Albanese's leadership.

Albanese's speech reflected the sharpening economic and geostrategic crisis facing the Australian ruling class. Militarily and in terms of foreign investment, it relies overwhelmingly on Washington and Wall Street. Labor is just as committed as the Liberal-National Coalition to the US alliance and to participating in the Biden administration's escalating preparations for a war against China to reassert the global hegemony secured by the US after World War II.

At the same time, the COVID-19 pandemic has increased Australian capitalism's dependence on China, the second-largest economy in the world, and one of the few to grow during the pandemic. That has particularly produced soaring prices for exports of iron ore.

With the pandemic and a mine disaster affecting Brazil, a key iron exporter, Australia became the world's largest iron ore exporter over the past two years, responsible for more than half of all global exports. That trend is expected to drive the total value of iron ore exports from Australia up from \$77.8 billion in 2019–20 to \$93.8 billion in 2020–21.

Albanese began his speech by paying tribute to the alleged contribution made to the "nation" by the industry giants. "Our nation's top five resources exports are iron ore, LNG, gold, metallurgical coal and thermal coal. We are the world's top exporter of iron ore, gold and metallurgical coal, joint top exporter of LNG and the second top exporter of thermal coal."

These remarks mirror those of the Minerals Council itself. "Our resource exports account for around 58 percent of Australia's total exports," its website declares. "This is far greater than services (including tourism, education and financial services), agriculture and manufacturing combined."

The council notes that China's "appetite" for iron ore has continued throughout the pandemic, making it the world's biggest importer, accounting for 68 percent of imports between 2019 and 2020.

Carefully avoiding any reference to the existential threat of rising global warming, Albanese pledged to help the industry

move to a “low-carbon future,” saying there was a “very bright future for exports in areas like aluminium, lithium, copper, cobalt, nickel and rare earths.”

In fact, the Labor leader criticised the Morrison government for not “collaborating” with the industry to “exploit these opportunities.” He provided a revealing definition of the role of a Labor government in implementing the dictates of the capitalist markets. “That’s what good governments do,” he said. “They support markets as the best mechanism to direct investment with appropriate regulation.”

“That is the kind of Labor government I will lead if am honoured to become the next prime minister of Australia.”

In line with his big business pitch, Albanese denounced the government for handing down an annual budget in May that included “\$100 billion of new spending, yet no plan for growth.” There was “no path to pay back the \$1 trillion debt. This budget is a debt sentence for Australia.”

This amounts to a vow to slash social spending faster than the Coalition, which has already cut welfare payments back to sub-poverty levels and continued to severely underfund essential programs, such as aged care, public health and education.

Then Albanese turned to the question of China, saying this was “another serious problem with this government that must be of real concern to members of the Minerals Council and other exporters.” He accused Morrison of lacking a “long-term strategy” to deal with China, which was “pressing its interests more assertively.”

Recent comments from Defence Minister Peter Dutton and Home Affairs Secretary Michael Pezzullo “about the prospect of war might well inflame nationalistic sentiments” with “profound security and economic implications.”

As with a speech last month by Labor’s shadow foreign minister Penny Wong, Albanese gave voice to nervousness within the ruling class about members of the Australian government openly “beating the war drums,” for fear of triggering powerful public opposition to the prospect of a catastrophic war.

Labor’s positioning further reflects concern in ruling circles that the Coalition government has too nakedly echoed the Biden administration’s escalation of US moves against China without sufficiently protecting the profits on which Australian capitalism still depends and preparing the economy for the devastating shocks that a war would produce.

There should be no illusions. Labor is unequivocally committed to joining a US-led war against China. In his speech, Albanese twice referred to Labor’s plans for a \$15 billion National Reconstruction Fund, which would provide corporate subsidies for strategic industries, such as “military

capability.”

The last Labor government signed up in 2011 to the Obama administration’s military “pivot” to confront China and Labor has backed every move taken against China by the present Coalition government. This includes banning 5G contracts with the telecommunications equipment-maker Huawei, blocking Chinese investment proposals and imposing “foreign interference” laws targeting any alleged political links to China.

Wong last month reiterated all the allegations issued by Biden’s administration, such as Beijing’s supposed “militarisation of disputed features of the South China Sea,” repression in Hong Kong, Tibet and Xinjiang, and “economic coercion” against multiple countries, including Australia. She was silent on the long record of US global aggression and mass killings, from the Vietnam War to the invasions of Afghanistan and Iraq.

Wong and Albanese led the provocative stance adopted at this year’s Labor Party national conference, where the party and trade union officials passed six resolutions condemning China across the board. At that conference, they presented Labor as the party best able to impose the sacrifices needed in times of war.

A key Labor MP, deputy chair of the parliamentary intelligence and security committee, Anthony Byrne, reinforced that message after Dutton and other government figures accused Albanese’s speech of undermining the bipartisan front of confronting China. “There is absolute bipartisanship on China,” Byrne said. “Just look at Huawei, 5G, Hong Kong, the Uighurs, the South China Sea.”

Workers in the US, China, Australia and every other country have a common interest in preventing a disastrous war. That urgently needs to be developed into a global working-class movement against capitalism and all its political servants, including Labor and the unions, based on a socialist and internationalist perspective.



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