

# The US “pivot to Asia” and the Australian leadership crisis

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A fortnight after Australian Prime Minister Tony Abbott survived a Liberal Party backbench revolt, the leadership issue is clearly unresolved. Increasingly Abbott, his gaffes and unilateral decisions, or “captain’s calls,” have become objects of ridicule in the establishment media. Speculation remains rife that Abbott has just months to improve the party’s fortunes or face a leadership challenge.

Underlying the political crisis are deep frustrations in the corporate elite over the Abbott government’s failure to drive through their demands for far-reaching pro-market reforms and austerity measures. Key policies from last May’s budget, including lifting the pension age to 70, cuts to welfare benefits and a co-payment for doctors’ visits, remain blocked in the Senate by Labor, the Greens and minor parties, who fear a backlash from working class voters. Abbott sparked fresh concerns in business circles when he suggested that the government would back off harsh measures in this year’s budget.

No one has declared a formal challenge to Abbott’s leadership, but the most likely challenger is obvious—Communications Minister Malcolm Turnbull, a merchant banker, former Liberal Party leader and one of the wealthiest individuals in the Australian parliament. Turnbull appeared on last week’s edition of the ABC’s “Q&A” panel show, where the issue of the Liberal Party leadership was so much in the air that an audience member asked whether Abbott would last and was the next prime minister present in the room. Slick, urbane and smug, Turnbull passed over the question.

Turnbull did exploit the show to lay out his strategy for pushing through unpopular budget measures. Well aware that the Labor Party’s opposition to austerity is empty posturing, he declared that both sides of politics agreed on the need to “sort out the budget mess.” He called on Labor for a collaborative approach to implementing the austerity agenda demanded by big business. Sections of the media have been calling for months for such bipartisanship in order to overcome the parliamentary logjam and have backed Turnbull as the only figure capable of achieving it.

However, a major obstacle to Turnbull’s leadership ambitions lies in Washington. In the midst of rising geo-political tensions, a key test of any Australian prime minister is the degree to which he or she is willing to unconditionally align with US intrigues, interventions and wars, especially the Obama administration’s “pivot to Asia” and its military build-up throughout the Indo-Pacific region against China.

The ousting of Labor Prime Minister Kevin Rudd in June 2010 by a handful of Labor and union powerbrokers with close links to the US embassy marked a key turning point in Australian foreign policy. Rudd was not opposed to the US-Australian alliance, or the necessity for preparing for war against China. However, his proposal for an Asia Pacific Community and suggestion that the US reach a modus vivendi with China cut directly across the Obama administration’s determination to confront Beijing and maintain America’s untrammelled hegemony throughout Asia.

Every subsequent government has lined up fully with Washington. Since

winning office in September 2013, Abbott has functioned as a reliable attack-dog for the United States: confronting Putin over Ukraine, committing Australian military forces to the new US-led war in the Middle East, and further opening up Australian bases for the Pentagon’s “rebalance” to Asia, aimed at encircling China.

Questions continue to hang over Turnbull in Washington, however. Like Rudd, Turnbull has in the past suggested that Australian interests would be best served by encouraging a balance between the US and China, now the world’s second largest economy. Obama’s confrontational stance toward China has heightened the dilemma facing Australian imperialism, which depends heavily on China as its top trading partner but remains reliant strategically on its post-World War II alliance with the United States.

The views expressed by Rudd and Turnbull reflect those of layers of the Australian corporate and financial elite who are deeply concerned that rising tensions between the US and China are impacting on their economic interests. They are fearful of the growing danger of conflict, as well as the opposition that the US war drive could provoke among workers and youth. Since Rudd’s 2010 ouster, however, critics of the US “pivot” have been increasingly marginalised.

In a significant speech entitled “Asia’s Rise: A View From Australia” at the London School of Economics in October 2011, Turnbull, mesmerised by the statistics of China’s economic growth, foreshadowed “a massive realignment of economic and, in due course, political and strategic power at a speed and on a scale the world has not seen before.” He suggested that “within a few decades the IMF’s head office may be in Beijing rather than Washington.”

