London sells a killer 'tiger' tonic to Southeast Asia

by Michael Billington and Gail Billington

Before December 1994, leading Western bankers and financial officials praised the "Mexican miracle" as the model for developing sector nations. Deregulation, privatization, financial "liberalization," and cheap-labor, low-technology export industries were the secrets of Mexico's magic. When the bubble burst in December 1994, the same people howled for Washington to bail them out, to the tune of $50 billion, while entire sectors of the Mexican economy lay critically wounded, and the population suffered mass unemployment, food shortages, political destabilization, and narco-terrorism.

The International Monetary Fund (IMF) didn't flinch. Its recommendations did not change one whit—only the "soundbite" wrapping it came in. The new "Asian Tigers" leapt on the scene, and what a curious litter they were. To this day, the London *Economist* magazine lumps under this tag a combination of South Korea, Taiwan, Hongkong, and Singapore. This odd grouping combines South Korea and Taiwan, each of which has significant populations and significant infrastructural and industrial capacity, with Singapore and Hongkong, the jewels in the crown of the London financial oligarchy's principal Commonwealth outposts in Asia—cities, whose survival depends on financial speculation of all types and for-export assembly manufactures. Indonesia, Malaysia, and Thailand are now counted as "emerging" tigers, while the Philippines is frantically trying to earn its stripes through "entigerment."

The Southeast Asian "tigers" are being fed the same bait that Mexico fell for earlier. Since January 1995, the London-centered financial oligarchy has moved with head-spinning speed to draw the principal countries of the Association of Southeast Asian Nations (ASEAN) into a new "sphere of influence," drawing them ever deeper into the thrall of global financial speculation, while methodically laying claim to essential strategic minerals and other resources.

Increasingly in the 1980s and 1990s, these Southeast Asian nations have been diverted from initially serious and promising commitments to development—based on infrastructure, heavy industry, and expanding education—into parodies of the Hongkong-Singapore model, creating jobs at artificially depressed wages in order to capture the "outsourcing" of low-skill assembly and process industries, as Western nations deconstruct their own industrial economies. Increasingly volatile capital flows, seeking ever faster, higher rates of return have created ever greater vulnerabilities, further undermining the necessary long-term commitment to serious economic development in depth.

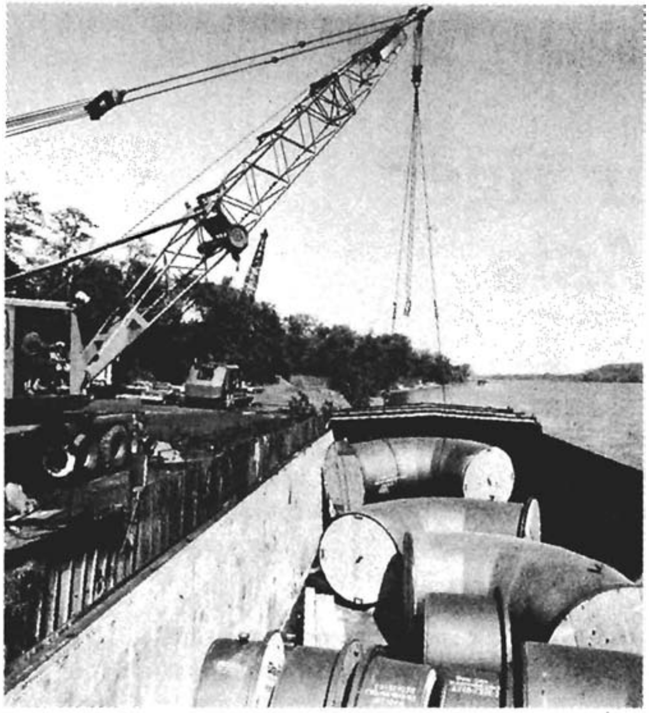
Globalization means re-colonization

And the sources of that capital are shown to be dirtier than ever: The financial AIDS that has become epidemic in the global monetary system is a major driving force behind the disease AIDS, which by the year 2000 will have created a demographic nightmare in Asia.

At any other time in history, "globalization" would have been recognized immediately for what it is: a recipe for re-colonization; only this time, the governments of Southeast Asia will pay the political and social penalty, while the London-centered financial elites hope to use the loot to shore themselves up against the near-term blowout of the financial bubble.

