

# **From APEC to IMF interventions: Imperialism's new neo-liberal initiatives**

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**This talk was presented to the Asia Pacific Solidarity Conference 1998 by Pip Hinman, national executive member of the Democratic Socialist Party.**

As international pressure mounts against the corrupt Suharto regime, spurred on by the growing protest movement inside Indonesia, the Australian Liberal-National government and Labor opposition have gone in to bat for Indonesia's corrupt ruling elite.

Foreign minister Alexander Downer made an unscheduled visit to Washington to urge the Clinton administration to release the second instalment of the IMF's US\$43 billion **rescue ' ' package, and PM John Howard and the governor of the Reserve Bank, Ian Macfarlane, have called on the IMF to separate**'' economic and political policy issues.

They seem to have had some success. Just a few days ago, Canberra announced that, following a request from the IMF, it would deliver its first loan of \$461 million to Jakarta by the end of the month. The *Sydney Morning Herald* today has a lead article lauding the Australian government for persuading the IMF to be more flexible in the conditions it imposes on its loans to the Suharto government.

The Australian government has made its position very clear: while Suharto may be unpopular at home, he remains key to the success of Australia's business interests in Indonesia and elsewhere in south-east Asia.

Former Labor PM and close friend of Suharto, Paul Keating, fully agrees. In a public speech last month, he slammed the IMF for not acting more quickly, saying, **Indonesia was disproportionately punished because a grossly inaccurate view had taken hold in some quarters – that it was some sort of rogue state, to be talked about in the same breath as Mobutu's Zaire or Marcos' Philippines.**'' Australian policy'', Keating added, **has to be based on this one fundamental: we stand with Indonesia'' . Of course by Indonesia''**, Keating meant Suharto and his cronies.

The Australian government policy of seeking to build close relations with the Suharto dictatorship was cemented in place in the 1970s under the Labor government led by Gough Whitlam. This dirty relationship was baptised in the blood of the Indonesian invasion of East Timor. A policy of close ties with the Suharto dictatorship has been continued by successive Labor and Liberal-National governments and is one of a growing number of reactionary bi-partisan policies.

The immediate reason why the speedy delivery of the IMF loans to the Suharto regime is of concern to the government is obvious. Australian big business with interests in Indonesia stand to lose if the bail-out package isn't immediately forthcoming. For instance BHP, which has significant investments in Kalimantan coal mines, lost \$22 million when the rupiah was suddenly devalued.

On the broader level, the Australian government wants to prop up the Suharto regime in the hope that this will secure Australian big business's future economic prospects in a natural resource-rich country with 205 million people.

As a small imperialist power which has to compete with much larger imperialist powers such as the US and Japan, Australia hopes its political support for Suharto will make up for its lack of economic muscle.

The debate over the last few months between the US and Australian governments about the timing of IMF loans reflects only marginal differences of emphasis, not any fundamental political disagreement on the relationship with Suharto.

As an imperialist power — in which a few massive corporations dominate the local, advanced economy and seek to exploit other, underdeveloped countries — Australia has always *engaged* in the region to defend the right to exploit. Under the guise of promoting *stability*, Australia has helped crush several threats to capitalist rule in the Asia-Pacific region. When Suharto wiped out 1 to 2 million leftists in his 1965 coup, then Liberal PM Harold Holt described the massacre as *reorientation*. Meeting with Suharto in 1974, then Labor PM Gough Whitlam described an independent East Timor as *unviable* and a threat, giving the green light to the 1975 invasion.

In 1978, Australia became the only country in the world to extend formal recognition to Indonesia's annexation of East Timor. This was reaffirmed by the Labor government in 1985 and in 1989 when it signed the Timor Gap Treaty, which allows Australian oil companies to profit from oil that properly belongs to the East Timorese.

