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APPC closely connected with ex-DPM

KUALA LUMPUR, Fri. - The Asia Pacific Policy Centre, named by former Bank Negara assistant governor Datuk Abdul Murad Khalid in his statutory declaration yesterday, was closely connected to Datuk Seri Anwar Ibrahim before he was sacked from the Cabinet.

The centre, established in 1993 to seek closer ties between US business and political leaders and their counterparts in the Asia Pacific region, enlisted Anwar as its patron for the four Pacific dialogues which it had organised in Malaysia since 1994.

The dialogues were co-sponsored by the centre with the Institute of Policy Research, a known Anwar think-tank, and the Institute of Strategic and International Studies.

Abdul Murad alleged that the centre, headed by Douglas H. Paal, started in 1993 by contributions mainly from Anwar.

He said he was responsible for arranging US\$10 million (RM38 million) in contributions to the APPC and Paal under Anwar's instructions.

He believed that other associates of Anwar also made substantial contributions to the centre, which were used to promote Anwar's image in the West.

In the declaration, he also claimed that a fifth Pacific dialogue was planned for December 1998, but was cancelled after Anwar was sacked.

"All the Pacific dialogue conferences were held in Malaysia because (Datuk Seri) Anwar Ibrahim was the major source of funding for the APPC," he said in the declaration.

He alleged that Anwar had insisted the APPC handle the Bank Negara's reserves, and the Employees Provident Fund in return for the services provided to him by the APPC.

This was followed by a RM3 million annual fee to the centre for running the Washington offices.

This is not the first time the APPC has been involved in controversy involving Malaysia.

In June, the US-based think-tank took part in a US Congressional Subcommittee hearing on Malaysia in Washington DC where Paal recommended to members of Congress that the US maintain a "correct but cool relationship" with Dr Mahathir's Government.

The other two witnesses who answered questions on Malaysia were Ralph Boyce, deputy assistant secretary of State for East Asia and Pacific Affairs, and Dr Linda Lim, a Singaporean teacher at the University of Michigan Business School.

During his testimony, Paal said his interest in Malaysia had been "deepened further by the magnetic personality of former Deputy Prime Minister Anwar Ibrahim ... Anwar became a good friend, as well as a benign face for Malaysia to the outside world".

Paal was the National Security Council's former Asian Affairs senior director, and former NSC special assistant under the Bush and Reagan administrations.

Besides Paal, key APPC staff include senior associate David G. Brown who had worked for 30 years in the US State Department with assignments mainly in Asia, including terms as deputy consul-general in Hong Kong and economic counsellor in Beijing.

In an APPC brief entitled "Malaysia: Markets Hit by Policy Uncertainty" issued on July 1, 1998, Brown discussed economic and political events in

Malaysia shortly before Anwar was sacked from the Cabinet.

Analysing the 1998 Umno General Assembly, the last in which Anwar took part, he said it was unlikely that Anwar had backed then Umno Youth leader Datuk Ahmad Zahid Hamidi's speech on cronyism and corruption.

The APPC also enlisted Seth R. Sulkin and James Clad as its adjunct fellows.

Sulkin, a specialist in Japanese trade, aid and foreign investment, reported in Tokyo for The Wall Street Journal in the 1980s.

Clad is a lawyer, former New Zealand diplomat, and was Far Eastern Economic Review bureau chief in various south and southeast Asian countries between 1984 and 1991.

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