These nations, with the possible exception of Indonesia, are confronted with collapsing export markets; declining productivity of the workforce; continuing underdeveloped infrastructure, both physical and social; rapidly growing foreign debts, particularly, short-term debt; and the ballooning of financial and real estate bubbles. The gaping disparity in income separating the lowest percentile of income earners from the top is the clearest evidence of where the economic Achilles' heel is to be found in these countries. Outside of Indonesia, there is no "middle ground" in these economies, no intermediary machine tool sector of small to medium-size entrepreneurs functioning as the transmission belt for the transformation of a largely agriculture-based population into an industrial workforce—a workforce capable of assimilating the technological advances that lead to constant improvement in quality of product and skills, and thus participating in increasing national self-sufficiency.

A brief sketch of the economic history of Thailand, Malaysia, Indonesia, and the Philippines, from the late 1970s to the present, shows a common pattern, beginning with serious, initial attempts at national industrial development, to the takeover by the IMF and its local technocratic, monetarist assets



The Philippines was the first Southeast Asian nation to have a nuclear plant. Here, U.S.-manufactured pipe on its way to Manila in 1980 for use in the nuclear plant. Under International Monetary Fund "free trade" policies, economic development was aborted.

in the mid-1980s, to the explosion of "financial AIDS" in the 1990s, coupled with attempts to parody the Hongkong-Singapore model. Throughout, the *global* financial context set the parameters in which efforts at industrial development were first stalled, then stymied, and, finally, largely abandoned.

Singapore is a special case, which will not be dealt with here, except to note that it, too, is suffering the worst crisis in a decade, because of declining exports in electronics and declining labor productivity. But Singapore is an island city of approximately 3 million people, whose requirements are a far cry from the other four ASEAN countries. Malaysia has approximately 20 million people, three-quarters of them in peninsular Malaysia; Thailand, 60-plus million, a largely rural population outside of bloated Bangkok; the Philippines, almost 70 million, are spread across an archipelagic nation. Indonesia, with nearly 200 million people, is the fourth largest country in the world. Nearly 120 million Indonesians are located on the island of Java, while the nation as a whole comprises 17,000 islands.

Even to suggest Hongkong or Singapore as a model for nations of this size is genocidal lunacy. There is no short-term, "get rich quick" scheme that can make up for the structural weaknesses in these economies. To overcome those vulnerabilities requires an overhaul in how nations view development, and a new global financial system to make it happen.

False starts toward national development

The late 1970s and early 1980s were a period of optimism and great potential in Southeast Asia. Several portentous developments gave hope to the region: China pulled itself out of the nightmare of the Cultural Revolution under Deng Xiaoping's reform policies, while Japan launched a drive to industrialize the nations of Southeast Asia (and Ibero-America), viewing this as a basis for creating prosperous markets for their own products in exchange for the raw materials in the region.

In Indonesia, President Suharto recognized that these circumstances, combined with the oil bonanza caused by the enormous oil price increases on the world market, presented a unique opportunity to build a permanent scientific and industrial infrastructure, which he understood as an essential national security requirement, for both the civilian economy and national defense. To accomplish this vision, he recalled his longtime friend, B.J. Habibie, from his career as a leading industrial technology director in Germany. Trained in aerospace engineering at the famous Technische Hochschule in Aachen, Habibie had risen to the position of vice president in charge of applied technology for Messerschmitt-Bulkow-Blöhm. Suharto gave him free rein to create new state industries, based on creation of an integrated matrix of technology production, serving both civilian and national defense requirements. Included in this "strategic industries" sector were eight firms covering aircraft production, shipbuilding, rolling stock/land transport, telecommunications and electronics, defense, machinery and engineering, and the Krakatau Steel plant. Measures were taken to upgrade and extend educational standards, which had only partially recovered from over a century of colonial occupation under the Dutch and Portuguese.

