

attempt to cross over. According to this article, the Internal Affairs Ministry protested in September 1999 to a British consul, about the activities of Dibb and other Halo Trust personnel in Russia, and banned Dibb from Russia already then.

The Halo Trust facility in Sukhumi, Abkhazia, in Georgia, was a base of operations for Middlemis and Dibb, according to *Nezavisimaya Gazeta*. As “the link between the Maskhadov regime and the West, [it] was designed, if not to prepare, then at least to study the possibility of introducing peacekeeping forces into the Caucasus under NATO command.” Through Georgia, wrote Grigoryev, “the British in effect were organizing the contraband supply of military equipment onto Russian territory.”

A maverick British strategic analyst, whom *EIR* briefed on the Russian accusations against the Halo Trust, commented, “Our intelligence services have their nose and fingers all over this Chechen situation, seeking to profit strategically from it. This is part of the British notion, which I regard as foolish and dangerous, of reviving the old ‘Great Game.’ Idiots in our intelligence services are involved in this. The fact is, our intelligence services are out of control.”

This person further noted the recent, extensive British activity in Georgia. “Our people here, are trying to re-create Georgia as a British fiefdom, as it was in the last century. [Georgian President Eduard] Shevardnadze had tea with the Queen, when he was in London last month.”

London’s cultivation of Georgia, as well as Azerbaijan, is another factor of destabilization through “balance of power” games in the Caucasus region. In a July 17 interview with the London *Daily Telegraph*, on the eve of his British visit, Shevardnadze waxed ecstatic about Thatcher as “certainly one of the most impressive” leaders he has worked with (that was in the 1980s, when Shevardnadze was Soviet Foreign Minister during the Thatcher-Bush-Gorbachov “New World Order”), saying Winston Churchill was his hero, and England was Georgia’s best traditional ally.

On Aug. 4, Shevardnadze received British Chief of the General Staff Sir Charles Guthrie in Tbilisi, taking the occasion to declare that Georgia will accelerate the NATO-standardization of its Armed Forces, preparatory to joining the alliance. Guthrie inspected British officers, working as UN military observers in Abkhazia, the area of Georgia, from which, according to Moscow’s charges, British intelligence is staging its support for terrorism in Russia.

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Malaysia ‘Deserves Better’ than Albright

by Gail G. Billington

On Aug. 14, U.S. Secretary of State Madeleine Albright weighed in with her considerable opinion on the second conviction of Malaysia’s former Deputy Prime Minister and Finance Minister Anwar Ibrahim, who was sentenced to nine years in prison on four sodomy charges on Aug. 8. From the U.S.-Canada-Mexico foreign ministers meeting in Santa Fe, New Mexico, Albright singled out Malaysia’s Prime Minister Dr. Mahathir bin Mohamad: “There are lots of things that Dr. Mahathir has done that I don’t think serve Malaysia well. . . . There are certain countries where people deserve better, Malaysia is one of them.”

No, Madam Secretary, they deserve better than you.

Mahathir Was Right

On Sept. 1, 1998, the government of Malaysia pegged its currency, the ringgit, at a fixed rate of RM 3.8 to the U.S. dollar, and slapped on selective controls on capital flows in a unique counterattack to the speculative assault on Asian economies, which wiped out decades of growth in a matter of weeks, an assault from which none of the Asian countries have fully recovered. On Sept. 2, Anwar Ibrahim was fired from his government posts. The decision to slap on controls was a *political* decision, which Special Functions Minister Tun Daim Zainuddin has said was the product of a months-long deliberative process at the highest levels of the Malaysian government in which all but one of the senior ministers argued *against* controls in favor of sticking to standard “free market” solutions. Prime Minister Datuk Seri Dr. Mahathir bin Mohamad was the one, and only, “naysayer.” In the end, he prevailed. As a result, Malaysia’s “home-grown” path to recovery, while by no means complete, is a crucial example of the exercise of national sovereignty by a duly elected government, acting in defense of the general welfare of its people. Moreover, increasingly, the pundits in the brotherhood of international economists and institutions, including International Monetary Fund (IMF) Managing Director Horst Köhler, have conceded that Malaysia’s choice is “not so bad and, in fact, was not a disaster to the economy.”

