

NO78 (F)
MAHATHIR - NEP
BY BERNARD LIM

KUALA LUMPUR, OCT. 26⁸¹ (BERNAMA) - THE GOVERNMENT WILL CONTINUE WITH THE PRESENT NEW ECONOMIC POLICY AND TO STEP UP VARIOUS ECONOMIC ACTIVITIES WITHIN THE CONTEXT OF POLITICAL STABILITY, DATUK SERI DR. MAHATHIR MOHAMAD SAID.

IN AN INTERVIEW ON THE OCCASION OF HIS 100TH DAY IN OFFICE, THE PRIME MINISTER SAID THAT WITHIN THIS CONTEXT, THE GROWTH ACHIEVED UNDER THE NEW ECONOMIC POLICY SO FAR +IS VERY GOOD.+

DATUK SERI DR. MAHATHIR, WHOSE IDEAS IN HIS BOOK +THE MALAY DILEMMA+ HAVE BEEN INCORPORATED IN THE NEW ECONOMIC POLICY, SAID THAT THE POLICY WAS NOT MERELY AN ECONOMIC POLICY BUT ALSO A POLITICAL ONE.

HE SAID THAT IF IT WAS PURELY ECONOMIC, THE GOVERNMENT WOULD OPT FOR GROWTH ALL THE WAY WITHOUT CONSIDERING EQUITABLE DISTRIBUTION.

THIS, HE SAID, WOULD HOWEVER BRING ABOUT POLITICAL INSTABILITY.
--BERNAMA 1929/HM

NO79 (F)
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HE SAID, +IF WE ARE LIKE SINGAPORE, WE CAN GO MERELY FOR ECONOMIC GROWTH.

+FORGET ABOUT RURAL PVERTY, FORGET ABOUT MALAYS AND CHINESE NOT BEING EQUAL IN ECONOMIC DEVELOPMENT. ! AM QUITE SURE THE ECONOMIC GROWTH CAN BE TREMENDOUS , BUT THERE WILL BE TREMENDOUS POLITICAL INSTABILITY.+

+EVERYBODY WILL COME OUT AND TEAR TO SHREDS ALL THESE THINGS.+

GIVING THE EXAMPLE OF IRAN, DATUK SERI DR. MAHATHIR SAID THE SHAH THOUGHT THAT ECONOMIC DEVELOPMENT WAS THE MOST IMPORTANT THING.

THE SHAH TRIED TO BUILD A POWERFUL IRAN AND BUILT FACTORIES AND THOUGHT THAT PEOPLE WOULD BE HAPPY, BUT THEY DROVE HIM OUT OF THE COUNTRY, HE SAID. -- BERNAMA MORE 1932+HM

NO80 (F)
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HE SAID ECONOMIC GROWTH IS NOT SO IMPORTANT AS POLITICAL STABILITY.

+WHAT WE SHOULD TRY TO DO IS TO ACHIEVE ECONOMIC GROWTH IN THE CONTEXT OF POLITICAL STABILITY.+

DATUK SERI DR. MAHATHIR SAID IF THAT WAS TAKEN AS THE OBJECTIVE, THE COUNTRY HAD DONE +VERY WELL.+

+HOWEVER, IF YOU ONLY TALK OF ECONOMIC GROWTH, OF COURSE PEOPLE WILL SAY WE DIDN'T DO VERY WELL,+ HE SAID.

COMPARING THE DEVELOPMENT OF MALAYSIA DURING BRITISH RULE AND AFTER INDEPENDENCE, HE POINTED OUT THAT THE WHOLE OF KUALA LUMPUR HAD BEEN BUILT 24 YEARS AFTER INDEPENDENCE.

ON THE OTHER HAND, THERE WAS NO DEVELOPMENT UNDER THE BRITISH WHO RULED THE COUNTRY FOR MORE THAN 100 YEARS.--BERNAMA MORE 1936/HM

NO81

MAHATHIR - NEP 4 KUALA LUMPUR

DATUK SERI DR. MAHATHIR SAID THAT MOST OF ALL, THE GOVERNMENT WANTED THE PEOPLE TO UNDERSTAND WHAT IT WAS DOING.

A LOT OF COMPLAINTS AGAINST THE NEW ECONOMIC POLICY WAS DUE TO A LACK OF UNDERSTANDING, HE SAID.

ASKED WHETHER HE WOULD MAKE ANY REVISIONS IF HE WERE TO REWRITE +THE MALAY DILEMMA+ THE PRIME MINISTER SAID THAT THE SITUATION WAS CHANGED.

HE SAID THAT WHEN HE WROTE THE BOOK, THE MALAY STAKE IN THE CORPORATE SECTOR AT THAT TIME WAS ONLY ONE PER CENT.

