

MAHATHIR - POLICIES

FROM REJAL ARBEE

NEW YORK, SEPT 30 (BERNAMA) -- DATUK SERI DR. MAHATHIR MOHAMAD TODAY MADE AN IMPASSIONED PLEA TO THE POWERFUL DEVELOPED NATIONS FOR AN IMMEDIATE REVERSAL OF THEIR POLICIES TO GET THE WORLD OUT OF THE PRESENT DEPRESSION.

HE CITED HIGH INTEREST RATES AND INCREASING PROTECTIONISM AS THE TWO POLICIES THAT HAD BROUGHT ABOUT CURRENT WORLD DEPRESSION.

PAINTING A SCENARIO OF FALLING GOVERNMENTS AND ANARCHY SHOULD THE DEPRESSION CONTINUE, THE PRIME MINISTER SAID THE WORLD HAD SUFFERED ENOUGH. +WE NEED ACTION NOW. WE NEED THE REVERSAL OF POLICIES THAT ARE SO OBVIOUSLY WRONG,+ HE ADDED.

IN A 40-MINUTE MAIDEN ADDRESS TO THE 37TH SESSION OF THE UNITED NATIONS GENERAL ASSEMBLY HERE THIS AFTERNOON (THURSDAY MORNING IN MALAYSIA), HE SAID: +/23 WOULD LIKE TO APPEAL TO THOSE PEOPLE WHO WIELD SO MUCH POWER TO HEED THE NEEDS OF THE WORLD.

+REVERSE THE POLICIES YOU HAVE MADE AND THE WORLD WILL REMEMBER YOU AS SAVIOURS.+ -- MORE D936/MK

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IN A STRAIGHT-OFF-THE-HIP TYPE OF SPEECH THAT HAS BEEN HIS HALLMARK AND WITHOUT THE DIPLOMATIC NICETIES USUALLY ASSOCIATED WITH THIS HIGHEST BODY OF WORLD DIPLOMACY, HE GAVE THIS WARNING:

+THE WORLD'S ECONOMY CANNOT GO ON LIKE THIS FOR LONG. THERE WILL BE VIOLENCE, RIOTS AND REVOLUTIONS. GOVERNMENTS WILL FALL AND ANARCHY WILL PREVAIL.

+THE LONGER THE DEPRESSION LASTS, THE LONGER WILL IT TAKE TO RECOVER,+ THE PRIME MINISTER SAID.

HE EMPHASISED THAT THE WORLD-WIDE DEPRESSION IS MAN-MADE, MADE IN THE POWERFUL COUNTRIES BY +SHORT-SIGHTED PEOPLE.+

DATUK SERI DR MAHATHIR SAID THAT FOREMOST AMONG THE DECISIONS THAT LED TO THE DIMINUTION OF WORLD-TRADE WAS THE INCREASE OF INTEREST RATES.

+THE HIGH COST OF MONEY HAS REDUCED INVESTMENTS, SHRUNK INVENTORIES AND STIFLED NEW BUSINESS INITIATIVES. THUS, A LOT OF COMMODITIES ARE FLOATING AROUND UNSOLD AND UNBOUGHT, FURTHER DEPRESSING PRICES. -- MORE D940/MK

NO10 (F)

MAHATHIR - POLICIES 3 NEW YORK

+TRUE SOME PEOPLE HAVE WAXED RICH IN THIS DEPRESSION BUT THE PRICE IS HIGH IN TERMS OF UNEMPLOYMENT, BANKRUPTCIES AND MISERY FOR THE POOR.+

HE SAID +AS THE DEPRESSION IS MAN-MADE, IT MUST BE UNMADE BY MAN AS WELL.+

AND HE MADE THIS SUGGESTION: +THE FIRST NEED IS TO LOWER INTEREST RATES EVEN IF IT CAUSES SLIGHTLY HIGHER INFLATION.

+SECONDLY, THE PROTECTIONISM OF THE RICH NATIONS MUST BE REDUCED, IF NOT DONE AWAY WITH. IF THIS CANNOT BE DONE, AT LEAST THE PROTECTIONIST POLICY SHOULD BE MADE MORE DISCRIMINATING.+

DATUK SERI DR MAHATHIR SAID THAT THE DEVELOPING NATIONS SHOULD NOT BE SUBJECTED TO ANY PROTECTIONIST MEASURES. +THIS SHOULD AT LEAST SOFTEN THE IMPACT OF THE RECESSION ON THEM.

