

commission to draft a new Constitution, headed by himself.

Then, in June and July, the speculative attack broke Thailand's currency, the baht, and sent all the Asian economies into a tailspin. In that atmosphere of chaos, Anand rushed a draft of a new Constitution into circulation, ran a series of staged public hearings, and rammed through the draft's adoption in the legislature — all within about eight months. He tried to include in the Constitution itself a list of "globalization" clauses, mandating, for all time, free trade, deregulation, privatization, open foreign ownership, and so forth. These outrageous and illegal clauses were then "traded" for the creation of the various special police bodies discussed above: the Election Commission, the NCCC, and the Constitutional Court, as well as other similar "popular democracy" measures meant to undermine Constitutional government. One measure allowed any government official to be forced into impeachment proceedings merely on the basis of 50,000 signatures, without regard to the existence of any evidence of wrongdoing.

There was significant opposition to the draft, including by Prime Minister Chavalit, but in the weeks following the collapse of the currency, the IMF stepped in to assure the adoption of these illegal, dictatorial institutions. One of the many onerous conditions imposed by the IMF after the crash was a "good governance" provision, in which IMF officials made it clear that "good governance" included passing the "anti-corruption" Constitution. The internationally financed and controlled NGO apparatus threatened riots if the Constitution were not passed. Only 1 Member of Parliament and 16 Senators had the courage to vote against it.

The first test came in the Senate elections in March 2000. Out of 200 Senate seats up for election, the new Election Commission threw out 78 of the elected candidates, based only on "reports" of illegal campaign activities. Disqualified candidates were given no forum to defend themselves or refute the allegations! The Commission even admitted that there were only three cases where evidence was sufficient to bring civil charges, but the 78 candidates were out nonetheless. In the re-vote, with only 30% of the electorate participating (after 71% had voted in the first round), another group were thrown out, and then another.

Chavalit, who had been forced from office by that time because of the financial collapse, called for an emergency government of national unity, and the suspension of the new Constitution. Others made similar appeals, but it was too late. The nation's fate was now in the hands of TI, George Bush, the Carlyle Group, and Soros, rather than in the hands of the leaders of the nation.

## Potential for Change

With the collapse of the world financial system, and the U.S. economy in particular, now apparent to all but the morally blind, the Thai situation, like that of most nations, is in a state of flux. The old rules no longer apply. What direction

the nation will take cannot be predicted, but the disastrous results of continuing on the path of globalization are knowable and certain. Thailand, under the new government of Thaksin Shinawatra, has taken several measures in the direction of joining with its ASEAN-Plus-3 (ASEAN plus China, Japan, and South Korea) neighbors to implement new monetary policies, and possibly a new Asian Monetary System independent of the IMF. The government has also moved toward security and economic cooperation with Russia and the Shanghai Cooperation Organization, while forging ahead with plans for developing the Mekong River region, developing inter-Asian rail and road corridors across the country, and building the Kra Canal. Such measures are not only essential for Thailand's survival, but Thailand can play a major role in making the region a center for solving the global crisis. Prime Minister Thaksin's victory over subversion provides an opportunity to move that effort forward.

# Southeast Asia Acts To Stop Terrorism

by Michael Billington

In June 2001, Russia, China, and four Central Asian Republics founded the Shanghai Cooperation Organization (SCO), with the first priority being the joint containment of the Afghanistan-centered terrorist movements which threatened them all, from Chechnya, to the Fergana Valley, to Xinjiang Province. With that priority met, they proceeded to a discussion of the Eurasian Land-Bridge, and related plans for the development of the physical economy of the entire region.

Although it was not stated in the agreements, the parties were well aware of the fact that the so-called "Afghansi" terrorist networks were only nominally "Islamic." They were created by Anglo-American intelligence during the Soviet war with Afghanistan, and remain under Anglo-American control still today, used by those who promote Zbigniew Brzezinski's and Samuel Huntington's "Clash of Civilizations" as a means of breaking up the emerging alliances among Eurasian nations.

A similar process is now beginning in Southeast Asia, where the Afghansi networks have for years run operations in the southern Philippines, Malaysia, Indonesia (notably in the Province of Aceh), and elsewhere. Part of the difficulty in combatting these operations has been the tendency to treat each manifestation of the disease as a local problem, rather than identifying the source of the virus and cooperating regionally to eradicate it.

