

# **The Asian Development Bank:**

## **A Threat to Hawai`i's Economy and Aloha Spirit**

**The Asian Development Bank is bringing its controversial Annual Meeting to Hawai`i in May, 2001. This is likely to have a negative impact on our state, including changes to our legal system, the criminalization of various aspects Hawaiian culture, an assault on our homeless population, the creation of a heavily armed security force which may be used against the people of Hawai`i for years to come, and the diversion of millions of our State and County tax dollars away from education, social services, and environmental protection.**

## **ADBwatch – Hawai`i**

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# What is the ADB?<sup>1</sup>

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The Asian Development Bank (ADB) was established in 1966 as a regional Multilateral Development Bank (MDB) to finance activities that would foster economic growth, development and cooperation in the Asia-Pacific Region. Although its primary founding members were Japan and the United States, it now consists of 57 member countries – 41 from Asia and the Pacific, and 16 non-regional. **The ADB's top stockholders are Japan, the United States**, the Peoples' Republic of China, India, Australia, Indonesia, Canada, and Korea. Interestingly, the majority of the ADB's members--Developing Member Countries [DMCS] are debtors to the ADB. **The ADB is a public sector institution supported by taxpayers in all its member countries**, either in the form of direct financing of the institution's portfolios, or in the form of debt repayment.

Established in the image of the World Bank, the ADB currently enjoys unprecedented economic and political power in Asia. Between 1996 and 1998, the ADB's commitment to assistance in the region was US\$ 20.6 billion, second only to the World Bank at US\$ 28.7 billion. Since the start of its operations in 1966, the ADB has poured more than US\$ 111 billion into the region, of which at least US\$82 billion are in direct credits from the Bank itself, and another US\$ 30 billion through co-financed capital, much in the form of non-concessionary loans. In 1997, the total accumulated external debt in the Asia Pacific region was US\$ 805.4 billion. Compared against the total ADB lending and co-financing to date of US\$ 111.9 billion, it can be assumed that **more than ten percent of the total external debt of the Asia Pacific is owed to the ADB.**

The eight largest debtor countries to the ADB are Indonesia (US\$ 16,008 million), Pakistan (US\$ 9,471 million), China (US\$ 8,166 million), The Philippines (US\$ 7,286 million), India (US\$ 7,253.3 million), Thailand (US\$ 4,984 million), Malaysia (US\$ 1,987 million) and Vietnam (US\$ 1,655 million). The top eight countries with more than a third of their total external debt owed to the ADB are Bhutan (73 %), Nepal (68 %), Samoa (62 %), Mongolia (52 %), Solomons (51 %), Bangladesh (37 %), Malaysia (33 %) and Pakistan (32 %)

The ADB's activities range from providing loans (concessional and ordinary), facilitating capital investment, and technical assistance to governments and private companies in its developing member countries (DMCs). Its approach to development is based on a fundamental belief in rapid modernization, market capitalism, and the integration of all economic activity into the global marketplace. While these beliefs are no different from the neo-liberal agendas promoted by other International Financial Institutions (IFIs), the ADB has sought to promote an "Asian" identity for itself by claiming to be rooted in the region, and by claiming to advance regional understanding and cooperation through programs designed to respond to the particularities of the region.

The ADB has mobilized both public and private capital for financing development activities through co-financing schemes with multilateral, bilateral and private financial institutions. Central to this has been the promotion of public-private "partnerships" between governments and private companies in physical infrastructure projects in which the ADB has provided loans for government equity and partial risk guarantees to the private investors. Another notable feature of the ADB has been its role in facilitating technical assistance to its DMCs through multilateral and bilateral funds. However, the majority of the ADB's "assistance" to its DMCs has been in the form of loans and even pre-paid technical assistance is usually contingent upon concurrent loan regimens.

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<sup>1</sup> Excerpted from "The ADB: Shape Up or Ship Out", in *Creating Poverty: The ADB in Asia*, Focus on the Global South.

