

# Labor plays anti-Chinese race card in NSW election

**Mike Head**  
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Throughout the final week of the campaign for tomorrow's New South Wales (NSW) state election, the Labor Party and the trade unions have sought to whip up xenophobic and racist opposition to the possible sale of the state's electricity grid to a Chinese-government owned company.

Labor and union leaders, both federal and state, have claimed that China's State Grid Corp could gain control of the high voltage transmission business Transgrid, which delivers power to NSW and Canberra, the national capital, if the state Liberal-National government wins the election and privatises the electricity network.

This scare campaign combines anti-Chinese chauvinism with fear-mongering about "national security." Its purpose is to divert the hostility of workers to the corporate agenda of privatisation and austerity in a reactionary nationalist direction, and feed into the Washington-led drive to confront, and prepare for war against, China. It also serves to bolster Australia's intelligence apparatus, with Labor leaders calling for the spy agencies to veto any sale to State Grid Corp.

The NSW government is seeking to sell off what remains of the formerly state-owned electricity industry to meet the demands of the financial markets for the slashing of government debt and social spending, and for lucrative new investment opportunities. Premier Mike Baird's government is hoping to raise \$20 billion by leasing 100 percent of Transgrid and 50.4 percent of the distribution networks Ausgrid and Endeavour Energy for 99 years.

Regardless of whether Australian or foreign conglomerates buy the businesses, thousands more public sector jobs will be destroyed and household electricity prices will continue to soar. The government

has promised not to sell the rural-based Essential Energy network to try to win votes in country areas, where Essential Energy employs hundreds of people, and to claim that it is only leasing off "49 percent" of the overall grid.

Because of widespread popular antagonism toward the sale plan, Labor has cynically feigned opposition to it, hoping to use the issue to claw its way back into office four years after being ousted in a landslide after 16 years of servicing the needs of big business.

Labor's posturing, however, has been discredited by the fact that the previous state Labor governments of premiers Bob Carr and Morris Iemma tried to privatise the entire network, a task that was partially achieved under the last Labor government of Premier Kristina Keneally. Moreover, the federal Labor governments of Bob Hawke and Paul Keating launched the privatisation offensive nationally in the 1990s by selling off the Commonwealth Bank and Qantas as part of their wholesale free-market restructuring of the economy.

The turn to anti-Chinese witch-hunting was launched on Tuesday night in federal parliament by Senator Sam Dastyari, a former NSW Labor general secretary, who is a key figure in the party's national machine. Dastyari alleged that Premier Baird and state Treasurer Andrew Constance had "secretly" met representatives from State Grid Corp in recent months to discuss the sale of Transgrid.

Dastyari sought to stoke alarm about the supposed prospect of the Chinese government seizing control of the power supply to the country's capital and its security services. He demanded that the "national security agencies, namely ASIO [Australian Security Intelligence Organisation]" disclose their "security concerns" about the sale before Saturday's election.

“This is an electricity company supplying the whole of Canberra, including this place, and including all of the buildings that our federal departments and security agencies are housed in,” he said

Recently-installed state Labor leader Luke Foley, another graduate of the NSW party machine, went further the next day. He told journalists that the Chinese government could spy on Australian army and air force bases and federal parliament and cut power to them if the electricity network was sold to State Grid Corp.

“The [electricity] distribution network goes to Holsworthy Army base, to the Richmond RAAF base, to our defence installations,” he said. “Of course the security agencies will have some views on these matters ... Transgrid sends power into Parliament House in Canberra ... And the thing about high voltage transmission lines is that you can transport data on high voltage lines.”

Asked by a journalist if his remarks played on “fears of Chinese expansion” in Australia, including in purchases of rural and urban property, Foley said: “I don’t want any foreign government, friend or foe, to buy our electricity network.” Foley would not elaborate on what he meant by “foe,” but the clear implication was that China was an enemy of Australia.

On Thursday, Foley backed anti-China radio advertisements run by the main building industry union, the Construction, Forestry, Mining and Energy Union (CFMEU). The ads accuse the state government of “secretly” negotiating with Chinese officials and declare: “Selling the electricity network is wrong. Selling it to another country is just not on.”

Underscoring the anti-Chinese axis of the campaign, CFMEU national secretary Tony Maher insisted: “The public deserves to know before Saturday about whether or not there is a good chance of the grid corporation of China owning the poles and wires.”

In this foul campaign, there is no mention of the fact that State Grid Corp, China’s largest electricity supplier, employs about 1.5 million workers, who are also facing ongoing attacks on their jobs and conditions as the Chinese capitalist elite tries to compete with transnational corporations on a global scale.

Labor’s campaign has a significance that goes well beyond the state election. Labor and the unions are again reaching back into the political sewer of White

Australia racism, on which the Labor Party was founded by the trade unions in the 1890s. It is of a piece with their escalating agitation against “foreign workers” being employed in Australia.

Then, as now, this jingoism serves to split workers in Australia from their Asian and other international brothers and sisters, and divert them from the common source of the assault on their jobs, conditions and basic democratic rights—the bankrupt and crisis-riddled capitalist profit system itself.

Labor and the unions are attempting to channel mounting discontent into the most divisive and poisonous channels. The reactionary campaign also dovetails with the increasing integration, by Labor and Liberal-National governments alike, of Australia’s military and intelligence operations into Washington’s “pivot” to Asia. The nationalist condemnations of China line up completely with the preparations being made by the US and its allies, behind the backs of the population, for war.

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