+THE RICH COUNTRIES TOO WOULD BENEFIT AS THE IMPROVED INCOME OF THE POOR WILL ENABLE THEM TO BUY MORE MANUFACTURED GOODS.+

-- MORE 0945/MK

MAHATHIR - POLICIES 4 NEW YORK

TOUCHING ON THE COMMODITIES ISSUE, H  
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MORE EQUITABLE SYSTEM WHICH WILL MAINTAIN REASONABLE PRICES WHILE ENSURING ADEQUATE SUPPLY OF TIN AND RUBBER TO THE WORLD.

+TOWARDS THIS END, WE HAVE TRIED TO FORM A VIABLE AND EFFECTIVE PRODUCERS ASSOCIATION,+ WHICH HE STRESSED WAS NOT INTENDED TO CREATE A MONOPOLISTIC SITUATION.

+WE KNOW FULLY WELL THAT UNREASONABLENESS ON OUR PART WILL RESULT IN REDUCED CONSUMPTION AND SWITCH TO SUBSTITUTES.

+WE HOPE THAT PRODUCER COUNTRIES EVERYWHERE WILL APPRECIATE THE NEED FOR THIS STRATEGY AND PARTICIPATE IN IT.+

HE SAID THAT COMMODITY PRICES WERE TODAY AT THEIR WORST DUE TO THE RECESSION. -- MORE 0950/MK

NO12 (F)

MAHATHIR - POLICIES 5 NEW YORK

+THERE IS NO SHORTAGE OF SUPPLY, NOR IS THERE A SHORTAGE OF DEMAND. ENERGY IS PLENTIFUL AND THE LEVEL OF TECHNOLOGY IS UNPRECEDENTED.

+YET SUDDENLY NO ONE WANTS TO BUY WHAT ONLY YESTERDAY THEY COULD NOT HAVE ENOUGH. AND THOSE WHO WANT TO BUY ARE WITHOUT THE NECESSARY FOREIGN EXCHANGE.

+INDEED MANY POOR COUNTRIES HAVE LITERALLY TO SELL THEIR SOUL IN ORDER MERELY TO SURVIVE.+

DATUK SERI DR MAHATHIR SAID THOUGH THE AGE OF EMPIRES AND IMPERIAL POWERS WAS PRACTICALLY OVER, THE WORLD HAD AS YET TO BECOME A BETTER PLACE FOR THE PREVIOUSLY COLONISED.

HE ATTRIBUTED THIS AMONG OTHERS, TO THE BANDING TOGETHER OF THE RICH NATIONS IN ORDER TO MAINTAIN ECONOMIC DOMINANCE, WHICH SOME HAD DESCRIBED AS ALSO A FORM OF IMPERIALISM.

MALAYSIA, HE SAID, WAS VERY MUCH AFFECTED BY THIS. +AS A NATION WE HAVE TRIED TO LIVE WITHIN THE RULES, FORMAL AND INFORMAL, WHICH GOVERN THE ECONOMIC RELATIONS BETWEEN NATIONS. -- MORE 0954/MK

NO13 (F)

MAHATHIR - POLICIES 6 NEW YORK

+WE HAVE EVEN REFRAINED FROM NATIONALISING INDUSTRIES SET UP DURING COLONIAL DAYS, WHICH WERE ENGAGED IN LITERALLY EXTRACTING WEALTH FROM OUR COUNTRY FOR FOREIGNERS WHO FREQUENTLY DO NOT EVEN KNOW WHERE MALAYSIA IS, MUCH LESS CARE FOR THE WELL-BEING OF ITS PEOPLE

+BUT OUR PATIENCE AND SENSE OF FAIR-PLAY IS BEING TAXED TO THE LIMIT WITH THE MARKET MANIPULATIONS ABROAD WHICH IN EFFECT REDUCE OUR PEOPLE TO UNDERPAID LABOURERS.+

HE SAID AS A PRODUCER OF RUBBER, TIN AND PALM OIL, MALAYSIAN PRODUCERS WERE AS MUCH ENTITLED TO A FAIR RETURN ON ITS OUTLAY AS ANY PRODUCER OF MANUFACTURED GOODS IN THE DEVELOPED COUNTRIES.

HE SAID PRODUCING THE PRIMARY PRODUCTS WERE NO LONGER MERELY A QUESTION OF HAVING ENOUGH LAND OR MINERALS AND CHEAP LABOUR.

