A WEEKLY COMMENTARY

ON TARGET

- NEWS HIGHLIGHTS
- BACKGROUND INFORMATION
- COMMONWEALTH AFFAIRS

The price of Freedom is eternal vigilance –

Print Post Publication Number 381667 00258

Vol.35, No.20 May 28th, 1999

THOUGHT FOR THE WEEK: *"... the IMF should be wound up and the sooner the better. All the big words used by those who would reform it, words like transparency, enhanced supervision. Better monitoring and greater sensitivity are simply words. You can paint a leopard's spots, but you won't change the nature of the beast. Its voracious appetite cannot be contained so it must go."*

Paul Hellyer, former Deputy Canadian Prime Minister

THE COMING INDONESIAN EXPLOSION IN AUSTRALIA'S FUTURE by Eric Butler:

The relative ease with which illegal immigrants from Asia have been arriving in Australia highlights the significance of a comment attributed to an Indonesian military leader by former West Australian Independent MP and leader of the Australia First political movement, Graeme Campbell, that in the event of Indonesia being threatened with major civil disorders, Australia could be involved by Indonesians in a *Camp of the Saints* scenario, the Indonesians arriving, not as a part of a military invasion, but as refugees whom Australians would be loathe to shoot. Already large numbers of desperate Indonesians have fled to Malaysia, and some to Singapore.

Unless some type of a miracle occurs, the current Indonesian President, B.J. Habibe, will be defeated at the coming elections. The lack of a vote of confidence in a man generally regarded as a transitional leader, will create a situation in which the Indonesian armed forces will assume their traditional role as the major Indonesian stable force. As yet it is not clear that the armed forces have a coherent policy under one leader. Disagreement in the armed forces could lead to a major power struggle and widespread civil war, with a worsening economic crisis. In order to understand what is possible in the future, it is essential to be clear that Indonesia is a type of artificial creation which emerged following the overthrow of Dutch colonial rule.

The break up of the Dutch East Indies Empire took place in a post-Second World War period when the policy makers in the USA aided and abetted the anti-colonial strategy of the Marxist controllers of the Soviet Empire. Relatively few people in the West had grasped the far-reaching signficance of the Stalin thesis on **Marxism and the Colonial Question.** Even fewer people grasped the relationship between International Finance and International Communism, primarily because of a failure to understand that real history is much more than a series of disconnected episodes. Occasionally, of course, like a tree falling into a stream, the main flow of events is diverted, individuals emerge who resist the stream. One of these was Dr. Salazar, President of Portugal, who arrived on the political stage when secular liberalism was the dominating force in Western Europe. Salazar was a devout Christian of the Roman Catholic faith. He was anathema to the internationalists, not only refusing to participate in the erosion of the concept of the European nations retreating from their colonised possessions, but, even worse, he refused to borrow from the international financiers. In the Portuguese free colonies of Mozambique and Angola the Portuguese rejected both the South African philosophy of separate development (apartheid) and the Rhodesian philosophy of advancement on merit. The official Portuguese racial philosophy was one of assimilado. The Portuguese attitude played a major role in assisting Rhodesia in its early days of independence. Mozambique was the lifeline for Rhodesian oil supplies, the Rhodesians always had a type of love-hate relationship with South Africa, but while not endorsing the Portuguese policy of "assimilado", Rhodesia never visualised that Portugal would change direction.

I was in the Rhodesian Foreign Office on the morning that the news came through of the coup in Lisbon which eventually led to the Portuguese major policy change, and the Rhodesians were shocked. The Portuguese change of direction not only had far reaching implications throughout Africa, but also in Timor. The current situation had its roots in the attempted Communist coup in Indonesia, a coup which helped increase the Indonesian dislike of their Chinese majority. The Indonesians were aware of Communist sponsored activities in Timor under the Fremlin movement and with the collapse of Portuguese authority were not prepared to allow a Communist inspired government to take over in East Timor. They therefore moved in and, understandably, forcefully annexed East Timor.

Australia, under the Whitlam Government, was not equipped in any way, politically, economically or militarily, to make any realistic contribution in the crisis.

East Timor is now the flashpoint of an explosive situation and the central question is whether Australia is any better equipped than it was at the beginning of the developing situation in Indonesia. Now, more than ever, Australia needs a vigourous policy of creative nationalism. This could result in Australia giving realistic leadership.

REFERENDUM IDEA SPREADS by Jeremy Lee:

An article in ***The Australian*** (21/5/99) gave details of the shock resignation of the whole of Dutch Prime Minister Wim Kok's Cabinet. Whether this will result in a totally new Cabinet or parliamentary elections remains to be seen.

The issue which brought this dramatic resignation was the failure, by one vote in the upper house, to pass a Bill for the introduction of Citizens' Initiated Referenda. The Bill had been sponsored by the D66 Party, the junior party in the Coalition which had formed government under Wim Kok.

". . . The Bill would have permitted citizens to decide certain economic and social issues, such as whether to join the European Union's common currency . . . Senior Liberal Party member Hans Wiegel voted against the measure on Wednesday arguing it was flawed because it would give the public too much power over government policy, particularly on issues involving European and inter-national affairs. All other Liberal Party members of the upper chamber voted in favour of the Bill . . . The crisis comes at an awkward time for The Netherlands, which is a member of NATO and has committed forces to the alliance's air campaign against Yugoslavia . . ."

There can be no overestimating the arrogance of some elected representatives – at national, state or local level – who believe they have sufficient wisdom to make all decisions without reference to those who elected them. As we now see, this can run as far as giving away the sovereignty of the country in question.

