Australian government wracked by rifts over US military demands and austerity

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Bitter conflicts are erupting within the Australian government, just six months after former Prime Minister Tony Abbott was replaced in a leadership coup by his longtime rival Malcolm Turnbull. These are being driven by mounting pressures on two fronts. The first is Washington's demand for Australia to join its "freedom of navigation" operations inside Chinese-claimed territorial waters in the South China Sea. The second is growing condemnation by the corporate elite of the government's failure to slash social spending, reduce business taxes and cut workers' conditions amid a worsening economic situation.

These escalating rifts have burst into the open over the past week, particularly after several calculated interventions by Abbott.

On February 26, Abbott delivered a speech in Tokyo calling on Turnbull to directly challenge China's territorial claims in the South China Sea by sending a warship or military aircraft within the 12-nautical-mile limit surrounding one of its islets. This would make Australia the only other country to join the provocative US intrusions into the disputed waters.

Then, on March 1, Abbott publicly criticised the Defence White Paper, which had just been released by the Turnbull government, for allegedly extending the time for the delivery of a new fleet of submarines to the early 2030s—from the mid-2020s as initially projected by Abbott's government. "I'm not just disappointed, I'm flabbergasted at this decision," he told the *Australian*. The submarines form a critical component of a multi-billion dollar weapons spending program outlined in the White Paper, designed to meet Washington's demands for Australia to play a greater part in the US preparations for a military confrontation with China.

Also on March 1, in a Liberal Party parliamentary meeting, Abbott called for the government "to take on the savings challenge again." This amounted to an accusation that, under Turnbull, the government had abandoned its drive, launched by Abbott's 2014 federal budget, to implement severe cuts to health, education, welfare and other social programs. In subsequent media commentary, Abbott defended the 2014 budget, which had triggered such public hostility that some of its key features remain blocked in the Senate by the Labor opposition and various other senators who fear the electoral consequences of supporting such unpopular measures.

Abbott, who has remained in parliament on the backbenches, is clearly positioning himself for a future challenge for the Liberal Party leadership, angling for the backing of Washington and big business.

Abbott's interventions have provoked sharp rebukes by Turnbull and his backers. They initiated an Australian Federal Police investigation into the alleged leaking of the draft White Paper, prepared under Abbott, which has pushed Abbott onto the back foot on his "national security" agitation—forcing him to deny that he leaked "classified documents." Turnbull also prevailed upon the heads of the defence department and the armed forces to deny any delay to the submarine timelines, insisting that Abbott's government was advised of the same delivery dates.

Last weekend the media serialised a new book, *The Road to Ruin, How Tony Abbott and Peta Credlin destroyed their own government*. Written by journalist and former government adviser Niki Savva, it claimed that the close relationship between Abbott and his former chief of staff, Credlin, tore Abbott's government apart. For all the book's salacious gossip about the pair, however, one of its main indictments was that Abbott himself had backed away from implementing the austerity offensive being demanded by big business.

According to Savva, Abbott postponed the early release of his government's National Commission of Audit report in 2014, which was chaired by former Business Council

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of Australia head Tony Shepherd. Designed to justify deep cuts in the 2014 budget, the report set out a blueprint for the wholesale destruction of the country's post-World War II social welfare system. It advocated cutting the minimum wage, dismantling the Medicare health insurance scheme and scrapping much of the current unemployment, pension, disability, child care, family and other welfare entitlements.

Savva's book alleged that Abbott was "extremely nervous about its impact, describing it to Shepherd as 'politically dangerous'." She reported that Shepherd wanted to "get the bloody thing out" in order to lay the groundwork for a savage budget, with the audit commission taking the "early blast of unpopularity of the findings," but "the prime minister's office delayed."

Underpinning these recriminations are divisions, not just within the government, but throughout the entire political establishment. These centre on how to balance between Australia's longstanding military ally, the United States, and its largest trading partner, China, and how to impose brutal cuts to the living standards and social conditions of the working class.

Turnbull is no less committed than Abbott to the US-Australian alliance. But Abbott aggressively placed Australia on the frontline of the renewed US war in the Middle East, its confrontation with Russia over Ukraine, and its military and economic "pivot to Asia" against China. Turnbull, a former investment banker with connections in China, has been less forthright. In fact, he warned in 2011 against a "doe-eyed fascination with the leader of the free world" and only signalled his support for the confrontational US strategy last year, as he was preparing his challenge for the leadership.

Both men are also dedicated to delivering the austerity measures spelled out by Shepherd's audit report. When he ousted Abbott, Turnbull accused the latter of failing to provide the necessary "economic leadership." But for all Turnbull's socially progressive credentials and glib political salesmanship, he has proven no more successful than Abbott in overcoming popular opposition to the austerity agenda. In recent weeks, he has backpedalled away from proposals to increase the regressive Goods and Services Tax and to slash health and education outlays in order to reduce the corporate tax rate.

Aided by a deal with the Greens to change the Senate voting system, which is aimed at preventing small parties and Independents from winning Senate seats, Turnbull is reportedly considering an early "double dissolution" federal election on July 2. Such a manoeuvre could pave the way for pushing deep spending cuts through parliament, once the election is over. But it could also backfire, boosting support for candidates appealing to the widespread hostility toward all three establishment parties—Labor, Coalition and Greens.

Regardless of any election outcome, the underlying divisions will continue to deepen. The rifts besetting this government are similar to those that lay behind the Washington-backed coup of June 2010 that deposed Kevin Rudd as Labor prime minister and installed Julia Gillard. Like Turnbull, Rudd had suggested that Washington should make concessions to Beijing to avoid escalating conflict, whereas Gillard lined up unequivocally behind the "pivot." She also began implementing attacks on education and other social spending.

Labor's leaders are clearly seeking backing in Washington to return to office. Stephen Conroy, Labor's shadow defence minister, has demanded that Australia join the US operations in the South Sea China and denounced Turnbull for refusing to be as forthcoming as Abbott in undertaking such pro-US missions.

Australian capitalism is being shaken by the collapse of the China-driven mining boom that temporarily shielded it from the full impact of the 2008 global breakdown. At the same time, Washington is intensifying its insistence on a government that will unequivocally commit to full participation with the US war-drive in the South China Sea and throughout the Indo-Pacific region.

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