

## World leaders are cool to Clinton's Pacific strategy

by William Jones

The Seattle summit of the leaders of the Asian-Pacific Economic Cooperation (APEC) forum gave President Bill Clinton an excellent photo-opportunity among the 14 world leaders who gathered on the chilly Blake Island retreat in Puget Sound on Nov. 20. But the five days of discussions in Seattle among heads of state, economic and foreign ministers, and trade representatives were otherwise short on public results. Although administration spokesmen remained upbeat when reporting on the summit, the more frank among them admitted that not much concrete was accomplished.

However, the meeting, taking place as it did during the same week in which the North American Free Trade Agreement (NAFTA) passed the U.S. House and Senate, did underline the Clinton administration's commitment to the hideous agenda of globalization, free trade, and blackmail run under cover of "democratization." This broader purpose was not lost on anybody.

The Clinton trade advisers clearly wanted to use APEC as leverage in their attempt to force France to eliminate subsidies to agriculture and to conclude a General Agreement on Tariffs and Trade (GATT) agreement by Dec. 15, which the United States set as a deadline.

But the meeting also served notice on the two leading Third World recalcitrants, India and Brazil, that they are now in the cross-hairs of the financial crowd's targeting system.

### **Bergsten targets Europe**

The targeting of Europe was most clearly expressed in a report which was meant to provide a "vision" for the APEC meeting by the so-called "Eminent Persons Group," comprised of representatives from a number of the APEC countries and headed up by C. Fred Bergsten, assistant secretary of the treasury for international affairs during the not-so-

eminent Carter administration, and director of the Institute for International Economics in Washington.

The report circulated confidentially to APEC delegates before the meeting, but was leaked extensively in the press, and created a controversy. It proposed using regional agreements within APEC to "ratchet up" the liberalization of world trade through GATT. Included in the drafting here is the idea that what cannot necessarily be achieved through multilateral forums like GATT, can be pursued nonetheless through bilateral and regional agreements concluded with the United States.

In addition, the Bergsten report also mooted the possibility of transforming APEC, a "consultative forum" involving most of the nations of the Pacific Rim, into an Asia Pacific Economic Community. The members of APEC include Canada, the United States, Japan, China, Singapore, Brunei, Malaysia, Thailand, Indonesia, Hong Kong, Taiwan, the Philippines, Australia, New Zealand, and South Korea. The notion of an economic "community" among these nations set off some fireworks.

### **Extending NAFTA into Asia**

The unstated intent here is shown in the decision to admit NAFTA member Mexico to APEC in the next year, and Chile shortly thereafter. Since Chile and Argentina have been identified as first and second on the list to join an expanded NAFTA, it was abundantly clear that what the U.S. crowd is pursuing is to transform financial and economic relations with the countries of Asia into the same hideous basis as those which are in the process of being imposed on Mexico.

Hence the targeting of Brazil and India. Brazil has mounted a rear-guard resistance against the dollarization and privatization imposed on Mexico and Argentina. Brazil, and India

have both attempted to defend their independent scientific and technical capabilities, whether that be their space programs, their commitment to nuclear research and development, or their other high-technology commitments.

The last few years of rapid economic development in Southeast Asia have involved a variety of attempts at economic cooperation among the countries in the area. Within the Association of Southeast Asian Nations (ASEAN), a group comprising Malaysia, Indonesia, Singapore, Thailand, Brunei, and the Philippines, Malaysia's Prime Minister Dr. Mahathir Mohamed had proposed the formation of an East Asian Economic Group, which would comprise only the Asian countries in the area. The formation of APEC in 1989 was largely a reaction by Australia and the United States to try to assure a veto over the direction of any future economic cooperation.

The Mahathir proposal, although garnering strong support from many of the other Asian nations, was treated with scorn by the western countries. Mahathir, in turn, decided to boycott the meeting in Seattle in the face of U.S. attempts to dictate the direction of economic policy in the area.