Turnbull’s superficial assessment that China would soon eclipse US imperialism ignores the contradictory character of China’s economic rise. Its expansion has at every stage depended on investment, technology and markets that remain dominated by the major global corporations and investment banks, which take the lion’s share of the profits. Militarily, despite its heavy defence spending, China lags well behind the United States, which has a global network of alliances and bases that are being “rebalanced” for a potential war against Beijing.

Turnbull’s conclusion was likewise based on the same false premise. Arguing against a policy of containing China, he declared: “The best and most realistic strategic outcome for East Asia must be one in which the powers are in balance, with each side effectively able to deny the domination of the other.” US imperialism, however, has no intention of allowing China, or any other power, to undermine its dominance in Asia or globally. As US Secretary of State Hillary Clinton bluntly declared, “the United States is not ceding the Pacific to anyone.”

In November 2011, Obama used the Australian parliament to formally announce his “pivot” or “rebalance” to Asia and signed an agreement with Rudd’s replacement, a fawning Julia Gillard, to base US Marines in the northern city of Darwin. The “pivot” not only involves a US military build-up throughout Asia, but also an aggressive diplomatic offensive to

undermine Chinese influence and an economic component—the Trans Pacific Partnership (TPP)—aimed at compelling countries throughout the region, particularly China, to accept Washington’s far-reaching demands to fully open up to US trade and investment.

In a speech just days later, Turnbull pointedly warned: “An Australian government needs to be careful not to allow a doe-eyed fascination with the leader of the free world to distract from the reality that our national interest requires us truly (and not just rhetorically) to maintain both an ally in Washington and a good friend in Beijing.”

Turnbull cautioned against “the misapprehension” that “even though China is about to become the world’s largest economy and is actually in the centre of East Asia, nonetheless the United States will remain the dominant power in the region.” To assume that the US would retain its hegemony, he concluded, was “not a sound basis on which to build Australia’s foreign policy.”

Following Obama’s speech, the dominant sections of the Australian political and military establishment concluded that their interests were best served by lining up with Washington and its reckless efforts via the “pivot” to secure US dominance over China, even if that precipitates war. Significantly, Turnbull’s remarks came under a blistering attack from Greg Sheridan, foreign editor of Murdoch’s *Australian* newspaper, one of Washington’s staunchest advocates. Turnbull’s “two important speeches on China,” Sheridan declared, “help explain why he was such a disastrous Liberal leader and why he should never be considered for the leadership again.”

More than three years after Obama’s speech in Canberra, global geo-political tensions have continued to rise dramatically, fuelled by the ongoing breakdown of world capitalism. Japan, the Philippines and Vietnam, encouraged by Washington, have aggressively pursued their territorial disputes with China, greatly inflaming tensions in the East China and South China Seas. The US has forcefully intervened in Asia Pacific forums to undermine Chinese influence, resulting in a reorientation by the Burmese junta, long considered firmly in China’s camp, toward Washington. Just last month, a US-sponsored regime-change operation in Sri Lanka saw the removal of President Mahinda Rajapakse, who was considered too closely tied to Beijing.

The US military build-up has continued apace to meet Obama’s target of basing 60 percent of naval and air assets in the Asia Pacific by 2020. Australia, along with Japan, is central to the Pentagon’s war planning. Since 2011, the Australian military has been integrated more and more closely with its US counterparts. US basing arrangements in Darwin and other areas in the north and west of Australia are being expanded. US spy facilities at Pine Gap and North West Cape have been enhanced to expand their ability to provide phone, electronic and satellite data from across Asia and the Middle East. So essential are these bases that Australia would be automatically involved in any war with China.

