

Australia acts as British stooge in the East Timor crisis

by Allen Douglas

In the rapidly unfolding crisis in the East Timor province of Indonesia, the Australian political elite has invented a new variant of an old aphorism: “Bluster loudly, and carry a little stick.” Like the hollowed-out forces of NATO, which were incapable of fighting an actual war in Kosovo, the Australian 4,500-man military contingent which the United Nations Security Council authorized on Sept. 15 to lead its 9,000-man peacekeeping force in East Timor, is a *papier-maché* force which will strain Australia’s tiny, 25,200-man Army to the utmost, if kept in place for more than a few weeks. It is less a serious force for “peacekeeping,” than a tripwire to further explode the situation.

The East Timor crisis, which threatens to unleash a chain reaction of insurgencies in Aceh, Irian Jaya, Ambon, and elsewhere, leading to the disintegration of the 200-million-person nation of Indonesia, was provoked in large measure by Australia. In January 1999, Prime Minister John Howard wrote an infamous letter to Indonesian President B.J. Habibie in January 1999, to bully him into agreeing to hold the recent independence referendum in East Timor. Even the East Timor independence leader Xanana Gusmao had urged a 10-year “cooling-off period” (later reduced to five years) before such an explosive referendum should take place.

But even though Howard, together with his Australian Labor Party (ALP) opposites, the anti-Indonesian ideologues ALP leader Kim Beazley and shadow Foreign Affairs Minister Laurie Brereton, may look like a bunch of juvenile delinquents with their baseball caps on backwards, playing with matches in the middle of a fuel dump, there is something more sinister afoot: They are witting tools of the British monarchy and the City of London financial oligarchy, which wants to blow up Russia, China, India, Indonesia, and any other nation-state which might help construct the New Bretton Woods financial system proposed by American statesman Lyndon LaRouche. Such a New Bretton Woods would replace the hopelessly bankrupt, London-dominated “globalist” system now careening toward the greatest financial crash in centuries.

Both Howard, who, as Australia’s Prime Minister, is a member of Her Majesty’s Privy Council, and Beazley, a member of London’s International Institute of Strategic Studies (IISS), are intimately aware of LaRouche’s proposal. Howard bitterly denounced the LaRouche plan in public last year. Meanwhile, Australia’s Reserve Bank, just like the U.S. Fed-

eral Reserve and the Bank of England, is printing money at the speed of light, to prepare for the coming collapse—or, in the words of Reserve Bank Governor Ian Macfarlane on Sept. 4, “to meet any conceivable demand,” or any “doomsday scenarios.”

Given the growing bitterness in Indonesia toward Australia for its role in fostering the referendum, one could not pick a worse candidate to implement the *British-sponsored* UN resolution that set up the “peacekeeping” force. That the British, who will contribute only some 250 Gurkhas to the East Timor UN force, would nonetheless sponsor that resolution (and shove their Australian colony forward as a tar baby), is no surprise: As *EIR* has documented, “independence for East Timor” has always been a British plot, with the help of Britain’s Portuguese colonialist junior partners. (See “Attacks on Indonesia Aim to Dismantle Its Nationalist Development Policies,” *EIR*, Nov. 8, 1996, and “Great Britain’s Colonial Guns Turn Against Indonesia,” March 21, 1997.)

Just as British Prime Minister Tony Blair relentlessly badgered U.S. President Bill Clinton to launch the recent Kosovo war—which has gravely damaged U.S. relations with China and Russia, two key nations for a New Bretton Woods—Privy Councillor John Howard spent much of the week before the Sept. 15 UN resolution hectoring Clinton to put U.S. “boots on the ground” in East Timor—an action which would have earned the United States further enmity in Asia. Clinton declined to supply anything but logistical and intelligence backup. As even one source at the U.S. State Department—itsself generally an Anglophile bastion—wryly told the *Australian Financial Review* of Sept. 4-5, “The Howard letter provoked the whole thing. Now Australia has the responsibility to follow through.”

Although this Australian-led assault on Indonesia will fly the flag of “human rights,” an included purpose will be to steal some of the world’s richest gas and oil deposits, in the Timor Sea off East Timor—just as is planned for another strategic area being destabilized by the British monarchy, the Caucasus-Central Asia region.

