

## Spirit of Bandung, Or a New Cold War

by Michael Billington

Southeast Asia is now characterized by a flurry of diplomatic activity, which has revived the spirit of the 1950s efforts by the newly independent nations of Asia and Africa to unite behind principles of global cooperation for development. That spirit led to the historic Conference of Asian and African Nations, held in the Indonesian city of Bandung in April 1955, led by President Sukarno, the Founding Father of the Republic of Indonesia, and actual father of recently elected President of Indonesia, Megawati Sukarnoputri.

Megawati has just completed a tour of all nine other nations of the Association of Southeast Asia Nations (ASEAN), her first foreign trip upon assuming the Presidency. At every stop, the combination of revolutionary nationalism associated with the memory of her father, and the growing recognition throughout the region that the world financial system is in its death throes, led to extremely productive discussions, and decisions, in keeping with the Bandung tradition.

The 1955 Bandung Conference rejected the division of the world created by the British-designed Cold War, insisting that global peace could be achieved only through global cooperation for real development. They recognized that the Cold War had little to do with containing Communism, and everything to do with dividing the world to prevent any alliance of nations that could challenge the supremacy of the supranational financial institutions.

Now, these financial institutions are bankrupt. The faltering George W. Bush Administration, incapable of even acknowledging that bankruptcy, has proceeded to revive Winston Churchill's 50-year-old script, promoting a new Cold War division of the world, expecting that the world's nations will fall in line in accord with the demands of the "world's only superpower." While challenging Russia with the expansion of NATO and a new arms race, the Bush Administration

has now proposed the establishment of a new "strategic partnership" in Asia, uniting the United States, Australia, Japan, and South Korea in a loose military alliance. Such an alliance immediately recalls the formation of the Southeast Asia Treaty Organization (SEATO), created by the British and U.S. Secretary of State John Foster Dulles as a Cold War, anti-Communist bloc in Asia, after the Vietnamese defeated the French colonial forces at Dien Bien Phu in 1954.

China, the obvious target of this proposed military partnership, has responded angrily to the attempt to drive a wedge between it and its neighbors. More quietly, ASEAN member-nations have expressed their shock that they would again be asked to take sides in a U.S.-China conflict.

The difference between now and the 1950s, is not only that the "red scare" doesn't work any more, but that the economic power of the British-American-Commonwealth nations has been eroded to the point of collapse—that the Emperor has no clothes. The current diplomatic activity in Asia attests that the leaders of the ASEAN states, although several of them came to power under the sponsorship of Western proponents of globalization, have taken steps to break from its dictates. They are forming alliances across Eurasia and Africa with the idea of preventing a return to the war and devastation of the last century, and to build a new world economic system.

The ideas put forth by *EIR* Founder Lyndon LaRouche, for a New Bretton Woods on principles coherent with FDR's original, are circulating throughout the governments of Asia. This is in keeping with the Spirit of Bandung. President Sukarno, in the opening speech to the Bandung Conference, brought forth the image of the American War of Independence, "the first successful anti-colonialist war in history," adding that "the battle which began 180 years ago is not yet completely won."



*Leaders of the Bandung conference in 1955. From left: Indonesian President Sukarno and his wife; Indonesian Vice President Hatta and his wife; Ne Win of Burma and his wife; Indian Prime Minister Jawarhalal Nehru. Sukarno, in his opening speech, described the conference as “the first international conference of colored peoples in the history of mankind.”*

## Megawati's Tour

Megawati was elected to the Presidency by the Upper House on July 23 in an extremely contentious and controversial parliamentary maneuver. Nonetheless Indonesia, including the military, has united behind her—a result unexpected by many Western observers. While the United States, the British, and the International Monetary Fund (IMF) have carried out a charm offensive in Indonesia, lavishing praise on Megawati and making many promises, it is not certain at all how the West will respond if Indonesia does not, or can not, follow the demands being made by the IMF. A new Letter of Intent was signed in late August with the IMF, which relaxed some of the previous conditions, but the IMF continues to insist that the huge debt of over \$140 billion—mostly created by the 1997-98 destruction of the Indonesian currency by international speculators—be serviced by austerity, privatization, and deregulation. While Megawati's ministers are generally agreeing to IMF demands, they are also taking measures to meet the unfolding global crash.

The first stop on Megawati's tour was the Philippines, where a particularly poignant irony set the tone for the entire tour. Philippines President Gloria Macapagal-Arroyo is the daughter of another former President, Diosdado Macapagal; her father was President Sukarno's partner in a campaign to forge an alliance of the Malay nations—Indonesia, Malaysia, and the Philippines—which was to be called Maphilindo. The idea was strongly opposed by the British (although supported by JFK), who had been working for Sukarno's destruction since the time of the Bandung Conference. It was British intrigue, with American support after Kennedy's assassination, which not only sabotaged Maphilindo, but brought down Sukarno in a horrendous bloodbath that wiped out much of

his political base.