## **Whose interests?**

The ADB insists that it has always been concerned with poverty alleviation and that its approach to development encompasses a wide range of social and environmental concerns, including women's empowerment, civil society participation and environmental protection. However, in the footsteps of its institutional peers--the World Bank and IMF--financing from the ADB, whether in the form of grants or loans, is generally accompanied by conditionalities -- conditions imposed on recipient governments -- that undermine the very issues it claims concern for.

ADB conditionalities range from the introduction of new policies and laws to protect specific investments (as in infrastructure projects) to reforms of entire sectors (as in the case of the agriculture sector in Thailand and the energy sector in Indonesia). Some of the more common elements of these conditionalities are: liberalisation of trade and investment; increased control by the private sector over the production and delivery of goods and services; full cost recovery of all investments whether public or private; dismantling of state subsidies for public goods and services; privatisation of state enterprises; transfer of resource use and tenure rights from public and common pool to private ownership; deregulation of pricing and markets; and an overall withdrawal of the state in direct economic activity and governance. Reforms of the financial and legal sectors, and the introduction of new, market-friendly regulatory mechanisms have been particularly important to the ADB's strategy of increasing foreign and domestic private investment in infrastructure, economic and social development.

Until the early nineties, the ADB was quite successful in avoiding public scrutiny about its policies and operations. Unlike the World Bank or the IMF, the ADB's sphere of influence is regionally limited. And the Asia-Pacific region is a geographically, economically, culturally and politically diverse region. While intense pockets of poverty exist in its different sub-regions, it is also overall a region of significant wealth accumulated through generations of capital and resource appropriation, and a buildup of domestic savings. Asian countries have pursued distinctly different paths towards modernisation and development which have been financed through a multitude of sources ranging from domestic and foreign private investments to bilateral, and multilateral development assistance and credits. Consequently, the influence of MDBs on the various countries in the region has also been varied owing to differences in their respective political and economic capacities.

But as more evidence emerges about the destructive impacts of its projects and interventions, the ADB is facing growing region-wide criticism of its policies and operations, as well as of the manner in which it does business. Despite claims to the contrary, the ADB is a highly centralised and unaccountable institution which does not serve broad-based public interest. At an institutional level, the Bank's key policy and program decisions are taken by its Governors and Board of Directors, who also determine the direction of its operations and relations with borrowing countries. At the country level, Bank and government negotiations about programs proceed without broad based, inclusive, public input and participation.

Neither the Board of Directors nor ADB staff represent the interests of majority of the region's people. ADB policies also have little to do with addressing the problems or challenges faced by the poor in borrowing countries. On the contrary, these policies reflect a gross and undifferentiated view of diverse conditions, and further the interests of its wealthy Asian and non-Asian stockholders and financial contributors. The ADB pays no penalty for bad decisions on loans or projects. These impacts are disproportionately borne by the very people who the Bank is not responsible to but uses to justify its existence, i.e. the poor. In fact, it is difficult to understand what the ADB means when it refers to "gender and development" and "participation." The urban or rural poor certainly did not participate in the design of programs or policies that have led to the displacement and dispersion of families, environmental degradation, the alienation of entire communities from natural resources and

livelihood means, increased household and public debt, decreased access by vulnerable populations to clean water, sanitation and basic healthcare, and exacerbation of physical, economic and social hardships on women.

## **Examples of ADB-Financed Projects That Have Created Poverty and Destroyed the Environment**

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### **1975 -1996 Nam Ngum Hydro Dam, Lao PDR**

The ADB loaned \$24 million to Thailand's state utility, EGAT, for the transmission line from the Nam Ngum dam in Lao PDR to Thailand. The bank also partly financed construction of the 150-MW Nam Ngum dam which flooded several hundred square kilometers of forest, wiped out riverine fish stocks, and opened up the watershed to logging. The bulk of the dam's electricity is sold cheaply to Thailand because drought and siltation in the dam's reservoir have reduced the dam's generating capacity by one-third, making it an unreliable source of power. Dozens of communities displaced by Nam Ngum are still impoverished, trying to eke out an existence on surrounding hillsides, without access to safe drinking water, schools, and other basic facilities. In the last five years, the ADB has financed construction of two smaller dams, Nam Song and Nam Leuk, designed to divert water to the depleted Nam Ngum reservoir.