In 1991, foreign minister Gareth Evans described the Dili massacre, in which up to 500 people were killed, as an *aberration*. Soon afterwards, high-ranking Indonesian generals linked to the massacre were welcomed in Australia, and joint military training was increased. Most recently, the two major parties voted down a motion, put by the Australian Greens Senator Bob Brown, which called on President Suharto to ensure the safety and release of four Peoples Democratic Party members who have recently disappeared. With some 130 Australian companies operating in Indonesia and some \$2.5 billion of direct investment, Australia is not about to let human rights take precedence over profits. Its opposition, last year, to the inclusion of human rights provisions in a European Union-sponsored trade and co-operation treaty made this clear. *{Human rights and trade}* The government's argument that human rights and trade arrangements be dealt with separately, and that it has no right to interfere in other countries' domestic politics (i.e. criticise and act on human rights abuses) is hypocritical in the light of its economic intervention in other countries, a factor which has a direct impact on those countries' peoples.

Citing *cultural differences* and *Asian values*, Australia has turned a blind eye to human rights abuses in Burma, Bougainville, West Papua, Aceh, China, Singapore, Malaysia and elsewhere for the sake of maintaining and deepening its economic penetration into the Asia Pacific region.

This has been policy of both Labor and Coalition governments. For instance, both parties have also consistently sided with the governments of its former colony, PNG, against the democratic aspirations of the people of Bougainville. Even now, despite the peace accords which placed the issue of self-determination firmly on the agenda, the PNG and Australian governments are determined to thwart any such moves.

Australian government aid to PNG is directly linked to the political and economic interests of Australian big business which has in excess of \$2 billion invested in mineral and petroleum projects in PNG and Bougainville. Military aid – including hardware and training – has always been a significant component and looks like remaining so. A referendum on self-determination by the people of Bougainville would not only mean losing the CRA-owned Panguna copper mine, even more significantly, it would set an important precedent for other oppressed groups – including the East Timorese, the West Papuans, the people of Aceh and the Maohi people of Tahiti – struggling for self-determination or independence. Australia is also keen for France to continue its colonial rule of Tahiti (and control of the second largest exclusive economic zone in the world – some 7 million square kilometres of the Pacific Ocean) and for the US to maintain its hold, in various colonial arrangements, over the Pacific peoples of American Samoa, Hawaii, Guam, the Federated States of Micronesia, the Marshall Islands and Palau. France and Britain had built the two main colonial empires in the South Pacific. Australia inherited this part of the British empire and has continued to act like a colonial master in this region. As our guests from PNG and Bougainville can attest, Australian colonialism has a dirty, racist record in their countries. Australia's arrogant paternalism was once again clearly expressed at last year's South Pacific Forum in the Cook Islands. When the Pacific leaders of the Alliance of the Small Island Nations called on Howard to commit Australia to specific greenhouse gas reduction targets at the December 1997 Kyoto conference, he first told them to jump (but not in such polite words), and then, when they didn't immediately fall into line, he threatened blackmail – the withdrawal of Australian aid. The racist role of Australia in the Asia Pacific region goes hand in hand with its racist treatment of the indigenous inhabitants of Australia. After more than 200 years of genocide, dispossession and discrimination, the Australian government still refuses to accept responsibility for the oppression of the indigenous peoples of this continent. They are the most oppressed sector of the population and suffer health, income, housing and education conditions that are far worse than in many Third World countries. This, in the second richest country in the region! Currently, the Australian government is moving to restrict even the limited and belated recognition of native title by the High Court of Australia. For most of white Australian history the courts placed upheld the myth that Australia was an empty continent when it was colonised by the Europeans in the 18th century. The Australian government has encouraged a new wave of racism against indigenous people and recent Asian immigrants, resurrecting aspects of the infamous White Australia policy. {{{APEC}}} By itself, Australia does not have the economic, political or military weight to defend its own imperialist interests in the region. Hence, Canberra's policy has been to carry out its intervention in the Asia Pacific in partnership with the US. This partnership is grounded in long-term military collaboration under the auspices of the ANZUS treaty and includes the stationing of important US spy and communications bases in Australia, intelligence-sharing, joint military training and joint interventions abroad (including Korea, Vietnam, the Middle East and Somalia). This US military force will, no doubt, be ready to assist in quelling any serious instability in the region as a result of the economic crisis. Before the currency crisis, when capitalists rushed to take advantage of the promising growth rates, cheap labour and relatively unregulated