Less dramatic, but similar developments began in Malaysia, in part the result of collaboration with Habibie and his circles in Indonesia. Malaysia modelled its own oil company, Petronas, on Indonesia's Pertamina, and planned use of the oil resources for industrialization. When Dr. Mohamad Mahathir became prime minister in 1981, he launched a "Look East Policy," which looked to Japan and South Korea's development of national industries as a model. He created the Heavy Industrial Corporation of Malaysia (HICOM), with several parallels to the structure created by Habibie in Indonesia to oversee the program.

The Thai situation is different. The huge U.S. presence in Thailand during the Vietnam War had provided the money and the power for a series of governments, which ran almost entirely on the largesse of the United States, together with dirty money, prostitution, and other hot-money operations. But in the late 1970s, a military faction centered around the prime minister, General Kriangsak, attempted to use the central planning body to transform the military-based economy—based on security concerns, with Bangkok as the single industrial area—into a national development policy. This included infrastructural and industrial development in the up-country regions, the construction of a new port and industrial center along the Eastern Seaboard, and the construction of a canal across the Kra Isthmus in the south.

The Philippines, in the early 1970s, was the third largest developing economy in East Asia and the Pacific, after Indonesia and South Korea. It had the largest U.S. business presence in all of Southeast Asia, and was home to the two largest U.S. military installations outside the United States. Then-President Ferdinand Marcos had elaborated a series of 11 "major industrial projects," including a network of transportation infrastructure to link the principal islands in this archipelagic nation. The Philippines was the first Southeast Asian nation to *have* a nuclear power plant, despite subsequent events.

The global economic recession, beginning in the early 1980s, and the collapse of the price of oil, struck each of these nations. The IMF moved quickly, demanding the dismantling of the nationalists' dirigistic institutions, and the implementation of "free trade" policies as conditions for desperately needed credit. Beginning with Carter administration official Zbigniew Brzezinski, and continuing with a vengeance under Henry Kissinger, Japan's role as a principal source of credit, physical goods, and know-how for ambitious infrastructural and industrial development for Southeast Asia was undermined and increasingly eliminated after the 1985 Plaza Accords (see p. 33).

The 'hot money' carrot

The carrot offered by the IMF was the promise of "hot money," on the Hongkong and Singapore models. In 1984, the British grudgingly agreed to return Hongkong to China in 1997, per 100-year-old treaty agreements. A feeding frenzy ensued across Asia to see who would become the new Hongkong, as a financial hub for multinationals in Asia. What was left unsaid was that both Hongkong and Singapore, as islands with no agriculture, no heavy industry, and very small populations, *could* survive and prosper on the basis of an economy structured around low-skill, low-technology garment and assembly plants—an economy overwhelmingly based on being a financial service facilitator, feeding off the proceeds of the highly lucrative drug, speculation, and black market traffic.

The first country to falter was Thailand. Without oil, Thailand was forced to turn to the IMF in 1980 to meet the enormous oil price increases. The stillborn development ideas of the late 1970s were never implemented, as the IMF's Structural Adjustment Program began the transformation of the nation into a drug- and AIDS-infested disaster. "Market forces" replaced the plans for up-country and Eastern Seaboard development, and the Kra Canal. Millions of peasants flooded into an already-overcrowded Bangkok, providing prostitutes for the booming "sex tours" and cheap labor for the export-oriented process industries. Infrastructure development was scrapped, education policies stagnated, and Golden Triangle heroin flowed into the West—and into the veins of millions of desperate Thais, bringing with it the worst epidemic of AIDS in Asia.

In Malaysia and Indonesia, the oil bonanza sustained their nationalist policies until 1985-86, when the oil price dropped and the global recession struck home. Dr. Mahathir downsized the heavy industrialization program, privatized much of the state sector, welcomed foreign investors seeking cheap labor (mostly in electronics and textiles for export), and launched a highly speculative financial market. Malaysia, with about 20 million people, has managed to sustain a modicum of apparent prosperity, in terms of the standard of living, education, and basic infrastructure development. However, this has come at the expense of becoming heavily integrated into the international speculative markets; in 1992, upwards of $10 billion of reserves were lost in derivatives speculation on the London markets, and the collapse of the derivatives bubble will find Malaysia totally exposed.

In addition, as in Thailand, there is virtually no national machine tool capacity, despite a certain civil engineering capacity, which leaves the construction and light industry sectors highly dependent on foreign imports and, thus, particularly vulnerable to the coming crunch.