### **1995 - Masinloc Coal-Fired Power Station, Philippines**

The ADB loaned the National Power Corporation \$254 million for transmission lines and a second 300-MW generating unit at Masinloc coal-fired power station. The first unit was financed by the World Bank in 1990 despite opposition from local communities and environmental groups who fear that the project will poison century-old mango orchards, fisheries, and farmland upon which nearby communities depend.

### **1994 - Theun Hinboun -Hydro Project, Lao PDR**

The ADB loaned \$60 million to the state utility, Electricity du Laos, for its 60 percent stake in the Theun Hinboun Power Company which owns and operates a 210-MW dam for exporting electricity to Thailand. The project is 20 percent owned by Nordic utilities, Statkraft and Vattenfall, and 20 percent owned by MDX, a Thai real estate developer. Completed in 1998, the \$260 million dam destroyed riverine fisheries in two rivers upon which dozens of rural communities - or about 6,000 people - depended for their livelihoods. The ADB approved the dam contracts which have restricted the power company's obligation to pay for compensation and environmental mitigation. Villagers are still waiting for compensation and environmental mitigation measures promised by the power company and the ADB.

The ADB's commitment to defending dam investors from the real costs of their schemes is evident from its handling of the Theun-Hinboun project. When citizens' groups exposed the fact that the Theun Hinboun Power Company in Lao PDR had ignored and underestimated environmental costs in order to inflate the company's profitability, and failed to provide compensation to people harmed by the company's dams, they demanded that the company take responsibility for these costs. The ADB responded with a warning that efforts to force its client, the Theun Hinboun Power Company, to pay additional costs would damage the confidence of foreign lenders and investors in Lao PDR. The ADB also insisted that it is up to the Lao government, not the company, to either use its revenues or seek out new aid sources to pay for long-term environmental costs. As for the ADB's responsibility, project engineer Mike Bristol explained recently in Hanoi, the ADB "is not a social and environmental agency," and as such it has "little influence over project outcomes."

### **1994 - Lingjintan Hydro Dam in Hunan Province, China**

The ADB loaned \$116 million to the state-owned Hunan Electric Power Company for a 240MW hydro dam which is also expected to regulate releases from the 1,200 MW Wuqiangxi hydro scheme, situated 41 kilometers upstream on the Yuanshi river. Still under construction, the dam is expected to cost \$367 million. Displaced 4,060 people not compensated. ADB reported last year that people are still waiting for compensation. Nearby communities were forced by the authorities to share their rice land with the people displaced, reducing their rice harvests by half; blocked fish migrations in the Yuanshui river which could also adversely affect fish stocks in Lake Dong Ting; displaced people were promised income from plantations but it could take five to 20 years before the plantations generate any income; people have less land to produce food and no income to buy food; people have left the area to find jobs elsewhere.

### **1990 - Singkarak Hydropower Project, West Sumatra, Indonesia**

The ADB loaned \$185.8 million to Indonesia's state utility, PLN, for a 175-MW hydro dam. Completed eight years later, the dam devastated fisheries and fishing communities around the Singkarak lake and Ombilin river, disrupted water supplies in two river systems. It also opened up the project area to logging, threatening local wildlife populations, including the endangered Sumatran tiger; the dam also wiped out fish stocks and drastically reduced flows which led to increased incidence of skin and intestinal sickness, and waterborne disease.

### **1981 - Batang Ai Hydropower Project, Sarawak, Malaysia**

The ADB loaned \$40.4 million to the Sarawak Electricity Supply Corporation, a state-owned utility, for a 108-MW hydro dam. Completed in 1986, the Batang Ai dam displaced 21 indigenous Iban longhouse communities, close to 4,000 people. Fourteen years later, many of those people are still waiting for replacement land or cash compensation promised them by the authorities. Some left without land or enough replacement income to survive have left their once self-sufficient communities to find jobs in Kuching or at industrial sites elsewhere in the country.

