

trader could win an election in the near future.

Over the past 10 years, "economic rationalists" have emerged as controllers of both political parties. This has led to a bipartisan approach on most political issues. Dr. Hewson is seen as a doctrinaire leader of what is called the "New Right." This is a powerful, cult-like network which slavishly follows the Adam Smith, Friedrich von Hayek, and Milton Friedman line. Their main spokesman in the federal Parliament are Hewson, David and Rod Kemp, Jim Short, Ian McLachlan, and Peter Costello. They are backed up by a number of well-funded think tanks, such as the Institute of Public Affairs and the Sydney Institute. Their main power base is in Victoria, where the party president, Michael Kroger, has purged dissident elements from the party with a control over pre-selection for Parliament procedures and a stifling of debate within branches. The press here is already predicting an inquiry by the party into the failure of the hapless Liberal candidate in Wills.

The victory of the anti-free trade candidate in a former "safe" Labor seat could cause a real revolution in the Australian Labor Party. Members of several ALP-affiliated unions, including the powerful Transport Workers Union and the Australian Railways Union, played influential behind-the-scenes roles in Cleary's campaign. Telecommunications unions also volunteered their services. These unions see privatization moves as a threat. In recent years there has been a push to form a new "left-wing" movement based on an alliance between unions, conservationists, and a small party called the Australian Democrats. A major uniting factor is opposition to "economic rationalism."

Also supporting Cleary were members of what is known as the "pledge unions." These are a group of about 20 smaller unions traditionally hostile to the leadership of the ACTU (the trade union umbrella association). They are especially hostile to what they saw as the opportunistic, treacherous, and pro-Zionist leadership of Bob Hawke. Influential members of the "pledge unions" have been associated with pro-Arab causes (especially Libyan and Iraqi). They were expelled or marginalized from the ALP and the ACTU during the leadership of Bob Hawke. (Hawke was former president of the ACTU as well as having been prime minister). Without the influence of this grouping, the free traders under Hawke and Keating had an unchallenged run and little opposition to their economic rationalist policies. These groups are now reforming in preparation for an assault on the free trade policies of the official Labor Party. They see the election of the independent Phil Cleary as a major bonus for their campaign.

Fraser capitalizes on Liberal disarray

One further development has been the forceful reemergence of former Prime Minister Malcolm Fraser. Fraser has attacked the Liberal humiliation in Wills, and has claimed the Liberals are promoting an "alien creed." He has claimed that Hewson's goods and services tax is poorly presented. Fraser, who is a multimillionaire cattle farmer, also claimed

that the Liberals now operate for the benefit of "big business and the financial markets." Over the last year, Malcolm Fraser has had a regular column in *The Australian*, a national daily owned by media magnate Rupert Murdoch. In that column he has attacked the more extreme abuses of free trade and deregulation. In recent times, Malcolm Fraser has sat on the steering committee of the Isi Leibler-controlled Asia Pacific Jewish Council. It is an outside bet that the former prime minister is preparing for a political comeback at some future time. His apparent anti-free trade stance will have a wider presentability than Dr. Hewson's fanatical economic rationalism. Since losing the prime ministership in 1983, Fraser had made leadership bids for the United Nations and for the British Commonwealth Secretariat.

Fraser is an ultra-establishment figure in Australia. He comes from a group which is known to Australians as the Western District's "squattocracy," a representative of that group of early settlers in Australia in the 19th century who grabbed large parcels of land and "squatted." This group, represented by Malcolm Fraser, is the closest phenomenon there is to English aristocracy in Australia.

IMF thugs gain in Russia

On April 15, after several days of brawls inside the People's Deputies meeting between forces favoring and opposing the International Monetary Fund shock therapy package for Russia, a majority of deputies agreed to a resolution which few of them actually understood. It allows the current cabinet—maybe with a few cosmetic changes—to stay in office until December, and to impose the shock program without any significant compensatory measures for the population.

Radio Moscow quoted Yegor Gaidar, the main IMF stooge in the cabinet, saying that he was "satisfied" with the new resolution, and that the policies of "reform" will "accelerate." The threat of Gaidar's gang to resign earlier that week had been used to blackmail the Congress. The dissident deputies, including Speaker Ruslan Khasbulatov, lacked a comprehensive alternative program, and caved in out of fear of "no government."

U.S. Treasury Secretary Nicholas Brady and Undersecretary David Mulford spent the week in Moscow helping "supervise" the political arrangements. Mulford told journalists that the mooted compensatory measures would worsen the high Russian budget deficit. The London *Guardian* reports that the IMF will press the Russian government for "sharp cuts in budget deficits, factory subsidies, and defense spending."