

Southeast Asia unites in economic survival

by Michael O. Billington

Since the beginning of 1999, the nations of South and Southeast Asia, together with China, have been engaged in an intensive round of high-level diplomacy, establishing new bilateral alliances and strengthening old ones, with a spirit of Asian unity unprecedented in modern history. The agreements cover many areas—trade, investment, law enforcement, regional development, and more—but the unifying characteristic is the recognition that the deepening global crisis urgently demands bold collaborative measures if the nations of Asia are to survive.

It is now widely recognized across Asia that: 1) the International Monetary Fund (IMF) prescriptions have failed miserably; 2) there is worse to come in the economic breakdown; and 3) the “new architecture of the world monetary system,” long-promised by the Group of Seven industrial powers, is not forthcoming—at least not without the initiative being taken by the less-developed nations, especially in Asia.

China and India have played a central role in this new diplomacy, including numerous bilateral accords between China and the nations of Southeast Asia, and renewed efforts to improve relations between China and India themselves, in the wake of the historic peace initiative between India and Pakistan on Feb. 21. (See “India, Pakistan Prime Ministers’ Meeting Promises a New Beginning,” *EIR*, March 5.) These developments must be seen as an extension of the emerging triangular alliance between Russia, China, and India, which *EIR* founder Lyndon LaRouche has described as the “Survivors’ Club” in the face of the rapidly accelerating breakdown of the world financial system and the growing threat of war.

The other critical pole: Malaysia

The other critical pole in the new Asian diplomacy is Malaysia, whose Prime Minister, Datuk Seri Dr. Mahathir bin Mohamad, has taken the point against the global speculators and the IMF since the beginning of the crisis in the summer of 1997. Although he stood nearly alone at first, he has been fully vindicated by subsequent developments, and Malaysia’s policy of currency controls, implemented on Sept. 1, 1998, is now being seriously studied by nations around the world as a measure to defend national sovereignty.

Speaking on behalf of the Asian members of the G-15 group of developing nations in Jamaica on Feb. 10, Dr. Mahathir captured the dilemma facing national leaders: “If what is happening to the world today is an indication, the new century is going to bring a lot of challenges for us in the

developing countries. . . . We have not just seen the signs, but we are actually going through a painful experience of the kind of world the future will bring. For the time being we have been able to retain our freedom, but we are not sure that we can successfully fend off future challenges.”

But Dr. Mahathir is no longer alone in warning of the destructive nature of the existing financial system. Even in those countries in which the government has signed agreements with the IMF, such as Thailand, prominent voices are raising a cry against the IMF and the speculators, setting the tone for the regional diplomacy. Thailand’s former Finance Minister Virabongsa Ramangkura, for example, speaking at a seminar in Singapore sponsored by the Japanese External Trade Organization in February, warned, “Asia is very close to the last warning before yet another throwback. . . . If nothing radical is done very soon to revive the productive sectors of the Asian economy, then an even greater number of companies will close down and sell out dirt cheap to foreign investors.” He called on China and Japan to use their currency reserves to create an Asian-led fund for regional industries.

The paradigmatic bilateral agreements signed in these past weeks is that between China and Thailand on Feb. 6, called the “Joint Statement between the Kingdom of Thailand and the People’s Republic of China of a Plan of Action for the 21st Century.” Chinese Foreign Minister Tang Jiaxuan described the accord as an “unprecedented” agreement between sovereign nations. The result of a year of preparation, this statement covers trade, co-production in small and medium-size industries, agriculture, shipping, science and technology, education, as well as extensive security agreements. It poses increased collaboration with the six nations of the Mekong River Basin, including Myanmar, Laos, Cambodia, and Vietnam, in addition to Thailand and China. China particularly commended Thailand’s role in forging closer relations between China and the other members of the Association of Southeast Asian Nations (ASEAN).

The security factor

Beside the obvious benefits of the economic deals, the security agreements are of critical importance, as a means of permitting each nation to re-assert sovereignty over its own national territory. Without this crucial process, regional development would be impossible. One of the most important issues being pursued by the “Survivors’ Club” is that of the Eurasian Land-Bridge—rail-centered development corridors connecting East Asia, Southeast Asia, and South Asia with the Middle East, Europe, and Africa. However, every effort to construct rail and road connections across continental Southeast Asia into India, or connections north into China, have been thwarted historically by the lack of governmental control over the Golden Triangle region of northern Myanmar and Laos, and by the continuous warfare in one part of another of Cambodia, Laos, and Vietnam, the old French Indo-China, over the past half-century.