### **1977 - Mae Moh Power Project, Thailand**

ADB loaned about \$150 million for lignite mine expansion, transmission lines, and the first generating units at this lignite-fired power station in the 1970s. And since 1980, the Bank has loaned EGAT another \$390 million for new generating units at Mae Moh, one of the largest point-sources of poisonous sulphur dioxide emissions in Southeast Asia. The Bangkok-based environmental group, TERRA, has described Mae Moh as "one of the most serious public health disasters in Thailand's history." At least 42,000 people near the plant suffer chronic respiratory diseases, breathing problems, and skin disorders; livestock regularly fall ill and die; large orchards, vegetable gardens and rice crops wilt from acid rain; streams and waterways are blackened by the emissions as well as by the run-off from the lignite mining operations nearby. In 1996, six villagers from the Mae Moh valley died of blood poisoning, suspected to be caused by sulphur dioxide emissions from the Mae Moh plant.

### **1970 - 1999 Mahaweli Hydro and Irrigation Project, Sri Lanka**

The ADB and a host of other aid institutions financed the five-dam multi-billion dollar Mahaweli hydro and irrigation scheme which displaced and impoverished 60,000 families since it began in 1970. In 1999, the ADB approved a \$250,000 grant to the Sri Lankan government for developing "a policy applicable to involuntary resettlement in public and private sector development projects," based on the rationale that past resettlement schemes have failed. In its description of the proposed grant, the ADB notes that the current rate of suicide among people resettled by the Mahaweli scheme is four times higher than the world average.

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# **Structural Adjustment, Hawaiian Style: The ADB's Impact on Hawai`i**

## **Threats to Hawai`i's legal system, abuse of tax dollars, and increasing militarization**

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Imagine you live in a resource-rich country with a fairly corrupt government in power, backed by a well-armed military. The Asian Development Bank – controlled by its largest shareholders, the governments of Japan and the United States -- comes to your country to provide loans to your government. Your officials may not know or care all that much about the troubles of indigenous peoples, the poor, fishermen, farmers, and ordinary working people. Your government agrees to borrow millions of dollars from the ADB in order to build a large infrastructure project like a dam or a wastewater treatment plant on a river used by thousands of people in small fishing and farming communities. Officials, citing “progress” and “economic opportunity,” announce grand plans for this development in the newspapers.

In order to obtain the loan, your government must agree to certain conditions – known as “Structural Adjustment” – for example, certain laws and regulations must be changed in order to make local markets safe for foreign investment, certain subsidies must be abolished – often subsidies aimed at price supports for the poor, subsidies on basic foods, education, health or environmental protection. Fishing and farming communities are not properly consulted. It is assumed that they will be resettled. Environmental and social impacts of the project are not adequately assessed. As levels of public concern and eventually protest rise, the military is armed and trained to deal with “troublemakers” opposing this kind of development.

This may sound like a tall tale, but unfortunately, such events are a fairly common occurrence throughout Asia. The ADB's May, 2000 Annual Meeting in Thailand saw over 5,000 angry Thai farmers and fishers protesting environmental destruction and social dislocation resulting from ADB projects. In January, 2001, over 100 Thai Senators protested to the ADB that it had completely neglected to carry out environmental and social impact assessments for a massive wastewater treatment facility. Structural adjustment on behalf of the ADB is also underway here in Hawai`i.

### **Structural Adjustment in Hawai`i**

In May, the ADB brings its controversial Annual Meeting to Hawai`i. Many State officials have rushed to welcome the Bank and proclaim Hawai`i the “Geneva of the Pacific,” which may not be such a good thing, given the riots by armed police forces at the January, 2001 World Economic Forum meeting in Switzerland.<sup>2</sup> The ADB's decision to relocate its upcoming annual meeting in Hawai`i is part of a pattern set by the World Trade Organization (WTO). Still reeling from the aftermath of its Seattle meeting, the WTO will hold its next meeting in the desert kingdom of Qatar.<sup>3</sup> According to the U.S. State Department, the Qatari government “severely limits freedom of assembly” and prohibits workers from organizing unions. Steve Porter, senior attorney for the Center for International Law says that “the decision to hold the next WTO meeting in Qatar certainly creates the

