

ASEAN members unite against global economic crisis

by Michael O. and Gail G. Billington

On Dec. 16, after a two-day summit of the heads of state of the Association of Southeast Asian Nations (ASEAN) in Hanoi, Vietnam, the ASEAN leaders released the "Hanoi Declaration of 1998." The second point of that declaration reads: "We have decided to admit the Kingdom of Cambodia as the 10th member of ASEAN and instructed the foreign ministers to organize a special ceremony of admission in Hanoi." This act completes the unity of the 10 nations of Southeast Asia, a goal of the founders of the association more than 30 years ago.

There was opposition to Cambodia's admission—primarily from Singapore and the Philippines—but the majority of the ASEAN leaders, faced with the overwhelming reality of the continuing economic collapse across the region, followed the lead of host Vietnam, and Malaysia, Indonesia, and Laos, in insisting that unity of action on the economic crisis overrode concerns about stability in the newly constituted Cambodia coalition government (see accompanying article).

Another effort to distract the attention of the ASEAN leaders from the economic tasks came from Thai Foreign Minister Surin Pitsuwan, who in the past year has called for ASEAN to drop its historic commitment to non-interference in each other's internal affairs. This came to a head recently when Philippines President Joseph Estrada, and some others, criticized Malaysia over the arrest and trial of former Deputy Prime Minister Anwar Ibrahim. However, even Thai Prime Minister Chuan Leekpai refused to pursue this destructive course. The third point of the Hanoi Declaration states unequivocally: "We note ASEAN's success in promoting regional peace and stability, based on the cardinal principles of mutual respect, non-interference, consensus, dialogue, and consultation."

Perhaps the most significant aspect of the Hanoi Declaration is the identification of the destructive role of the rampant speculation, which has characterized the "globalization" process. The ASEAN leaders created an "ASEAN surveillance process" in order to "highlight emerging risks, recommend appropriate policy responses, and encourage early action to

avoid such risks." They also endorsed the wider use of local currencies to circumvent the speculators. More generally, the sixth point of the Declaration states: "We believe that reform efforts at the national level must be reinforced by corresponding reforms at the global level to address weakness in the international financial architecture, and welcome the contribution of the G-22 in this area. We strongly urge that further work be done within the G-22 or an expanded version of it." (The G-22 was called into being by President Clinton to address the global economic crisis, giving equal weight to the developing nations of Asia, Africa, and Ibero-America, and to representatives of the G-7 and multilateral institutions.)

The Hanoi Declaration also takes special note of the "Miyazawa Plan," the \$30 billion plan put forward by Japan, independent of International Monetary Fund (IMF) policies and conditions, to support industries and infrastructure in Southeast Asia and South Korea.

Currency controls

As important as what is contained in the Declaration, is the absence of any statement of support for the IMF policies, which have caused destitution and social chaos across Southeast Asia. Although Thailand, Indonesia, and South Korea continue to follow IMF conditionalities, the resistance to the IMF's "new colonialism" is mounting throughout the region. The greatest fear of the IMF pundits is that Malaysia's successful defense of national sovereignty through currency controls and government investment in development projects, will be adopted by the other nations of Asia and around the world—a concern voiced by mega-speculator George Soros in his recent, much-publicized book.

Malaysian Prime Minister Dr. Mahathir bin Mohamad, the architect of Malaysia's controls, has repeatedly spoken out against the colonial intent of the speculators and the IMF, and is increasingly seen as the spokesman for those in the developing sector who refuse to die upon the alter of IMF "free trade" dogma. In his speech to fellow ASEAN heads of state, he described the attempts of Southeast Asian countries, including Malaysia, "to implement a virtual IMF approach":

"We discovered that these measures worsened the economic situation. . . . As the international community refused to do anything, Malaysia had no choice but to change direction. . . . What we have done is merely to insulate ourselves from the predatory speculators. . . . We have no choice but to impose controls. Until the international community agrees on an international regime that will remove the kind of dangers we have been exposed to, we will have to continue with our controls. . . . The financial turmoil has underscored the many challenges inherent in globalization."

