

people maintain that [the European Union bureaucracy in] Brussels knows better than a national government how to spend money in a given country. We are flooded with this kind of intellectual pulp from TV and the press, 90% of which is controlled by foreign centers, dominated by globalists and new internationalists, so our society does not even try to think and wonder, that this is simply inconsistent.

EIR: LaRouche is campaigning for the Democratic Party nomination in the U.S. Presidential elections. Already a few years ago, he proposed a New Bretton Woods system as an alternative to the present bankrupt financial system. The Schiller Institute issued an appeal to President Clinton, calling on him to convene a New Bretton Woods conference. This appeal was signed by a group of Polish parliamentarians, as well as thousands of economists and politicians from all over the world. What is your message to the current and future President of the United States, in the face of the present crisis?

Dobrosz: We had certain hopes connected to President Clinton. He tried to show his resistance to the current dangerous trend. But in my opinion, President Clinton did not live up to the hopes placed in him, when he decided to use force against Yugoslavia. We were against this intervention; we were convinced, that it was not thought through, that the whole matter was not so simple, as that the Albanians were only victims, and the Serbs were the aggressors.

Unfortunately, President Clinton signed on to the new doctrine, which says that human rights are more important than the rights of sovereign states. Here in Poland, Professor Geremek [Bronislaw Geremek, the Foreign Minister] supported it. As a result, we do not trust Mr. Clinton so much any more. This is my personal opinion. Today, we see the tragic consequences of this war. I hope that Mr. LaRouche will revoke this doctrine, if he gets the Democratic nomination to run for President.

Of course, when it comes to LaRouche's ideas in the field of monetary policy, one can only endorse them enthusiastically, because such a program would guarantee that money would reflect real value, the goods or work that was invested. Right now, the international financial markets deal with imaginary instruments that have no relation to real production. They are only used for speculation.

I think that if Mr. LaRouche gets the Democratic nomination on the basis of such policies, he will also get the support of Polish-Americans, and this is a big constituency, which can see Poland playing a role in the changes taking place in Europe and in the world.

This would give a chance to improve Polish-American relations. Up until 1989, people in Poland had a very friendly attitude toward the United States—even till 1993. But the fact that the American side tries to force a certain vision on us, is resulting in a growing disillusionment with that country. Economic matters are very important in this case.

Mahathir paves 'Asia's road to recovery'

by Michael Billington

Malaysian Prime Minister Dr. Mahathir bin Mohamad, in a speech before the World Economic Forum East Asian Summit, held in Singapore on Oct. 18, presented a devastating rebuttal to the International Monetary Fund's recently released World Economic Outlook report. The IMF, both in this new report and in several other locations, has responded to the mounting international recognition of the success of Malaysia's strict currency controls over the past year, by insisting that the controls, although they may not have caused any damage in the short term, are not the cause of Malaysia's relative economic recovery, because those Asian countries which followed IMF dictates—Thailand, Indonesia, South Korea, and the Philippines—have recovered at an equivalent pace. Further, argues the IMF, Malaysia's controls will cause severe problems in the long run, and other nations must not follow Malaysia's lead, but must stay within the IMF conditionalities. While refuting these lies, Dr. Mahathir also outlined his proposal for an East Asian union of sovereign nations to counter the new colonialism of international speculators and the international financial institutions.

Excerpts from his speech, entitled "Asia's Road to Recovery," follow. Subheads have been added.

Malaysia's controls compared to IMF conditionalities

I am obviously delighted by the success of Thailand, South Korea, Indonesia, and others. However, someone might note that although the currencies of Malaysia, Thailand, South Korea, the Philippines, and Indonesia are in rough alignment with the U.S. dollar . . . the journey of the Malaysian ringgit has been a straight line, whereas the other currencies have gyrated, sometimes wildly, below and above their present equilibrium level. Others might prefer gyrations. Currency speculators certainly can't make money when there are no gyrations. But Malaysians and the foreign investors in Malaysia are somewhat enthusiastic about the rigid, unchanging, boring straight line, 3.8 to the dollar, 3.8 to the dollar, 3.8 to the dollar. Very boring indeed. But somewhat satisfying. . . .

