
Bangkok Conference Report

New U.S. Asia policy must dump IMF

by Gail G. Billington

One hundred ranking Thai military, government, and private businessmen, and diplomats from several Asian countries, gathered in Bangkok May 14-15 to discuss the economic and security problems of Southeast Asia. The conclusion: The gravest security danger to the region is continuing U.S. strategic withdrawal and Washington's adherence to the International Monetary Fund (IMF), which is leaving the region vulnerable to the designs of the Soviet Union and China.

The conference, on "Southeast Asia: Economic Development and Security: 1985-1995," was sponsored by *EIR* and the Fusion Energy Foundation (FEF), and served as a direct counter to the plethora of forums and seminars recently held in the area under the auspices of Kissinger cronies at the U.S. State Department and British intelligence. These forums have been brainwashing sessions to reinforce the status quo—of U.S. withdrawal from Asia, and the looting of the region's rich resources at the direction of the IMF.

In contrast, this Bangkok conference put the political principles of republican statecraft of Lyndon H. LaRouche, Jr., founder of the FEF and of *Executive Intelligence Review* magazine, squarely on the map in Southeast Asia. Just as the two-year-old *EIR*-FEF campaign for construction of a sea-level canal across Thailand's Kra Isthmus has defined the debate for economic policy in Southeast Asia and Japan, so this conference left its mark on military and political policy thinking in the area.

'Friendly relations, mutual interest'

The tone for the two-day session was set in the inaugural remarks of Thai Deputy Prime Minister, Admiral Sonthi Boonyachai. The Deputy Prime Minister recalled the roots of Thai-American friendship, going back 150 years to the reign of King Rama IV and President Abraham Lincoln, when the United States "was a young nation, a nation seeking to establish friendly relations based upon mutual interest, a nation that had just won her freedom, a nation that sought to dominate no one."

Thailand, he said, is threatened on all its borders, but economic development is the key to national security, and Thailand's economic problems must be situated from a global standpoint. Admiral Sonthi called for a global approach to the alarming situation of Third World debt, now reaching the

\$970 billion mark, and applauded President Ronald Reagan's war against drugs.

"Whether we will be able to tackle this problem successfully," the Deputy Prime Minister said of drugs, "will determine the welfare of our future generations. . . . I hope that the United States will once again play a major role in guaranteeing the physical security of this region. And, I hope, that the United States will realize that to fight drugs efficiently, conditions for economic growth and industrial development must be created."

Toward a new U.S. Asia policy

Uwe Henke v. Parpart, FEF director of research, led the first panel with a review of U.S. policy toward Asia. Right after World War II, Henke explained, the United States carried out a MacArthur-Roosevelt policy of economic reconstruction in Asia. But, as the U.S. began to back France in the Indochina War—and eventually itself became enmeshed in Vietnam—the U.S. shifted away from this positive approach.

Since then, U.S. policy has deteriorated to Kissingerian "balance of power" politics, leading to the disaster of the Vietnam War and such U.S. policy failures as the "China Card," which provided the cover for U.S. withdrawal from the region.

U.S. foreign policy must now shift again, back toward the approach of the immediate postwar period, based on taking initiatives for forging cooperation to industrialize the region.

Mr. M. Rajaretnam, a consultant in Singapore, detailed the U.S. economic and military withdrawal. "It might have been thought," he said, that this "would make it easier to be non-aligned, but that is not the case. Instead, the Soviet Union has filled the vacuum, and ASEAN now faces being squeezed between two rival communist powers, the U.S.S.R. and China."

The Kra Canal, he said, is exactly the way the United States can support the ASEAN countries, first, because it brings the U.S. back into the region positively, with Japanese backing. Second, ASEAN needs the United States because it cannot act as a military counterweight to the Soviets.

An hour-long debate then started, centered around Rajaretnam's thesis and Henke's proposal that ASEAN must

change the agenda on the Kampuchea conflict. Kampuchea, Henke said, is not a problem of Vietnam and ASEAN; it is a problem of China, the Soviets, and the United States that is acting as a brake on the entire region's development.