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<sup>2</sup> “Police cited in Zurich riot: criticism rises for suppression of protesters,” Associated Press, 1/29/01

<sup>3</sup> “A quiet round in Qatar?” Washington Post, 1/31/01

appearance of an organization that is unwilling or unable to face its critics.”<sup>4</sup> ADB officials privately concede that they picked Honolulu because it is in the middle of the Pacific Ocean surrounded by large military bases which should keep away protesters such as the 5,000 “beneficiaries” of their projects who appeared at their last annual meeting in Thailand. Hosting the ADB comes at a considerable price. The Bank has demanded that Hawai`i, like impoverished ADB “recipient” countries, undergo a form of Structural Adjustment.

- The ADB is requiring changes in a number of our regulations -- and in a blow aimed at the increasingly well-organized and vocal Kanaka Maoli (indigenous Hawaiian) community -- further restrictions on camping rights, including allowing use of police dogs and horses for arrests for “sleeping activities”, and for “using any tents, shelter or vehicle for sleeping” on beaches and in parks. The new camping regulations will doubtless also have a direct impact on those unfortunate enough to be homeless. The Honolulu Police Department has introduced a package of new laws and changes to existing laws that it wants to see in place before the ADB meeting.
- The ADB is apparently attempting to obtain a range subsidies from the State -- i.e. from taxpayers -- including an exemption from paying the State’s hotel TAT tax. Our officials appear happy to comply. These subsidies are coming from a population mired in economic difficulties as a gift to one of the world’s richest institutions. The ADB has an administrative budget of \$200 million per year and on average, generates a profit of \$450 million per year. Special loopholes, gifts, and tax cuts for the ADB from our State government translate into less money for education, school books, environmental protection, health care and other social services.
- The ADB and the State of Hawai`i have apparently encouraged a massive militarization of an already heavily militarized state.<sup>5</sup> The Honolulu Police Department (HPD) has announced that it will burden the City of Honolulu with between \$6.5 million to \$7 million in expenses for “security arrangements” including “equipment” and “training” for jittery local security forces. Funds have apparently not been earmarked for these expenses. According to City Council Members, Honolulu is currently \$1 billion in debt and is considering raising property taxes. The State is being asked to provide an additional \$1.4 million. HPD is now requesting \$750,000 from the City Council for immediate expenses for “security.” At a recent City Council Meeting, HPD representatives testified that they planned to approach the state legislature for \$500,000 in security expenses. These expenses have not been approved by the legislature. According to a 1/31/01 Syracuse University report funded by the Pew Charitable Trusts, the State of Hawai`i has the highest debt levels in the country and 13% of general fund resources are consumed by debt service. The report gave Hawai`i a grade of C in financial management, stating that “for a long time, Hawai`i financial management was predicated on the philosophy that it was OK to eat chicken today, even if that meant eating feathers tomorrow.”
- Security forces newly trained in “crowd control” for the ADB had the opportunity to practice their skills during a demonstration by Kanaka Maoli activists at the Kahului, Maui airport in the first week of February, 2001. Security forces announced a ban on hula, chanting and prayer during the demonstration -- essentially criminalizing the expression of Hawaiian culture. Protestors who wished to distribute brochures were confined to 2 foot by 1 foot squares demarcated by duct tape and located away from the crowds of tourists. People distributing commercial brochures, however, were free to approach tourists throughout the airport. These arbitrary regulations led to frustration and anger on the part of the hundreds of demonstrators and are a sign of what to expect in the wake security operations and training associated with the ADB.

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<sup>4</sup> *ibid*

<sup>5</sup> “Extra security for bank meeting to cost taxpayers millions,” Honolulu Star Bulletin, 2/1/01, “Council considers cost of security for bank meeting,” Honolulu Advertiser, 2/8/01, “Send in the goons,” Honolulu Weekly, 2/7/01

The ADB's annual meeting will only last a few days. The changes in our laws and regulations, the use of our tax dollars, and the overly militarized security forces will impact our citizens for years to come.

