

Australia Dossier by Robert Barwick

Small-time Ozymandias cracks

Mont Pelerin Society champion Jeff Kennett has been smashed in the state election.

The seemingly untouchable Premier of the Australian state of Victoria, Jeff Kennett, has been smashed at the polls, following a heavy voter backlash against his slash-and-burn economic “reform” policies, and his Nero-like arrogance.

In the state election on Sept. 18, Kennett’s Liberal Party/National Party coalition lost its huge majority of 15 seats in the 88-seat Legislative Assembly, and, as of this report, the election outcome is unknown: Kennett’s side holds 43 seats, the opposition Labor Party holds 41 seats, two seats are held by anti-Kennett independents, and the fate of two seats is undecided.

The election outcome was all the more astounding given that, in pre-election polls, 85% of the population thought Kennett would be comfortably reelected. Knowing that his economic policies were unpopular, but vainly believing himself to be widely admired, Kennett attempted to limit any serious reflection on the issues by calling a snap one-month election during the height of the national football competition finals, and centered his campaign around one issue—himself. He gagged all his candidates and ministers from speaking on behalf of the campaign, and made himself the only spokesman; he also set up a campaign website with the address www.jeff.com.au.

In other words, he made it a referendum on himself.

Like Percy Bysshe Shelley’s Ozymandias, who declares, “Look on my works, ye mighty, and despair,” Kennett’s election ads trumpeted the bread-and-circuses culture he estab-

lished in the state in his seven years in office, with images of the Formula 1 Grand Prix auto race, and the Crown Casino complex, the largest gambling emporium in the Southern Hemisphere.

What Kennett did *not* address was reality: a public hospital system he has slashed to the bone, in which waiting lists have soared and patients are needlessly dying; an underfunded education system whose class sizes are ballooning because he closed over 1,000 schools; and a chilling environment of official secrecy, where the pro-big-business wheelings and dealings of Kennett’s government are kept closely hidden, in matters ranging from his nearly \$30 billion privatization program of state assets, to the generous license for the Crown Casino awarded to Kennett’s mates. Three days after the election, with its outcome still unknown, Kennett and his ministers were reported to be frantically shredding casino-related documents.

These issues were exploited by Steve Bracks, new leader of the opposition Australian Labor Party (ALP), who made health, education, law and order, and increased powers for the government business watchdog, the Auditor General, his main campaign planks. However, the election results are a testament to just how much the voters hate Kennett and his policies, given that the ALP is not much better, which remodelled itself on the “Third Way” model of Britain’s Tony Blair.

Bracks’s first action upon becoming leader six months ago was to woo and win the approval of big business for his economic policy. He thus proclaimed that his party intended to

maintain the radically “downsized” state government which Kennett had established under the direction of local think tanks of the Mont Pelerin Society. For example, although he attacked the clearly corrupt aspects of the Kennett government’s business dealings, Bracks ignored the cozy relationship between the Kennett crew and the British Crown’s Mont Pelerin Society—which, through its Melbourne think tanks, the Tasman Institute and the Institute of Public Affairs, has written every major policy initiative of the Kennett government since before it was elected in 1992.

The Kennett election disaster parallels the recent trouncing of German Chancellor Gerhard Schroeder’s Social Democratic Party by the voters in various German state elections (see p. 52). These elections suggest that voter outrage at austerity is becoming a universal theme. In Victoria, the electorate was discerning in its punishment: Kennett’s closest friend and appointed heir, Health Minister Rob Knowles, who has been the public face of the Kennett government’s disastrous health policies, lost his “safe” seat, which was reportedly a crushing blow to the Premier.

In a bizarre, perhaps even suspicious, twist, one MP who did represent real opposition to Kennett, former Liberal-turned-Independent MP Peter McLellan, died allegedly of a heart attack on the morning of the vote. Given how tight the election was, McLellan would have played a key “balance-of-power” role in the next Parliament. He was a fierce opponent of Kennett’s dope decriminalization policies, and had used *EIR*’s work on drug-money laundering and other issues to fight Kennett’s agenda, earning him the latter’s undying hatred. McLellan had also signed the Schiller Institute’s call for a New Bretton Woods monetary system.

International Intelligence

'Christian Solidarity' may lose NGO status

The UN Committee on Non-Governmental Organizations (NGOs) voted 14-1 in early September, to revoke consultative status for Baroness Caroline Cox's Christian Solidarity International, which has acted as a leading "human rights" mafia against Third World countries, most notably Sudan. The nay vote came from the United States.