So, we have all done very dramatically well economically. However, may I point out that in Malaysia's case, we have had a similarly impressive recovery without having to go into massive foreign debt to the IMF or anyone else, and without saddling future generations with massive debt-servicing bur-

dens. We have had a good recovery without having to sell our family silver and our precious heirlooms, . . . without having to auction off our precious corporations, which we had spent a generation to build, to foreigners at fire-sale prices, . . . without Malaysia having to bow or kowtow to anyone. . . .

I am quite confident that had we gone to the IMF for help . . . Malaysia would have been forced to do things which would have destroyed not only the economy of Malaysia, not only the economy of the indigenous people of Malaysia, not only the political fabric of Malaysia, but also the entire Malaysian nation and Malaysian society as we know it. . . .

We have been able to achieve similar economic results as the other crisis-hit economies, whilst maintaining full employment—*full employment*—and without the misery of massive unemployment, . . . without having to forcibly expel the 1.5 million guest workers.

We have been able to achieve similar results without having to throw a single child out of school, much less the millions elsewhere who could no longer afford to go to school.

We have been able to achieve similar results without the decimation of the middle class, which it took us two generations to foster, . . . without the wholesale slaughter of the Malaysian entrepreneurs which we worked so hard to nurture and to mature over several decades. We believe that becoming new and inefficient venturers into business is more honorable than becoming highly paid servants of powerful, huge foreign-owned conglomerates. Misguided national pride perhaps, but we would rather be misguided than be properly guided as the servants of others.

We have achieved similar results as the others without blood on the streets and political turmoil throughout our land, Vice-Presidential encouragement notwithstanding. [A reference to Vice President Al Gore, who, in November 1998, speaking at an Asia Pacific Economic Cooperation Forum (APEC) conference in Malaysia, denounced Malaysia's recently enacted currency controls, and openly praised the small number of violent demonstrators who were rioting in the streets of Kuala Lumpur, Malaysia's capital.—ed.]

These things may not be that important to many fund managers and yuppie equity investors to whom Malaysia appears merely as numbers on a screen. But they mean an awful lot to Malaysians and to Malaysia. We are not computer-generated numbers. We are people, real, live people, with all the joys and sorrows, the pride and the sense of shame which people have. . . .

Malaysia's stock market compared to its neighbors' stock markets

As the IMF stressed, in its recent not-very-sympathetic World Economic Outlook, unlike the stock markets of Thailand, South Korea, and Indonesia, the Malaysian stock market has not been driven up by foreign portfolio investment. It has been driven up, in an economy flushed with funds, essentially by Malaysian investors. Others may not like this, but this is



Malaysian Prime Minister Dr. Mahathir bin Mohamad, who has called for an East Asian union of sovereign nations to counter the new colonialism.

fine with Malaysians, who do not assume, as the IMF does, that a rising stock market driven by foreign money is inherently superior to a rising stock market driven by domestic funds. . . .

Call for an East Asian Monetary Fund

Dr. Mahathir called again for a new alliance of Asian nations to combat the IMF, calling it now an East Asian Monetary Fund. Based on his long-standing call for an East Asian Economic Caucus embracing the Association of Southeast Asian Nations (ASEAN) nations plus China, South Korea, and Japan, Dr. Mahathir said:

Global capitalism cannot survive, still less thrive, if making money regardless of human cost is its creed. . . . We [in East Asia] should not aim to be just "a caucus within APEC," nor should we aim to be the dominant continent in the world. With apology to none, with good will to all, we in East Asia should embark on comprehensive, multi-dimensional cooperation whose objective is a common peace and a common prosperity, a gift to the people of East Asia and a gift to humankind as a whole. . . . We in East Asia can begin by establishing an East Asian Monetary Fund (EMF), a small, compact, wholly regional funding organization which would be deeply and constantly engaged in East Asian monetary cooperation and problems on a daily basis. as opposed to a once-a-decade-when-crisis-strikes basis. Had such an EMF existed, I believe that the East Asian currency crisis of 1997-98 would not have occurred, would not have endured, and would not have gone to such ridiculous depths.