London’s paper tiger

Queen Elizabeth II is the official head of state of Australia, and also heads the 53-nation Commonwealth (in which Australia plays a key role). This is the greatest combination of

FIGURE 1

British target Indonesia for breakup



political and financial power on Earth, as *EIR* has abundantly documented (see *EIR Special Report*, “The True Story Behind the Fall of the House of Windsor,” September 1997). Ever since Britain dumped its first batch of political prisoners at Botany Bay near Sydney in 1788, the Crown has dictated most of Australia’s crucial foreign and domestic policy, with the notable exception of Prime Minister John Curtin’s World War II break with Winston Churchill, and Curtin’s alliance with Gen. Douglas MacArthur and President Franklin Roosevelt to win the war in the Pacific. When ALP Prime Minister Gough Whitlam, for instance, in the early 1970s attempted to reassert sovereignty over Australia’s vast raw materials wealth, and to engage in a program of large-scale industrialization, he was summarily sacked by the Queen’s governor general in 1975.

By contrast, when the present, Liberal/National party coalition government of John Howard came to power in March 1996, Lord Harris of High Cross exulted in an interview with Australia’s *New Citizen* newspaper, “Yippee! I was pleased about that.” Harris is the longtime Mont Pelerin Society

leader, whose organization had designed all of Margaret Thatcher’s “free market” policies, and which had trained the entire “reform” government which took power under President Boris Yeltsin in Russia in 1992 (see *EIR*, Sept. 3). He had good reason to be: Six senior cabinet ministers, including Howard himself, were members or associates of Mont Pelerin-affiliated think-tanks in Australia.

Harris’s Mont Pelerin cronies lost no time in destroying Australia’s Armed Forces, creating the hollow shell which they now propose to send on a possible suicide mission into East Timor.

In 1997, the Howard government set up the Defense Efficiency Review (DER), under the direction of Minister of Defense Ian MacLachlan, a co-founder of the H.R. Nicholls Society, the most fanatical of Mont Pelerin’s Australian think-tanks, and a member of the largest land-owning family in Australia. To head the study, MacLachlan brought in Sir Malcolm McIntosh, who had just retired as head of procurement for all of Britain’s armed forces from 1991-96, for which service he was knighted by the Queen.

After a mere three years of budget-slashing “reform,” Australia’s Armed Forces today are a “Potemkin village,” in the words of one of Australia’s leading defense analysts. Consider the following indicators of impotence and demoralization:

- The total strength of the Armed Forces of Australia (Army, Navy, Air Force), a nation of 19 million, is now only 50,000. Due to the DER, some 6,000 senior officers — Australia’s most experienced personnel — have been made “redundant,” leading to the worst demoralization in decades: Some 10.2% of all naval officers left from October 1998 to October 1999, on top of 7.2% the year before, while 9.2% of all Army officers quit last year, on top of 7.7% the previous year. Combat pilots have been quitting Australia’s Air Force at such a rate, that there are only 53 left to fly Australia’s fleet of 71 F/A-18 Hornet fighters, while only four “top gun” (elite) Category A Hornet pilots remain. Since July 1, nineteen combat jet fighter pilots, who cost \$6 million each to train, have quit. The Armed Forces Federation announced in July that hundreds more senior officers will soon quit, both because of “poor career prospects” and because “they cannot afford to live” under new government tax rules regarding military housing subsidies and related items.

- At the end of August, Army chief Lt. Gen. Frank Hickling told a parliamentary inquiry into the Army’s suitability for peacekeeping, and for war, that “Australia’s Army would be hard-pressed to sustain fighting in close combat on a modern battlefield, and had major equipment shortages,” according to a summary in the Sept. 3 *Melbourne Age*. Hickling said the Army could field only a brigade-sized contingent (3,000 men) to fight a war alongside an ally such as the United States, and “only at considerable risk.”

- Australia has only one seaworthy submarine (of the aging Oberon class), while construction of six new Collins class subs is years behind schedule, and they have such horrific problems that McIntosh told a parliamentary inquiry in April, “It’s barely enough for the submarines to go to sea safely, and you certainly couldn’t possibly go to war in it.”

- The Howard government just privatized Australian Defense Industries (ADI), the government’s main defense contractor, and sold it for a pitiful \$200 million to a consortium *dominated by a foreign company* (the French firm, Thomson). Much of the non-combat services of the military (cooking, etc.) has also been privatized, leading one to ask how many “private contractors” will want to go to East Timor, or other potential combat zones.

In addition, because of the savage cutbacks, it is universally recognized that Australia will be stretched to the extreme to sustain even one brigade for three months, because of the need to rotate other troops in and out, and because of the logistical support necessary to maintain a brigade in the field.

Indonesian anger, Australian body bags

Since the Indonesian Army moved into the chaotic vac-

uum left by Portugal’s abrupt pull-out of East Timor in 1975, Australia had been, until early this year, the only “Western” power to acknowledge East Timor as part of Indonesia. Furthermore, in 1995, Australia and Indonesia had signed a security treaty. In the eyes of most Indonesians, therefore, Australia’s current drive for East Timor independence is a particularly galling stab in the back. Sending in an *Australian*-led contingent for “peacekeeping,” pours gasoline on the flames, as the following recent statements and events indicate:

- On Sept. 10, leaders of all of Indonesia’s major political parties, including Megawati Sukarnoputri’s PDI-P, President Habibie’s Golkar Party, and Amien Rais’s PAN party, unanimously condemned Australia for “spreading terror” by its demand for a peacekeeping force. Dimiyati Haryono, deputy chairman of the PDI-P, said Indonesia should break relations with Australia. A PAN spokesman said, “Never let Australia terrorize us. We’re a big nation whose pride is now at stake.” The chairman of the 25-million-member Muhammadiyah said, “Australia and the United States in particular, have not yet lost their imperialistic nature.” Party factions in the national parliament’s commission on foreign affairs, defense, and security issued a statement Sept. 13, urging the government to reject participation of Australia, New Zealand, and Portugal, saying, “The presence of troops from the three countries will only raise new chaos, because they have obviously not been neutral.” The head of the ruling Golkar Party, Akbar Tanjung, warned, “Involvement of non-neutral troops will only further provoke people’s emotion.” The chairwoman of the parliamentary commission on foreign affairs, Mrs. Aisyah Aminy, said, “If Australian troops are involved now, they will prolong the Timor problem.”

- The trade office of the state of Western Australia in Jakarta was vandalized on Sept. 13, and Australian Prime Minister John Howard was burned in effigy outside the Australian Embassy, with demonstrators waving placards “War — Indonesia versus Australia.” The following day, hundreds of angry Indonesian students demonstrated outside the Australian Embassy, and then marched through Jakarta shouting “Go to hell, Aussie!” The front page of the English-language *Jakarta Post* carried the headline, “Indonesia Wants Australia Kept Off UN Force.”

As the anger rises against Australian “peacekeepers,” John Howard warned Australians on national radio on Sept. 14 to prepare for the possibility of soldiers coming home in body bags: “There will be a danger, there could be casualties, and the Australian public should understand that.” Meanwhile, his British public school-educated Foreign Minister, Alexander Downer, has demanded that the UN grant the Australian troops the right to “shoot to kill,” which it did. The blue-blood Downer is otherwise best known for wearing black fishnet stockings in public; he has proclaimed his “favorite clothing” to be “plastic bags and stockings,” in keeping with the degenerate auto-erotic habits of the British oligarchy.

A witting Australian role?

Reviewing Australia's intelligence capabilities vis-à-vis Indonesia, as well as the changes it has made to its force structure and military preparedness over the last year, it is almost impossible to avoid the conclusion that Australia knew very well, that mayhem in East Timor would necessarily follow a referendum there. After all, the two countries are less than 100 miles apart, and, for decades, the Indonesian section of Australia's Defense Signals Directorate has carried out extensive electronic intercepts of virtually all Indonesian communications, bolstered by equally extensive "human intelligence" sources, whether by the Australian Secret Intelligence Service (ASIS), the Australian academic community, or by the extraordinary contacts which the Australian military has built up with its Indonesian counterparts, through training programs, social visits, etc. As one Australian defense source recently boasted to this news service, "When [President] Habibie can't get [Chief of Staff] Wiranto on the phone, we can." Thousands of Indonesian servicemen have been trained in such institutions as Duntroon Military College (Australia's West Point) and the Canungra Land Warfare Center.

Those military ties are particularly close between Australia's two Special Air Services (SAS) regiments, a subset of the notorious British SAS, and Indonesia's elite Kopassus unit. If the widespread reports that Kopassus units trained the anti-independence East Timor militias be true, it would not be surprising: The British SAS specializes in precisely such insurgency-counterinsurgency training, as when it was caught training *both* Muslim and Serb forces during the early 1990s war in Bosnia, the better to stoke a bloody civil war. Kopassus personnel have also been trained by the British SAS directly, as well as by U.S. Special Forces, including, according to the Sept. 12 *Australian Financial Review*, in "how to create terror." Faced with losing East Timor, which the Indonesian Army believes—with good reason—would be the prelude to the disintegration of their nation-state, it is entirely predictable that such training would be put to work.

At all events, the Australian SAS has been deeply involved in East Timor for months, at least. The July 20 *Melbourne Age* reported that the SAS had "already been involved in on-ground reconnaissance in East Timor to judge the service's access to specific sections of the province in the event of emergency," while military intelligence had given the SAS a series of briefings at its Perth, Western Australia headquarters, on "details of strongholds, communications, transport, and weapons capabilities of the militias, as well as profiles of their leaders and the nature of their links to the Indonesian Army." Beginning early this year, a number of key SAS personnel have also been moved to Darwin, "on stand-by."

But it is not only the SAS which has been preparing. Early in 1999, simultaneous with Howard's letter to President Habibie demanding a referendum, Australia initiated a radical shift in its Army force structure, and upgraded its military

readiness, such that 11,000 troops are ready to deploy within 28 days—the highest readiness of the Australian Armed Forces since the Vietnam War. This new force cost \$300 million to set up, and will cost \$100 million per year to maintain—a major expenditure for a government which has slashed health care and other social services left and right. Indeed, the government has already indicated that it will slash much more, in order to maintain these forces. What all this readiness was for, became clear when a second ready response force was created, and was deployed to join the existing First Brigade in Darwin on the northern coast of Australia, just across the Timor Sea from East Timor. These are the forces which were conveniently already in place, when the UN on Sept. 15 authorized Australia to lead the "peacekeeping" in East Timor. The Australian government has also announced that this upgraded readiness will allow it to evacuate 20,000 Australians from all of Indonesia, on short notice.

The politics of oil and gas

The Australian government has continually proclaimed its intent to "save lives," "protect human rights," and "secure justice" for the East Timorese. In fact, it seems much more interested in "securing justice" for British and affiliated multinational oil companies which plan to grab the vast hydrocarbon deposits in the waters off East Timor. As a senior City of London insider pointed out to *EIR* on Sept. 14, "A major part of the 'Blair Project' involves deploying a reorganized British oil geopolitical power. In foreign policy, this means shifting intelligence assets into new hotspot areas where the Blair people want to make trouble. First we saw it in the Balkans, and now it is East Timor.

"Informed geologists tell me," the source continued, "there are believed to be huge untapped oil deposits in the Timor Sea between East Timor and Australia. As long as East Timor remains in firm Indonesian hands, the oil will be controlled by the Indonesian state oil company, Pertamina. If, on the other hand, East Timor becomes independent, BP and Royal Dutch Shell will be able to come in. The British are using Australia as a stalking horse for this. Overall, oil is again becoming a major geopolitical power theme for British interests again, after a long hiatus. Over the last year, there has been a huge consolidation of oil assets into British hands, with BP becoming number two in the world after Exxon-Mobil, and Shell number three. If British oil wins East Timor, along with their present dominating role in the Caspian Sea region and North Sea, as well as Alaska and Nigeria, they will be in a commanding power position globally to dictate oil policy."

The vast oil and gas deposits underneath the Timor Sea have been proven, as noted by the Sept. 3 *Australian Financial Review*: "Oil companies have spent \$700 million exploring the Timor Gap [off the island of Timor] so far. There have been 41 wells drilled in those tropical waters, and all but seven have discovered hydrocarbons." The "Timor Gap Treaty" be-

tween Australia and Indonesia presently divides the area between the offshore shelves of Australia (which extends some 200 kilometers into the Timor Sea) and that of Timor (which drops off sharply), into three zones, A, B, and C, with various degrees of Indonesian and Australian control in each. But, notes the *Review*, were East Timor to become independent, the whole treaty would have to be renegotiated, this time with East Timor, and not Indonesia, controlling the oil. And, as sources at Pertamina told *EIR* already some years ago, although tests had demonstrated huge reserves in Zone C, which is 90% Indonesian-controlled, Pertamina has never been able to develop those reserves because of the unrest in East Timor.

Whipping up Australians

As a result of the Australian government's propaganda, supplemented by the ceaseless pro-independence drum-beating by Australia's Anglophile press barons, multibillionaires Kerry Packer and Rupert Murdoch, many Australians have been whipped into a fever for intervention into East Timor. Rallies around Australia, some numbering 15,000-20,000 people, have called for UN intervention, while Australia's trade union movement has begun a boycott of anything having to do with Indonesia, including air freight and air travel in or out of the country, and postal and phone services to Indonesian businesses and to the Indonesian Embassy in Australia. The Maritime Union of Australia has placed bans on 80,000 tons of wheat bound for Indonesia out of 10 Australian ports. The Australian Council of Trade Unions has called for the International Monetary Fund and World Bank to cut off all assistance to Indonesia.

The sole political force in Australia to speak out forcefully against this madness, akin to that which swept the United States during George Bush's Desert Storm attack against Iraq in 1991, has been Lyndon LaRouche's associates in the Citizens Electoral Council, a federal political party. CEC National Secretary Craig Isherwood told *EIR*, "This is a classic example of what Lyndon LaRouche has denounced as 'morality in the small,' which, actually, is gross *immorality*, because people refuse to look at the big picture: the onrushing global financial collapse, and the Crown's plot to crush nation-states, so that no resistance can be mounted to British imperial rule. *That*, together with a good old-fashioned neocolonialist grab for raw materials, is what is behind this East Timor crisis. One would think that Australians, in particular, might have learned something by now, about fighting and dying in British-provoked wars. After all, this was a *British* UN resolution, and British Foreign Secretary Robin Cook led the charge for this engagement, just as he did in the Balkans, with Alexander Downer bringing up the rear. As for the trade unions, perhaps they should stop hyperventilating for a moment, and ask why they suddenly find themselves in bed with that same Mont Pelerin Society Howard government, which has sworn to destroy them."

Blair's 'Third Way' defeated in Germany

by Rainer Apel

With the defeats in state parliament elections in Saarland and Brandenburg on Sept. 5 having been already sufficiently bitter for Germany's Social Democrats (SPD), the two elections a week later, on Sept. 12, for state parliament in Thuringia and for municipal councils in North Rhine-Westphalia, brought real disaster. In Thuringia, voter turnout dropped by 15% (from 74.8% to 59.8%), and the SPD lost 11% of the votes tallied, as compared to the last elections in 1994. Worse still: The SPD fell behind the post-communist PDS, which outstripped the Social Democrats by a margin of almost 3%. The Christian Democrats (CDU), the SPD's major coalition partner in the state government of Thuringia since 1994, received 51% of the vote and will run the state alone for the next five years.

All in all, the Thuringian SPD, which in 1994 was getting 29.6% of the vote, lost more than one-third of the vote on Sept. 12, and the voter abstention was mostly due to SPD supporters turning their backs on the party.

The disaster was far worse, though, in North Rhine-Westphalia, with its 18 million inhabitants Germany's biggest state, home to 20% of the national electorate. There, after the 1994 elections, 20 of the 23 biggest municipalities were run by SPD mayors, and many of the cities had been solid Social Democratic territory for decades. In the case of Dortmund, SPD rule had lasted for 53 years! On Sunday, Sept. 12, this era came to an end: Seven cities were taken by the Christian Democrats right away, with another seven expected to fall to the CDU in a second round of voting on Sept. 26. The massive loss of SPD votes, which was between 10 and 12% across the board—in some cities even above 14%—was a profound reality shock for the German Social Democrats. An even greater shock was the fact that in many districts, more SPD supporters stayed home from the polls, than went to vote. In the northern districts of Dortmund, traditionally "deep-red" labor voting territory, voter turnout dropped below 30%—the lowest level in the entire postwar period. Apparently, labor voters did not like the SPD and its "modernist" service-sector outlook, borrowed from Tony Blair's "New Labour" and its "Third Way." (Interestingly, British voters seem not to like Blair's "Third Way" much either, recently. On June 13, on the occasion of the elections for the new European Parliament, they handed Blair's party