"For CSI, absolutely it is going to be a blow," said Iain Levine of Amnesty International. The committee's recommendation will go to the UN Economic and Social Council, which had rejected the committee's earlier vote to withdraw CSI's accreditation, saying that CSI—which had turned "slave redemptions" in Sudan into a cottage industry in the rebel-controlled south—had not been given sufficient notice to defend itself. Voting against CSI were China, Colombia, Ethiopia, Pakistan, Senegal, Tunisia, and Turkey.

CSI official John Eibner has said that the UN "provides a forum for us to put across our views about slavery and other human rights violations. If one is plugging into the international state system, we can make our concerns known in a very direct way."

Corriere: Prodi's EU policy 'made in Britain'

European Union President Romano Prodi, formerly Italian Prime Minister, will forge a European policy "à la English," according to Italy's leading daily *Corriere della Sera* of Sept. 15. Prodi made his inaugural speech to the European Parliament on Sept. 14. Reporter Andrea Bonanni says that, in order to understand which policy Prodi will pursue, one has to look into the "dominant ideological chromosomes in the project, of which Prodi has become the symbol and spokesman. Such chromosomes have an unmistakable British imprint.

"Prodi is the third chairman of the European Commission who owes his nomination to London's diplomatic skills, with a major

difference: Whereas his two predecessors were appointed as a consequence of a British veto, Prodi is the product of a direct and explicit choice that [British Prime Minister] Tony Blair was able to impose without too many problems from his European partners."

Analyzing the composition of Prodi's "European government," Bonanni reaches the conclusion that "Prodi's Europe, therefore, more than being 'made in Italy,' will be 'made in Britain.' You can already see the indications in the crucial importance of the portfolios given to the British: the vice presidency and internal reform to [former Labour Party head] Neil Kinnock, foreign policy supervision to [the last British Governor of Hong Kong] Chris Patten." However, Bonanni concludes that Prodi's future actions will be influenced by factors other than his British chromosomes, such that his "third way Europe" could "change physiognomy in a way that not even the Professor can imagine."

In his speech, Prodi touched upon two economic issues: He promised to boost Internet technologies and to force a reform of the national pension systems (which usually means privatizing them).

Russia blasts U.S. for 'non-proliferation act'

The Russian Foreign Ministry Sept. 16 denounced the Iran Non-Proliferation Act, which passed in the U.S. House of Representatives on Sept. 9, stating that, if it comes into force, it will damage U.S.-Russian relations. The bill was sponsored by Rep. Benjamin Gilman (R-N.Y.), who chairs the House International Relations Committee.

"The adoption by the U.S. House of Representatives of an openly anti-Russian bill on sanctions for missile cooperation with Iran may have a very negative impact on Russian-U.S. cooperation in the field of non-proliferation and export control," said the Foreign Ministry press release.

"The dialogue in this sensitive area has been proceeding with difficulty in the last years. The Clinton administration has repeatedly stated its intention to conduct it in a

constructive way, although the openly pro-Israeli position of the Congress forced it to maneuver all the time and combine steps aimed at developing cooperation with strong pressure on us for alleged 'leaks' of Russian missile technologies to Iran.

". . . The Gilman bill delivers a serious blow to our cooperation with the U.S. on key issues of international security and stability."

The statement calls on President Clinton to "show far-sightedness and, acting in line with the spirit of our relations on key issues of international politics and guided by the vital interests of Russian-U.S. relations, including our common interest in strengthening international non-proliferation regimes, to respond to this openly anti-Russian and anti-disarmament bill adequately.

". . . However, an entry into force of the Gilman bill will require us to reassess Russian-American cooperation in the field of non-proliferation and other military-political issues, which constitute the core of our joint work to ensure strategic stability and international security."

Viscount backs dialogue with Colombian FARC

Great Britain wants to encourage the "dialogue process" in Colombia, between the government and the narco-terrorist Revolutionary Armed Forces of Colombia (FARC), Viscount Waverley told a journalist on Sept. 17. He reported that he had been in Colombia the previous week. In the past couple of years, Waverley has been active among those in the House of Lords who have encouraged some kind of dirty deal with the narco-terrorists. Waverley is also the vice-chair of a new Parliamentary Central Asia Group, which was set up with the encouragement of the British Foreign Office. Its meddling in that geo-strategic region includes, according to sources, promoting "active democracy" and "environmental issues."

Waverley said that, in Colombia, the situation is "deteriorating," and people are increasingly questioning the "peace process" of President Andrés Pastrana. In the coming

BRITAIN'S "Operation Surety" police-state measures are falling into place: The *Frankfurter Allgemeine Zeitung* reported on Sept. 20 that 2,500 British troops in Kosovo were being brought home. In the scenario first exposed months ago by the London *Sunday Times*, the KFOR troops would return to Britain to be in place to deal with anticipated outbreaks of civil unrest.