+IN THESE DAYS EXPENSIVE CAPITAL OUTLAY IS NEEDED TO EXPLORE, EXTRACT AND DEVELOP, AND ALSO TO DO THE REQUIRED RESEARCH AND DEVELOPMENT.+

AND INDICATIONS WERE THAT THE COSTS AND THE TECHNOLOGY REQUIRED WOULD INCREASE STEADILY IN THE YEARS TO COME. +THUS MONEY IS NEEDED NOT ONLY AS PROFITS BUT FOR FUTURE DEVELOPMENT FOR OUR OWN INCOME AND FOR THE NEEDS OF THE WORLD. -- MORE 0958/MK

MAHATHIR-POLICIES 7 NEW YORK

HE SAID WHILE THE PRICE OF MANUFACTURED GOODS WERE PRICED ACCORDING TO THE COST OF PRODUCTION, MARKETING AND FOR A HEFTY PROFIT, THE PRICES OF PRIMARY PRODUCTS SEEMED TO BEAR NO RELATION TO ANY OF SUCH COSTS.

"THEY ARE PRICED ACCORDING TO THE WHIMS AND FANCIES OF A HOST OF PEOPLE WHO HAVE NOTHING TO DO WITH THEIR PRODUCTION.

"THE VARIOUS EXCHANGES LOCATED IN THE DEVELOPED COUNTRIES LITERALLY MANIPULATE PRICES IN ORDER TO MAKE A PROFIT FOR THE BROKERS, DEALERS, THE SPECULATORS AND OTHERS."

THE EXCHANGES WERE ALSO MADE EXCLUSIVE CLUBS WHERE THE PRODUCERS COULD NEVER BE MEMBERS.

HE SAID THE SAME BROKERS AND OTHERS WHO TRADE ON THE EXCHANGES WERE ALSO THE PEOPLE WHO MAKE THE RULES, APPLY THEM AND ARBITRATE. "IS IT ANY WONDER THAT WHENEVER THEIR PROFITS AND THREATENED THEY CHANGE THE RULES SO THAT THEY WILL NOT ONLY BE SAVED BUT MAKE A HANDSOME PROFIT AS WELL."

DATUK SERI DR MAHATHIR SAID: "THIS IS THE SITUATION IN THE TIN AND RUBBER MARKETS TODAY. IT HAS PLAYED HAVOC WITH MY COUNTRY'S ECONOMY. WE HAVE TRIED TO REDUCE PRICE FLUCTUATIONS BY HAVING PRODUCE CONSUMER AGREEMENTS,

-- MORE 1010/SZ

NO15 (F)

MAHATHIR-POLICIES 8 NEW YORK

"BUT THIS IS AN ARRANGEMENT THAT TAXES THE PRODUCERS WHEN PRICES ARE DOWN BUT BENEFITS THE CONSUMERS WHEN PRICE TRENDS ARE UPWARDS. IT IS A CASE OF HEADS YOU WIN, TAILS I LOSE."

HE CONTINUED: "AS OF THIS IS NOT ENOUGH, THE UNITED STATES MAINTAINS A STOCKPILE OSTENSIBLY FOR STRATEGIC (MEANING SECURITY) REASONS.

"WE FULLY SUPPORT THE NEEDS OF THE UNITED STATES FOR STRATEGIC RESERVES BUT THE ADMINISTRATION OF THIS RESERVE IS CLEARLY NOT INFLUENCED BY PROBLEMS OF STRATEGY.

"THE STOCKPILE IS MERELY A RICH NATION'S MONOPOLISTIC WEAPON USED TO DEPRESS PRICES OF COMMODITIES FOR THE BENEFIT OF THE CONSUMERS."

DATUK SERI DR MAHATHIR SAID THAT SUCH WAS THE FATE OF THE PRODUCERS OF PRIMARY COMMODITIES THAT THEY HAD NOW TO SELL THREE TO FIVE TIMES MORE OF THEIR PRODUCE IN ORDER TO BUY THE SAME AMOUNT OF MANUFACTURED GOODS FROM THE DEVELOPED COUNTRIES AS THEY DID 20 YEARS AGO.

-- MORE 1012/SZ

NO16 (F)

MAHATHIR-POLICIES 9 NEW YORK

"IN OTHER WORDS THE GAP BETWEEN THE RICH AND POOR HAS WIDENED BY 300 TO 500 PERCENT IN THE LAST 20 YEARS OR SO."

AMONG THOSE WHO LISTENED TO HIS ADDRESS, HE WAS THE FIRST SPEAKER FOR THE AFTERNOON SESSION TODAY, WAS THE DEMOCRATIC KAMPUCHEAN DELEGATION LED BY ITS PRESIDENT, PRINCE NORODOM SIHANOUK.

EARLIER, HE HAD ENTERTAINED THE KAMPUCHEAN LEADER TO A LUNCHEON HERE. ALSO PRESENT WERE FOREIGN MINISTER TAN SRI GHAZALI SHAFIE AND OTHER ASEAN FOREIGN MINISTERS WHO ARE HERE TO ATTEND THE GENERAL ASSEMBLY. -- BERNAMA 1015/SZ