

SENATE INQUIRY INTO FOREIGN INVESTMENT BY STATE-OWNED ENTITIES

1. ELIMINATING THE CURRENT BUDGET DEFICIT:

The incumbent Labour Government is running up a huge debt that could well take more than a generation to pay off. How will Australia service this debt if its key strategic assets have been sold off to a foreign country? By necessity, Australians will suffer increasing hardship as they strive to find a means to repay the country's debt.

2. THE RESPONSIBILITIES OF A DEMOCRATIC GOVERNMENT:

In essence, a government in a democratic country is elected to represent the will of the people. When major decisions that will affect the fiscal future of the whole population (and hence, the national interest) need to be made, **a referendum** should be held to ascertain the will of the people. However, in this instance, no such referendum has been held regarding the sale of Australia's strategic assets to a foreign country. OZ MINERALS has already been sold to the People's Republic of China when, in fact, **the majority of Australians are vehemently opposed to the sale of ANY of their natural resources / assets to a foreign government.** The government *has flouted its responsibilities by completely ignoring* the will of its own citizens **and their rights.**

3. THE PEOPLE'S REPUBLIC OF CHINA AS PURCHASER OF STRATEGIC ASSETS:

Corruption is endemic in the PRC. To date, the PRC has no decent track record as a 'global player' on a level playing field. Nor has the PRC proved itself to be either an honest or a benevolent power for good in the world. In reality, it continues to show itself to be ruthlessly ambitious, with a huge military capability and a determination to always follow the course of action that is in its own best interests, regardless of the effects this may have on other nations. Commonsense dictates that it is *most unwise* to enter into any sort of 'dependant' relationship with this country. To handcuff Australia's future generations to such a brutal, communist dictatorship would be a despicable and heinous act on the part of our present government.

4. CONSEQUENCES OF GIVING 'SPECIAL PREFERENCE STATUS' TO AN UNDEMOCRATIC, COMMUNIST DICTATORSHIP:

The Australian government is overtly giving 'special preference status' to the PRC. For example, Australia is already supplying southern China with natural gas at well below good market prices. Giving in yet again to China's demands, the sale of OZ MINERALS to the PRC at a bargain basement price has been approved. In reality, our government is following *a policy of appeasement* towards the PRC, much as did the UK *et al* with Adolf Hitler, prior to WW 11. This is already leading to bolder demands from the PRC, more attempts to interfere in Australian domestic policies and greater efforts to 'bankroll' strategic political (and 'useful' other) personalities in Australia.

Although Australia is a signatory to the Human Rights convention (and continues to press for ever-tighter, stricter and more prescribed legislation for its own citizens in the area of Human Rights), it has openly told the PRC that it will go easy on its 'criticism' of Human Rights there because China is improving its economic situation. (Meanwhile,

the PRC continues to have one of the world's most odious records of Human Rights abuse). Compare this situation with the Australian government's attitude towards neighbouring Fiji. Such obvious unfairness, hypocrisy and lack of good judgement will lose Australia much of the good reputation and standing it currently enjoys in many parts of the globe.

5. IMPOSING 'CONDITIONS OF SALE' ON KEY ASSETS SOLD TO A FOREIGN ENTITY:

Not only does this further complicate an already complicated issue, it could actually lead to dangerous flashpoints in the future. For example, should the PRC decide to ignore any of the 'conditions of sale', what could the Australian government do about this? The PRC has yet to prove that it can honour such deals in a reliable and trustworthy way. When the Beijing leadership changes, so do policies. Once again, Australia will, quite possibly, stand to lose out, *big time*.

6. SERIOUS RACISM & XENOPHOBIA IN THE PRC:

In general, the citizens of the PRC are fiercely nationalistic and ruthlessly pragmatic, viewing foreigners as merely a means to an end – *their* end. For example, LAU NAI-KEUNG (the Chinese National People's Congress representative in Hong Kong) recently wrote in the *South China Morning Post's Observer* column (18 April, '09): – "This ATM may run out of Foreign Banks'. He was making the point that Beijing could well give preference to Shanghai over Hong Kong as its major financial hub **in order to protect China's 'national financial security'**. Mr Lau goes on to castigate foreign financial firms in Hong Kong which he says 'suck Hong Kong dry'. (These firms speculate, unlike their counterparts on the mainland). He further says that 'Shanghai is going to be a financial centre operated mainly by Chinese professionals': that is, with as few foreign financial entities as possible. In fact, China wants to be a global player while also maintaining **strict control** over affairs. Officials such as Lau Nai-keung (and there are many) have an explicitly hostile approach to foreigners. One could easily foresee the possibility of serious division arising in Australia as a result of such a hard line approach by officials from the PRC and their asset ownership in Australia.

7. GOOD LEADERSHIP DEMANDS UPHOLDING DECENT MORAL PRINCIPLES:

For all the reasons stated (above), I believe that the decision to sell key strategic Australian assets to a foreign entity is ill-considered, shortsighted and downright dangerous to the future stability, healthy development and freedom of Australia. This is a decision based NOT on the will of the Australian people (as all such decisions should be) but on the whim of an apparently weak, self-serving leadership, bereft of sound intellectual judgement. The sale of national assets (that are the heritage of the Australian people) to a foreign entity will not benefit Australians in any way. It is an immoral decision and it will erode the national morale and spirit of the Australian people. Indeed, the implications of this move, both explicit and implicit, are downright horrifying.

SUBMITTED BY: Maree Watson