

Zaire condemns IMF, economic liberalism

by Mary Lalevée

As reported in the last *EIR*, the government of Zaire has officially broken with the International Monetary Fund and has followed Peru's example of imposing a 10% limit on the amount of export revenue that can be used for debt servicing. *EIR* has now received the full text of President Mobutu's speech to the central committee of Zaire's only political party, the Popular Revolutionary Movement (MPR), and the final declaration of the central committee, made on Oct. 30, 1986.

President Mobutu made clear in his speech that "nothing will be the same as before," following the month-long central committee meeting and its decisions. He described how the economic health of the country had been examined in detail during the meeting: "We have gone over and over the figures, we have turned them this way and that way. There again, figures, as they say, are stubborn." While austerity was necessary to face the difficult situation, said Mobutu, "it will no longer be this kind of austerity for austerity's sake. For this conception and this vision of things has been shown to be negative for the health of the Zairean economy. We will demand efforts which bring hope, and not rigor for rigor's sake at the risk of indefinitely having rigor. . . . A country, especially a young county, cannot sacrifice everything just to pay its external debt for very long.

"Our partners should understand that the bilateral agreements and cooperation programs that Zaire has concluded do not mean that the country intends to alienate its sovereignty and its independence."

As an example of the deliberate interference in Zaire's affairs by the IMF, he reported that certain projects proposed by local enterprises, rejected as unsuitable by the Zaire authorities, had then been insisted on by "certain international organisms," and that government decisions had been "side-tracked, frozen, or simply contradicted" by these same "organisms."

President Mobutu stressed that the government of Zaire would respect all its commitments, "but in the sense of a new approach which will no longer sacrifice the vital interests of the Zairean people and the nation."

The statement of principle by the central committee begins with "bitter observations" by President Mobutu on Zaire's economy, in which he cited: "the level and quality of life of

the population, the increase of prices in the markets . . . the drop of production in the main sectors . . . the continued depreciation of the Zairean currency, difficulties of access to credit and the insufficient levels of credit available . . . exorbitant interest rates, fraud and smuggling. . . ." This situation "is largely due to the constraints and limits of the IMF stabilization programs, to the irrational and inadequate management of resources, and to an anachronistic conception of economic liberalism."

The central committee declaration describes in considerable detail how the four years of austerity imposed by the IMF had ruined the economy: "Four years of austerity have been devoted to the payment of the external debt, to the detriment of the relaunching of the economy [and] investments in productive sectors." The country had become a net exporter of capital, and this was "incompatible with the perspective of a real recovery. . . ."

The MPR's economic policy "is based on economic nationalism," says the statement, whose aim was "economic independence and the economy in the service of man," in contrast to the policy of "economic liberalism" which had been applied in Zaire. The central committee roundly attacks this economic doctrine, saying that "economic liberalism ignored the realities of the country . . . led to monetary reform whose effect has been to destabilize the Zairean currency . . . did not take into account the international environment . . . tried to take over the state's authority as regulator of the economy in the service of man . . . led people in Zaire to believe, wrongly, that economic liberalism is opposed to the safeguarding of national industry and even the national labor force, for no country, whatever its level of development, can open its national market without any restrictions . . . has contributed to impoverish, if not to strangle our economy, even more so given that concrete measures taken have been principally dictated by the IMF. . . ."

The statement goes on to accuse the IMF of trying to impose "the economic recolonization" of Zaire, and charges that this "abuse of cooperation to destabilize the institutions of a friendly country [is] inadmissible and contrary to the United Nations declaration on international law concerning friendly relations and cooperation among nations. . . ."

"The state is not dead in Zaire, it has not abdicated its responsibilities, and intends to continue playing a role of motor and regulator of the economy. . . . Zaire is an independent and sovereign state. . . ." The statement concludes with the decisions taken: "1) Any program with the IMF must, from now on, be seen as a supplement to national efforts. . . . 2) The structure of the budget must give priority to the development of the country and the efficient functioning of the state, sole guarantees of the increase in resources to continue repayments of debt." The central committee then states that not more than 10% of export revenue and not more than 20% of the budget should be used for debt repayment.

Indeed, nothing will be the same as before.

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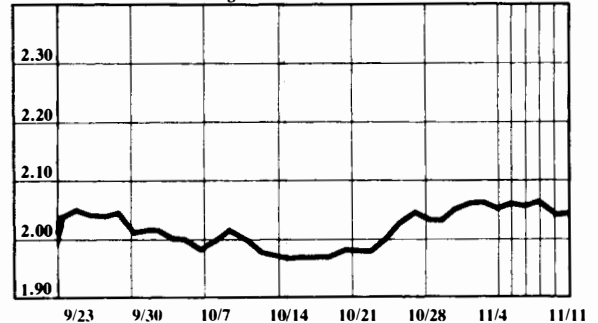
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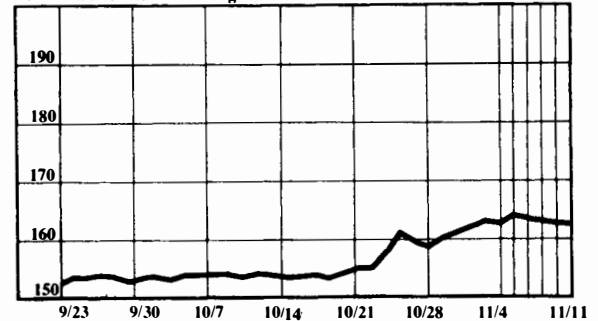
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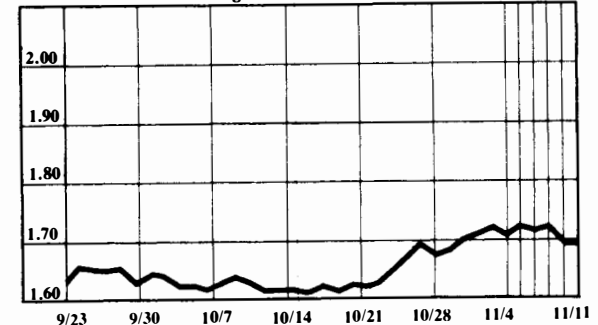
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