

ICAC raids Labor Party office in major escalation of anti-China campaign in Australia

Oscar Grenfell
21 December 2018

Investigators from the Independent Commission Against Corruption (ICAC), the official New South Wales (NSW) anti-corruption body, raided the Labor Party's Sydney headquarters last Tuesday. The action was a highly political move aimed at escalating a protracted campaign against supposed "Chinese interference" in Australian politics.

ICAC carried out the raid in the middle of Labor's triennial national conference. This was designed to ensure that the incursion, which was rapidly reported to the media, had maximum political impact. It also meant that the majority of Labor's NSW officials and office staff were not present while searches were conducted.

The targeting of one of the Australian ruling elite's two main pro-war parties, which has itself played a key role in the McCarthyite anti-China campaign, has several purposes.

It is intended as a signal to those sections of the political establishment that have raised concerns over the economic consequences of Australia's complete alignment with the US confrontation against Beijing that any deviation from Washington's line will not be tolerated.

It also creates a precedent for repressive measures against genuine anti-war organisations and parties and is aimed at intimidating mass opposition to escalating militarism. The raid, and the lurid press coverage surrounding it, is the latest chapter in an ongoing attempt by the political and media establishment to whip-up a wartime atmosphere and xenophobia against China.

The pretext for the raid was to search for financial records detailing allegedly illegal or undisclosed donations received by Labor in 2015. Labor officials claimed the funds had already been investigated by the NSW Electoral Commission and deemed to be legal.

According to articles in the *Murdoch-owned Australian* newspaper and other corporate publications, the investigation centres around a fundraising dinner held by the "Chinese Friends of Labor" in March 2015.

The event reportedly raised almost \$90,000. Among those in attendance were prominent property developers. Articles in the press have noted that, at the time of gathering, NSW political parties were not permitted to receive donations from property developers.

More is at stake, however, than potentially dubious donations.

Central to the campaign against "foreign interference" over the past two years have been media claims that donations from wealthy Chinese-born individuals to leading politicians are part of a nefarious plot by Beijing to shift Australia from its alliance with the United States.

Media coverage of the raid particularly highlighted the presence of Huang Xiangmo, a billionaire Chinese-born property developer, alongside federal Labor leader Bill Shorten, Labor's shadow treasurer Chris Bowen and then NSW Labor leader Luke Foley.

Huang was targeted by a joint Fairfax-Australian Broadcasting Corporation investigation in early 2017, which presented him, without any evidence, as a stalking horse of the Chinese Communist Party regime. The breathless reports were based almost entirely on politically-motivated and anonymous claims made by ASIO and other spy agencies.

In its article on the raid, the *Australian* further highlighted a meeting between Huang and Bill Shorten in October 2015, at which the businessman pledged \$55,000 to Labor. It also noted a March 2016 visit by Shorten to Huang's Sydney mansion, which was also allegedly carried out to raise funds for the Labor Party.

The *Australian*'s decision to draw attention to the links

between Huang and Shorten is highly significant.

In September 2017, federal Labor senator Sam Dastyari was forced to resign over his dealings with Huang and other Chinese businessmen.

Dastyari was denounced as a “traitor” by senior government ministers and Labor representatives, for warning Huang that their phone calls were likely being monitored by the intelligence agencies. The fact that the comment was immediately leaked to the press indicates that the warning was not mistaken.

It was also alleged that tepid warnings made by Dastyari concerning the potentially catastrophic consequences of US “freedom of navigation” provocations against China in the South China Sea were, in some way, linked to donations he took from Huang and others.

The ICAC raid is one indication that the type of operation used to force Dastyari from parliament is being expanded. At the least, it will be used to pressure Shorten and Bowen, who will be installed as prime minister and treasurer respectively if Labor wins the next federal election, to come out even more forcibly against purported “Chinese interference.”

It followed scurrilous articles in the *Australian* earlier this month, which all but branded Chinese-born Western Australian state Labor MP Pierre Yang as an agent of the Chinese regime.

The first article condemned Yang for his membership of the Northeast China Federation Inc and the Association of Great China, organisations that have expressed support for China’s “Belt and Road Infrastructure” initiative to further economically integrate the Eurasian landmass. The second declared that he had “served aboard a suspected China spy ship.” In reality, the vessel was searching for missing Malaysian Airlines flight MH370 and Yang was serving as a liaison for the Australian Army Reserve because of his fluency in Mandarin.

Both reports appeared to be based on material provided by the intelligence agencies.

Ernest Wong, a New South Wales state Labor MP, has also been removed from a winnable position on the party’s upper house ticket in the March 2019 NSW election. Media outlets have speculated that it is because of his ties to Huang.

Others are also being targeted. Last month, an article in the *Australian Financial Review* presented former NSW Labor premier and ex-foreign minister Bob Carr as a Chinese agent, in a provocative article headlined “How Bob Carr became China’s pawn.”

A subhead in the article asked: “Why does Carr echo

Beijing?” It implicitly condemned his promotion of a “positive and optimistic view of the Australia-China relationship.” It concluded that Carr’s political positions were a result of his role as head of the Australia-China Relations Institute at the University of Technology in Sydney, which is partly funded by Chinese sources. The article declared that Carr had been selected by China as “a local associate in massaging Australian media reporting on China.”

The ICAC raid and the media campaigns against Carr and others reflect ongoing divisions within the ruling elite. The major factions of the political establishment are committed to the US-Australia military and strategic alliance and the use of militarism to secure the interests of the corporate and financial elite in the Indo-Pacific and internationally.

Sections of the ruling class, however, continue to voice concerns that Australia’s central role in Washington’s reckless plans for war with China could lead to catastrophe. They are fearful that conflict with Beijing will shatter lucrative trade and economic ties, especially their massive multi-billion dollar export of commodities such as iron ore, coal and natural gas. They also fear that the growing awareness of the danger of war will lead to the development of a mass anti-war movement. The ICAC raid is a signal that, amid Washington’s rapidly escalating confrontation with China, such concerns will be repressed.

There are also signs that sections of the Australian elite are anxious to make use of the draconian “foreign interference” laws, which were enacted by the Coalition government with Labor’s full support in June. The legislation is aimed at criminalising anti-war organisations and opponents of the US-Australia military alliance and American bases in Australia, on the false pretext that they are agents of the Chinese regime.



To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact