

Australia Dossier by Robert Barwick

Crown Cartels Plunder Australia

The oligarchy is on a mad grab for raw materials wealth, as the financial crash looms.

The world's biggest raw materials companies are on a feeding frenzy over Australia's resource wealth. Led by the British Crown's Anglo American and Rio Tinto, the number-one and number-two mining companies in the world, respectively, the cartel is taking advantage of a weak Australian dollar, now worth just 58 U.S. cents, as well as a slump of "old economy" stocks over the past few years. The British buy-up of Australian assets is regarded benignly by the Liberal Party/National Party government, which was installed with the help of Rio Tinto, and whose Foreign Investment Review Board is overseen by Treasurer Peter Costello, a former lawyer for Rio Tinto in its union-busting activities.

The British oligarchy figures to control the post-collapse world by controlling the necessities of life, including raw materials and food. Its control over Australia is stunning.

First of all, Rio Tinto, formerly Conzinc Rio Tinto Australia (CRA), has long been the dominant force in Australian mining. CRA's control over Australia's resources prompted Gough Whitlam's Labor government of 1972-75, to attempt to "buy back the farm." This was put down by the Queen, personally, in 1975, when she had her Governor-General sack Whitlam. The Queen is the dominant political and financial power in Rio Tinto.

In recent years, Rio Tinto has further consolidated its position in Australia. In 1995, CRA merged with its London-based parent company, RTZ plc, to form Rio Tinto. Most of CRA's Australian staff was sacked, and control consolidated in London. In 1998,

former CRA chairman and CEO John "Mr. Rio Tinto" Ralph, the director of the Queen's Trust (a private investment fund of Elizabeth II's), moved onto the board of Australia's other major mining company, BHP. He was the first of many Rio-trained executives to join BHP, through which Rio effected a de facto takeover of BHP, although a formal merger deal fell through last year at the last minute. Earlier this year, Rio announced that it was cashed up and looking for assets; its first target was to buy up the remaining shares of its aluminum subsidiary, Comalco.

On June 23, Rio launched a takeover bid for Australian iron ore producer North Ltd., whose Robe River operation in Western Australia makes it the second-largest iron ore producer in the country. With its control of BHP, control of North would give Rio Tinto total dominance of Australia's highly profitable iron ore production, and global dominance as well, since Australia is the major iron ore producer outside Brazil's Companhia Vale do Rio Doce (CVRD). Rio's bid enraged Japan's profit-squeezed steel mills, whose owners were alarmed at the industry consolidation among its Australian suppliers, who already enjoyed 40% profit margins. The bid was also opposed by Western Australia state Resources Minister Colin Barnett, who protested the increased foreign control of his state's resources.

But, the desperate Japanese jumped from the frying pan into the fire. To foil Rio's takeover, they threw their weight and investment behind a rival takeover bid for North by another Crown asset, Anglo American. After a bidding war, on Aug. 12, Rio took

control of North for \$3.5 billion.

Though Anglo lost its bid for North, it has acquired a huge portfolio of Australian resources over recent years, through purchases worth \$7 billion. For much of the past decade, it has been massively disinvesting from South Africa, effectively, according to insiders, writing that country off because of the AIDS epidemic. It has recently put up \$1.5 billion for Royal Dutch Shell's Australian coal assets; \$653 million for BHP's manganese assets; \$832 million for Acacia Resources, a leading Australian gold miner; and has also purchased a \$320 million stake in Anaconda Nickel. Additionally, Anglo's diamond arm, DeBeers, has made a \$522 million takeover bid for Ashton mining, the joint venture partner with Rio Tinto in Western Australia's Argyle diamond mine, the world's largest. This would give the British Anglo/Rio cartel control of Australia's entire diamond production. Anglo American's divisional chairman of coal and base metals, Dr. James Campbell, said in Melbourne on Aug. 1, "We see Australia as a place where a global resource company has to have a presence."

Two of the British oligarchy's oil giants, BP Amoco and Royal Dutch Shell, are also snapping up Australian assets. Shell, for example, has made a \$6 billion takeover bid for Woodside Petroleum, which would give it effective control over Australia's fabulously wealthy North West Shelf liquefied natural gas (LNG) project, which is responsible for one-tenth of the world's LNG trade. Initially rebuffed, Shell is regrouping for another attempt, but its plans have also sparked concerns from Resource Minister Barnett. "If Woodside is controlled by Shell, we will no longer have confidence that the North West Shelf will be managed with Australia's interest put first," he said.