Australian critics of the “pivot” continue to express their misgivings and concerns, which are rooted in the objective dilemmas confronting Australian imperialism and the rising dangers of war. They have, however, been compelled to adapt to the changed facts on the ground. Rudd served as foreign minister in the Gillard cabinet and fell into line with Washington’s foreign policy, as did his replacement Bob Carr, who had criticised the 2011 decision to base US Marines in Darwin.

Similarly, while his underlying concerns remain, Turnbull has modified his public stance. Although it is not his brief as communications minister in the Abbott government, he has continued to speak occasionally on foreign policy. Last June, the *Australian* pointed approvingly to his remarks to a security conference at the Australian National University, describing them as “one of the bluntest assessments yet from Canberra of Chinese territorial claims in the East and South China Sea.” Turnbull blamed China for the rising tensions, declaring that its determination “to muscle up to one or other of its neighbours, or all of its neighbours at

different times” was “counterproductive” and “singularly unhelpful” to regional security.

Turnbull’s public silence on the controversy last November over the Chinese-backed Asian Infrastructure Investment Bank is also noteworthy. After Abbott’s cabinet initially approved Australian involvement in the bank, that decision was abruptly reversed after an extraordinary intervention by Obama, Secretary of State John Kerry and Treasury Secretary Jack Lew, on the grounds that Chinese investment would serve Beijing’s military aims. In 2012, by contrast, Turnbull had not been reticent in airing his opposition to the Labor government’s decision to ban Chinese telecommunications giant Huawei on security grounds from any involvement in the Australian national broadband network.

Most significant, however, was Turnbull’s speech to the US/Australia Dialogue in Los Angeles on January 30—that is, on the eve of the challenge to Abbott’s leadership. In many ways, it sounded like to job application to Washington, even though elements of the speech would still have jarred with the Obama administration.

Turnbull laid out his credentials as a proponent of pro-market restructuring and austerity to ensure that high-wage countries like Australia are “internationally competitive.” He singled out the US-backed TPP as the “broad-based and enduring regional agreement” needed to open up Asian economies, and called for China’s inclusion in the TPP on that basis.

Turnbull returned to his concerns that “the speed of Asia’s rise ... could exacerbate the likelihood of conflict. This transition in global power will be a very different hand-off than from Britain to the US a century or so earlier.” As noted earlier, the US has no intention of “handing off” to China or any other power.

Nevertheless, Turnbull made clear where he stood amid the rising tensions, once again blaming China for exacerbating maritime disputes in the East and South China Seas. Moreover, in concluding his speech, he expressed his full support for “strong and continued American engagement in the region.”

While pointing to diplomatic engagement, rather than “military might or dollars,” Turnbull declared: “The Obama administration’s pivot to Asia is a vitally important stabilising, reassuring factor in the peaceful development of our region.” After referring to American wars in the Middle East and Central Asia, he continued: “But the main game, the highest stakes, the most to win or lose is in the Asia Pacific. That is the new centre of the global economy and America, a Pacific nation, has as much skin in this game as any of us in Australia.”

Turnbull was well aware of what he was doing. In making his pitch to Washington, he was pictured alongside Jeffrey Bleich—Obama confidante, point man for the “pivot” and the US ambassador to Canberra during the 2010 coup against Rudd. It remains to be seen, however, whether Turnbull has modified his message enough to satisfy the White House.

One significant indication that Turnbull is at least being seriously considered in Washington was the appearance of Greg Sheridan in last week’s “Q&A” program and his answer to the question as to whether the next prime minister was seated in the room. Sheridan could have repeated his unequivocal statement of 2011 that Turnbull should never be considered for the top post, but did not. Instead, he declared: “It’s quite clear the leadership is in play. I think Tony [Abbott] has a 50-50 chance of staying as leader. I think if he were to lose support definitively, it’s very likely the party would ask Malcolm Turnbull to take the leadership.”

Whatever the outcome of the Liberal Party leadership crisis, the continuing and sharpening geo-political undercurrents are another warning that, behind the backs of the working class, all factions of the ruling classes, whatever their tactical differences, are preparing for conflict and war.



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