HE SAID +NOW IT IS MORE THAN 12 PER CENT. WE CAN EVEN SAY THAT THE WORLD NOW KNOWS ABOUT PERMODALAN NASIONAL BERHAD.

+IT IS A FORCE TO BE RECKONED WITH EVEN IN LONDON.+

--BERNAMA MORE 1942/HM

NO82: (F)

MAHATHIR-NEP 5 KUALA LUMPUR

ASKED TO COMMENT ON THE CONSERVATIVE POLICIES OF THE MONETARY AUTHORITIES IN THE COUNTRY, THE PRIME MINISTER SAID THAT IT WAS TRUE THAT THE ECONOMY WAS INWARD RATHER THAN OUTWARD LOOKING.

WHILE THE WORLD IS PRESENTLY GOING THROUGH A PERIOD OF HIGH INTEREST RATES, THE AUTHROTITIES HAVE MAINTAINED VERY LOW INTEREST RATES IN THE COUNTRY.

HE SAID +IF WE RAISE THE INTEREST RATES, I THINK MONEY WILL POUR INTO THIS COUNTRY AND PEOPLE WILL KEEP MONEY IN THE BANKS TO EARN INTEREST.

+BUT THEN PEOPLE WILL NOT BE ABLE TO BORROW MONEY BECAUSE OF THE HIGH INTEREST RATES AND IT MAY BRING SOME OF THE SMALL OPERATORS TO A STANDSTILL.+

DATUK SERI DR. MAHATHIR SAID THAT WAS WHY THE AUTHORITIES HAD TO LOOK AT THE INTERNAL PRIVATE SECTOR AND TRIED TO INSULATE THE ECONOMY TO A CERTAIN EXTENT.+ -- BERNAMA MORE 1925/18

NO83: (F)
MAHATHIR-NEP 6 KUALA LUMPUR

HE SAID THAT THEY HAD DONE IT BY WAY OF BALANCING ON A +TIGHT-ROPE+ AND HAD PROVED THAT THEY COULD DO THESE THINGS WITHOUT BEING TOO BADLY DAMAGED.

HE SAID, +THE MAIN THING IS NOT SO MUCH MONETARY POLICY BECAUSE THERE IS A TENDENCY AMONG ECONOMISTS TO THINK THAT TO JUGGLE-WITH POLICIES THEY CAN RIGHT WRONGS.

+THAT IS WHY IN THE PAST WE HAVE PEOPLE WHO SAY THAT ONE OF THE SOLUTIONS TO THE PROBLEMS OF EXPORTING A LOT OF GOODS WAS TO DEVALUE THE CURRENCY.+

HE POINTED OUT THAT THIS DID NOT HAPPEN THIS WAY. INSTEAD OF EXPORTS INCREASING 100 PER CENT THROUGH A FIFTY PER CENT DEVALUATION OF THE POUND, IT WENT UP BY 25 PER CENT.

ALTHOUGH THEY EARNED MORE, THE EARNING WAS LESS BECAUSE THE VALUE OF THE POUND WAS LESS. -- BERNAMA MORE 1930/1B

NO84: (F)
MAHATHIR -NEP 7 KUALA LUMPUR

BESIDES THAT, THEY HAD TO BUY RAW MATERIALS FROM ABROAD AT TWICE THE PRICE BECAUSE THEIR POUND WAS HALF THE VALUE.

DATUK SERI DR. MAHATHIR SAID THAT HE DID NOT BELIEVE IN THIS IDEA OF DEVALUATION AS A SOLUTION TO AN ECONOMIC PROBLEM.

HE SAID THE MAIN SOLUTION WAS PRODUCTIVITY, PRODUCING MORE AT LOWER COSTS, MORE EFFICIENTLY, AND OF BETTER QUALITY.

+IF YOU TRY JUGGLING WITH MONEY, INTEREST RATES, BANKING AND ALL THAT, YOU ARE NOT GOING TO GET ANYTHING IN AN OPEN ECONOMY,+ HE ADDED.

ASKED ABOUT HIS DREAM OF DEVELOPING MALAYSIA INTO AN INDUSTRIALISED COUNTRY OF THE NORTH, HE SAID THAT IT WAS NOT A DREAM.

IT WAS SOMETHING THAT HE HOPED TO WORK TOWARDS, IT MIGHT NOT BE ACHIEVED WHILE HE WAS STILL LIVING OR WHILE HE WAS PRIME MINISTER, BUT THE PROCESS OF ACCELERATED DEVELOPMENT MUST BE STARTED, HE SAID. -- BERNAMA 1935/1B