

---

## Interview: Tan Sri Ramon Navaratnam

---



# Prospects for a New Bretton Woods are closer than ever

*Tan Sri Ramon Navaratnam is a prominent Malaysian businessman, currently serving as corporate adviser of the Sungei Way Group. He has served as Alternate Executive Director of the World Bank (1971-72) and, in Malaysia, as former Deputy Secretary General in the Treasury Ministry and former Permanent Secretary in the Ministry of Transport. He is also a signator on the call issued by Helga Zepp-LaRouche at a September 1998 conference in Virginia, calling for "A Union of Sovereign Nation States" to realize a just New World Economic Order. He was interviewed by Gail G. Billington on Nov. 5.*

**EIR:** Malaysia's declaration of currency controls on Sept. 1 has caused consternation in high places, but is also winning more support every day, even from government leaders around the world, especially in Asia. What was the process within Malaysia that led to this decision?

**Navaratnam:** Malaysia had to introduce selective foreign exchange controls as a defense against the vicious currency attacks by currency speculators and manipulators and hedge-fund operators.

**EIR:** What do you think of the response in Malaysia, and worldwide?

**Navaratnam:** The response in Malaysia has been very favorable, because businessmen and, especially, exporters can now have more certainty with the fixed exchange rate between the U.S. dollar and the Malaysian ringgit.

The interest rates have gone down and the balance of payments foreign reserves have improved considerably. There is a new confidence in the economic and business prospects.

**EIR:** In September 1997, at the International Monetary Fund (IMF) Annual Meeting in Hong Kong, Malaysian Prime Minister Dr. Mahathir bin Mohamad denounced the hedge funds and named George Soros, in particular, for criminal activity in orchestrating the collapse of the Asian currencies. At the time, he was ridiculed. But now, there is wide recognition that the entire world financial system is in danger because of the hedge funds. What do you think gave Malaysia, and Dr. Mahathir, the insight and the courage to speak truthfully in the face of nearly universal derision?

**Navaratnam:** We do not want to be dominated by oligarchists, nor do we want to lose our self-respect and sovereignty,

and we can afford to take this line because we are not an aid-recipient country.

**EIR:** Lyndon LaRouche, alone among world economists, warned the Southeast Asian "tiger" nations, long before the attack on their currencies last year, that the globalization process, opening up their economies to short-term hot money, speculation in real estate, and process industries, rather than long-term investment in infrastructure, heavy industry, and machine-tool development, would set them up for looting and collapse. To what extent have LaRouche's ideas been reflected in policy discussions in Malaysia and the region?

**Navaratnam:** Mr. LaRouche's instincts and insights have proved to be right. We should have realized it earlier, when LaRouche warned the world that rapid globalization would lead to what I call "gobble-ization" by the oligarchists.

I sense that there are many ideas of LaRouche that are shared by our leaders and many other leaders worldwide.

**EIR:** Prior to the crisis, there was optimism in Asia, and significant moves toward collaboration in regional economic development, particularly in cooperation with components of what has become known as the Eurasian Land-Bridge or New Silk Road projects. At the same time, the Association of Southeast Asian Nations (ASEAN) made great progress in accomplishing the full political integration of continental and archipelagic Southeast Asia. The economic crisis appears to have reopened the door to frictions. Can you comment on the prospects for continuing "constructive engagement"?

**Navaratnam:** ASEAN is like a family of nations. In any family, we will find occasional differences. It's only natural. But deep down, there is a strong sense of unity and identity, and a common purpose to live together in peace and harmony, and to progress purposefully into the next century.

**EIR:** Dr. Mahathir has repeatedly stressed that the currency controls and protective measures are necessary to defend the people of Malaysia, but that ultimately any one country cannot fend off a global economic collapse. He has called on all nations to build a new monetary system to replace the bankrupt IMF. You yourself have signed the call for the Union of Sovereign Nations to convene a New Bretton Woods conference to build a new monetary system. What do you think of the prospects for such a conference?

---

---

*Mr. LaRouche would be ideal as economic adviser to President Clinton. The U.S. leadership in the world and its credibility would be greatly enhanced. LaRouche has a great commitment to the noble cause of creating a new just economic world, where human beings will be treated as God's precious children.*

---

---

**Navaratnam:** The prospects for a new financial architecture and the call for a New Bretton Woods by LaRouche, are closer today than they were last year, and even just three months ago. That is because of the good work of LaRouche and many other enlightened leaders like Dr. Mahathir.

I hope that at the forthcoming APEC meeting in Malaysia in mid-November, President Clinton will have the courage and commitment to show real leadership in paving the path for a New Bretton Woods, taking up the ideas of LaRouche and other thinkers.

**EIR:** Malaysia has described its protective measures as "the China model." Russia has now taken steps to free itself of the IMF conditions and to restart its economy. India has recently set a goal of major national infrastructure development, which is described as the "Malaysian model." China, of course, is spending nearly \$1 trillion on infrastructure development. Do you foresee these nations collaborating on the building of a new world monetary system?

**Navaratnam:** I think more and more countries will move toward putting pressure on the rich oligarchists and the Washington-Dow Jones complex, to regulate hedge funds and to bring about a New Bretton Woods.

**EIR:** The APEC summit is coming up in Kuala Lumpur on Nov. 14-18. There have been some indications in the press that Dr. Mahathir, as host, has taken the unprecedented step of outlining discussion topics related to the subject of global financial and monetary reform. At the just-concluded International Conference on Managing the Asian Financial Crisis, in Kuala Lumpur, he outlined a series of specific measures on currency trading. You attended that conference. What do you think might be in the works?

**Navaratnam:** The recent conference on Managing the Asian Financial Crisis that was held in Kuala Lumpur was a great success. The rating agencies, the IMF, and even some powerful G-7 countries came under severe criticism, for their lack of courage and leadership in moving faster to introduce more discipline into the international financial system.

As Dr. Mahathir said, there are many ways of regulating the hedge-fund operators, if only the rich countries had the will—but it is lacking. This may be because these countries have a hidden agenda to dominate the world.

**EIR:** The combination of countries that will be represented

at APEC includes most of the nations that have given support to Malaysia's capital controls, including Japan, whose Deputy Finance Minister Eisuke Sakakibara has very publicly lent support to these policies, most recently at a seminar in Tokyo where he shared the podium with Dr. Mahathir. But Russian Prime Minister Yevgeni Primakov will also be attending, at Russia's first APEC summit as a full member, and he has made clear that providing for the general welfare of the Russian people is his top priority, *not* paying off foreign speculative investments. China will be present, as will Taiwan and Hong Kong. Do you anticipate collaboration on these issues at the meeting?

**Navaratnam:** This APEC meeting in Malaysia will be a wonderful opportunity for the powerful countries like Russia and China and Japan, to face the U.S. squarely and to urge the U.S. to take definite measures toward the new Bretton Woods. I'm sure they will have the strong support of the chairman of

## LAROUCHE ON THE NEW BRETTON WOODS

"The present fatally ill  
global financial and  
monetary system must be  
radically reorganized.

It can not be reformed, it  
must be reorganized.

This must be done in the  
manner of a reorganization  
in bankruptcy, conducted  
under the authority  
not of international  
institutions, but of  
sovereign governments."

A 90-minute  
videotape with  
excerpts from  
a speech by  
Lyndon H.  
LaRouche, Jr.  
given on  
March 18, 1998.

**\$35** postpaid  
Order number  
EIE 98-002

EIRNewsService  
P.O. Box 17390,  
Washington, D.C.  
20041-0390

To order, call  
**1-888-EIR-3258**  
(toll-free).

We accept Visa or MasterCard.