The Philippines was growing up until 1982, having taken advantage of the open-spigot lending of the banks in the 1970s, but was then caught in the vise between U.S. Federal Reserve Chairman Paul Volcker's skyrocketing "controlled disintegration" interest-rate hikes and the equally skyrocketing cost of energy imports. As *EIR* reviewed in detail in its Jan. 19, 1996 feature, beginning with brute force in 1983, the IMF made "a terrible example," as Henry Kissinger would say, of the Philippines, triggering the worst economic depression in the country since World War II—a depression from which the Philippines has yet to recover. The 11 "major industrial projects" were shelved, and up to now, the Philippines has largely lived off the infrastructural development achieved up to 1982.

To the extent that the Philippines *had* a machine-tool capability up to 1991, its strongest center was concentrated in the U.S. military facilities at Clark Field and Subic Bay. The naval base at Subic Bay was a complete dry dock facility, with full ship repair and machine shop capability, and the Filipino workers, who participated in this work, were "true craftsmen." But, after the Filipino Senate's vote not to renew the basing agreement with the United States in 1991, the Bush administration, as a last vindictive gesture, ordered the complete dismantling of that machine-tool capability and its relocation *outside* the Philippines. What wasn't dismantled was looted after the U.S. withdrawal from Subic, even down to ripping the toilets out of their fixtures. Some remnants were found in the wreckage, including the molds for the bodies of a Jeep-like utility vehicle, which is now produced in the Philippines, with Japanese engines, at a cost of 200,000 pesos.

Indonesia, alone, sustained the nationalist industrialization policies begun by, and still directed by, B.J. Habibie. With the 1986 oil price collapse, the IMF-linked technocrats moved in to curtail Habibie's institutions. But President Suharto would not allow their complete abandonment. While free trade financial reforms were implemented, leading to similar kinds of speculation, cheap-labor process industries, and burgeoning external debt as in Thailand and Malaysia, the state industries were kept intact as a protected enclave. A 1989 effort by the technocrats to bankrupt or privatize the state sector industries provoked a nationalist revival. Habibie and his associates insisted that the IMF demands were no different from the Dutch colonial policies, aimed at preventing technological independence. They pointed out that the "competitive advantage" so valued by the IMF would never grow if based on cheap labor and raw materials, but only by increasing the *productivity* of labor through assimilation of technological advances and improved education. However, the state sector, while still alive, remains too small and too contained, to have the requisite "technology driver" effect to secure economic stability and national sovereignty in economic and financial affairs.

A survey of the 200 top firms in Asia, published in the Jan. 1-7, 1997 issue of the Dow Jones-owned *Far Eastern Economic Review,* based in Hongkong, drives home this point. By comparison with Japan, South Korea, India, and Taiwan, whose lists of "top 10 firms" are dominated by "heavy industries," in engineering, iron and steel, and electronics, there is not a single *heavy industrial* firm listed for any of the four Southeast Asian countries under discussion. Their lists of "top 10 firms" are overwhelmingly dominated by banks, property development, service sector (such as hotels), retailers, communications, or diversified conglomerates, which have some industrial capacity, such as auto assembly.

Topping the list for Indonesia is Astra International, a diversified group involved in auto assembly, agri-business, and finance. Malaysia's number-one firm is Genting Berhad, 73% of whose revenues are derived from gambling operations at the Genting Highlands casino, which overlooks Kuala Lumpur, and which casino is off limits to the country's majority Muslim population. A major foreign exchange earner for Malaysia, Genting's other principal activity is construction of theme parks and golf courses. The Philippines' number-one firm is San Miguel Brewery. Thailand's list, which includes a more proto-industrial mix of firms, is headed by C.P. Group, another diversified company involved in manufacturing animal feed, motorcycles, and cosmetics. But C.P. Group's principal focus these days is *not* Thailand, but the 130 joint venture projects it is operating in all but two of China's provinces! C.P. Group, according to *Far Eastern Economic Review,* "ranks as the largest individual foreign investor" in China!

