

Australian mining magnate accuses CIA of funding environment groups

By Patrick O'Connor
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Australia's fifth wealthiest individual, mining magnate Clive Palmer, called a press conference Tuesday to rail against an alleged CIA plot to sabotage the national economy by financing anti-coal protest groups and the Greens. The rather strange episode served to highlight an important political development—the emergence of an outspoken wing of the corporate elite, hostile to the Labor government's support for Washington's provocative moves against Beijing in the Asia-Pacific region.

Palmer owns Waratah Coal and Queensland Nickel and has an estimated personal wealth of more than \$5 billion. He has long been actively involved in right-wing politics, and is among the largest financial donors to the Liberal National Party in Queensland and the federal Liberal Party. On Tuesday he presented a leaked internal document produced by Greenpeace and other organisations, "Stopping the Australian Coal Export Boom," which outlined various strategies to disrupt coal mining projects. Part of the document explained that the proposals were "based on extensive research into the Australian coal industry, made possible by the generous support of the Rockefeller Family Fund."

"This is funded by the CIA," Palmer declared. "You only have to go back and read the Church Report in the 1970s and to read the reports to US Congress that set up the Rockefeller Foundation as a conduit of CIA funding. You only have to look at the secret budget which was passed by Congress last year, bigger than our whole national economy."

He alleged that the Greens were "a tool of the US government and Rockefeller." Palmer continued: "We don't want domination by a foreign power. I'm first an Australian, I'm not an American... We care about this country. It's under attack by foreign interests. I think

they want to promote their commodities at the expense of ours."

Palmer's accusations appear to draw on the "new world order" nationalist conspiracy theories promoted by the extreme right. The political and media establishment were quick, however, to pour scorn on any suggestion that American intelligence operatives play an active role in Australian politics. US political involvement, however, is in fact extensively documented, from the CIA's funding for the right-wing *Quadrant* journal and promotion of the anti-communist Labor Party "groupers" in the 1950s and '60s, to the removal of the Whitlam Labor government in 1975, and the US embassy's role in the removal of Kevin Rudd as prime minister through its "protected sources" in the Labor Party and trade union bureaucracy.

This question nevertheless remains a taboo topic in official politics. For all the coverage about the allegations against the Greens, no section of the media followed up Palmer's remarks on the 1975 coup. "You go back to the Whitlam dismissal," Palmer declared. "That's been documented, you go back and have a look at that. That was certainly [behind] the dismissal. I can tell you that because I was aware of it at the time."

Behind Palmer's anti-American rhetoric lie definite concerns about the impact of rising US tensions with China on his business enterprises.

The Australian ruling elite confronts the irresolvable problem of how to align itself between its most important trading partner, China, and its long-standing military and diplomatic patron, the US. The dominant sections of the bourgeoisie are adamant that the alliance with Washington must be upheld, even as the Obama administration ramps up its aggressive operations in Asia aimed at countering China's

growing influence. Rudd attempted to position Australia as a “middle power” mediator between the rival powers, but was opposed by Washington. Prime Minister Julia Gillard has since wholly aligned Australia with Obama’s foreign policy orientation.

Gillard’s stance, however, cuts directly across the business interests of Palmer, whose entire empire depends on and has developed in close collaboration with China. He first visited China as a young boy with his businessman father in 1962, and, by his own account, then made more than 50 visits in the 1970s, ’80s, ’90s and afterward.

Among Palmer’s major projects is the China First Coal Project in Queensland, expected to be Australia’s largest coal mine when production begins in 2014–2015. More than a billion dollars in capital investment derives from the Chinese state-owned Eximbank. The state-owned Metallurgical Corporation of China (MCC) is responsible for the project’s engineering, procurement and construction. Much of the exported coal will be purchased over the next 20 years by China Power International Holding, which operates several coal-fired power plants in China.

Palmer has repeatedly castigated the Rudd and Gillard governments for antagonising the Chinese government. In 2009 and 2010 he accused the Foreign Investment Review Board (FIRB) of racism. “If you’re an American and you’ve killed your wife, gone to the Ku Klux Klan every week, been arrested for drugs and just got out of prison you can come over here and invest \$953 million without any approval at all,” he told the *Australian Financial Review*. “But if you’re a poor Chinese farmer from Guangzhou, you’ve got to go through all the rubbish of the FIRB and they’ll probably knock you back.”

In November last year, the mining magnate denounced Gillard’s announcement that thousands of US Marines would be stationed in northern Australia. The *Australian Financial Review* reported that Palmer and other mining executives had “snubbed” an official dinner with President Obama. “Why do you think the likes of the head of BHP and myself didn’t go to the dinner?” Palmer explained. “It’s because we aren’t that stupid. We have real interests [in China] and know how the Chinese act.”

Hugh White, a prominent foreign policy analyst and critic of Gillard’s orientation with the US against

China, had previously urged Palmer and his mining industry colleagues to politically intervene. In an article published last October, he explained: “On current trends, escalating strategic competition between the US and China is the most likely trajectory for Asia’s future... Some people will be shocked at the suggestion that our corporate leaders should start talking about how Australia navigates the geopolitical shoals ahead, but in this case corporate interests and public interests coincide. We have a vital stake in our government managing Australia’s future in Asia more seriously, to help stop the escalating strategic rivalry already taking hold between the US and China. Perhaps if the big miners say it, our politicians will start to listen.”

Remarkably, in all the media coverage of Palmer’s latest remarks, none of these issues was mentioned, such is their acute sensitivity. Nevertheless, it is clear that enormous financial interests underlie the deep divisions within the Australian ruling elite on the US-China conflict. The Obama administration’s aggressive diplomatic/military stance against the Asian power will only further exacerbate the political crisis in Canberra in the next period.

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