Malaysia has shared with its Asian neighbors and its friends, especially in Africa and Ibero-America, the fruits

of that deliberation, which has sparked a hope, not yet realized, that they, too, may so act to defend their nations. Progress in Asia since the late 1999 meetings of the tenation Association of Southeast Asian Nations (ASEAN) and its “plus three” dialogue partners, Japan, China, and South Korea, toward creation of an Asian Monetary Fund (AMF), would likely not have occurred without Malaysia’s act of courage to break with what American author and patriot James Fenimore Cooper called “the ways of the hour.”

A Fight To See the Broader Picture

Malaysia has paid a heavy price for its decision. The country has been beset by an internal, existential crisis, starting with the June 1998 party congress of the dominant United Malays National Organization (UMNO). At the heart of the crisis is the issue of leadership: What is it? Who is it? Where is it for the next generation? Overlapping the political crisis is the corrosive effect of the global cultural assault associated with “e-commerce,” where the sun never sets on CNN, and Internet “chat-rooms” liberally spread rumors, gossip, and worse.

The crisis has been linked to the trials and tribulations of Datuk Seri Anwar Ibrahim. At the June 1998 UMNO congress, Anwar made a bid to seize the top post, trumpeting himself as the champion of “democracy”; “*reformasi*,” or reform; and, as it emerged later, the IMF. Dr. Mahathir called his bluff, literally plastering the walls with documentation of UMNO beneficiaries from government contracts and investments. Anwar and family members were prominent on the list. At the congress, a book, *Fifty Reasons Why Anwar Should Not Be Prime Minister*, was surreptitiously circulated to participants. It included allegations of sexual misconduct.

On Sept. 2, 1998, Anwar was fired from his government posts, following increasingly acrimonious disagreements over how to respond to the speculative assault on the region’s economies. On Sept. 20, Anwar was arrested, after leading large-scale violent demonstrations in the capital of Kuala Lumpur, during which his supporters trashed the UMNO headquarters and threatened to march on the Prime Minister’s residence with similar intent. The demonstrations coincided with the visit of Queen Elizabeth and her consort, Prince Philip, to the Commonwealth Games.

Anwar was subsequently tried and convicted on charges of sodomy and abuse of office, for which he received a six-year sentence in April 1999. He was tried on four additional accounts of sodomy, and was sentenced to an additional, consecutive nine-year sentence on Aug. 8, 2000. Barring any reduction in sentence on appeal, a mandatory five-year ban on political activity will further stall Anwar’s political career until 2019. Following his second conviction, the *Wall Street Journal*, *New York Times*, and *Washington Post* coldly wrote his political epitaph.



Malaysian Prime Minister Dr. Mahathir bin Mohamad.

Anwar’s dismissal was a shock to the nation. Dr. Mahathir had repeatedly said that he expected Anwar to succeed him, and that he had looked forward to retiring in 1998. But, no one factored in the financial contagion that hit Asia, nor the even bloodier policy fight over how to respond. This latter point is crucial. Ever since his dismissal, pro-IMF Anwar has been added to the stable of useful, but eminently disposable, “democratic” icons, which U.S. Vice President Al Gore, Albright, Australia’s Foreign Minister Alexander Downer, New Zealand’s Foreign Minister Phil Goff, Canada’s Foreign Minister Lloyd Axworthy, and the European Union brandish in the faces of “lesser” powers to remind them who is boss, while solemnly invoking “the rule of law.”

The ‘Reformasi’

After Anwar’s first conviction in April 1999, his wife, Datin Wan Azizah Wan Ismail, launched the National Justice (Keadilan) Party, which then joined an opportunistic coalition of the rural Malay-based Parti Islam SeMalaysia (Malaysian Islamic Party, or PAS), the urban-based Chinese

socialist Democratic Action Party (DAP), and the socialist populist Rakyat (People's) Party. The coalition was far from a marriage made in heaven, and the fracture lines are showing clearly, especially between the DAP and PAS. Anwar's "martyrdom" is also proving insufficient to hold even Keadilan together. Internal squabbles among the four-person leadership have led to the resignation of Marina Yusof in protest over the "leadership style" of Dr. Chandra Muzaffar.