In June, Thai Deputy Prime Minister Chavalit Yongchai-



*Malaysian Prime Minister Mahathir bin Mohamad (right) and Philippines President Gloria Macapagal-Arroyo (left) began cooperation to isolate Abu Sayyaf terrorists; Macapagal-Arroyo has also publicly discussed Mahathir-style currency controls against international speculators.*

yudh travelled to China to propose that the member-nations of the Association of Southeast Asian Nations (ASEAN) be brought into a security alliance with the Shanghai Cooperation Organization. Thailand has long suffered from being a major transshipment point for Afghansi (and other) arms trafficking and smuggling through the Indian Ocean into Malaysia, Indonesia, and Mindanao, in the southern Philippines. ASEAN cooperation with the SCO will help isolate these networks, while facilitating joint economic projects such as the Asian railroad branch of the Eurasian Land-Bridge.

### **‘Ma-Phil-Lindo’ Cooperation**

In the second week of August, another regional measure was successfully implemented when Philippine President Gloria Macapagal-Arroyo travelled to Malaysia’s capital Kuala Lumpur. There she joined Malaysian Prime Minister Dr. Mahathir bin Mohamad and the leaders of the two major organizations representing the Islamic populations of the southern provinces of the Philippines, the Moro National Liberation Front (MNLF) and the Moro Islamic Liberation Front (MILF). The MILF broke away from the MNLF in 1978, precisely over talks with the Marcos government. In a two-step sequence in Kuala Lumpur, the Philippines government and the MILF signed a cease-fire agreement, followed by the signing of a “unity agreement” between the MNLF and the MILF, laying the basis for ending the rivalry between the two.

Conflict between the government and the Moros has continued since the mid-1970s, at horrific cost to the population, both Muslim and Christian. A peace agreement in 1996 with

the MNLF created a four-province autonomous region within the Philippines, the Autonomous Region of Muslim Mindanao (ARMM), under MNLF governorship. But fighting with the MILF continued. Although both groups had outside supporters, the Islamic nations of Malaysia and Indonesia, with help from Libya and under the sponsorship of the Organization of the Islamic Conference, helped bring the parties together to forge a peaceful solution in keeping with Philippine sovereignty.

The urgency of finding a solution to the legitimate interests of the Islamic population in the south of the Philippines was driven home by the recent expansion of kidnap-for-ransom operations by the Afghansi-linked Abu Sayyaf terrorists. Kidnappings in both Malaysia and the Philippines, including gruesome beheadings of several victims, threaten the peace and stability of the entire region, while the gang has used the ransom money to purchase highly sophisticated arms and boats. All parties involved became convinced that peace and development were only possible by regional and local cooperation in isolating and destroying this Afghansi asset. The Abu Sayyaf are still loose, but their freedom of operation is being curtailed.

Most importantly, as was true with the SCO in Shanghai, the agreement to secure the region has created the conditions needed to act upon the plans for regional economic cooperation which have been stalled. President Arroyo and Prime Minister Dr. Mahathir discussed the revival of the East Asian Growth Area, which covers the southern Philippines, eastern Malaysia, Brunei, and northern Indonesia. The potential to unlock the wealth of this still-underdeveloped area will have

positive repercussions throughout the region, and contribute to the broader integration of Southeast and East Asia generally.

These plans also revive a dream that flourished in the 1950s and early 1960s for integration between Malaysia, the Philippines and Indonesia, called "Maphilindo." The idea was sponsored by Indonesia's revolutionary leader and first President, Sukarno, whose daughter, Megawati Sukarnoputri, has now been inaugurated as the new President of the Republic of Indonesia.

Perhaps the most striking aspect of the Arroyo-Mahathir meeting was the transformation of President Arroyo herself. Arroyo was placed in power last January through a "people's power" campaign, orchestrated by the international promoters of globalization and free trade. Yet, she shocked her free-trade sponsors by telling reporters in Kuala Lumpur that she would not rule out using a fixed exchange rate or currency controls, as Malaysia did in 1998, to protect the Philippine peso! "I don't envision it," the Georgetown University-trained economist told the press, "but I don't want to rule it out—à la Mahathir. . . . 'Let the speculators be warned!'" President Arroyo's shift, in the context of her discussions with Dr. Mahathir, was clearly due to the growing evidence of the systemic and catastrophic breakdown of the global economy now in process.

