Public rifts erupt in Australian government

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22 October 2016

The tensions wracking Prime Minister Malcolm Turnbull's Liberal-National Coalition government erupted to the surface this week, raising new doubts over its stability in the face of a deepening economic crisis and rising global geo-political tensions.

There were extraordinary scenes in parliament on Thursday, as Turnbull and Tony Abbott, the man he ousted as prime minister just over a year ago, effectively called each other liars.

Earlier in the week, Abbott denounced a suggestion by Turnbull that the government might strike a deal with libertarian Liberal Democrat Senator David Leyonhjelm to end a ban on imports of a lever-action shotgun. Abbott tweeted that was "disturbing to see reports of horse-trading on gun laws."

Leyonhjelm, however, produced emails from August 2015, showing that he had agreed with two cabinet ministers in the then Abbott government to support migration legislation "in return for" the government placing a 12-month sunset clause on the Adler shotgun ban.

Abbott nevertheless went on television on Wednesday night to categorically insist there had been "no deal" involving his office.

During parliamentary question time on Thursday, Turnbull bluntly contradicted Abbott's claim. He said that as a result of inquiries he made to his ministers, "I'm satisfied that the minister for justice acted in the full knowledge of the prime minister's office at that time."

Abbott then insisted on making a personal statement to parliament, declaring he had been "most grievously" misrepresented. It was "absolutely and utterly false" to suggest he had connived with Leyonhjelm to weaken Australia's gun laws. Abbott said his remarks were directed against the Labor Party opposition—which had asked Turnbull to confirm Abbott's role—but it was clear that Abbott's vehemence was aimed at the prime minister.

Media commentators spoke of the government "shooting itself in the foot" and "blowing its brains out." The week had begun with the government vowing to secure passage of two bills, designed to suppress industrial action, particularly on construction sites. Turnbull had invoked the previous blockage of these bills in the Senate to call the July 2 double dissolution election of both houses of parliament. By the end of the week, the government was in open disarray.

The internal warfare with the Liberal Party cannot be explained by a dispute over gun laws. Far deeper issues are involved. The confrontation followed stepped-up agitation by Abbott on several fronts, blatantly seeking to undermine Turnbull. Last week, Abbott told Fairfax Media he was "ready to serve" as prime minister again, if a call came.

Turnbull's government is facing immense pressures, politically, economically and geo-strategically.

The July 2 election, which Turnbull called to break through a parliamentary logjam caused by the popular opposition to its plans to slash public spending, was a debacle for the governing parties. The Coalition clung on to power with only a one-seat majority in the House of Representatives and only 30 seats in the 76-member Senate.

Questions are being asked throughout the media about its capacity to impose the agenda of budget-slashing and cuts to working conditions demanded by the corporate elite. Only one bill to gut social spending—an Omnibus bill to reduce expenditure by about $6 billion over four years—has been passed since the election, and for that the government had to rely on the bipartisan support of the Labor Party.

Editorials today voiced frustration with the government's internal brawling. Fairfax Media's *Sydney Morning Herald* said Turnbull headed a "ructious party seemingly intent on in-fighting not

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governing." The *Australian*, the Murdoch flagship, said the "continuing chaos" was placing the government's credibility as stake.

Economically, the global stagnation and fall in mining export prices are being compounded by signs of the possible collapse of a five-year speculative property bubble. This week, Morgan Stanley became the latest finance house to warn of a looming glut of apartment construction. It predicted a surplus of 100,000 apartments by 2018, and a credit crunch for developers that would threaten 200,000 industry jobs.

The latest labour force statistics highlighted the destruction of full-time jobs. During 2016, full-time employment has dropped by 112,000 jobs, while part-time has risen by 163,000. On average, about 530 full-time jobs have disappeared each day. The official unemployment rate edged down to 5.6 percent, but only because of a falling workforce participation rate.

Treasury secretary John Fraser issued another warning that Australia could lose its AAA credit rating unless the government cut its annual budget deficit of around $40 billion. Global ratings agency Standard & Poors said it was "monitoring the success or otherwise of the new government's ability to pass revenue and expenditure measures through both houses of parliament."

Geo-strategically, Turnbull's government confronts insistent demands from Washington, on which the Australian ruling elite depends militarily, to take a frontline position in military operations that could trigger open conflict with China, the country's largest export market.

To date, despite US appeals, Turnbull has not permitted the Australian Navy to carry out a provocative "freedom of navigation" incursion inside the 12-mile territorial limits around Chinese-held islets in the South China Sea. In fact, he and Foreign Minister Julie Bishop this month criticised Labor Party leaders for advocating such operations, saying it would "escalate tensions" with China.

Washington will be looking to Australia even more for such involvement following Philippines' President Rodrigo Duterte's declaration in Beijing this week that he is "separating" from the US, potentially undermining Washington's "pivot to Asia."

This month Turnbull's government sought to shore up its relations with Washington by finalising an "in principle" deal to expand US use of Australian military bases. This long-delayed pact, first initiated by the previous Labor government in 2011, may not be enough to satisfy the Pentagon, however.

Just weeks after the government's narrow July 2 win, US Vice President Joe Biden arrived for a four-day visit to Australia, during which he asserted publicly that Australia must stand "all the way" with the US.

In early September, a clear signal was delivered that the US has concerns about whether it can depend on Turnbull. The *Australian Financial Review* published allegations that the Australian intelligence agencies, which are closely connected to their American counterparts, believe the prime minister "isn't taking their warnings about the security threat posed by China seriously enough."

While Abbott was in office, there was no doubt about his government's unequivocal alignment with Washington, whether in the escalating war in the Middle East or in the Asia Pacific region.

US foreign policy concerns have been a central issue in the ouster of two previous Australian governments. Prime Minister Gough Whitlam's Labor government was removed from office on November 11, 1975 in a constitutional coup by the governor-general, operating in collaboration with the Australian security apparatus, and US and British intelligence agencies.

In June 2010, Kevin Rudd was removed via a backroom Labor Party coup orchestrated by trusted backers and "protected sources" of the US administration, including current Labor leader Bill Shorten. As diplomatic cables published by WikiLeaks later confirmed, the Obama administration viewed Rudd as an unreliable ally in regard to its plans for a confrontational stance toward China. Rudd's replacement as Labor leader and prime minister, Julia Gillard, fully committed Australia to the US "pivot to Asia" in November 2011.

In the light of this history, questions arise as to Washington's role in the rifts rocking Turnbull's leadership.

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