President Macapagal-Arroyo was also brought to power under questionable circumstances, with the full support of the phalanx of international financial institutions and their controlled non-governmental organizations. But Gloria (as she is called), despite her training as a spokesperson for IMF free trade economics, has begun to respond both to the historical reality of her office, and to the momentum building across Asia to break from the failed globalization process. In a trip to Malaysia in early August, in collaboration with Malaysian Prime Minister Dr. Mahathir bin Mohamad, she set in motion a series of regional agreements to counter the international terrorist operations plaguing the region. These agreements are being extended throughout the region, both through Megawati's trip, and by additional measures being taken elsewhere.

Most striking about Gloria's visit with Dr. Mahathir, however, was her open praise for Malaysia's sovereign measures to defend against the IMF and the currency speculators through currency controls after the 1997-98 currency crisis.

Megawati was also greeted warmly in Vietnam and Cambodia, where her father had established close ties to Ho Chi Minh and Prince Norodom Sihanouk in the 1950s and 1960s. When Megawati visited Thailand and Malaysia, she, Dr. Mahathir, and Thai Prime Minister Thaksin Shinawatra developed further plans to counter terrorism, including especially the flow of illegal weapons through Thailand and Malaysia into the separatist movement in Aceh, in northwest Indonesia. The weapons traffic is part of the general piracy and smuggling in the Malacca Straits, a matter taken up with Singapore as well.

While in Malaysia, Megawati called on Dr. Mahathir to help bring the Indonesian economy back to life, and to take

leadership in the integration of the ASEAN nations' economies.

### **Thailand, Opening a New Flank**

Thai Prime Minister Thaksin has opened another flank in the new Spirit of Bandung in the region. Speaking in Singapore on Aug. 24, Thaksin gave a spirited call to change the course of globalization in Asia:

"Many have blamed the current economic woes on the IMF and its stringent rules and regulations, or on the WTO [World Trade Organization] and its impact on world trade. . . . Starting from around the late 1970s, most of the countries in the Asia Pacific region, including Thailand, have been adhering to an economic development strategy that has become known as the East Asia Economic Model. This policy followed a single track that was export-oriented and relied heavily on foreign investment from multinational corporations. . . . With Asian countries caught in the position of supplying cheap labor to produce industrial goods and inexpensive agricultural products for the rest of the world, we cannot hope to move further up the value-added chain and achieve the level of prosperity attained by the industrialized countries of the West."

Thaksin proposed that Asia must develop its domestic markets and create Asian entrepreneurs "as the backbone and stimulus of our economy," and build economic "immunity to the risks associated with globalization."

Thaksin and his Deputy Prime Minister Chavalit Yongchaiyudh have also moved forward in building ties to China and Russia, both for security and economic reasons. A Thai diplomat told *EIR* that Thaksin had requested a meeting with U.S. President George Bush, but was met with demands for concessions on trade arrangements as a condition for the meeting. Thaksin decided to skip his planned U.S. visit altogether, travelling to China in late August and scheduling a trip to Russia in October.

According to the *Far Eastern Economic Review*, Dr. Mahathir's efforts to improve relations with the United States ran into the same problem, being met with conditionalities concerning internal legal matters and human rights. Dr. Mahathir has also announced that he will visit Russia, for a full week, starting Sept. 10.

Also, Thailand, Myanmar, Laos, and China are holding joint meetings to tackle the drug problem in the Golden Triangle, which is necessary both to end the scourge of drugs in the region, and to secure the region for the grand development plans that are now on the table.

### **Countermoves by New Cold Warriors**

There are other signs of the new Spirit of Bandung, but we must also look at the new Cold War in the making. On July 30, at a meeting in Australia concerning U.S. and Australian military relations, U.S. Defense Secretary Donald Rumsfeld

and Secretary of State Colin Powell proposed that the two nations move beyond bilateral military agreements in the area, and form a military alliance of some sort with Japan and South Korea. According to the Stratfor news service, which is close to those in the administration pushing for a confrontation with China, South Korea wasn't even asked about the proposal before it was made. Stratfor also acknowledges that one of the purposes of the new division of East Asia is to prevent China's role in integrating North and South Korea into the rail-based land-bridge development plans between Asia and Europe, now being implemented by China, Russia, and other Eurasian nations.

The policy outlook behind this new Cold War scenario was laid out as early as 1992 by current Deputy Secretary of Defense Paul Wolfowitz, then Undersecretary of Defense under Richard Cheney, the current Vice President. Wolfowitz' 1992 Defense Planning Guidance has served to rally the new Cold Warriors: "Our first objective is to prevent the reemergence of a new rival, either on the territory of the former Soviet Union or elsewhere, that poses a threat on the order of that posed formerly by the Soviet Union. This is a dominant consideration underlying the new regional defense strategy and requires that we endeavor to prevent any hostile power from dominating a region whose resources would, under consolidated control, be sufficient to generate global power. These regions include Western Europe, East Asia, the territory of the former Soviet Union, and Southwest Asia."

In a more "Yahoo" fashion, Deputy Secretary of State Richard Armitage spoke Aug. 17 in Australia: "I'm not sure all our friends here in Australia understand the significance of the alliance to Americans. For us, an alliance is an obligation, if necessary, to fight and die for each other." He explained, that the allies would be expected to assist the United States in the defense of Taiwan. Armitage is also the author of a policy calling for the United States to emphasize the "special relationship" with Japan as the core of a new Asian policy, to counter the alleged threat from China.

