

1 October 2012

Committee Secretary
Senate Standing Committees on Rural and Regional Affairs and Transport
PO Box 6100
Parliament House
Canberra ACT 2600

Dear Secretary

I know that I have missed the published deadline for submissions to the enquiry into the FIRB national interest test. To be frank, I have long believed that the Australian Government, of both major partisan persuasions, has been quite impervious to critical views about the value of foreign investment, so I decided not to invest the time in making a submission. However, recent publicity given to your Chairman's own critical viewpoint has encouraged me to hope that the Inquiry may yet be a useful forum for challenging free-trade orthodoxy.

I have previously published on the subject of the Committee's inquiry and it is possible that my previous writings might be of benefit to the Committee and its secretarial team.

I therefore wish to submit the following material:

1. An article published in *Public Administration Today*. (Oct.-Dec 2008). Copyright in this article is shared with the magazine and I will seek permission from the Editor to publish it on your website as one of the submissions.

This paper focuses on free trade generally rather than foreign investment specifically (which is a special case of free trade) but the core message is applicable to the subject of your inquiry. Given globalisation of capital markets, the orthodox doctrine of comparative advantage does not apply, so there is no current robust theoretical basis for a policy of free foreign trade (or investment). In the absence of a robust theoretical foundation, the entire policy edifice is flimsy and flawed.

Coupled with this is the absence of any empirical support for the orthodox claim that free foreign investment is always economically beneficial to the recipient country.

2. My doctoral dissertation which was written on the subject of the "public interest". The dissertation deals in some depth with the subject of national interest - defined as the foreign affairs version of the public interest. It includes an appendix with some prominent expositions of national interest. I am sending just the web link to the published dissertation, but can forward the document in a consolidated format if the Committee agrees to accept my late submission.

<http://www4.gu.edu.au:8080/adt-root/public/adt-QGU20090116.165333/>

3. An article on public interest/national interest published in *Public Administration Today* (Apr.-Jun. 2011). This article is drawn from my dissertation, expressed in magazine-style English. Copyright in this article is shared with the magazine and I will communicate with the Editor seeking permission for you to publish it on your website as one of the submissions.

My submission can be summarised as saying that there is no robust theoretical foundation for free a policy of free foreign investment; that a policy of unmanaged free-trade and uninhibited foreign investment between countries with currencies of different value is a logical; and that current bipartisan policy settings of free trade and especially free foreign investment amount to a sale of our sovereignty and are impoverishing Australia in a way that will be almost impossible to undo.

Yours faithfully

Geoff Edwards