The chief beneficiary has been the PAS party, based in rural Malay-dominant Kelantan province. PAS has gained at the expense of the ruling UMNO party, taking control of a second province, Terengganu, in the November 1999 general elections, and making inroads into Kedah, home province of Prime Minister Mahathir. PAS's appeal is based on demonizing the ruling party as insufficiently "Islamic," and the promise that support for PAS is a sure ticket to heaven. Among the policy initiatives of PAS are such suggestions as only ugly women should work outside the home because pretty women are a distraction in the workplace. In June 2000, PAS leader Nik Aziz called for male civil servants to be paid more, so that women will stay home. Women should not run for public office. The PAS-run state government in Terengganu has banned women from participating in Quran recital competitions because a woman's voice is *aurat* (parts of the body that should be covered).

This is the *reformasi* Gore threw in the face of Dr. Mahathir at the December 1998 ASEAN informal heads of state meeting in Kuala Lumpur. This is what Albright and her protégés among the Anglo-dominant Commonwealth countries embrace when she waves the so-called "bloody shirt" of Anwar, as she did in her Aug. 14 comments from Santa Fe. This is the "something better" Malaysia deserves?

Do Albright and Gore Back Terrorism?

Since April, Malaysia has been shaken by a series of unprecedented terrorist incidents that have further rattled confidence and a sense of security, and which might be construed as appearing to give credence to an impulse toward "Islamicization," feeding off regional crises in neighboring Indonesia and the Philippines. On April 25, alleged members of the Abu Sayyaf separatist guerrilla group in the southern Philippines kidnapped 21 foreign tourists and Malaysians from the Sipadan tourist spot in Malaysia; several are still being held. On June 2, a senior leader of the separatist Free Aceh Movement in northern Sumatra, Indonesia was gunned down in Kuala Lumpur. On June 13, a device was exploded by police at the Russian Embassy in Kuala Lumpur.

On June 22, but only reported in the July 12 *Far Eastern Economic Review*, the U.S. CIA, State and Defense Departments, and diplomats and foreign correspondents posted to Kuala Lumpur met in Washington, D.C. to discuss "Prospects for a Post-Mahathir Malaysia." The magazine reported that the meeting concluded: "Malaysia could face considerable political uncertainty, including infighting in the ruling

United Malays National Organization, once Mahathir gives up the reins he has clasped tightly since 1981. The panelists predicted new economic turmoil in three to five years because of growing fiscal debt, brought on by the state's rescues of troubled companies and the minimal restructuring of the economy in the wake of the 1997 financial crisis. The group concluded that the political career of imprisoned former Deputy Prime Minister Anwar Ibrahim wasn't necessarily finished, but that before he can play a significant political role again, he will have to be pardoned by Malaysia's king and reinstated as an UMNO member."

On July 2, members of what has now been identified as a "deviationist" cult, the Al-Ma'unah (Brotherhood of Inner Power), impersonated Army officers and stole more than 100 rifles and grenade launchers from two Malaysian Army posts, taking two policemen, an Army Ranger, and an orchard owner hostage. They surrendered on July 6, only after torturing and then killing Hindu and Christian policemen hostages.

Dr. Mahathir went on national television on July 19 to discuss this terrorist incident, revealing for the first time, that some of the cult members had taken a stolen grenade launcher into Kuala Lumpur and attempted to fire on a temple and a Carlsberg brewery, but failed because they were not trained in the use of the weapon. Dr. Mahathir pulled no punches in his comments, condemning the opposition PAS party and any other parties that defended the cult, for spreading hatred against the government. He was followed on July 24 by Police Inspector General Tan Sri Norian Mai, who gave a detailed briefing of the incident on national TV, specifically rebutting a widely spread rumor that the government had *staged* the entire incident to discredit the opposition.

At most, Western media covered only the initial reports of the weapons' theft, which they used to ridicule Malaysia's police and Army. Little, if anything, has been covered of the details, including subsequent reports that many, if not most of those involved, are PAS members and/or associates.

Dr. Mahathir addressed both the June 22 CIA conference and the Al-Ma'unah raid at the opening of the Malaysian Structural Steel Convention and Exhibition on July 11. The weapons-theft incident, Dr. Mahathir said, shows that "if you support the wrong kind of ideas, you will only get hurt. That is why we have always been against this politics of hate. . . . This is not our religion. This has deviated from the teachings of Islam." Dr. Mahathir added that Al-Ma'unah had demanded that his government resign, but not that Anwar be freed.

Malaysia's act to change the rules of the world financial architecture has brought the wrath of the powers behind "the ways of the hour" down upon them. Heed the wisdom of Benjamin Franklin, who, when asked at the conclusion of the 1787 Constitutional Convention, "What have you wrought?," replied, "A republic, if you can keep it."