Bitter leadership rivalries re-emerge within Australian opposition

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Bitter divisions have re-emerged within the Liberal-National coalition, with opposition leader Tony Abbott under fire from rivals Malcolm Turnbull and Joe Hockey.

The internecine feuding has erupted amid heightened scrutiny by sections of business and the media of Abbott's credentials as alternative prime minister. The opposition leader is agitating for an early election to bring the minority Labor government down. However, elements within the ruling elite are clearly considering installing a less erratic opposition leader—with approved pro-business policies to eliminate the budget deficit and address greenhouse gas emissions—before moving against Prime Minister Julia Gillard.

Shadow communications minister and former Liberal leader Turnbull appeared on the ABC's "Lateline" program last Wednesday and openly derided Abbott's "direct action" plan on climate change.

Turnbull was ousted in December 2009, after he triggered a revolt among right-wing Liberal parliamentarians by backing Labor's proposed emissions trading scheme (ETS). Abbott was elected party leader by just 42 votes to 41, and immediately repudiated Turnbull's deal with then Labor Prime Minister Kevin Rudd. The new leader subsequently unveiled a policy that essentially involves using public funds to subsidise privately-owned power stations to switch from coal to gas and to purchase so-called carbon offsets from agribusinesses and farmers.

None of the proposed schemes advanced by the Liberal and Labor parties are aimed at resolving the climate change crisis—it is impossible to adequately lower emissions within the framework of a social and economic order under which the world is divided into rival nation states and production is determined by profit considerations. Instead, different business interests are at stake.

Rudd and Turnbull's emissions trading scheme was geared toward the long-term interests of the Australian bourgeoisie as a whole, especially benefitting finance capital, with Australia to be positioned as a regional hub for an Asian trading market for carbon credits. Similarly, Gillard's proposed carbon tax is aimed at using a so-called market mechanism to bolster the international competitiveness of Australian capitalism. On the other hand, Abbott's rejection of any form of ETS or carbon tax is clearly pitched toward specific sectional interests, including the electricity generators, sections of the mining industry, and less competitive manufacturers.

Turnbull last week described Abbott's policy as "spending taxpayers' money, taking out of the budget so many billions of dollars ... it is a policy where, yes, the government does pick winners, there's no doubt about that, where the government does spend taxpayers' money to pay for investments to offset the emissions by industry".

Emphasising that the opposition's plan did not involve a "market based mechanism," Turnbull explained that "there are two virtues of that from the point of view of Mr Abbott and [opposition climate spokesman] Mr Hunt". He continued: "One is that it can be easily terminated... If you believe climate change is going to be proved to be unreal, then a scheme like that can be brought to an end. Or if you believe that there is not going to be any global action and that the rest of the world will just say, 'It's all too hard and we'll just let the planet get hotter and hotter,' and, you know, heaven help our future generations—if you take that rather grim, fatalistic view of the future and you want to abandon all activity, a scheme like that is easier to stop."

With these damning remarks, Turnbull made clear that Abbott's policy has been directly tailored to the Liberal Party's right-wing, which is convinced that climate change is a hoax or conspiracy.

The day after Turnbull's appearance on "Lateline," the *Australian* published an editorial declaring that the logic of a so-called market-based mechanism for pricing carbon "is so compelling that politicians as diverse as John Howard, Kevin Rudd, Malcolm Turnbull and Ms Gillard found it impossible to resist". The Murdoch newspaper continued: "The odd man out is Tony Abbott. By thumbing his nose at the market approach, he almost guarantees his carbon abatement will cost more per tonne than under an ETS or carbon tax. And it involves picking winning projects, a process fraught with the risk of governments making costly mistakes."

Clearly embarrassed by the direct challenge to his credibility, Abbott absurdly blamed the "Lateline" presenter for "goading"

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Turnbull. The Liberal leader insisted that his predecessor agreed with the party's climate policy—and promptly directed his colleagues not to make any further statements to the media about the dispute.

Turnbull concluded his interview by warning that if the current Liberal climate policy were ever implemented as a "long-term solution to abating carbon emissions," it would involve "spending more and more taxpayers' money to offset [industry pollution], and that would become a very expensive charge on the budget in the years ahead".

This was an obvious pitch to the media outlets that have expressed serious concerns over Abbott's response to Gillard's first budget, delivered on May 10. The budget contained $22 billion in cuts and savings over four years, with a small surplus projected for 2012-13, but this was widely regarded by big business as an inadequate response to its demand for an austerity program along the lines of those implemented in Europe and the US.

Abbott's budget reply speech was an exercise in evasion and double-talk—on the one hand demanding the government implement greater spending cuts, but on the other, making populist denunciations of Gillard for being insensitive to "working Australians" for the measures that were announced. The Liberal leader condemned new restrictions on family payments to households earning more than $150,000 as "class warfare"—drawing a rebuke from the *Australian*, which recalled Abbott's promotion in the final years of the previous Howard government of what the Murdoch press describes as "middle class welfare".

Following the budget, the *Australian*, the *Business Spectator* and the *Australian Financial Review* were among those referring favourably to Turnbull's positions on public spending.

By contrast, shadow treasurer Joe Hockey has been roundly pilloried for his performance last Wednesday at the National Press Club (NPC). Responding to the government's budget, he was unable to answer journalists' questions over various irregularities and accounting tricks purportedly used by the opposition to come up with proposed spending cuts and savings totalling $50 billion. Hockey accused one journalist of being a Labor government stooge.

The *Australian Financial Review*'s commentator Laura Tingle described him last Friday as "at best a lightweight" and ridiculed his perceived status as a "good bloke".

The *Australian* concluded that his NPC appearance confirmed Hockey's nickname of "Sloppy Joe" and called for Abbott to demote his "weakest link" in favour of Turnbull, "the most able economic thinker in parliament". The editorial declared: "The opposition leader must maintain discipline if the coalition is to remain competitive, and should concentrate on strengthening his policy platform."

This directive underscores the Murdoch media's caution with Abbott. By "remaining competitive," the *Australian* does not mean in relation to the Labor Party—the opposition is far ahead of the government according to every recently released opinion poll—but rather is referring to Abbott's credibility as assessed by key layers of the ruling elite. If the Liberal leader "strengthens his policy platform," then the *Australian* may follow Abbott's call to whip up a campaign against the minority government, aimed at creating a climate for its removal. The newspaper did precisely this in 1975, playing an important role in the ousting of Labor Prime Minister Gough Whitlam.

But for now at least, Abbott's appeal for an early election is not being picked up, and the impasse is generating further tensions within the opposition.

Yesterday the *Sunday Age* and *Sun-Herald* reported that before the budget, Hockey and Abbott held a "fiery conversation in which both called into question the other's loyalties and political ideology". Hockey accused his leader of leaving him "swinging in the wind" after Abbott, under pressure from his coalition National Party partner, forced him to repudiate a suggestion that the opposition would tax family trusts in the same way as companies. According to the unnamed Liberal source, the phone conversation "descended into a slanging match before ending abruptly without resolution".

The Liberals' inability to maintain elementary party discipline reflects the broader crisis of the entire political establishment in Australia, fuelled by deepening turmoil in the global economy and the enormous pressures now confronting every sector of the Australian economy other than mining. This political crisis ultimately reflects the ruling elite's ongoing struggle to forge a government capable of carrying out its policy requirements, including drastically lowering the living standards of the working class.

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