

Australia: Opposition Liberal Party in crisis over fake email furore

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Attempts by opposition Liberal leader Malcolm Turnbull to force the resignation of Prime Minister Kevin Rudd and Treasurer Wayne Swan over alleged corrupt ties to a Queensland car dealer backfired yesterday after it was revealed that an email at the heart of the “scandal” was a forgery. Turnbull himself may now be forced to step down; as a *Sydney Morning Herald* commentator noted today, his political ability “is now under challenge on three levels—for his competence, tactics and judgement”.

The email in question was purportedly written in February on behalf of the prime minister by his staffer Andrew Charlton and sent to treasury official Godwin Grech. The letter appeared to indicate that Rudd improperly interceded to ensure that his friend and neighbour, car dealer John Grant, received access to a government finance scheme known as OzCar. The scheme was created last December to assist the car industry after two major private finance companies withdrew from Australia amid the global credit crunch. (Grant had previously provided Rudd with a free ute—hence the media’s “utegate” tagline.)

Last Friday Turnbull seized upon the email—and Godwin Grech’s testimony before a Senate inquiry the same day, including his claim that he remembered receiving such an email from the prime minister’s office—and accused the prime minister of corruption and lying to parliament. He has since been forced to withdraw these allegations, today admitting that the charge that “Rudd misled the house about the communication is not sustained”.

Australian Federal Police (AFP) yesterday executed a search warrant on Grech’s Canberra home. The AFP released a press statement explaining that a preliminary forensic investigation of computers at the treasury department and at Grech’s home had found the purported email, which “has been created by a person or persons other than the purported author”. They added: “A 42-year-old Calwell man [i.e., Grech] has been interviewed by the AFP in relation to this matter and it will be alleged that the interview is consistent with preliminary forensic advice.”

The *Australian* today noted: “Last night, the AFP refused to clarify the statement, which seemed to suggest Mr Grech might have had some knowledge of the fake email.”

Grech’s role is one of the many unclear aspects of this sordid affair. He was visibly nervous and under pressure while speaking before the senate inquiry last Friday. His statement that he recalled receiving an email about the John Grant dealership was heavily qualified, with a caveat that his memory may have been faulty. Moreover, the public servant’s statement that he did not have a copy of the email now must be squared with the AFP’s discovery of the forged document at his residence.

Today it was revealed that Grech had previously worked in the office of Liberal MP, now shadow treasurer, Joe Hockey. Hockey has claimed, however, that he has not spoken with the treasury official “for years”.

The forged email originated from within the treasury department, but who wrote it is not yet known. The AFP reportedly intends to speak with former treasury official Paul Lindwall, who until a fortnight ago was working as a staffer for Malcolm Turnbull. Lindwall has also worked for former treasurer Peter Costello. He has denied any knowledge of the email.

In addition to the question as to who was responsible for creating the forged email, there is the issue of who circulated it. The government has accused Turnbull of having spent several weeks discussing its contents with various journalists. “The leader of the opposition has his fingerprints all over the promotion of this fake email and he knows it,” Rudd declared in parliament yesterday. “The question at stake here is the opposition’s knowledge of this forged email and their dissemination of it.”

Labor figures have also accused Turnbull of fabricating a false alibi after he last week insisted that he was not in possession of the email and was relying on a story published in the *Daily Telegraph*. The Liberal leader made this statement, however, before the Sydney tabloid had published the story, by reporter Steve Lewis, which cited the email’s contents.

It is not known who provided the forged document to Lewis. The senior Murdoch correspondent already has form as a tested Liberal Party conduit—in 2004 he was part of a clearly stage-managed exchange at a Washington press conference held by then US President George Bush and Australian Prime Minister John

Howard. Howard made sure Lewis was given the call to ask a question—regarding former Labor leader Mark Latham’s pledge to withdraw Australian combat troops from Iraq—thereby providing Bush with an opportunity to effectively condemn Latham for siding with the “terrorists”. (See “Australian PM shares a farcical White House media conference with Bush”)

Whatever the truth regarding the creation and distribution of the purported email, Turnbull’s response represents an extraordinary lapse in political judgement. The Liberal leader has a background in law—he has degrees from Oxford and the University of Sydney and took on several high profile cases in the 1980s, including defending millionaire Kerry Packer against the “Goanna” criminal allegations—and is undoubtedly familiar with the many legal issues involving libel, slander, and abuse of office. Moreover, he has long been a high profile figure within the Liberal Party and the Australian Republican Movement and there is no question that he would be familiar with the conventions of Australia’s Westminster parliamentary system, including that for an opposition leader to demand a prime minister’s resignation is no small matter.

Why then did Turnbull stake his entire political credibility on an unverified email? Such an act is only explicable in the context of the opposition coalition’s deep political crisis.

The Liberal Party, since being thrown out of office two years ago, remains identified in the minds of ordinary people with the Iraq war, the WorkChoices industrial relations legislation, and many other deeply unpopular measures. Turnbull’s efforts to distance himself from the former Howard government’s legacy has failed to boost the coalition’s standing in the polls while exacerbating opposition to his leadership from right-wing and Howard loyalist layers within the Liberal and National parties.

Turnbull has also proven unable to win significant support from what he regards as his natural constituency—big business. The corporate elite remains solidly behind the Rudd Labor government, which has responded to the deepening economic crisis by pledging to slash social spending in order to provide whatever public funds are deemed necessary to support business and the finance industry. Unable to effectively challenge the Labor government on policy grounds, Turnbull apparently decided to risk everything. Perhaps emboldened by the recent ousting of defence minister Joel Fitzgibbon after allegations concerning his association with Chinese political figures, the Liberal leader attempted to use a corruption allegation to trigger a government crisis and possibly bring down the prime minister and the treasurer.

Now Turnbull may be forced to step down, with opposition already publicly emerging from as yet unnamed MPs on the opposition backbench. The ABC reported this morning: “Behind closed doors, some Liberal MPs are critical of their leader’s performance. According to the Government, Mr Turnbull overreached and many on his own side agree. One experienced backbencher questions his leader’s judgement.”

The political disorientation underlying the affair is by no means confined, however, to the opposition coalition.

The entire political and media establishment has been entirely consumed by “utegate” as the deepest world economic crisis since the 1930s depression has begun impacting on every aspect of Australian economic and social life. No serious discussion or debate has been held on what the capitalist breakdown will entail. The Rudd government—in collaboration with its industrial enforcers, the trade unions—is preparing to push through an economic restructuring agenda that will involve, at its very heart, an unprecedented offensive against the living conditions of the working class. While there is unanimous support for this agenda in the ruling elite, mounting social tensions within the general population and rival sectional interests within the bourgeoisie are finding distorted expression in the political superstructure in the form of increasingly frenzied internecine struggles over corruption allegations.

For now at least, the Labor government is on the offensive in parliament. Wayne Swan, who would be facing greater scrutiny had Turnbull not promoted the fake email, yesterday released pages of emails and other documents, which he claimed proved that despite his personal attention to John Grant’s case, no special favours were granted and other dealerships were treated in similar manner.

The problem for Turnbull and the Liberal Party in relation to their charge that the treasurer used his influence to assist the business interests of his “mate” is that this is standard operating procedure in all the major parties. The Australian parliament as a whole functions as an instrument of big business, with every parliamentarian tied by a thousand strings to different sections of business and the corporate elite, whether through personal ties, financial interests, or political donations.



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