## **Newspaper Articles on the ADB, Globalization, and the Pacific Islands**

**For news and updates on ADB-related events in Hawai`i and around the world, subscribe to the ADBwatch listserve: [adbwatch-hawaii-subscribe@egroups.com](mailto:adbwatch-hawaii-subscribe@egroups.com)**

### **STOP GLOBALIZATION, THE PACIFIC WANTS TO GET OFF**

*By Michael Field*

HONOLULU, Hawai'i (January 30, 2001 – Agence France-Presse)---Pacific nations, among the smallest and most isolated in the world, have had a look at globalization and while agreeing it has some good points they do not like it.

Sounding like they're saying "stop the world, we want to get off," the Pacific Islands Conference of Leaders, bringing together prime ministers, presidents and ministers from Pacific nations and territories, heard repeated pessimist assessments of globalization by their peers.

The conference, organized by the U.S. government funded East West Center and its Pacific Islands Development Program (PIDP), was billed as a chance to discuss the impact of globalization on the small regional economies.

The two strongest critics of globalization came from the smallest countries, Niue's Prime Minister Sani Lakatani and Cook Islands Prime Minister Dr. Terepai Maoate.

Both operate tax haven systems and last week the U.S. banking system imposed a ban on sending U.S. dollars to Niue for fear it was involved in money laundering. Maoate fears the same might happen to his country.

Lakatani was particularly bitter, saying the globalization trend was actually preventing his government from improving the quality of life of his people.

"Small island nations are vulnerable and are practically of no consequence when it comes to combating the adverse effects of globalization and what is emerging is a new order of colonialism," he told the conference. "The uneven distribution of wealth and power points to the potential loss of sovereignty by national governments as the control of their respective economies become more subject to global forces such as multinational companies and the pressures of the select global brotherhood."

He questioned who benefited from globalization. "Globalization is good for some, not for others." Maoate said Pacific nations had become puppets of globalization. PIDP director Dr. Sitiveni Halapua, a Tongan, said globalization was related to the issue of governance, which was much more complex now than it had been previously. Conference chair, deposed Fiji President Ratu Sir Kamisese Mara, challenged Halapua for a definition of globalization. "Colonization was usage of power by strong nations over weaker ones," Mara said, "while globalization is the use of power by multinationals against the weaker."

Halapua characterized globalization as having three main points. These are the market facilitation of unrestricted flows of capital, labor and information around the world, the identification of level-playing fields "or sameness," and development, meaning increased productivity. In contrast, localization in the Pacific recognizes cultural obligations of give, receive and give-in-return on a local basis, he said, with identification of diversity or difference and development being seen as an exercise in identity building.

The Western way of thinking is that there is a solution for everything while the Pacific way sees dialogue, without preconditions of a conclusion, leading to a solution, Halapua said.

American Samoa Governor Tauese Sunia, who was the most optimistic of the participants, warned other leaders that globalization had arrived in the Pacific. "The price of rice in China may have been a joke in the past, but it now affects the price in Pago and it affects everyone." He noted that in earlier times, when the Christian missionaries arrived in the Pacific, people accepted their messages totally. Yet, he said, Christianity completely changed the value systems of Polynesia. More recently democracy had arrived. "Again we have accepted it wholeheartedly. "Now we have value systems that are incompatible with our own value systems." In American Samoa people valued refrigerators rather than going out and fishing everyday, and now they want better television sets. "The economic value system has changed so much."

But rather than stop it, Sunia said it was up to Pacific countries to consciously think about what was happening and act accordingly. Local cultures and traditional systems needed to be protected, and to do that they need a good understanding of what globalization is.

Solomons Islands Foreign Minister Danny Philips questioned who would benefit from globalization when it was really intended to benefit Americans. He mocked the conference notion of managing globalization at a Pacific level: "The best I can do coming from a very small state in the Pacific is to cope with it. "The more I say this the more I confuse myself, but the reality is that we don't know enough yet, even how to play on an even playing field. "Right now we are lost in a bigger world."