London's hard sell for many Hongkongs

Immediately on the heels of Mexico's January 1995 financial meltdown, the London-centered financial elites launched an all-out offensive in Southeast Asia, starting with the early January 1995 tour of Chancellor of the Exchequer Sir Kenneth Clarke to Malaysia, Thailand, and Vietnam. Flanked by seven senior British finance and banking officials, including the head of the London Stock Exchange, Clarke ticked off a list of targets: liberalize the financial sector, including increased foreign participation in stockbroking, leasing, and reinsurance; dismantle restrictions on foreign ownership in the financial sector; privatize the state sector, especially power generation, telecommunications, and roads; encourage Southeast Asian firms to enter the shark-infested waters of the London Stock Exchange. In Bangkok, Clarke was even more adamant about getting government out of essential public utilities, citing as success stories the privatization of British Steel, British Telecom, and British Airways.

Already in 1993, Thailand had set up an offshore financial center, Bangkok International Banking Facilities, to capture funds fleeing from Hongkong and a greater share of the illicit drug, prostitution, and other black market monies endemic in the region. By 1999, Thailand aims to have full-service financial speculation operations up and running, including futures trading, options, and derivatives. In 1996, eighty top Thais were sent to the United States to learn the ropes of derivatives trading.

In April 1995, Malaysia's Prime Minister Mahathir Mohamad promised to turn Labuan Island, off the coast of Sabah, a northeast state, into the biggest international offshore financial center in the world. Twenty international banks had already signed onto the project even before construction of physical facilities was launched, he said. The Malaysian Finance Ministry plans an international stock exchange and monetary exchange on Labuan as well.

These offshore havens, bringing in billions in drug money and other illegal money flows, have facilitated a short-term lending spree, which has created serious current account deficits and real estate bubbles in both nations.

President Fidel Ramos of the Philippines, backed by a strong IMF-trained team of financial advisers, has raced to catch up with its ASEAN neighbors in putting the Philippines up for sale. Between 1992 and 1995, almost all state assets have been privatized, including former military land and much of the country's power-generating system. The 1994-95 budget surpluses were largely the result of one-time sales of public assets, including the state oil refinery, Petron, to Saudi Arabia's Aramco, and the sale of Ft. Bonifacio to Hongkong investors.

The "Philippines 2000" program made the peso fully convertible, eliminated trade and tariff barriers, opened the banking sector to foreign investment, and set the Central Bank up as an independent body. Implementation of the plan, as outlined in the Medium-Term Philippine Development Plan, created a network of special free-trade economic zones to serve as regional industrial centers (RICs), complemented by key production areas (KPAs) in the agricultural sector to maximize "comparative advantage" of crops based on "best use" of land, where high-value export crops will be developed in each region. Extensive perquisites have been given to foreign investors in the RICs, including duty-free import of machinery, four- to eight-year tax breaks, and up to 75-year lease agreements.

Privatization, Hongkongization, casino-ization

In December 1995, the Philippines announced a sweeping privatization program, including, explicitly, Chile's example in privatizing the social security system. Put up for sale were the Philippine National Railways, Manila Waterworks and Sewerage System, National Power Corp., Local Waterworks Utilization Authority, and the Philippine Ports Authority. A new mining code was also passed, allowing 100% foreign ownership and repatriation of all profits in joint ventures. At year's end, Finance Secretary Roberto de Ocampo circulated a memo to the cabinet, calling for the "Hongkongization" of the financial sector. The Philippines Stock Exchange is moving to set up a derivatives trading operation.

Indonesia has played a balancing act between the IMF technocrats and Habibie's nationalists, but it is not at all immune to the pressures to "privatize, liberalize, globalize." In June 1994, a series of deregulation measures went into effect, scrapping prohibitions on 100% foreign ownership of a range of industries and reducing tariffs on more than 700 items. In December 1995, the government imposed restrictions on derivatives trading, after two firms in the pulp and paper sector lost $66 million. While the country has enormous debt problems and vulnerabilities in the securities markets, Indonesia has at least kept a rein on speculation, while holding onto some higher-tech heavy industrial and some machine tool capacity.

