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## Capitalism for Cowards

By Gerald Celente

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**I**n the closing days of the 20th century, new financial rules are being written that will undermine the principles of capitalism and lay the foundation for a new economic order of not-so-free free markets.

Today's system, based on open competition with minimal intervention, has come under attack from an unlikely coalition of Wall Street financiers, economists and Washington power brokers. In their attempts to rescue failing markets and control crashing currencies, these interventionists in free-market clothing are promoting policies to restrict the natural movement of money.

After years of global overspeculation, the market is undergoing a violent upheaval in an effort to bring itself back to health.

The revisionists may be intellectually capable of understanding that boom-to-bust cycles are normal, but they are emotionally incapable of accepting capitalism's inherent

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risks. Often facing personal loss, they wish to impose policies intended to immunize themselves against the downswings. A number of international financiers, for example, have voiced their support for the creation of a taxpayer-financed global insurance pool that would both rescue a country's imperiled economy and protect bad bets made by speculators like them.

The move toward financial interventionism began in earnest in 1995 with an American-orchestrated \$50 billion bailout of Mexico. Using Mexico as exemplar, the International Monetary Fund and other lenders then proceeded to bail out virtually every financially challenged country.

But they ignored the failures of the Mexican experiment. Since the initial blush of success, Mexico has suffered signs of a renewed financial crisis: scores of insolvent banks, soaring crime, double-digit inflation and a plummeting currency.

Still, the I.M.F.'s version of laissez-faire has become standard practice. Despite striking out every time, policy makers have persisted in their strategy of dispatching billions to rescue the overspeculators and to shore up ravaged economies. The world's taxpayers are appeased by the carrot of promised success (this

time!) and threatened with the stick of global unrest if bailout money is withheld.

Emboldened by their failures, the anti-free marketeers have extended their expertise to the private sector. Last month's \$3.6 billion investor-led bailout of Long-Term Capital Management was necessary, the Federal Reserve argued, to preserve global stability. Hong Kong's Government offered a similar argument in August when it made a substantial purchase of blue-chip stocks — estimates put the figure as high as \$12 billion — in a failed attempt to prop up its declining market.

As conditions worsen, globally and domestically, pressure will increase to rescue troubled nations and private corporations deemed "too big to fail." But rather than acknowledge that capitalism is playing according to its own rules, businesses will plead for help, governments will intervene, legislators will legislate and regulators will regulate.

The overheated markets are now naturally contracting and cannot be forced back into "growth" mode. The global contagion may be temporarily suppressed by doses of monetary amoxicillin, but when an outbreak recurs, it will be in a bailout-resistant and far more virulent strain. □