

Australia: Howard's backflips highlight growing government crisis

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Three policy reversals in two days by Australian Prime Minister John Howard have highlighted the deepening crisis engulfing his government. Less than a month after declaring his intention to contest another federal election, due next year, Howard is increasingly under siege.

The prime minister suffered a humiliating defeat from within the government on Monday when he was forced to withdraw a refugee bill rather than see it defeated on the floor of the Senate. Howard retreated in the face of the strongest act of defiance from his own Liberal Party MPs in his 10-year rule.

After five months of trying to push the bill through, he dumped it at the last minute when four Senators from his Liberal-National Coalition said they would either vote against or abstain: Liberal Senators Judith Troeth, Marise Payne and Russell Trood and Nationals Senator Barnaby Joyce. Howard's hopes for a deal with Senator Steve Fielding from the right-wing Christian Family First party collapsed on Sunday when Fielding declared he could not support the bill.

Last week, three government MPs crossed the floor of the House of Representatives to vote against the legislation, the first such rebellion since 1997, and two others abstained. The bill sought to extend the government's barbaric "Pacific Solution" for asylum seekers by forcibly transporting all of them—even those who reach the Australian mainland—to the remote island of Nauru and denying them every basic right under Australian and international refugee law.

Another Cabinet decision on Monday, announced at the same time as the withdrawal of the refugee law, revealed a certain degree of panic among Howard's ministers. More than \$1.5 billion will be spent trying to offset popular anger over rising petrol prices, primarily by offering motorists up to \$2,000 to subsidise the conversion of their cars to cheaper liquefied petroleum gas (LPG). Just weeks earlier, the government had ruled

out fitting government vehicles with LPG tanks.

The next day Howard performed another backflip to avoid a confrontation with his backbench. He dropped his previous trenchant opposition—restated only 10 days earlier—to allowing a "conscience" vote by government MPs on stem cell research.

A core group of MPs was reportedly determined to continue pushing for a free vote in parliament, in order to overturn the cabinet's decision in June to maintain a ban on the creation of human embryos for medical and scientific purposes. Howard's ban has not only pandered to right-wing Christian prejudices against scientific advancement, but also erected a barrier to potentially lucrative fields of corporate investment in medical research.

Taken together, the about-faces point to a wider disintegration of the government's foundations. Over the past five years, Howard has used the refugee issue—so-called "border protection"—along with the "war on terror" and concerns over rising interest rates, to promote fears and insecurities among millions of ordinary people.

The backdown on the refugee law demonstrates that it is no longer possible for the government to use the refugees, whom it vilifies and scapegoats, as a diversion from deepening social discontent, as it has in the past two election campaigns.

Since the 2004 election, when Howard pledged to keep home mortgage interest rates at "record lows," there have now been three rate increases. More broadly, the period of economic growth since the government took office in 1996 is starting to unravel. Howard has banked heavily on the commodities export bonanza generated by China's expansion to continue, following the collapse of the stock market and real estate bubbles of the past decade, but the surge of export income into the mining sector is stoking inflationary pressures.

The resulting surge in the cost of living, led by

transport, housing and consumer credit expenses, is placing enormous financial pressures on working people, just as they confront an onslaught on job security, wages and conditions under the government's new industrial relations regime.

Were it not for the complete lack of any opposition by the Labor Party, the government would have collapsed long ago. Labor is totally committed to satisfying the needs of big business. To the extent that it criticises Howard, it is inevitably from the right. The ALP's nominal opposition to the refugee bill was carried out, not on humanitarian grounds, but from the standpoint of stirring up nationalism and patriotism.

Opposition Leader Kim Beazley and Labor's immigration spokesman Tony Burke accused Howard of "surrendering Australian sovereignty" by proposing the legislation in order to appease the Indonesian government's anger over Canberra's granting of protection to 42 West Papuan asylum-seekers in March.

Beazley said the defeat of the refugee bill was a "victory for Australia's sovereignty" and demanded even tougher measures to keep out asylum seekers. "John Howard must strengthen Australia's borders, not surrender them," he insisted. "Bills designed to appease other countries have no place in the Australian parliament."

Burke declared: "You don't protect Australia's borders by surrendering them. That is what this Bill did. It was about pretending as a nation that we have no border." Burke later confirmed that Labor continued to support sending refugees to Nauru if they landed on offshore Australian islands.

In other words, Labor has no objection whatsoever to tearing up the fundamental legal and democratic rights of persecuted men, women and children and consigning them to detention in the middle of the Pacific Ocean.

To call Labor an opposition party has become a complete misnomer. Both major parties share the underlying "free market" program being pursued by the government, and this is understood by millions of working people. That is why media opinion polls can report a plunge in support for the government—down from 47 percent to 42 percent since the 2004 election—but no rise in support for Labor.

Howard has been at pains to downplay his refugee bill defeat and has openly canvassed the bypassing of parliament to remove all boat arrivals to Nauru. The day after the withdrawal of the bill, Immigration Minister Amanda Vanstone announced that eight asylum seekers

who landed on Ashmore Reef, in the Timor Sea, on Monday had been taken straight to Nauru's detention camp. Like other offshore Australian territories, Ashmore Reef was "excised" from the Australian migration zone, in clear violation of the 1951 Refugee Convention, in 2001.

Local media commentators generally sought to put a gloss on Howard's crisis. The *Australian's* political editor Denis Shanahan claimed that Howard had deftly minimised the political fallout over the refugee about-face. "In performing a political retreat, as he did over the sale of the Snowy Hydro scheme [the much-vaunted \$3 billion privatisation of the Snowy Mountains hydro-electricity network, recently dropped by the government due to a popular backlash], Howard has acted decisively to kill damaging media coverage, blame Labor and heal internal rifts."

But the *Financial Times* of London, reflecting the interests of global financial markets, declared that Howard had "suffered one of the worst blows to his authority in his 10 years as Australian prime minister". It quoted John Warhurst, a professor of political science at the Australian National University, who said: "In terms of his personal authority and his track record on key issues over the 10 years that he has been in office, I cannot think of a bigger setback."

A number of concerns lie behind the shifting sentiment against Howard in financial and business circles. His draconian anti-refugee policy has become a barrier to opening the door to guest workers and others to serve as cheap labour, particularly in rural areas, where fruit-picking and mining employers have reported acute labour shortages. Over recent months, editorials in the Murdoch press have also expressed dissatisfaction that, with another election looming next year, Howard is once again backing away from unpopular "economic reform"—such as the Snowy Hydro sale—and resorting to populist panaceas and diversions.



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