We are going to see more and more of this obstructionism against the peoples' will as an increasing number in each country begins to realise the totalitarian nature of global and regional policies being foisted on them. The struggle between people and their governments intensifies daily. But the ever-inceasing understanding will one day break through. When it does, the right of citizens to direct their governments by binding referendums will be a prominent part of the democratic armoury.

Britain's Prime Minister Tony Blair pledged a referendum of the people before Britain accepted a common European currency, at the time of his election. He has not mentioned his election promise since, as the UK manouevres for entry.

(For a devastating exposure of the "regionalisation programme currently being furtively developed in the UK, see ***Intelligence Survey*** for May.)

LONG ARM OF VENGEANCE: Some may not have heard of the infamous case of John Demjanjuk, who was extradited from the US to Israel in the 'eighties to stand trial as the notorious Ivan the Terrible, a brutal guard at Treblinka concentration camp during World War II. After languishing in an Israeli gaol for five years, and being condemned to death on the evidence of eye-witnesses who identified him as the said Ivan, Demjanjuk was only released following the collapse of Communism, when records revealed conclusively that his had been a case of mistaken identity. His trial had been more like a lynch-mob. One of his defending attorneys had acid poured over his face. Even after his innocence was proved there were those who believed he should be hanged anyway.

It was subsequently shown that the US Justice Department had deliberately suppressed evidence which might have released Demjanjuk much earlier.

The Australian (21/5/99) reported that the US Justice Department is again renewing its 22-year-old campaign to strip the 79-year-old Demjanjuk of his US citizenship and have him deported:

". . . The Department's Office of Special Investigations, which was criticised by a US appellate court for 'reckless' withholding of evidence that might have cleared Demjanjuk in an earlier case, on Wednesday filed a new complaint in the US District Court in Cleveland, where the 79-year-old retiree lives . . . The Government dropped its previous claim that Demjanjuk was a guard known as 'Ivan the Terrible' who operated a gas chamber at Treblinka. Demjanjuk escaped a death penalty in Israel in 1993 when evidence arose of mistaken identity . . ."

MORE ILLEGAL IMMIGRANTS: Another shipload of illegal immigrants has been caught, this time just off Wollongong. We can only wonder how many have been undetected. The Wollongong incident was followed by another, when two boats containing 32 illegal immigrants were apprehended off Australia's north-west coast.

The Australian (21/5/99) reported:

". . . Mr. Ruddock revealed the number of people arriving illegally by boat had tripled in the past financial year – 157 people arrived by boat in 1997-98, compared with 534 this financial year.

N 335, 405 ONT

"'This is an increase of more than 240 percent and the year is not yet over,' Mr. Ruddock said. "The number of people illegally infiltrating Australia by air had increased by more than a third, with 2100 people expected to arrive this financial year compared with 1555 in 1997-98 . . ."

ONE BANK OWNS UP: Finally, one of the "gang-of-four" has conceded some irresponsibility in its closure of banks in rural areas. Mr. Michael Hawker, Westpac's group executive for Business and Consumer Banking, has acknowledged that the rush to close bank branches had been a mistake, breaking the social contract with the community. ***The Australian*** (20/5/99) revealed:

". . . Between 1990 and 1998, 1306 banks shut their doors across Australia – 408 of them in country areas – while 1345 agencies were shut, 1071 outside major cities . . ."

Apologies notwithstanding, Australians in both city and country have discovered there is something they can do when deserted by the big players. Community branch banking is becoming increasingly popular. It is safe to say that those who have taken this step will not be going back to the gang-of-four.

WHAT'S REALLY HAPPENING WITH GOLD? Reports a week or two back said the Bank of England was selling 415 tonnes of gold, or 60 percent of its reserves. The gold price, which had been threatening to escalate, slumped dramatically, dropping to the lowest level in 20 years.

Michael West, in an intriguing article in ***The Weekend Australian*** (15-16/5/99) drew attention to a number of instances where Central Banks had announced the imminent sale of gold reserves, depressing the price of gold, but had subsequently not sold. In the case of the Bank of England, it was announced after the price collapse that it would only be selling 125 tonnes by March 2000, and the rest over the course of time – which could mean anything.

Private companies which did what Central Banks appear to be doing in this case would be charged with market manipulation. Central Banks, it appears, are above the law.

Hong Kong-based forecaster and investment analyst Dr. Marc Faber, writing in ***The Australian Financial Review*** (17/5/99), besides forecasting a big rise in the price of gold as economies deteriorate, commented:

". . . The whole world believes that the central bankers are so smart they can steer the world economy forward and backwards. Nobody can steer any market . . . It's a paradox in my opinion that at a time when everyone knows the planned economies have failed that there is so much faith in central bankers. I think central bankers will bring the system to the brink . . ."

As Robert Rubin makes a timely exit from the US Treasury – presumably to return to Goldman Sachs & Co. – and Federal Reserve head Alan Greenspan murmers about necessary interest-rate increases in the US, we should be looking for life-belts in the turbulent financial waters ahead.

ASIAN MONETARY FUND: Japan is proceeding with the original Miyazawa plan for an Asian financial emergency fund, which was originally hotly opposed by the IMF and the US. Japan is contributing $A25 billion to the Fund, which will be used to help crisis-stricken Asian nations. The contribution is coming on top of billions Japan has already made available to Asian nations devastated in the Asian meltdown.

"ON TARGET" is printed and published by The Australian League of Rights,
145 Russell Street, Melbourne. Telephone: (03) 9650 9749, Fax: (03) 9650 9368.
Subscription $40.00 p.a.