

Australian Corporate Chief suggests a “Dictator” to Resolve Australia’s Political Crisis

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Prominent businessman Gerry Harvey has bewailed the outcome of last Saturday’s election in Australia and suggested the formation of a dictatorship in order to resolve the political crisis and impose anti-working class economic “reform” measures.

Which parties will form the next government remains unclear. There was a significant shift against the Liberal-National Coalition government of Prime Minister Malcolm Turnbull, but the Australian Labor Party failed to capitalise, recording its second lowest primary vote since World War II. A record number of votes were cast for various right-wing populist and “independent” candidates, who benefitted from growing hostility toward the political establishment. With ballots still being tallied, the most likely outcome appears to be a hung parliament as neither major party appears able to secure a parliamentary majority, as well as a splintered Senate or upper house.

Harvey, the founder and chairman of transnational retail company Harvey Norman, is Australia’s 19th wealthiest individual, with a reported personal fortune of \$2 billion.

In an interview with the Murdoch-owned *Daily Telegraph* tabloid, he complained that Australian politics had been in a “state of constant turmoil” since 2007, when Liberal Prime Minister John Howard lost office. Harvey continued: “The whole world now, with what’s happening in England, Europe and America—there’s a great deal of dissatisfaction with mainstream politics and the people are showing their frustration.”

The election outcome in Australia reflects international processes that have found expression in the presidential primaries in the United States and the recent referendum in Britain on membership of the European Union. Mass popular alienation with the political establishment in both countries has been expressed in a distorted fashion in the vote for Donald Trump in the US and the “Leave” campaign in the United Kingdom.

Harvey’s response is significant. Declaring that Australia was “living beyond its means,” he concluded: “Neither side [Labor or Liberal] can do anything about it, because the minute they do they’re hammered. The only cure we’ve got is to have a dictator like in China or something like that. Our democracy at the moment is not working.”

These remarks express the growing hostility within ruling circles—not just in Australia—toward democratic forms of rule.

The uncertain election outcome has brought to the surface of political life the simmering frustration and anger within the ultra-wealthy. Harvey’s cry that “democracy is not working” has been echoed since Saturday’s election in numerous media commentaries that have

bemoaned Australia's "ungovernability."

The parliamentary impasse is an expression of the Labor and Liberal parties' inability to win office by honestly admitting their intention to advance the agenda that has been worked out behind closed doors by the representatives of finance capital. Detailed plans have been drafted to maintain the "international competitiveness" of Australian capitalism by dismantling the country's public healthcare and education systems, destroying other social services, eliminating various welfare entitlements and driving down workers' wages. The obstacle is the bitter opposition of ordinary people.

This opposition currently remains politically inchoate and confined within the parameters of electoral politics, but it has nevertheless provoked fury in ruling circles.

The head of the Australian Institute of Company Directors, John Brogden, described the election result as "the worst possible outcome for Australia." Tony Shepherd, former head of the Business Council of Australia, today wrote an op-ed in the *Australian Financial Review* declaring that "the notion of serious economic reform in Australia is now seen as political suicide."

In other words, democracy is the problem. While Harvey bluntly advocates dictatorship, the entire ruling elite agrees on the need to prepare new forms of authoritarian rule. Post-election political discussion within corporate circles now centres on how the election result can be effectively subverted, by somehow forming a government able to push through the various "reform" measures rejected by the population.

One option being canvassed is a Labor-Liberal "grand coalition."

In today's *Australian Financial Review*, Warwick McKibbin, a former member of the Reserve Bank board and current "senior fellow" at the Brookings Institution in Washington, urged Turnbull and Labor leader Bill Shorten to form a "unity government." McKibbin declared: "This is a particularly dangerous time in the world economy for Australia to be held hostage by populist and negative policy positions."

In other words, the sentiments of ordinary people must be suppressed and not permitted to find any political expression. Instead, McKibbin continued, a Labor-Liberal government ought to implement policies that both parties agree are "in the national interest," beginning with "budget repair," i.e., huge cuts to social spending.

The US-based credit ratings agencies have weighed into the political crisis. Moody's Investors Service senior vice-president Marie Diron said yesterday that Australia's AAA rating would be threatened if a new government retreated from any of the major parties' spending cuts. A spokesman for Fitch similarly declared that a downgrade would follow any "political gridlock that leads to a sustained widening of the deficit."

Shorten, having previously pledged his determination to do whatever is necessary to maintain Australian capitalism's credit rating, is now attempting to reassure the financial oligarchy. He has repeatedly expressed his intention to be "constructive" and "make parliament work" by collaborating with people from "all political persuasions," including Liberal and National party parliamentarians.

Amid bitter infighting and recriminations within the Liberal-National Coalition—and an array

of rival agendas promoted by the Green, right-wing populist, and “independent” parliamentarians—it remains unclear whether Shorten’s pitch for a “workable” parliament is viable in any sense. New elections may soon be triggered in a bid to engineer the government demanded by finance capital.

The Obama administration is undoubtedly monitoring the political crisis closely. Washington directly intervened in 2010, using its network of informants and assets in the Labor and trade union factional apparatus to remove Kevin Rudd from office and install a prime minister more closely aligned to its provocative confrontation of China in the Asia-Pacific. Six years on, US imperialism is preparing to wage war against the rising Asian power. The spectre of one of its chief regional allies being left without a government in these circumstances will be causing alarm in Washington.

Harvey’s comments are a warning to workers in Australia and internationally. The turn to more authoritarian forms of rule to impose policies that are inimical to the interests of the majority of the population is being accompanied by a build-up of the repressive state apparatus. Police-state measures put in place over the past 15 years under the guise of the “war on terror” will be used to try to suppress resistance to the agenda of war and austerity.

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