working conditions across Asia, Australia was greedily looking at how it could fully exploit the openings, ahead of other imperialist countries. Australia's foreign direct investment in this region is relatively low compared to the US and Japan. And over the 1960s and 1970s, Japan had come to have the major imperialist stake in the region. This was the context in which former Labor PM Bob Hawke first proposed the formation of the Asia-Pacific Economic Cooperation treaty in 1989. On one hand APEC was a move to deepen imperialist penetration and exploitation of the region through so-called free-trade measures and, on the other, it was a manoeuvre by Australia, the US, Canada and NZ against Japanese imperialism. The US was interested because APEC could help prevent an exclusive Asian trade bloc from consolidating around Japan as rivalry between the three major imperialist centres deepened. APEC, like other trade and investment liberalisation institutions is anti-people. The neo-liberal rhetoric about free trade covers a move to increase the exploitation of the Third World. That is why the New Zealand Alliance's call to protest outside the APEC meeting in Auckland in 1999 should be enthusiastically supported.

### **IMF and democratic rights**

The IMF interventions in the region have the same reactionary neo-liberal agenda as APEC.

That is why it is a mistake to tie demands for democratisation in the region to the various IMF rescue packages'. These IMF loans come with a terrible price for the people of the region. The people of Latin America and Africa know this all too well. They don't get rescued; the imperialist investors and banks and the corrupt local dictators are the ones being rescued. Ordinary working people end up facing more unemployment, more starvation and more death. The IMF loans to Indonesia, for instance, are not going to help ordinary people in their struggle to survive. They are being primarily directed to ensuring that debts to imperialist countries are repaid, and that foreign multinationals such as Freeport, General Electric, British Aerospace and Honda are buttressed from the worst effects of the currency crisis. The People's Democratic Party of Indonesia has called on solidarity activists to oppose the IMF loans for these reasons and the Democratic Socialist Party strongly supports this call. As Edwin Gozal (PRD Asia Pacific representative) says, what we really need to do, is to strengthen the growing people's movement in Indonesia so it can bring down the dictator Suharto. {{{The struggle in Australia}}} We in Australia should call on the government to cut all military and economic ties with all repressive regimes. The interests of the peoples of the region and the mass of people in Australia are the same – that basic human needs must come before corporate profits. We have a common interest in opposing the bloody and grossly inequitable imperialist world order. We have a common interest in opposing the anti-people, neo-liberal policies pushed by capitalist governments, the IMF, APEC and the World Trade Organisation. The rulers of this country try to make out that we, ordinary working people, are different from our Asian and Pacific sisters and brothers. They say that we will all benefit from the greater exploitation of Asia and the Pacific. But this, as we know, isn't true. While corporate Australia's push into Asia has increased over the last decade, so too have the jobless in Australia, and attacks on our democratic rights have been stepped up. Working people in

Australia should reject the economic nationalist line, which is also sometimes pushed by union officials who identify more with the ruling elites than their own trade union members. In Australia, an imperialist country, economic nationalism is racist and reactionary. That's just a fact! Economic nationalism has long been a major political weakness of Australia's labour movement. That's why it supported the White Australia policy for most of this century. That's why many Australian workers still identify more with their Aussie bosses' than with their fellow workers in the Asia-Pacific.

Our struggle in Australia is to change that, and an essential part of this struggle is to build the strongest solidarity here with the exploited people of the region.

The Democratic Socialist Party was founded in the 1970s out of the struggle against the imperialist war on Vietnam. International solidarity has been and remains one of our party's touch stones. But our call for internationalism is not a call for pure altruism. Why? Because a blow against the rule of the exploiters, anywhere in the world, will be a victory for Australian workers.

Further, the idea that the great majority of ordinary people, no matter their country of origin, have more in common with each other than they do with their tiny ruling elites, expresses profound optimism in the idea that this corrupt system based on the permanent exploitation of the vast majority of people can be abolished.

I'm sure you will all agree that this conference has already boosted morale and solidarity exchanges. But we are not just feeling more optimistic, but we are making practical progress building links between the anti-imperialist forces in this region. This is something we must continue to do.