

Australian law rushed through to veto agreements with China

Mike Head**9 December 2020**

Backed by the Labor Party, the Liberal-National Coalition government passed a bill through parliament on Tuesday to give itself sweeping powers to prohibit any agreement or cancel any existing agreement signed by a state, territory or local government, or a public university, with China.

This unprecedented legislation was rushed through in what media commentators called “breakneck speed”—less than four months after Prime Minister Scott Morrison first announced it. This marks another escalation in the Australian ruling elite’s alignment behind the US confrontation with Beijing, despite China being Australian capitalism’s largest export market.

The passage of the bill came just six months after US Secretary of State Mike Pompeo publicly threatened to “simply disconnect” Australia from Washington’s telecommunications, military and intelligence networks if any Australian government made an agreement with China deemed to endanger US “national security.”

In all the coverage of the legislation, no media outlet has recalled Pompeo’s warning, because that would make the connection too explicit in the eyes of the Australian population, where anti-war sentiment is strong. Yet Pompeo was blunt in his May 21 interview on the Murdoch media’s Sky News channel.

Pompeo was asked about a vague memorandum agreed by the Victorian state Labor government in 2018 to negotiate a “co-operation road map” for infrastructure projects under the umbrella of China’s global Belt and Road Initiative. He declared: “Every citizen of Australia should know that every one of those Belt and Road projects needs to be looked at incredibly closely.”

Pompeo reiterated: “We will not take any risks to our telecommunications infrastructure, any risk to the national security elements of what we need to do with our Five Eyes partners.” This was a reference to the top-level US-led global surveillance network that includes the UK,

Canada, New Zealand and Australia.

Pompeo’s bullying was a pointed reminder that the Australian ruling class remains heavily dependent on the US for military and intelligence protection, as well as for foreign investment. That is the real source of “foreign interference” in Australia.

Like the 2018 “foreign interference” laws, the Trump administration regards the *Foreign Relations (State and Territory Arrangements) Act* as a vital test of Canberra’s commitment to the US-led conflict with China and as a model for similar measures internationally. Any incoming Biden administration would only further ramp up the drive, begun under Obama, to reassert US hegemony over the Asia-Pacific against China’s rising economic influence.

China is not named in the new Act, yet the focus is obvious. Throughout the political establishment and the corporate media the first target has been identified: The Victorian Belt and Road “memorandum of understanding” (MoU).

This MoU is not the only target, however. Government members of parliament have accused universities of developing dubious links with Chinese universities, institutions and companies, including the opening of Confucius Institutes.

A 99-year lease of the civilian port in the strategic northern city of Darwin, granted to a Chinese company by the Northern Territory government in 2013, is also in the firing line. In 2015, US President Barack Obama personally reproached then Prime Minister Malcolm Turnbull for not consulting with Washington about the lease.

Under the new legislation, sister-city relationships, tourism and trade cooperation, as well as science and education deals, will all be subject to onerous registration and review procedures, but not those by corporations or private universities.

While protecting business deals, this process will create a witch hunting, anti-China atmosphere. At the same time, all arrangements with US institutions, such as the University of Sydney's US Studies Centre, will escape scrutiny.

The new law will formally give the foreign minister, currently Marise Payne, an arbitrary discretion to veto a "negotiation or arrangement" that is "likely to adversely affect Australia's foreign relations" or "likely to be inconsistent with Australia's foreign policy." No reasons have to be given for such bans and they will be shielded from review by the courts.

Payne has wasted no time implementing the bill, with the *Australian* reporting yesterday that she "will move within weeks to assess if major state government and university deals with overseas powers including China should be cancelled."

The newspaper said the Department of Foreign Affairs and Trade (DFAT) would begin to assess foreign agreements well before the three-month and six-month deadlines that state governments and universities respectively have to register their deals with DFAT.

During Tuesday's perfunctory Senate debate, the Labor Party's shadow foreign affairs minister Penny Wong complained that the government was rushing the bill and blocking all Labor's amendments, which she said were seeking to improve it. She nervously urged the government to use its new powers "wisely," "calmly" and "strategically."

Whatever anxiety exists about the fallout from the intensifying belligerence toward China, there was never any doubt that Labor would back the bill. Opposition leader Anthony Albanese declared his party was "very supportive of" the legislation as soon as Morrison announced it in August. Labor is no less bound to the US military alliance than the Coalition and played a key role in launching the Obama administration's "pivot to Asia" against China.

The bill's passage was accompanied by a further rash of government and media allegations against China. Backed by Labor and the media, Morrison denounced China and demanded an official apology after a mid-ranking Chinese official made a social media post condemning Australia's war crimes in Afghanistan.

Without providing any evidence, Trade Minister Simon Birmingham then accused Beijing of undermining the "letter and spirit" of the China-Australia free-trade agreement and its obligations under World Trade Organisation (WTO) rules because of recent Chinese

restrictions on some Australian exports, usually on health or anti-dumping grounds.

Birmingham escalated the conflict by saying the government had raised China's treatment of Australian barley, wine, meat, lobsters, logs, coal and cotton at a November 25 WTO meeting, and was now "considering all dispute settlement options."

In recent weeks, Chinese authorities have apparently stalled Australian imports worth an estimated \$6 billion a year. Most recently, timber imports have been banned because of detected "live forest pests" and two lamb and sheep meat exporters had their licenses to export to China suspended after they reported COVID-19 outbreaks.

Ironically, there is speculation that in some instances, Australian exporters are suffering as a by-product of the trade war launched by the US against China. In January, as a result, China committed to increase its purchases of US agricultural goods by more than \$14 billion to almost \$50 billion in 2020.

Australian-based businesses this year have still exported more goods to China than in any year except 2019, led by iron ore and LNG. Official figures released by China on Monday revealed Australia's exports to China in the first 11 months of the year were \$142 billion (\$US105.3 billion), down 4 percent on the corresponding period last year.

Anxious to protect these revenues, some corporate leaders have voiced concerns about the deteriorating relations with China. Australia China Business Council national president David Olsson told the *Australian Financial Review* that the government should appoint a special envoy to visit China to try to repair the relationship.

Nonetheless, efforts to maintain profitable relations with China are increasingly under fire from Washington. Irrespective of whether Trump or Biden is president, the next US administration will take to a new threatening level the Obama administration's military and strategic "pivot to Asia" to prevent China from undermining the regional and global hegemony established by the US in World War II, and heightening the danger of a disastrous war.



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