She praised Dr. Mahathir as a "brother to us, a brother to me." Dr. Mahathir, she said, "has the right blend of pragmatism, vision, and management capability."

Back at home, Arroyo's discussion of currency controls was greeted with a torrent of criticism, especially from her own administration! Central Bank Governor Rafael Buenaventura was the most vocal: "I do not envision using currency controls, nor do I see it as being likely," he said, adding that it would be one of the "worst things" the country could do, and would only occur if they had "no choice."

However, Arroyo stood her ground, responding to such statements by pointing out that there may be circumstances ahead which require such measures: "Basically, I believe in market forces," she said, "but even in orthodox economics, when there is a failure of market forces, then you look at other options, *and when you have extreme speculation, that is partly a failure of market forces.*"

### **Afghansi in Malaysia and Indonesia**

The Malaysian government has moved on another front as well. Ten members of an organization called the Kumpulan Mujahidid Malaysia (KMM), with direct ties to the Taliban in Afghanistan, were arrested under the Internal Security Act. The KMM is accused of involvement in the murder of a political figure, the bombing of a church and a Hindu Temple, and other crimes. Eight of those arrested are members of the opposition Islamic Party of Malaysia (PAS), including the son of the spiritual leader of PAS. PAS has dissociated itself from the KMM, but nonetheless, the international terrorist-

protection mechanisms of non-governmental organizations (NGOs) and the media have gone to work in their defense. The *Washington Post* ran a front-page feature on Aug. 12 denouncing Malaysia's use of the Internal Security Act to crack down on this terrorist apparatus.

On Aug. 13, it was revealed that an Islamic fanatic arrested earlier by Indonesian police for the bombing of two churches and a shopping mall in Indonesia, was a Malaysian citizen. He was part of a group waging a "holy war," *jihad* in Indonesia, including participation in the murderous riots in Maluku, and was believed to be planning similar activities in Malaysia upon returning home. Although the group was not reported to be part of the KMM, the connections are under investigation.

In Indonesia, the greatest threat facing the new President, Megawati Sukarnoputri, is the separatist movement in the northern Sumatra Province of Aceh, the Free Aceh Movement (GAM). GAM's leader, Sultan Hasan diTiro, goes back to the days of John Foster Dulles and the British efforts of the 1950s to bring down the nationalist Sukarno regime in Indonesia, by supporting separatism in Aceh and numerous other regions of Indonesia. Drug-running and smuggling operations (weapons and other goods) have been run under the cover of diTiro's "Islamic freedom fighters" since the 1950s. During the Suharto New Order regime, extreme and brutal measures by the Indonesian military aggravated the tensions in the area, and efforts by subsequent governments to solve the problem peacefully have failed. The international NGO and media campaign which supports the GAM is aimed at creating conditions which would be used to justify international intervention on the East Timor model, as many openly admit. Eight hundred were killed in fighting last year, and over 1,000 have died already this year.

President Megawati has made clear that she will not permit the disintegration of the unitary state created by her father and the revolution of 1949. She has taken personal responsibility for Aceh (and Irian Jaya, the other area facing separatist pressures), and on Aug. 9 signed a bill authorizing extensive autonomy for Aceh within the unitary state of Indonesia. She will visit the region in early September to discuss the autonomy plan with the political leaders of the province, but it is not clear whether she will meet with representatives of the GAM. Her visit to Aceh will come immediately after a tour of the other ASEAN nations, where it is likely that she will discuss the need for collaboration among the ASEAN nations in cutting off the supply of arms to the region, and isolating the terrorist networks.

In Aceh, and across Southeast Asia, there is no time to lose in securing the region from these internationally sponsored and supported terrorist networks, so that the process of real development—the prerequisite for sustained peace—can begin. With the world financial system crumbling at an accelerating pace, failure to act will lead inevitably to even greater intervention by the architects of the Clash of Civilizations.