Chinese Vice President Hu Jintao addressed these concerns on the final day of the conference, when officials from Japan, South Korea, and China were invited to join the

ASEAN heads of state in an ASEAN-plus-three informal summit. Vice President Hu said: "Top priority should be given to strengthening supervision, regulation, and control over the flow of international capital. It is not only an urgent task to safeguard the economic security of the East Asian countries, but also a long-term need for ensuring sustained and steady growth of the East Asian economy." China's support for ASEAN continues the historic diplomacy of the past months between China, Russia, India, and Japan, which has dramatically increased the potential for the Eurasian Land-Bridge to become the centerpiece for a new strategic and economic alliance of sovereign nations—and a means for reversing the on-rushing new world depression.

In spite of the disinformation in the world press, which generally denigrated the ASEAN conference for failing to implement further self-destructive free-trade measures, the truth is that crucial collaboration between Southeast Asia and East Asia on new economic architecture is now a reality.

Cambodia overcomes NED subversion

by Michael O. and Gail G. Billington

Despite extensive international efforts to subvert the results of the popular election held in Cambodia last July, a new coalition government was finally formed in November, ending the threat of yet another era of foreign-instigated warfare in this long-suffering nation. The success in forming a government was greeted at the United Nations by the re-establishment of Cambodia's seat. That seat had been suspended in July 1997, after the attempted coup by troops loyal to Prince Norodom Ranariddh and remnants of the Khmer Rouge, and Prime Minister Hun Sen's military suppression of that attempted coup.

In mid-December, the Association of Southeast Asian Nations (ASEAN) also decided to admit Cambodia, a move postponed in 1997, because of the government crisis. Cambodia's entrance completes the unity of the 10 nations of Southeast Asia (see accompanying article).

The July 1998 election saw the enthusiastic participation of more than 93% of the electorate, and was almost universally praised by international observers as both free and fair. Prince Norodom Ranariddh had been pardoned by King Norodom Sihanouk (with Hun Sen's approval), for his criminal collaboration with the Khmer Rouge in 1997, in order to allow him to participate in the elections. His Funcinpec party won 31% of the vote, as against 41% won by Prime Minister Hun

Sen's Cambodian People's Party (CPP). The third candidate, Sam Rainsy, the favorite of the U.S. National Endowment for Democracy (NED), won only 14% of the vote.

Nonetheless, Sam Rainsy, with full backing from his sponsors in Europe and the United States, immediately launched an international campaign to overturn the election, including violent demonstrations in Phnom Penh, replete with incitement to military attacks on the government and racist diatribes against Cambodians of Vietnamese descent. Although Prince Ranariddh put his name on all the public statements issued by Sam Rainsy, he generally stayed in the background.

Because the constitution requires a two-thirds majority to form a government, Hun Sen could not form a government on his own, except by changing the constitution. He made repeated offers for a coalition government to Prince Ranariddh, and even to Sam Rainsy, which were all rejected, leaving the country in a dangerous crisis for nearly four months. Finally, in November, Prince Ranariddh broke his unholy alliance with Sam Rainsy, and joined Hun Sen in forming a legitimate coalition government. This constitutes a dramatic victory for Cambodia, and for all of Asia, against the subversive efforts of the NED.

What is the NED?

The role of the United States in Cambodia is full of contradictions, which go a long way toward explaining the current crisis in the United States itself. President Clinton played a crucial role in preventing Prince Ranariddh's efforts to revive the Khmer Rouge, and later Clinton exerted extensive pressure on the Prince to accept the election results and form a government with Prime Minister Hun Sen. After the coalition was created, Prince Ranariddh told the press that "enormous international pressure" was applied, and that U.S. Assistant Secretary of State for East Asian and Pacific Affairs Stanley Roth and U.S. Undersecretary of State for Political Affairs Thomas Pickering "telephoned me personally, asking me to return to negotiate the establishment of a new government."

At the same time, however, the NED, financed by the U.S. government, was instigating Sam Rainsy into a rebellious insurrection against the election and against the government, and trying to tie Prince Ranariddh to the Sam Rainsy subversion. What, then, is U.S. policy?

The answer lies in the nature of the NED, made up of a Republican half, the International Republican Institute (IRI), and a Democratic half, the National Democratic Institute for International Affairs (NDI). The NED was created by the associates of former President, now Sir George Bush, in the 1980s, representing those elements of both parties committed to defend the geopolitical status quo of the increasingly bankrupt Wall Street and London-centered International Monetary Fund (IMF) financial system. As the rate