Marshall Islands President Kessai Note said they had no choice but to jump on the bandwagon. "To sit idly by is to be left on the wayside, but we cannot stand in its way, for to do so is to invite disaster upon us. "We must exercise extreme care and be ever mindful that our cultural values... are about human rights. We need to anchor ourselves lest we get swept away by the currents of globalization."

## **102 THAI SENATORS PROTEST ADB LOAN**

ADB feels pressure over sewage-plant loan

*By Kamol Sukin*

BANGKOK (The [Bangkok] Nation – January 18, 2001) PRESSURE has grown for the Asian Development Bank to review its Bt4-billion loan to the controversial Klong Dan wastewater treatment plant, with more than half of the Senate backing the move because of serious concerns over its environmental impact. Some 102 Senators signed a letter in December to ADB President Tadao Chino suggesting the loan review, according to a statement issued at a press conference at Parliament yesterday.

"We urge the bank to take immediate steps to review its support of the project in its present form, with particular regard to addressing the concerns of local residents and the bank's lending policies," the letter said. The letter suggested the project might be against ADB policies on incorporation of social dimensions in bank operations, good governance, confidentiality and disclosure of information, and voluntary resettlement.

"Nor was any environmental impact assessment or assessment of social impacts for the site at Klong Dan carried out," the letter continued.

The Bt23.7-billion project has already received two disbursements of US\$80 million (Bt3.44 billion) and \$150 million (Bt6.45 billion) in loans from the ADB. The plant, started in 1997, is situated on the coast amid replanted mangrove swamps. It has drawn constant criticism from environmentalists and Klong Dan residents. A group of 72 senators visited the area last month to assess the project's impact and concluded that local residents had not been adequately informed about the plans.

Among the senators who signed the letter were Jon Ungphakorn, Kraisak Chonhavan, Chirmsak Pinthong, Charoon Youngprapakorn, Niran Pitakwachara, and Maleerat Kaewka, some of whom are known to be sympathetic to civic pressure groups. Niran told the media that Senators would also campaign to get the incoming Thai Rak Thai government to review the project.

"We want the new incoming government to investigate, with transparency, the way in which the land for the plant was purchased," said Charoon. He described the plant's chosen site as a "virginal environment," which Senators feared would suffer a negative impact if the project went ahead. Meanwhile, Deutsche Press-Agentur quoted ADB's resident Thailand advisor, Craig Steffensen, as saying: "We're looking at what, if anything, can be done to make this project better. We will see if some additional environmental safeguards can be put in place without disrupting the returns and turning the project into a white elephant financially.

"If it's recommended that the project be shut down and some other sort of project put in its place in Samut Prakan, that's certainly an option we're willing to explore. But we're about \$300 million into the project now, so I think what we're hoping is that we'll find effective measures for improving the existing project," Steffensen said.

## **POLICE CITED IN ZURICH RIOT: Criticism rises for suppression of protesters**

Honolulu Advertiser

ZURICH, Switzerland. (Associated Press – January 29, 2001) Switzerland counted the cost yesterday of mayhem unleashed by anti-globalization protesters outraged at being the target of the country's biggest security operation since World War II.

As political controversy mounted over whether police themselves were to blame for Saturday night's violence, newspaper commentaries likened Switzerland to a dictatorship for banning demonstrations against the World Economic Forum meeting. Demonstrators gathered peacefully yesterday afternoon in Zurich – the scene of pitched battles late Saturday between riot police firing tear gas and water cannons, and protesters prevented from reaching the meeting in the resort of Davos, about 90 miles away.

Police arrested 121 people mostly Swiss and German - from a mob of 1,000 militants "intent on violence," said Esther Maurer, president of the Zurich police department. She said such violence rarely had been witnessed in the Swiss financial capital. Two policemen were injured by stones, and one soldier trampled to the ground and his weapons stolen. Authorities said the damage ran into the hundreds of thousands of dollars.

