Thais launch resistance movement against the IMF

A new "Free Thai" movement is taking shape in Thailand, modelled on the underground resistance movement, the "Serei Thai," against Japanese occupation during World War II. This time the "invader" is the International Monetary Fund, and the resistance intends to put an end to the IMF's brutal austerity and pressure to sell off national assets to foreigners. On May 11, some 1,000 people, representing a broad-based coalition of 28 non-governmental organizations, including industrial and civic leaders, academics, doctors, farmers, state-sector workers, and an environmental protection network from 16 universities, gathered in Bangkok to demand full public disclosure of Thailand's fourth letter of intent with the IMF, followed by suspension of any further talks. The group will be named the "Community to Build and Revive the Country," according to a report in the *Bangkok Post* on May 12.

The founding meeting took place on May 11, the anniversary of the birth of Prof. Pridi Banomyong, a scholar and statesman who founded the renown Thammasat University, and who led the "Serei Thai" underground resistance during World War II. The group compares the economic crisis to a loss in wartime, and chose Phra Sumen Fort, as the site for their founding meeting. A further report will follow in next week's *EIR*.

—*Gail G. Billington*

Presidential elections, 49.1% of registered voters went to the polls. But, best estimates are that perhaps only half of eligible voters are registered. The President of the United States can be elected with, at best, 25% of eligible voters casting their votes in his favor. In 1992, the figures were only slightly better, in terms of the percentage of registered voters, who actually voted. In 1988, Democratic Presidential candidate Michael Dukakis received more votes than President Clinton did in his first campaign in 1992, but Dukakis lost his race to George Bush!

The IMF loves 'people's power'

In the past weeks, as student demonstrations have increased in number and violence across Indonesia's numerous campuses, "people's power," echoing the social, political revolt that sealed the fate of the government of Ferdinand Marcos in the Philippines in 1986, has been more liberally bandied about. A sage observer noted that the IMF's demand to lift subsidies on essential commodities and services was particularly devastating to this generation, the first generation of Indonesians ever to have such a broad social safety net. The students are also likely to be the most hard hit by the record unemployment projected this year. Even in its early calculations, the Department of Manpower included the entirety of those entering the labor force for the first time this year, in its estimates of the full-time unemployed. Thus, it is stunning that the role of the IMF in imposing "tight monetary and fiscal policies," as a condition for eeking out credits to Jakarta, has not been a target of these demonstrations. On the contrary, "democracy" advocates have demanded cutting off IMF funds, to force the ouster of the Suharto government.

In the Jan. 19, 1996 issue of *EIR,* this author and *EIR* Ibero-America editor Dennis Small compared the 1982 Mexican debt crisis to the IMF coup in the Philippines, which was torturously dragged out over 1983-86. It is useful to revisit that report here, with the caveat that, as *EIR* said at the time, and again recently, the global debt crisis of 1982 could have been solved, if measures Lyndon LaRouche outlined in his "Operation Juárez" proposal had been carried out. That is categorically *not* true today. This time around, we have reached the end of the system itself.

Until the fateful shooting of Filipino opposition leader Benigno Aquino on Aug. 21, 1983, Marcos had kept the banks and the IMF at bay, to some extent. But within six weeks of the assassination, the Philippines' foreign reserves plummeted to less than enough to cover one month's imports. Marcos declared a debt moratorium on principal payments, and a 20-month wrangling with the banks ensued, while his political ouster was mobilized and orchestrated from abroad. An IMF letter of intent was not agreed to until November 1984, contingent on reaching agreement with the creditor commercial banks. This was not signed until May 1985, and even then, the standby loan was not released until after Marcos was out in February 1986.

Manila's 1983 bailout package with the IMF set out the regimen that would dominate financial and economic policymaking to the present, and it was a classic IMF swindle. The entire package went either for debt rescheduling, or to pay off overdue debts and current obligations. Nothing went to private industry; no new development loans were made available to the government. Instead, this was the typical IMF racket: "no money in, all money out," to pay the debt. The "restructuring" measures included:

- takedown of any protectionist measures with respect to tariffs, including removing certains items from the restricted imports list, and liberalization of imports;
- promotion of exports, with restructuring of investment incentives to that end;
- "rationalization" of certain industries;
- implementation of a "flexible" exchange rate;
- deregulation of interest rates and other bank reforms;
- dismantling of monopolies, aimed at the so-called Marcos cronies, particularly in the agricultural sector;
- privatization of government corporations; and
- diversification of energy resources.