The broader aims might have been low-key, but they weren't missing. Secretary of State Warren Christopher was careful to play down the nature of the "community." "But let me be clear," he told a by-invitation-only group at the University of Washington on Nov. 17. "APEC is a building block, not a trading bloc." Yet even President Clinton, in his remarks to the Seattle APEC Host Committee on Nov. 19, referred to the Asia Pacific fall-back option, were GATT agreements to fail. "If our efforts to secure global trade agreements falter, then APEC still offers us a way to expand markets within this, the fastest-growing region of the globe." U.S. Trade Representative Mickey Kantor was even more straightforward. "If Europe blocks efforts to expand trade, it will be hurting itself most. U.S. trade will continue to expand with Asia and Latin America, and Europe will be left out."

But these concerns were by no means shared by all. As Dato Seri Rifadah Aziz, the Malaysian minister of international trade and industry, and the highest-ranking Malaysian at the APEC forum, responded to a question from this writer at a press conference on Nov. 19: "I made it very clear in my meeting with Ambassador Kantor that in no way were they [the United States] going to be able to use APEC as leverage against anybody in particular. And I'm sure I speak on behalf of some others who share the same views, but don't want to express them in public. And we say this because we do not want the last few weeks of the Uruguay [GATT] negotiations to continue with the recommendations that it's offering now."

### **A public relations boost for China**

Undoubtedly, the highlight of the week was to be the first encounter between President Bill Clinton and China's President Jiang Zemin, the first U.S.-Chinese summit since the Tiananmen Square massacre in June 1989. For President

Jiang the meeting was undoubtedly an unexpected boon. Basking in the limelight provided by most of Asia's heads of state as well as the American President and Canadian prime minister, the Chinese leader was able to put behind him the image which had been burned into the minds of the general public by the terrible massacre of Chinese students at Tiananmen.

Publicly, President Clinton has made a point of linking the continuance of Most Favored Nation trade status for China to its performance in improving human rights. Prior to the meeting with President Jiang, there was much speculation that Jiang would at least make some token concession on human rights in order to give Clinton the leverage he needed to push for continued MFN. Already at his first presentation before Boeing workers on Nov. 18, Jiang spoke scornfully of the "negative factors" and the "artificially imposed barriers" restricting trade with China. At his meeting with Clinton, characterized by White House spokesmen as "vivid," Jiang lectured Clinton on the principle of non-involvement in a country's internal affairs.

Clinton did indeed bring up the question of human rights at the meeting, but Jiang responded that the people who were imprisoned after Tiananmen Square had violated Chinese laws, and that every country must look after its own security.

With regard to the possible threat of a revocation of MFN for China, Jiang simply responded that such a measure would also hurt the United States because of the tremendous amount of trade it had with China, an argument which he considered a strong card. Although Jiang offered no "token" of good will, the Clinton administration on Nov. 17 allowed the sale of an \$8 billion Cray supercomputer to China for use in meteorology, a sale which Secretary Christopher said had a "humanitarian purpose."

### **More pressure on North Korea**

The United States also wanted help from the Chinese on the issue of the alleged North Korean nuclear weapons production. The United States had threatened to ask the U.N. Security Council to impose economic sanctions against North Korea unless it allowed full inspections by the International Atomic Energy Agency of the suspect facilities. The threat of sanctions caused an outcry in South Korea and in Japan as North Korea responded by beefing up its military forces on the border with South Korea. The Clinton administration wanted the Chinese to exert their influence on their North Korean compatriots. Foreign Minister Qian Qichen reported that President Jiang, in his meeting with President Clinton, had expressed his support for the "denuclearization of the Korean Peninsula," and said he would encourage the North Koreans to go back to the negotiating table to allow inspections of their nuclear facilities.

As has been the case in Europe too, the threat of escalating military, even nuclear, tensions can be wielded to keep recalcitrant nations in line with the broader agenda.