For the first time in modern history — since before the age of colonialism — the entire territory of South and Southeast Asia is now at peace and under the control of sovereign governments, with the exception of a few areas in northern Myanmar. This has been made possible by two recent developments. First, the Myanmar government has successfully pacified most of the ethnic insurgencies in the Golden Triangle, historically controlled by British intelligence, as a source of opium and as a region of “controlled instability” dividing Southeast Asia from China and India. The second development was the final demise of the Khmer Rouge in Cambodia, brought about by the government of Prime Minister Samdech Hun Sen, and the successful transition to constitutional government in that nation, despite extensive foreign efforts to subvert that result.

In early February, Prime Minister Hun Sen visited Malaysian Prime Minister Dr. Mahathir in Kuala Lumpur. Malaysia, which was already the largest investor in Cambodia, will be expanding its areas of investment to include water management, dam building, and irrigation systems, the areas Cambodia has prioritized in its reconstruction effort. Dr. Mahathir also welcomed Cambodia’s pending membership in ASEAN, which will finally unite all 10 nations of Southeast Asia into one cooperative association.

Other diplomatic agreements

The following are some of the other diplomatic agreements of the past weeks:

- China and Vietnam worked out the framework for annual top-level exchanges, during the Feb. 24 visit of Vietnamese Communist Party Secretary General Le Kha Phieu to Beijing, at the invitation of President Jiang Zemin. The talks covered implementation of bilateral agreements and a cooperation program between the two countries, as well as outstanding border issues.

- China and Laos signed agreements on criminal and judicial assistance, as well as economic cooperation, when Lao Premier Sisavath Kheobounphanh met with Chinese Premier Zhu Rongji at the end of January. Northeast Laos is a major part of the Golden Triangle, but it is also the route for a potential rail link between Thailand and China.

- Thailand and Cambodia signed a cross-border extradition treaty on Feb. 10. Aimed at stopping drugs, illegal logging, and other smuggling, a crucial included purpose was to stop the remnants of the Khmer Rouge from taking refuge in Thai territory. On March 6, the last Khmer Rouge leader, Ta Mok, was captured near the Thai border and is now in custody in Phnom Penh.

- Cambodia and China reached extensive agreements to further the reconstruction of Cambodia during Prime Minister Hun Sen’s visit to China on Feb. 9-12, immediately following his trip to Malaysia. Included are \$200 million in loans for agriculture and infrastructure, including water projects, and aid in the demobilization of Cambodia’s military — a critical question involving the integration of ex-Khmer Rouge sol-

diers into civil society.

- Thailand and Laos agreed to draw up a master plan on electricity, telecommunications, agro-industries, and investment in the next year, during the state visit of Laotian Prime Minister Sisavath Keobounphanh to Thailand on March 3-6. Laotian Deputy Prime Minister Sonsavat Lengsavad said the two countries declared that “the 21st century should be a century in which both countries will not have any conflicts. We propose that all previous conflicts be left behind so that we can start the new century with cooperative minds.”

- Thailand and Myanmar set a deadline for eliminating drug trafficking, during the first state visit of Myanmar’s Senior General Than Shwe to Thailand on March 8-9. A joint statement issued by Gen. Than Shwe and Thai Prime Minister Chuan Leekpai declared their agreement “to intensify the cooperation and coordination of law enforcement efforts with the aim of achieving the total eradication of illicit drug production, processing, trafficking, and use in ASEAN by the year 2020.”

- India and Myanmar took steps toward strengthening relations when Indian Foreign Secretary K. Raghunath visited Yangon in late February, and discussed cooperation in power generation, roads and railways, and counterinsurgency. The northern Myanmar-India border region is an area of ethnic insurgency and drug production on both sides of the border. India’s *The Hindu* reported on March 3 that “India sees Myanmar as a bridge to link it with the ASEAN nations via a land corridor. The Border Roads Organization is working feverishly to build a key strategic highway to Myanmar, to be completed in 2000.”

War on drugs

The battle against drugs in Southeast Asia is thus seen as an essential aspect of the continental development projects associated with the Eurasian Land-Bridge, which are in turn essential for survival itself. This fact makes a mockery of the recent boycott by the United States, Britain, and other European Union nations of the Fourth International Conference on Heroin, sponsored by Interpol, in Yangon in late February. The boycott was supposedly to protest Myanmar’s lack of activity in combatting drugs. However, the Director for Criminal Intelligence for Interpol, Paul Higdon, declared that he was “confident that there is the political will on the part of the Myanmar authorities.” He said he believed that Myanmar’s 15-year eradication plan would succeed, but that it “could be done quicker with outside help,” a reference to the fact that the United States and others have cut all assistance to anti-drug programs in Myanmar. The nations attending the conference, which included China, Japan, South Korea, and the ASEAN nations, can only wonder if the United States and the European Union are serious about eradicating drugs, or perhaps do not wish to see the development of the Eurasian Land-Bridge. *EIR* will provide an in-depth report on this war on drugs in the Golden Triangle in the near future.