



## Australian Citizens Party

Craig Isherwood, National Secretary

PO Box 376, COBURG, VIC 3058

**Phone:** 1800 636 432 **Email:** [info@citizensparty.org.au](mailto:info@citizensparty.org.au) **Web:** [citizensparty.org.au](http://citizensparty.org.au)

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### MEDIA RELEASE

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## Stand up for exporters sold out by Morrison's foreign policy

The Australian people must weigh up both the wisdom and cost of the Morrison government's policy of confronting China. The supposed wisdom of the policy is that we are standing firm with our main ally, the United States, for the sake of our national security. But while Australia's hard-working barley, beef, wine, wood, coal, lobster and other exporters are wearing the cost of Morrison's policy through tariffs, bans and other market restrictions, our great ally the USA and other members of the so-called Five Eyes partnership (USA, UK, NZ, Canada, Australia) are increasing their exports to China of the very same commodities! The policy is a farce, and it's time Australians stood up for our exporters and demanded the government end its McCarthyite hysteria about China and adopt an independent foreign policy that is truly in Australia's sovereign national interest, and not subservient to the US-UK-Five Eyes spook apparatus.

["Five Eyes does not have our back"](#), former Australian Ambassador to China Geoff Raby observed in *Pearls and Irritations* on 23 April: "Unlike the other members of the Five Eyes, the Australian Government's management of our relations with China has resulted in a complete diplomatic freeze—with no sign of any thaw. It has exposed Australian industries needlessly to trade sanctions no matter how reprehensible they may be and has denied Australian citizens in China official Australian Government support other than low-level consular services.

"Meanwhile, the members of the Five Eyes are busily expanding sales into China of the very things that have been blocked by China's trade measures against Australia. When the Australian Government says the USA 'has our back' over China's economic coercion against us, it would be more credible if the governments of the Five Eyes would announce that they would not export the commodities China is blocking from Australia."

[Pearls and Irritations](#) is a blog administered by a former boss of Australia's public service, John Menadue, who was Secretary of the Department of Prime Minister and Cabinet under both Gough Whitlam and Malcolm Fraser, as well as a former Ambassador to Japan, and former CEO of Qantas. Menadue represents an institutional backlash to Morrison's China policy, involving many senior statesmen, diplomats, military officers, journalists, businesspeople, academics, and others with decades of personal experience in various aspects of foreign affairs who are aghast at the sudden escalation of tensions against China. Many of them contribute to Menadue's blog.

One of those experienced hands, legendary former *National Times* and Fairfax editor Max Suich, has just dissected Australia's China policy in a three-part series in the *Australian Financial Review* on 17, 18, and 19 May. In it, Suich reveals an explosive fact:

*The current crisis in Australia's trade relationship with China is intentional!* The Australian government planned a more confrontational policy towards China which it knew would inflict extreme damage on exporters, and senior foreign affairs and intelligence officials briefed participants in a closed meeting at the Lowy Institute on this plan in September 2017. "The takeaway was clear", Suich reported of the Lowy Institute briefing. "The Howard approach—'we don't have to choose' between the USA and China—was in the process of being dumped." In its place, Suich revealed, would be a new policy of "push back" and "call out". The briefers explicitly warned Australia would suffer trade consequences as a result. "But Australian business did not receive such a timely warning", Suich noted.

This revelation gives the lie to the Morrison government's screams of "economic coercion" following China's trade retaliations against major Australian export commodities in the last 12 months. Essentially, the government deliberately provoked this trade backlash, and continues to do so. Meanwhile, Morrison is mute about the USA swooping in and picking up the markets we are consciously sacrificing to our policy of siding with Trump and now Biden's escalating confrontation with China!

The Morrison government's attitude is all the more bizarre considering that Australia's economic relationship with China is far more beneficial to Australia than our relationship to the USA. The Citizens Party's *Australian Alert Service* has recently documented the discrepancy in the two economic relationships in a 5 May 2021 article by Melissa Harrison, ["Australia stuck in US 'debt trap'"](#). It reveals that as Australia's biggest foreign investor, owning more than 10 times of Australia's economy than

China does, worth almost a trillion dollars, the USA is like an absentee landlord, able to repatriate enormous wealth out of Australia in profits on its investments. On top of that the USA is Australia's most significant foreign creditor, sucking out more wealth through the interest being paid on our enormous foreign debt, and enjoys a massive trade surplus with Australia, extracting around \$30 billion a year in trade profits. By contrast, China is a small foreign investor—smaller than even Belgium and Luxembourg—but is far and away our biggest trading partner, except the trade surplus is massively in Australia's favour, to the tune of more than \$70 billion per year.

The most glaring example of Australia's foreign policy subservience is the dramatic change in attitude to China's Belt and Road Initiative, a visionary global infrastructure project in which China has invited all nations, including the USA, to participate. Instead of accepting the invitation, the USA, which is self-destructing under its failed economic and military policies, chose to see BRI as a threat to its global dominance. In another *Australian Alert Service* article on 28 April, "[Five Eyes directs destruction of Australia-China relationship](#)", Melissa Harrison documented how following a threat by then US Secretary of State Mike Pompeo last year, Scott Morrison enacted legislation that he used to override the state of Victoria's BRI deals, in a calculated insult to China. Yet in 2018 Morrison himself, as Treasurer, signed a BRI deal with China, and until as recently as mid-2019 he positively praised BRI saying Australia welcomes its contribution to the region.

The late former Australian PM, Malcolm Fraser, warned against Australia's growing subservience to the UK and USA, our "Dangerous Allies", as he titled his 2014 book. Under successive governments, and especially Morrison, we have become more subservient than ever, especially through the Five Eyes, but now it's at great cost to our industries, and for no good reason. It's past time to chart an independent course.