

and others. Viewing the South China Sea as an “Asian lake,” and building the necessary transportation and related industries to achieve that goal, will remove the vulnerabilities to London’s subversion.

Major sources

Adam Schwarz, *A Nation in Waiting—Indonesia in the 1990s* (Australia: Allen and Unwin, 1994).

Takashi Shiraishi, “Rewriting the Indonesian State,” in Ruth McVey, et al., *Making Indonesia* (Ithaca, New York: Southeast Asia Program, Cornell University, 1996).

British policy behind the attack on Clinton

by Gail G. Billington

U.S. government policy toward Asia emerged as the “hot topic” in this year’s Presidential election, thanks to the Republican Party’s race-baiting attack on the relationship of President William Clinton, and current and former administration employees, especially former Deputy Assistant Commerce Secretary for International Economic Policy John Huang, to an Indonesian conglomerate, the Lippo Group, of Mochtar and James Riady. What is really at stake here, is not “ethics” in government, but, rather, U.S. foreign and economic policy.

Whether the Republicans retain control of the Congress after Nov. 5, will go a long way in determining how far the Conservative Revolutionaries will succeed in using this story in their continuing assault on President Clinton, and the Presidency itself. At the rate at which House Speaker Newt Gingrich is orchestrating Congressional committee investigations into this matter—four at last count—with parallel support from the Republicans in the Senate, there is little doubt that the “Lippo” connection is being used to hamstring the Clinton White House.

The real issue of the campaign lies outside of what either side is saying. The Republicans are suffering short-term memory loss when it comes to campaign financing and “sweetheart” deals, related to trade or other policy, with corporate and individual donors. Democrats, on the other hand, have been defensive about Huang’s activities as Democratic National Committee Finance Committee deputy chairman, and have failed to identify adequately what the attack is all about.

Marching orders from London

The relationship between President Clinton and the Riady family is not new. However, it gained attention in anti-Clin-

ton, neo-conservative circles, following the publication of an article in the November 1995 *American Spectator*, mouthpiece of the most rabid Clinton-phobes in the British political-financial elite, the circles of former London *Times* editor Lord William Rees-Mogg. Author James Ring Adams threw a fit over the success of the late Commerce Secretary Ron Brown’s trade missions to Indonesia and China in 1994, which lined up \$40 billion in contracts.

As *EIR* reported at the time, the Brown mission represented a fundamental change for the better in U.S. policy toward Asia. On Aug. 29, 1994, Brown stated that, with this trip, the United States “has junked a 12-year tradition of laissez-faire government.” Later, in Beijing, Brown outlined Washington’s intent to use “commercial diplomacy . . . to set the stage for a new era of cooperation, growth, and progress.” Through such a newly defined partnership for development, Washington laid the basis for constructively addressing problematic areas, such as “human rights” and “labor practices.”

Brown’s approach explicitly rejected the “outsourcing” of U.S. productive capacity, to profit by exploitation of cheap labor, and promoted U.S. export of “high-technology” capital goods, participating in meeting the enormous requirements for infrastructure development in energy generation, transportation, and telecommunications.

In this way, the Clinton administration signaled a change in policy, fundamentally opposite to British promotion of radical free trade liberalization, privatization, and the splitting up of China. The Brown trip was the strongest indication yet, of how the Clinton administration might approach the most ambitious regional development program in history, the linking of China, through Central Asia, to the Middle East and Europe, by a grid of rail and road transport, along the old Silk Routes. Stopping the “Eurasian land-bridge” is the centerpiece of British geopolitical policy, which the Republicans have willingly embraced.

The vehemence with which the Republicans have attacked Clinton’s “Indonesian connection,” is inexplicable without understanding the rage such a shift in U.S. Asia policy engenders in the British, and the role that Indonesia plays as the largest and perhaps most stable economy in Southeast Asia. Mochtar Riady, family patriarch and head of the Lippo conglomerate, whose holdings include insurance, banking, and real estate in Asia and the United States, formerly headed the Bank of Central Asia, of Indonesia’s leading Chinese industrialist and President Suharto’s closest business associate, Liem Soie Liong. James Riady met Clinton in 1977 in Arkansas, when Clinton was state Attorney General and James was an intern, training at the Stephens, Inc. investment bank. James Riady’s 19-year friendship with the Clintons and their closest circle of business associates in Arkansas, and what, if any, service the Riadys, and Huang, brought to effecting that positive change in U.S. Asia policy, provide the mere pretext for attacking the policy itself.