### **Who Is Listening?**

The question must be asked: What do Japan, South Korea, or even Taiwan think of this provocative pose? In the case of Japan, relations with the rest of Asia are at a low ebb because of Prime Minister Junichiro Koizumi's visit to the Yasukuni Shrine honoring Japan's war dead, and a furor over certain Japanese textbooks, viewed in the rest of Asia as a whitewash of Japan's wartime occupation of most of Asia. Nonetheless, Koizumi himself has announced his desire to visit China, South Korea, and Southeast Asia, all during September, to assure his neighbors of Japan's good intentions. Although it is not yet known if these nations will extend such an invitation, it is clear that if such a trip takes place, there will be much more than apologies under discussion. Japan's economy is in severe crisis, but it still repre-

sents the critical economy in Asia in regard to the potential for establishing a new monetary policy for Asia and Eurasia, currently under discussion as the Asian Monetary Fund.

Even Taiwan, whose President Chen Shui-bian was elected by a party committed to the provocative policy of independence of Taiwan from mainland China, has recently begun to face the implications of the global economic collapse. After Taiwan's net economic decline in the second quarter, its the worst economic performance in 26 years, Chen has agreed to implement sweeping changes in Taiwan's relations with China. Following the recommendations of a special commission, Chen announced in late August that most restrictions on trade and investment in the mainland will be lifted. The restrictions were implemented under President Lee Teng-hui in 1996, backed by British and American China-bashers, to disrupt President Bill Clinton's efforts to engage China. Now, the investment cap of \$50 million on any one project will be lifted, along with the ban on certain high-tech areas of investment. Transportation and communications will be improved, along with numerous other measures.

Although Beijing's public response has been cool, insisting Taiwan must accept the "One China" framework, Taiwan is calling on Beijing to accept these measures as a good faith means for moving forward. It is such cooperation toward peace and development, in the spirit of the Bandung Conference, which the new Cold Warriors see as an impediment to their dreams of a new empire.

## India Rallies Third World vs. WTO Pressure

by Ramtanu Maitra

New Delhi has joined a major battle against the World Trade Organization (WTO), on the agenda for the upcoming ministerial talks scheduled for Doha, Qatar, in November. Both the United States and the European Union (EU) have threatened India that if it continues to organize the developing nations against the fresh round of talks — as pushed by EU, Japan, and the United States in particular — India will be isolated and the developing countries will lose significantly in the coming years. India and Malaysia have been identified as the "trouble-makers" by the countries initiating the new round of talks.

WTO's Australian Secretary General Mike Moore and his associates are doing their very best to make the fourth ministerial meeting at Doha a "success," after their bitter experiences in Seattle last year. It seems at this point, that even if Moore and Company manage to keep the Jacobins out of the way at Doha, the fight within the WTO is getting rougher

by the day. Unless a compromise is obtained quickly, it is almost a certainty that the Doha ministerial meeting will again produce nothing, and the WTO will be confronted with an existential crisis.

The mood in either camp is to not compromise. United States Trade Representative Robert Zoellick, a personal friend of President George W. Bush's, was in New Delhi to sort matters out. Between his gushing about India as a natural ally of the United States, Zoellick also made it a point to threaten India with "isolation."

A week later, the EU echoed Zoellick. Expressing concerns that India, a powerful representative of the developing nations, is organizing against the agenda proposed by the developed countries, a senior EU official told the India Abroad News Service that if India "continues to oppose the new round, India stands a huge risk of being totally isolated at the ministerial meeting." But he admitted that Malaysia and the member-nations of the South Asian Association for Regional Cooperation (SAARC) have been actively opposing the new round on principled grounds, including that the developed nations should address the issues raised by these countries.

### Agenda under Fire

Developed countries want a fresh round of talks which will discuss investment rules, competition policy, transparency in government procurement, trade facilitation, new rules on environment, labor, etc. at Doha. The developing nations — identified by the EU Commission's (EC) Secretary General for Trade Peter Carl, as India and Malaysia — demand implementation of the 1994 Uruguay Round of Talks, held under the aegis of the WTO's predecessor, the General Agreement on Tariffs and Trade (GATT). These countries point out that the problems that they face in meeting the obligations of the existing agreements, and difficulties caused by the developed countries in not fulfilling their commitments to open up their markets, have not been resolved.

At the G-15 meeting at Jakarta last May, Indian Commerce Secretary Prabir Sengupta, said that six years' experience indicates that the benefits promised by the WTO did not materialize. "We strongly believe," said the minister, "that the WTO process must concentrate on matters of trade without expanding into non-trade issues. . . . Any open-ended fresh round of negotiations will only further compound the problems of developing countries, as they would once again be expected to give concessions. . . . And the items of interest to developing countries will get side-tracked as developed countries like to focus on areas of their core interest."

Following the G-15 meeting, the Malaysian newspaper *The Star* reported an interview with Malaysian Deputy Minister for International Trade and Industry Kerk Choo Ting. According to *The Star*, Malaysia does not want the WTO to include new issues before current negotiations are settled.