

# Australian Labor senator branded a “Manchurian candidate”

By James Cogan  
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Senator Sam Dastyari, a Labor Party factional powerbroker, is the target of a campaign implying that he is a bought-and-paid-for agent of the Chinese government because he took a payment from a Chinese company. As with all such scandals in ruling circles, this one serves a definite political agenda. It is being utilised to ratchet up anti-Chinese rhetoric and intimidate critics in the political and media establishment of Washington’s demands that Australia play a far more bellicose and prominent role in US preparations for a military confrontation with Beijing.

As the parliament sat this week for the first time since the July 2 election, the *Australian Financial Review* published revelations that, in October 2015, Dastyari requested a Chinese-owned company, Top Education Institute, pay a \$1,670 debt he incurred by overspending his publicly-funded travel entitlements. The company’s chief executive, Australian citizen Minshen Zhu, has been portrayed in the Australian media as someone with close ties to the highest levels of the Chinese government because he represented “overseas Chinese” at the 2014 Chinese People’s Political Consultative Conference.

Further reports were published that in mid-2013, Chinese-owned property company Yuhu Group paid about \$5,000 to settle a legal case taken out against Dastyari while he was still the general secretary of the New South Wales (NSW) branch of the Labor Party. Dastyari was elected into the Senate, the upper house of parliament, in the September 2013 election, which Labor lost to the Liberal-National Coalition. According to media reports, Dastyari has since travelled to China on at least two occasions with financial assistance from Chinese companies or state-owned bodies.

Dastyari made groveling apologies in the Senate this week for accepting the \$1,670 and, so far, Labor leader

Bill Shorten has not demanded his resignation. The furore is nevertheless continuing. In the parliament on Wednesday, prominent right-wing Liberal Senator Cory Bernardi labelled Dastyari a “Manchurian candidate”—in other words, a Chinese agent. The general tone of the media coverage carries the same insinuation.

The payments accepted by Dastyari have been directly linked with political positions he advanced on China’s territorial claims in the South China Sea. In June 2016, following a ruling by the Permanent Court of Arbitration (PCA) in The Hague that the Chinese claims were invalid, Dastyari reportedly told Chinese media: “The South China Sea is China’s own affair. On this issue, Australia should remain neutral and respect China’s decision.”

Dastyari’s positions on other questions have also been raised. He allegedly said the “Australian government must abandon its hostile stand” toward Beijing’s declaration of an “Air Defence Identification Zone” in the East China Sea between Japan and China. His statements in the Senate advocating that Australia join the Chinese-initiated Asia Infrastructure Investment Bank have also been cited.

The press is now full of revelations of Chinese-linked money pouring into the coffers of Australian political parties and university-based think-tanks, all carrying the implication that influence is being bought. Since 2012, Yuhu Group has reportedly donated \$500,000 to the NSW and federal Labor parties, \$425,000 to state and federal Liberal party branches and \$1.8 million to help establish the Australia-China Relations Institute at the University of Technology, Sydney (UTS).

The institute is chaired by former foreign minister and NSW Premier Bob Carr, who has a history of criticising US policy in Asia. This week, the institute

sponsored a speech by former Prime Minister Paul Keating, who declared that the US was a waning power and Australia “can’t ever be caught up in some containment policy of China” by Washington.

Relations between the Australian and Chinese elites have burgeoned alongside the expanding economic ties between the two countries. China is Australia’s largest trading partner, biggest export market and fastest growing source of foreign direct investment. The relations reach to the highest echelons of Australian politics. Images have been published of Top Education Institute executive Minshen Zhu posing for photos at functions with each prime minister since 2007—Kevin Rudd, Julia Gillard, Tony Abbott and Malcolm Turnbull—as well as Treasurer Scott Morrison and Defence Industry Minister Christopher Pyne.

The Australian Broadcasting Corporation (ABC) published a report alleging that Duncan Lewis, the head of the Australian Security Intelligence Organisation, the country’s domestic spy agency, personally warned top Liberal, Labor and National Party officials in 2015 of the “national security risks posed by foreign-linked donations.”

Dastyari responded to the campaign against him by retracting his statements on the South China Sea. He declared there is “no difference” between his position and that of Shorten and Senator Stephen Conroy. As Labor’s defence spokesperson, Conroy repeatedly denounced Beijing and called for Australia to send naval forces to carry out a “freedom of navigation” operation inside the 12-mile exclusion zone surrounding Chinese-held islets in the South China Sea.

The focus on Chinese influence in Australian politics follows a four-day visit to the country in July by US Vice President Joe Biden after the PCA ruling on China’s territorial claims.

Biden’s trip was aimed at ensuring that Australia, a key US ally in Asia, is firmly aligned with Washington’s drive to exploit The Hague decision to ratchet up pressure on China. In a pointed warning to any opponents of confrontation with Beijing, Biden said on July 20 that the US was determined to remain the predominant power in the region. He asserted that its military might was “unparalleled” and it was “never a good bet to bet against the United States.” The US and Australia, he declared, “forged the foundations of our alliance in iron and baptised it in blood.”

Chinese fury over the prospect of Australia serving as Washington’s catspaw in heightening tensions was reflected in an editorial by the state-owned *Global Times* at the end of July. The editorial labelled Australia “a paper cat” and declared: “If Australia steps into South China Sea waters, it will be an ideal target for China to warn and strike.”

Despite this, tremendous pressure is being applied to the Australian establishment by Washington and the most vocal pro-US sections of the ruling elite.

Yesterday, Colonel Tom Hanson, the Assistant Chief of Staff to the US Army, bluntly told the ABC: “It is very difficult to walk this fine line between balancing the alliance with the United States and the economic engagement with China. At some point there is going to have to be a decision about which one becomes more of a vital national interest for Australia, in my opinion.”

Directly referencing The Hague ruling and Beijing’s declarations that it does not recognise it, Hanson asserted: “I think the Australians need to make a declaratory statement and some visible action that shows their concern and commitment to upholding a rules-based international order.”

“Visible action” by the Australian military in the South China Sea will risk, as the *Global Times* warned, a direct military clash with the Chinese armed forces and could trigger an all-out war between China and the US and its allies.

The accusations that Dastyari is a “Manchurian candidate” are only a foretaste of the nationalist and militarist hysteria that will be whipped up against China and alleged pro-Chinese elements as the US demands for Australian operations against Beijing gather pace.

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