IMF flunks its own test

Afternoon discussion centered on economic development. *EIR* Bangkok representative Sophie Tanapura read the speech of Mr. Boonshu, president of the Siam Commercial Bank, in which he reviewed ASEAN economic progress in the 1960s-1970s, noting that in the '80s, progress had stopped. This stagnation, he said, cannot all be laid at the door of the international collapse, because often resources and potentials have been wasted. Thailand can no longer afford to think as a small country—in the 21st century, there will be 70-80 million Thais. The three major issues to be solved are increasing agricultural productivity; education, for full-scale industrialization; and the building of new urban centers.

Then Pakdee Tanapura, FEF Bangkok representative, demonstrated that the November devaluation of the Thai currency, the baht, foisted on Thailand by the Wharton School and the International Monetary Fund, is a total failure, even by the IMF's own twisted logic. It has contributed to raising inflation from 0.9% to an expected 7% by the end of this year. It has *increased* the trade deficit, which was previously coming down! The devaluation has also punished agriculture, Thailand's most crucial industry.

Pakdee enumerated necessary development projects, including the Kra Canal and the development of the eastern seaboard, showing how these will change Thailand from a largely agricultural, to an industrial economy.

Drugs and insurrection

Thai Police General Chavalit Yodmani opened the second day with a comprehensive report on the Golden Triangle drug traffic, as it affects Thailand. Drug production has not decreased, he said. And Thailand, a country of 50 million people, has a heroin-opium addicted population of 300-400,000 people. Among the country's hill tribes, opium addiction is 30%.

Paul Goldstein of *EIR* then described the war on drugs launched by the Reagan administration, and showed how the IMF and banks like Bank of Boston are the real controllers of the international drug trade. He outlined the 15-point military war on drugs put forward by Lyndon LaRouche in March.

The discussion was attended by the drug attachés of all the Southeast Asian embassies, and law enforcement officials from Interpol and Thailand.

In the afternoon, attention turned to the strategic issue facing the region, with attendance by generals from the Thai National Defense College, and military attachés from all the embassies, including the United States. The consensus emerging from the discussion, led by Zainuddin Bahari of the Malaysian Institute for Strategic and International Studies

and Dr. Henke, was that economic development, especially involving the United States, can be a strategic flank to begin to solve the Indochina conflict.

Conversely, *EIR* correspondent Sophie Tanapura showed, U.S. backing for the IMF has created a communist insurgency out of nothing in the Philippines, once the strongest U.S. ally in the region. There is no way out for the Philippines, she said, unless IMF policy is defeated.

Henke then showed how the IMF's arguments to force austerity on nations, are a hoax. If the burden of the 1979 oil price hike and the high interest rates imposed by the U.S. Federal Reserve are removed, he showed with statistics, then ASEAN countries and other underdeveloped countries would be able to pay their debt with little problem. The IMF, he said, is the biggest security threat nations face.

The Reagan administration, Henke continued, has taken on the oligarchical faction behind the IMF on the Strategic Defense Initiative and on the war on drugs. Now it must be forced to shift U.S. economic foreign policy and break with the IMF.

This is absolutely crucial for Asia. At the recent conference of the Asian Development Bank, the United States insisted that the ADB become a "regional IMF"—that is, no loans without conditionalities. Henke issued the call of Schiller Institute founder Mrs. Helga Zepp-LaRouche for an emergency Indira Gandhi Memorial Summit, to shut down the IMF and create a new world economic order, pegged to a gold-reserve monetary system.

Documentation

'We are masters of our own destiny'

Admiral Sonthi Boonyachai, Deputy Prime Minister of Thailand, opened the EIR-FEF conference in Bangkok, May 14-15, on "Southeast Asia: Economic Development and Security: 1985-1995," with the following address (excerpted).

As all of you know, Thailand is faced with border problems, problems which have lasted for over decades, problems which have lasted so long that we begin to wonder if there will ever be an end to them, especially when these are wars by proxy. The persistent and systematic buildup of Soviet forces in the region is creating great concern among nations. Deputy Foreign Minister Kapitsa last month offered that the Soviet Union be the guarantor of peace in the region. It was a generous offer, but how sincere can it be when Afghanistan and the Korean Airlines incident are blatant examples of Soviet generosity? When we talk of security, we must not only be concerned with military security.

