

International Intelligence

Dr. Mahathir Scores 'Free Market' Failures

Malaysian Prime Minister Dr. Mahathir bin Mohamad lashed out at the advanced sector nations for doing nothing to restructure the International Monetary Fund (IMF), during his speech in Jakarta to the Group of 15 developing nations' meeting on May 30. Zimbabwe's President Robert Mugabe was similarly harsh, as *EIR* reported last week.

"There is no doubt that globalization has exacerbated the vulnerabilities of developing countries and eroded their national policymaking capacity," he said. "In the financial sector, despite the painful lessons that should be drawn from the Asian financial crisis, we have been disappointed with the little progress made to reform the international financial architecture. Sad to say, the focus has tended to be more on ideological rather than the practical issues. The failure of the free market to self-regulate international finance as well as misallocated resources and volatile exchange rates have largely been ignored. Instead the highly questionable value of free and unregulated markets are still being touted as the ideal which must be adhered to at whatever cost. The ideology of market freedom, it seems, is more important than the well-being of human society. It has become all too clear that the IMF is more a political instrument than one for financial rehabilitation. The sufferings of people seem to be of little concern as long as certain policies and directives are implemented. There is little hope that contrary views will be entertained."

Dr. Mahathir also called for a meeting of experts from the G-15 nations, to plan an approach to creating a new world financial architecture, which was adopted.

Anglo-French Plans For Intervention Force

The potential for joint Anglo-French colonial-style interventions into "falling apart" Third World countries was reportedly a hot topic during a high-level gathering in France, according to BBC World Affairs Editor John Simpson, writing for the London *Sunday Telegraph* of June 3. Simpson, who

attended the meeting, described the "group of distinguished officers, politicians, diplomats and academics from France and Britain," who "discussed ways in which the two countries could co-operate better in sending their troops to sort out trouble spots around the world."

The future of the British and French militaries, writes Simpson, lies in "peacekeeping. . . . It is often a matter of going into 'virtual states,' . . . countries whose governments have collapsed, and where power is in the hands of bands of 15-year-olds with Kalashnikovs. . . . Inevitably, since France and Britain once owned the biggest empires in the world, there were occasional hints of nostalgia for a past where peacekeeping in the Third World was precisely what colonial armies did; and behind the colonial armies, came dedicated administrators. . . . 'District commissioners' was the way someone described today's administrators, and there was a distinct atmosphere of approval around the table."

Simpson asks, "What happens to virtual states such as Sierra Leone? What do we do if Algeria collapses into anarchy, and floods Europe with refugees? Should we really take action (or, more realistically, help Australia to take action) if Indonesia falls apart? Will we get the necessary diplomatic support to do something? And (Algeria apart) what's in it for us to help, if governments can't govern, and people are terrorized and starved?"

Simpson writes, "It was absolutely clear to me, listening to the discussion, that the political will and the strategic ability still exist, in both France and Britain, to use their Armed Forces in this way."

LaRouche Society Briefs Philippines Senators

The LaRouche Society of the Philippines met the President of the Senate, and distributed a dossier on the fight against energy privatization to all 24 Senators. Herman Mentong Laurel and Itos Valdes led a delegation of 12 to meet with Senate President Aquilino Q. Pimentel, Jr., on the last day of the Special Session of the Congress on May 31, called primarily to ram through the Omnibus Power Bill, deregulating and privatiz-

ing the National Power Company (Napocor). (*EIR*'s coverage of this fight appeared in our June 8 issue.)

Pimentel acknowledged that he has long been familiar with the works of Lyndon LaRouche, and was very interested in the international aspects of the current energy crisis, and LaRouche's New Bretton Woods proposal. The Society members emphasized the conceptual clash—the general welfare vs. shareholder value—behind the fight against the Bush policy.

A LaRouche Society pamphlet was presented to the Senator, composed of a history of the energy scam in the Philippines, with an appendix of *EIR* articles on the LaRouche campaign for energy re-regulation around the world.

'Shanghai Five' Adds Uzbekistan as Member

On the eve of its June 14-15 summit in Shanghai, the "Shanghai Five" nations—China, Russia, Kazakhstan, Kyrgyzstan, and Tajikistan—have added Uzbekistan as a member, and will formally become the Shanghai Organization of Cooperation. According to Russian Foreign Minister Igor Ivanov, among the documents to be signed, are a "joint declaration of the heads of state; a convention on combatting terrorism, separatism, and extremism; and provisional regulations on the activities of the Council of National Coordinators."

Tajikistan President Emomali S. Rakhmanov stressed: "The Shanghai process . . . is of importance in the matter of strengthening of trust in the military area, as well as stability and security, not only in the region but also in the world as a whole."

The organization was founded five years ago in Shanghai. Chinese Foreign Ministry spokesman Zhu Bangzao characterized the "Shanghai process" for the *Business Times* of June 1, saying that it has provided a precious experience for the international community, in exploring new state-to-state relations, new security concepts, and new regional cooperative patterns, which have become an important factor in promoting multipolarization in the world and the establishment of a fair and rational international political and economic order.