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GROUPING-AMF

GROUPING OF NATIONS UNDER AMF TO PLAY A DECISIVE ROLE

KUALA LUMPUR, Sept 7 (Bernama) -- The grouping of nations that Prime Minister Datuk Seri Dr Mahathir Mohamad is attempting to recruit into the Asian Monetary Fund (AMF) can play a decisive role in shifting the global debate on the world's financial breakdown, when it resurfaces again in the future.

In an editorial by the Executive Intelligence Review (EIR), which was released by the National Economic Action Council (NEAC), it was mentioned that during the premier's recent visit to China, he reiterated his call of 1997 for an East Asia Economic Caucus and the AMF.

"Had these institutions been in place, Thailand, Indonesia and South Korea might have been saved from turning to the IMF (International Monetary Fund)," EIR quoted Dr Mahathir as saying in his keynote address at the third Malaysia-China forum in Beijing.

The prime minister said Japan had revived the idea and China's support was essential to establishing the AMF, a proposal that was declined by the United States and the IMF.

Touching on the defensive measures or capital controls that Malaysia had to take in order to defend its national sovereignty in the face of disapproving IMF and international bankers, EIR said they do not represent the long-term solution for the country, the region and the world as Dr Mahathir had consistently pointed out.

The global speculative bubble, combined with the depressing effect on the world's production and trade, remains a threat to the wellbeing of all nations as speculators can still wash fragile prosperity away, EIR said.

The only real security that can be provided for all nations of the world is the pre-adoption of the basic regulatory measures of the old Bretton Woods system.

The system works via currency controls, fixed parities and the like in combination with the reassertion of national banking and debt reorganisation that paves the way for the issuance of massive low interest credits for huge development projects, EIR added.

Thus far, most national governments are still on the fence or take exception to proposals in adopting the system while one international conference after another had refused to take up the necessary measures, EIR said.

The most worrying factor for smaller nations is the failure of the US administration to openly drop its support for the destructive IMF measures and give serious public consideration to global financial reorganisation, EIR added.

EIR said Malaysia took the first step in this direction a year ago but there is not much time left for other major nations to do their part for a new just world of economic order. -- BERNAMA

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