Thailand, Malaysia, and the Philippines are now actively spreading the "casino-ization" of the regional economy. In November 1995, the Malaysian firm Ariston Sdn Bhd announced agreement on the single largest "infrastructure" project in Cambodia, a $1.3 billion project for construction of a five-star hotel casino resort on an island offshore of Sihanoukville, for which Ariston would build the necessary power plants, roads, and airport. Following the signing of a peace agreement between the Philippines government and the Moro National Liberation Front in the southern Philippines' island of Mindanao, in August 1996, another Malaysian firm, Ekran, announced plans to build a similar casino project offshore of Davao City, as part of Manila's program to secure the peace through "economic development."

In June 1996, plans were announced in the Philippines to turn the former U.S. Air Force base at Clark Field into the "Las Vegas of Asia," including five casino resorts, while, in August, Subic Bay Metropolitan Authority Chairman Richard Gordon, is reported to have floated the idea of turning part of the former naval base into a Filipino offshore money-laundering center, modelled on the Cayman Islands. One month later, in September, the *Bangkok Post* reported the mid-1997 opening of a casino resort, built with Thai funding, in the Tachilek district of northern Myanmar, smack in the middle of the Golden Triangle drug region.

The success of the British campaign in Southeast Asia is most graphically shown in published reports, which show that for Southeast Asia as a whole, foreigners account for 25% of commercial banking, 70% of life insurance, and 40% of the financial system's capital. The British have scored even higher, emerging as the leading European investor in Thailand and the top investor in the Philippines in 1994 and 1995. Britain has emerged as the second largest investor in Indonesia, after Japan. Close behind Britain in both the Philippines and Indonesia, are Commonwealth "hot money" centers, Singapore and Hongkong; and in Thailand, these two are the top sources of portfolio funds.

The composition of that capital puts the lie to any idea that "globalization" has anything to do with development. In 1995, highly unreliable foreign portfolio investment accounted for 84.4% of all foreign investment in the Philippines, 91.6% of it British. Direct foreign investment to local industries declined. In early 1997, the Bank for International Settlements reported that "hot money" flows rose dramatically in Asia in the first half of 1996: "Banking debt with a maturity of less than one year accounted for well over half of the total in Taiwan (86%), South Korea (71%), Thailand (69%), and Indonesia (60%).

In January 1996, the British offensive scored a stunning success when a team constituting the senior financial and economic leadership of Thailand travelled to London for a week of private meetings with representatives of SBC Warburg, Morgan Grenfell, Hongkong and Shanghai Banking Corp., Standard and Chartered, Lloyds, and Exchequer Kenneth Clarke to set the agenda for the founding of the Asia-Europe Meeting (ASEM), in Bangkok in March 1996. ASEM has become the institutional forum for pushing "globalization" within Southeast Asia, in particular, the promotion of "private sector" responsibility for infrastructure development. But it was the Philippines' President Ramos who succeeded in establishing the "private sector" as a "dialogue partner" with government in choosing investment priorities and targets, with his sponsorship of the APEC Business Advisory Council, preparatory to the APEC summit at Subic Bay in November 1996.

There are ominous signs that several major infrastructural projects, which are critical for the success of the larger Eurasian land-bridge project, may increasingly be in jeopardy as a result of this institutional push to leave such expensive, long-term commitments up to "market forces." For the first time, discussion of the Mekong River Commission has bogged down on this issue. Malaysia's extraordinary Bakun

Dam project is running into trouble because of reluctance from the private sector to commit on a long-term basis. Southeast Asia's hopes of ever having nuclear energy have been challenged in Thailand and Indonesia, specifically on the grounds that it is not "cost effective."

Financial AIDS spreads disease

A report, prepared by a team at Thailand's Chulalongkorn University last summer, establishes a clear connection between the spread of financial AIDS throughout Southeast Asia and the spread of the deadly acquired immune deficiency syndrome itself. The report documented that annual illegal money flows surpassed the 1995 total annual budget by $1.4 billion (30 billion baht). Thailand's "black economy" equalled approximately $43.3 to $87.7 billion in 1995, or 30% to 58% of Thailand's 1995 GDP. The breakdown of sources of that very dirty money was reported in August 1996 in the *Bangkok Post,* as follows: prostitution, $17.7 to $20 billion; narcotics, $3.9 billion; labor export brokerage fees—a euphemism for trafficking in human beings, $2.4 to $3.2 billion; weapons trafficking, $512 million to $2.4 billion; black-market oil smuggling, $334 million; casinos, $3.9 to $39.4 billion; underground lotteries, $11.81 billion; soccer gambling, $2 billion.