Hundreds of passengers were trapped in Zurich's main railway station many of them feeling the tear gas aimed at demonstrators. Prevented from occupying the station and reaching the nearby Bahnhofstrasse - one of the world's most exclusive shopping streets - protesters went on a rampage downtown. They set fire to cars, smashed windows and spray-painted buildings.

Swiss newspapers yesterday largely blamed the authorities. "Police methods just like a dictatorship," headlined the tabloid SonntagsBlick. "The spirit of Davos suffocated in tear gas," said the respected SonntagsZeitung in reference to the Alpine meeting's atmosphere, credited over the years with forging groundbreaking political accords and multibillion-dollar economic deals.

Nongovernmental critics of globalization attending a parallel conference in Davos were furious, and threatened to quit in protest. "The attitude was one of you're guilty until presumed innocent," stormed U.S. environmentalist Jeremy Rifkin, likening Switzerland to a police state.

The Swiss Trade Union Federation accused authorities of "violating basic principles of democracy." The Socialist party \_ of which Swiss President Moritz Leuenberger is a member - condemned the ban as a violation

of free speech. But Leuenberger himself defended the police action. “It wasn’t a disproportionate police response, it was disproportionate violence by demonstrators,” a visibly annoyed Leuenberger told journalists in Davos.

## **PROTECTING US FROM FREEDOM OF SPEECH**

### **SEND IN THE GOONS**

*By Robert Rees*

HONOLULU (Honolulu Weekly – February 7, 2001) The Honolulu City Council committees on Transportation and Planning and Public Safety met jointly on Jan. 31 to discuss a single agenda item, the plans to curtail free speech when the Asia Development Bank meets in Hawaii at the Hawaii Convention Center.

Attending the May 7-11 ADB meeting will be representatives of 60 owning countries, 1200 investment bankers and as many as 400 journalists. The Hawaii Tourism Authority considers hosting the event a coup, and the HTA’s executive director, Bob Fishman, was on hand to tell the Council how important it is that Hawaii “makes a good impression” on these cash-laden and opinion-leading visitors.

Fishman warned that the opponents of globalization have learned to utilize international conferences as venues for expressing concerns. Hawaii, hungry for business, was chosen for the ADB conference because it promised an oasis of security. To hold up its end of the deal, Honolulu plans to spend an extra \$7 million on crowd control. Rationalized Fishman, “We are training and developing a police force for a higher level of proficiency that makes Hawaii a more attractive place.”

Assistant Chief of Police Boisse Correa assured the Council that “We’re on top of this,” but added, “We need more riot equipment.” Correa noted also that “the National Guard is working with us,” and “all leaves will be canceled.”

Correa didn’t disclose that the HPD has asked the state judiciary to cancel all scheduled court appearances by HPD officers during the conference, and has arranged for alternative sites for arraignment and detention of protesters. Further, as first reported by the Hawaii Chapter of Refuse & Resist, the City Council is rushing to pass new ordinances to make the job of the HPD easier. Says Council Chair Jon Yoshimura, “We are giving the HPD additional tools to deal with protesters. These tools are patterned after what Los Angeles has done.” (Among other things, it will be illegal to wear a mask “with the intent to commit a crime,” police dogs will be allowed in our parks and campers will be arrested.)

Correa did reveal that certain city parks will be shut down. Ostensibly this is to provide staging areas for the HPD in its new role, as an occupying army, but it will have the effect of choking off any opportunity for protesters to legally congregate in our public forums. This, in turn, will force the protesters to the streets.

Getting into this spirit of Dr. Strangelove, Transportation director Cheryl Soon noted solemnly that bus routes might have to be altered. Further, intoned Soon, “We will give out [revised bus schedules and routes] only on a need to know basis.”

Of special concern was Fishman’s promise, “We will not tolerate excessive inconvenience...” As a policy, this is an excuse for stifling free speech based on content. In fact, if we applied Fishman’s convenience rule to the Martin Luther King Jr. parade financed by the city, or to the Convention Center itself, neither would exist.

It's enough to make you want to protest. In fact, with President Bush possibly on hand, the international forum provides a grand opportunity for a highly visible demonstration on behalf of freedom for diversity and dissent.