



Vanguard

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Coup against Rudd orchestrated by mining monopolies

The swift deposing of Kevin Rudd as Labor Party leader and Prime Minister of Australia on 24 June and his replacement by Julia Gillard, Deputy Prime Minister, sent shock waves through the country. It is widely accepted as a coup.

And a coup it is, mainly engineered and led by most powerful sections in Australia's ruling class of mining monopolies and Murdoch's monopoly press.

It echoes an earlier coup that toppled the Whitlam government in 1975. In that coup Rex Connor, the Minister for Resources in the Whitlam government tried to take some control of Australia's resources out of the hands of foreign multinational mining corporations. That coup was executed to protect American imperialist interests in Australia and was a blatant subversion of Australia's sovereignty and independence.

The same issues of ownership and control over Australia's natural resources and subservience to imperialism shape today's political events, in particular the Resources Super Profits Tax.

Foreign monopoly interests

The most decisive and powerful mining monopolies in Australia are foreign owned, mainly connected to US imperialism directly or with links to foreign finance capital – BHP-Billiton, Rio Tinto and Xstrata. For many years, arm in arm with their reactionary Murdoch media monopoly mouthpiece, they aggressively pushed their demands on both the Howard Liberal and Rudd/Gillard ALP governments. AWAs (individual employment contracts), designed to crush fighting unions and slash workers' wages and conditions, originated in the mining industry and spread into many industries across Australia.

WorkChoices grew out of industrial policies tested in the mining industry. The Northern Territory Intervention was always driven by the mining monopolies and Murdoch media to open up more unrestricted access to minerals on Aboriginal lands, including uranium mining.

The fierce campaign to kill off the even largely ineffective carbon emissions tax was led mainly by the mining monopolies. Except for AWAs in their original form, the Rudd/Gillard government caved in to all of the demands of this powerful section of the imperialist ruling class.

The mining monopolies' backlash against Rudd's stubborn refusal to back down on the 40% Resources Super Profits Tax exposed the mining monopolies' naked force and power and the imperialist control over Australia's economy and political institutions.

Mining profits increase 530%

The global economic crisis and government stimulus packages had depleted the capitalist state funds, compelling the Rudd government to search for new sources of revenue to pay for the maintenance of the whole of the capitalist ruling class. Other sections of monopoly capital demanded Rudd government directs more state funds for their needs, including reducing company tax. At the same time mining monopolies continued demanding more public spending on ports and railways to speed up their profit making operations.

For Rudd it was either bowing to the Business Council of Australia and Minerals Council directive to make ordinary people pay through increased GST, more cuts to public spending, etc., or a small tax on the super profits of most profitable section of the economy, the billion dollars profits of the resources industry. The pre-tax profits of mining monopolies over past 5 years increased by 530% or a total of \$204 billion, more than eight times of increase in workers' wages. Less than 10% of total income of mining monopolies went to mining workers' wages and salaries. Rudd knew that increasing the GST and more cuts to public spending would spell electoral death.

The mining monopolies and Murdoch press set about to destabilise the Rudd government, launching a ferocious campaign to discredit Rudd, sow confusion and fear about the tax

and the threat of massive job losses and economic disaster for Australia.

The mining monopolies manipulated Australia's political situation to get rid of the Rudd government. The Liberal/National Party with Abbott at the helm were much more reliable and subservient servants to mining corporations' wishes.

Australia's people were held to ransom by the world's richest and ruthless mining monopolies and the most powerful section of Australia's ruling class today.

The growing dissatisfaction amongst many sections of the people, and strongest in the working class, seriously threatened the electoral return of the Rudd/Gillard government. Sections of the ALP Government subservient to imperialism moved swiftly to overthrow Rudd, who had become a liability. Julia Gillard was installed to re-assure mining monopolies of ALP leaders' servility to imperialist interests and bring members and supporters back to the ALP, who were deserting to the Greens.

Whose national interest?

What does Gillard mean by the "national interest". The former PM Rudd said the 40% resource profit tax was in the national interest. Huge mining companies did not think so and the newly led Gillard ALP government backed off straight away. Whichever way she turns she will find that the "national interest" is different for

different classes, and this is clearly the case when the conflicting interests of international capital and the majority of the Australian people are at stake.

On foreign policy she has already said the "national interest" is the US –Australia Alliance and continuation of troops in Afghanistan. This will bring her into conflict with the people as more bodies come back and more dollars are wasted on an unwinnable war.

Then there is the issue of what she does with the Ark Tribe case and the ABCC. "A strong cop on the beat" approach will be seen by the mining and property development industry captains as "in the national interest".

However, will the Australian working class, particularly the mining and construction workers, see the jailing of Ark Tribe and the continuation of ABCC type laws as "in the national interest"? Gillard's "national interest" stands for the interest of international and local monopoly capital, not the national interests of Australia's people.

The 40% Resources Super Profits Tax continues to have the support of many workers, unions and ordinary people and some sections of businesses.

Leadership from unions and other mass organisations can mobilise wide public support and campaign for a Resources Super Profits Tax that will provide funds for a better Australia. This would mean more schools and hospitals, better infrastructure, better community services, investment in renewable energy and manufacturing.

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