MYANMAR has been hit with terrorist incidents surrounding the anniversary of the Sept. 8, 1988 student mobilization that contributed to the fall of the government of Ne Win. On Sept. 10, Thai authorities in Chiang Rai seized 58 kilos of explosives, three boxes of dynamite, and two tons of ammonium nitrate near the Myanmar border. On Sept. 4, Karen rebels blew up a natural-gas pipeline in southern Myanmar. A spokesman for the Karen National Union said on Sept. 9 that they planned more such attacks.

GREEK Deputy Foreign Minister Yiannis Kranidiotis and five others were killed on Sept. 16, when the executive jet they were flying in, suddenly dived from 23,000 feet to 4,000 feet. Kranidiotis was enroute to Bucharest for a meeting of Balkan foreign ministers.

CONFUCIUS'S 2,550th birthday celebrations are planned for Oct. 7-12 to take place in Beijing and Confucius's hometown of Qufu, Shandong Province. "The event is important because we can find useful spiritual resources in Confucius thoughts," said Gong Dafei, vice-chairman of the International Confucius Association, on Sept. 15.

ALFREDO KRAUS, the great Spanish tenor, passed away at age 72 on Sept. 10, at his home in Madrid. He was one of the leading exemplars of the bel canto tradition of singing. He had endorsed the Schiller Institute campaign to return the tuning fork to A=432 Hz, the "Verdi tuning," which was initiated by Lyndon H. LaRouche, Jr.

months, he said, Pastrana can be expected to change his approach, and Western governments "hopefully will support any future initiative" he launches. "Every area must be explored," the Viscount urged. "We have got to encourage the guerrillas to enter into dialogue, so that they realize they can achieve what they want through a dialogue, not through arms. No victory is possible through armed struggle." A *sine qua non* of British efforts to push "dialogue" is to promote the delusion that the FARC is not the country's major drug cartel.

Waverly reacted with interest, when told about the recent meeting between New York Stock Exchange President Richard Grasso and FARC leader Raúl Reyes, saying that it was important that "certain observers are trying to understand what the guerrilla groups want." He added that "Britain wishes to play its part, to be a team player, to help the process of dialogue."

Britain's Cook: We run the show in E. Timor

Great Britain has been, over the past couple of years, the main power promoting "the East Timor independence movement," British Foreign Secretary Robin Cook boasts, in a commentary in the London *Observer* on Sept. 19.

"Let us start from the perspective of the movement to free East Timor," writes Cook. "Their leader Xanana Gusmao has spent the past two weeks in the British Embassy preparing for the independence of his country. We have given him shelter and provided him with the facilities to meet the World Bank and UN, and to ring round the world on behalf of his people.

"Two weeks ago, the authorities proposed to remove him from house arrest, and transfer him to East Timor, where he faced possible death at the hands of the militias. Instead he sought sanctuary in the British Embassy. I am proud that his first days of freedom have been on British diplomatic territory.

"Why did he choose the British Embassy? *Because for two years, no other*

country with an embassy in Jakarta has done more for East Timor. Three times, my Foreign Office colleague, the late Derek Fatchett, visited Xanana Gusmao in prison. The British Ambassador, Robin Christopher, led the first visit by European ambassadors to East Timor during Britain's presidency of the European Union, and made visible to Europe the colossal demand of the local people for independence" (emphasis added).

According to Cook, "Because Britain had taken a lead in Europe on East Timor, we were one of half a dozen countries invited to support the UN referendum process. . . . Britain has given active support to the referendum process in both East Timor and the UN. . . . Britain represented the whole of the European Union at the international conference in Auckland that urged Jakarta to accept a UN force. Britain drafted the resolution that was unanimously endorsed within the Security Council, and British troops will be among the first ashore when the UN goes in."

Germany takes U.S. to court over executions

Germany is taking legal action against the United States at the International Court of Justice at The Hague, over the Arizona execution of two German nationals, whose rights were denied. The action, which has no precedent in U.S.-German relations, is based on 1,300 pages of documents on the case of Karl and Walter La Grand, who were executed on Feb. 24 and March 4. The plaintiffs charge the United States with violation of the Vienna Convention, because, when arrested, the brothers were prevented from establishing contact with the legal counsel of the German Embassy, which is stipulated by the Convention to which the U.S. is a signatory. They were also prevented from filing formal complaints in U.S. court against this violation.

Walter La Grand was executed in defiance of a ruling by the International Court, which requested U.S. authorities to halt the execution on grounds of several violations of international law.