Today the state of the world economy is alarming. Third World debt has now reached the \$970 billion mark. It is urgent that we find a solution to this problem. Thailand's economic problems must be looked at from a global standpoint. A weak economic situation is the source of instability and the Philippines is, unfortunately, a clear example of this. Continued instability in the Philippines, the danger of disintegration of our neighbor, the Philippine nation, will have devastating repercussions on the overall situation of the ASEAN nations.

I am also pleased to see that this conference will touch upon a very important question, that is, the question of drugs. Whether we will be able to tackle this problem successfully will determine the welfare of our future generations. On this matter, I would like to especially applaud President Reagan's initiatives to seriously suppress international drug traffic. I totally share his truly generous concern for the world's population that the United States will once again play a major role in guaranteeing the physical security of this region. And, I hope, that the United States will realize that to fight drugs efficiently, conditions for economic growth and industrial development must be created.

I would like to remind the participants of this conference today that since 150 years, since the period of colonialism, Thailand has never known a better friend than the North American republic on the other side of the Pacific. During the reign of his Majesty, King Rama IV, the United States was a young nation, a nation seeking to establish friendly relations based upon mutual interest, a nation that had just won her freedom, a nation that sought to dominate no one. More recently, after the Second World War, it was again the United States that prevented former colonial powers from taking over Thailand. Today, Thailand is being encroached upon once again by a new imperial power. I hope that the United States will once more be the beacon of hope and act, once more, to uphold the rights to life, liberty, and the pursuit of happiness of the world's population.

In dealing with questions of security and economic development, all too often short-term solutions are adopted at the expense of a more thought-out long-term consideration. This is one remark I would like to leave with the conference organizers and participants who will be debating these issues for the next two days.

The world economic situation may be alarming. The strategic situation may be more tense than ever before globally. But I am optimistic. I am optimistic because I believe we are the masters of our own destiny.

In closing, I wish to repeat to you the German poet Friedrich Schiller's quote, which President Reagan so appropriately used during his recent trip to West Germany, "He who has done his best for his own time, has lived for all time." I hope that our foreign friends, from the United States, neighboring ASEAN nations, and elsewhere, will carry this message back home. And I wish the conference great success.

The State Department's

by Criton Zoakos

In the immediate post World War II period, political and social forces throughout the Near East/Middle East region regarded as the "friends of the United States," were forces associated with programs and aspirations aiming at the establishment of strong and prosperous nation-state institutions. Nations inhabiting the wide corridor stretching from approximately Trieste to Calcutta, had all produced national leaderships and elites looking forward to building the kinds of national political and economic institutions appropriate to the growth and nourishment of strong and prospering nations.

United States policy in those days was to support such national aspirations. This U.S. policy orientation was abruptly terminated during September 1973, when Henry Kissinger was sworn in as secretary of state. The change was never announced, of course, and to this day, it will not be formally admitted by the State Department.

The single greatest source of confusion spread by the State Department's post-1973 policies is this refusal, on the part of the Department, to formally admit that this change has in fact been made and institutionalized: Those nationalist forces around the world who to this day imagine themselves "friends of the United States," in the accepted, post World War II sense, find themselves, time and again, betrayed, ruined, and destroyed as a result of State Department policies which they find incomprehensible.

These victims still refuse to accept what should by now be obvious: The State Department no longer considers nationally oriented forces and elites to be the "friends of the United States." The State Department, as it was revamped and reorganized by Henry A. Kissinger, has abandoned the historical, fundamental American foreign policy commitment of supporting, everywhere in the world, the institution of the sovereign nation-state against all forms and guises of tyranny—oligarchical, sacerdotal, or merely mob tyranny.

No international political development from 1973 to date can be rendered comprehensible unless one assumes that the Kissinger and post-Kissinger State Department has identified the nation-state as its principal enemy.

This is nowhere truer, perhaps, than in the Near East/Middle East region, the general domain over which the Ot-