

Why the International Monetary Fund and Al Gore must surely fail

by Gail Billington

For the past 25 months, Malaysia's Prime Minister Dr. Mahathir bin Mohamad and the task force in the National Economic Action Council have carried out singular combat against the widely accepted fraud that the "reform" policies of the International Monetary Fund have anything whatsoever to do with restoring economic health to sovereign nations. Beginning with his keynote address to the September 1997 IMF Annual Meeting in Hong Kong, Dr. Mahathir has consistently argued that, embedded in the IMF's policy guidelines are precisely the measures that will trigger political and social convulsion, leading to the overthrow of governments and the fragmentation of nation-states. Thus destroyed, what remains will be picked over and appropriated by foreign interests, creating a "globalized" version of colonialism.

Look at the map of IMF bailouts since July 1997—Thailand, South Korea, Indonesia, Russia, Brazil, Mexico, Ukraine, Kenya, Ecuador. Is any one of these nations better off than before the IMF stepped in?

Learning lessons the hard way

Malaysia learned its lesson the hard way, after attempting to follow IMF prescriptions for more than a year, from the July 1997 hedge fund assault on Asian currencies until Sept. 1, 1998, when Malaysia imposed selective capital controls, over the objections of domestic and foreign critics alike. By so doing, Malaysia has returned to fundamental principles of economic sanity, starting from the premise that the purpose of truly sovereign government is to provide for the general welfare of its citizens, and, with that as its guiding principle domestically, to seek alliances with other, equally sovereign nations around a shared commitment to "prospering thy neighbor," as Malaysia calls it.

Democratic President candidate Lyndon LaRouche recently commented, "I am extremely happy with the benefits not only to Malaysia, but to the rest of Asia and others, from the courage of Prime Minister Mahathir bin Mohamed, in resisting the brutal and destructive effects of IMF and related policies. I am also extremely happy that the Prime Minister's

policies have been thoroughly vindicated and all his critics discredited."

EIR has an unparalleled record among "Western" publications in documenting the success of Malaysia's "home-grown" alternative to the IMF, and its two-year battle, against all odds, to demonstrate that there is life outside the IMF (see "Malaysia Shows National Sovereignty Works," *EIR*, Oct. 1, 1999). If anything, Malaysia has shown that "life" and the IMF cannot co-exist.

In that same two-year period, Dr. Mahathir and other senior Malaysian government officials have never ceased to share the lessons learned from having charted an independent course, be it in dialogue with Ibero-America, former East bloc states, its Asian neighbors, or, more recently, the New York City political and economic elite, and the great continent of Africa. Dr. Mahathir's speech to the third annual South African International Dialogue '99, in Victoria Falls, Zimbabwe, on Oct. 4, 1999, which we publish here, is exemplary of statecraft in building a community of interest among truly sovereign nations.

The speech is all the more relevant for Americans because it demonstrates why Al Gore and George W. Bush are not qualified to be President of the United States. Al Gore's disgusting performance at the November 1998 Asia-Pacific Economic Cooperation Business Summit, in Kuala Lumpur, demonstrated his outright hostility to the principle of sovereignty and Malaysia's recovery program, which the Malaysian government has proved works. In that speech, Gore urged the audience to give free rein for the "free markets to work their magic." He declared that, "in the end, . . . protectionism will only protect us from prosperity itself," and he then called up the horrors that befell Indonesia in 1998, as a celebration of "democracy" and "self-determination." As for George W. Bush, Dr. Mahathir, in his speech to the UN General Assembly on Sept. 29, flagged President Bush's role in championing the use of military force to "defend" human rights in the Gulf War against Iraq. George W. Bush's campaign is turning out to be a near carbon copy of his father's administration.