A senior member of the research team, Prof. Sungsidh Pirivarangsan, warned that this enormous illegal money laundering has thoroughly undermined the productive economy, leading to a generalized lowering of productivity and a total distortion of available resources, including manpower, to service the insatiable needs of this black market economy.

This report underscores the broader problem wherein human labor is treated as a commodity to be bought and sold, particularly, to be "bought cheap, and sold dear." In the Philippines, human labor as a commodity shows up in a somewhat different way. Since 1982, the Philippines has exported its labor as overseas contract workers (OCWs), whose remittances to their families have become such a significant source of foreign exchange earnings that without the estimated $6 billion received from 4.5 million OCWs, President Ramos's economic miracle of the last two years would go up in smoke. The London *Economist* reported in its May 11, 1996, survey of the Philippines that, since the Aquino revolution of 1986, an increasing number of OCWs are younger women who work abroad as domestics, nurses, or entertainers. One-third of all Filipina maids in Hongkong, the *Economist* reports, have some level of college education. Also included among the OCWs is a layer of qualified technicians, engineers, and others, who represent a layer essential to rebuilding the Philippines.

The "Singapore" model has been replicated throughout Southeast Asia, so far, by heavily discounting the cost of labor, and giving guarantees of a "no-strike" policy in the for-export processing industries, such as garments, textiles, and electronics. Organized labor is a very low percentage of the workforce: less than 3% in Indonesia; less than 5% in Thailand, where foreign workers do not have to be paid minimum wage; 10% in Malaysia; and 20% in Singapore.

But the biggest penalty to be paid in the entire region for treating human labor as a mere commodity will be exacted by the looming demographic nightmare caused by the AIDS disease. At the Third International Conference on AIDS in Asia and the Pacific, in Chiang Mai, Thailand, Sept. 16-21, 1995, it was announced that by the year 2000 Asia will overtake Africa as the epicenter of the global epidemic, led by India, Myanmar, and Thailand. As of January 1995, some 4.5 million people in Southeast Asia were reported infected with the human immunodeficiency virus (HIV). At the Chiang Mai conference, one report stated that by the year 2000, almost 1 million children, or 1 in 15 Thai children, will be indirectly affected by the infection of one or the other parent with HIV. Another expert at the same conference compared the epidemic to the equivalent of wiping out an entire decade of development, and a corresponding collapse of life expectancy by 30 years by the year 2010.

Desperately poor parents selling their children into the "commercial sex industry," have raised the number of prostitutes in Thailand to anywhere from 150,000 to 200,000, up to 500,000 to 700,000. Of 15,000 prostitutes in Phnom Penh, Cambodia, according to a survey completed last year, 31% were under age 18, and have contributed to a crisis where 1 in 83 Cambodians is infected. An Indonesian Social Services Ministry official has said 60% of all prostitutes were between 15 and 20 years old.

A report submitted to an ASEAN task force in October 1996 made clear that *no country* in Southeast Asia is immune to this epidemic. The outgoing head of the ASEAN task force on AIDS reported the following estimates of HIV infection by the year 2000: Thailand, 1 million; Indonesia, 750,000; Vietnam, 300,000; Philippines, 90,000; Malaysia, 20,000. Singapore has reported 500 AIDS cases, comparable to the number reported in the Sultanate of Brunei.

In Malaysia, Vietnam, and China, particularly Yunnan Province, bordering on the Golden Triangle, the sharp rise in AIDS infection has been linked to rapid increase in intravenous drug use, particularly among young adults.

The country report submitted by Indonesia to this ASEAN conference stated, "If HIV transmission cannot be slowed before the year 2000, many development sectors . . . will be severely affected because the majority of AIDS victims or infected individuals would be people in the sexually active and productive age group."

If the disease AIDS *is* to be stopped, the countries of Southeast Asia must act now to stop the spread of the London-centered financial elites' "financial AIDS," which is consuming the wholly inadequate development reserves of these countries. If Southeast Asia joins with other nations to put this sick monetary system out of its misery now, more of us just might live to celebrate the millennium.