

ZCZC 0644 (F/S)
MAHATHIR
BM

(EMBARGO: FOR RELEASE AT 9.30 P.M. TODAY)

83
KUALA LUMPUR, APRIL 5 (BERNAMA) -- SINCE THE MALAYSIA INCORPORATED CONCEPT WAS ANNOUNCED BY PRIME MINISTER (DATUK SERI DR. MAHATHIR MOHAMAD LAST FEBRUARY, VARIOUS INTERPRETATIONS HAVE BEEN MADE BY THE PUBLIC.

TO EXPLAIN THE CONCEPT IN DETAIL, DATUK SERI DR. MAHATHIR WAS INTERVIEWED IN RTM'S +EHWAL SEMASA+ (CURRENT AFFAIRS) PROGRAMME TONIGHT.

HERE IS THE FULL TEXT OF THE INTERVIEW:--
-- MORE 1505/PA

MAHATHIR 2 KUALA LUMPUR

- Q. DATUK SERI, CAN YOU EXPLAIN WHAT YOU MEAN BY THE MALAYSIA INCORPORATED CONCEPT?
- A. MALAYSIA INCORPORATED IS A CONCEPT BASED ON WHAT IS KNOWN AS +JAPAN INCORPORATED+. THIS CONCEPT IS NOT A CONCEPT FORMULATED BY JAPAN HERSELF, BUT RATHER A TERM LABELLED ON JAPAN BECAUSE OTHER COUNTRIES AND COMPANIES WHICH COMPETE AGAINST JAPAN FEEL THAT JAPANESE COMPANIES AND JAPANESE GOVERNMENT ARE COOPERATING WITH EACH OTHER IN THE FIELDS OF TRADE AND INDUSTRY, AS IF THEY ARE ONE COMPANY, THAT IS THE GOVERNMENT ASSISTS JAPANESE COMPANIES IN THEIR COMPETITION AGAINST FOREIGN COMPANIES TO ENHANCE THE PRODUCTIVITY OF THE JAPANESE COMPANIES. THIS COOPERATION IS REFLECTED IN THE ATTITUDE OF GOVERNMENT OFFICERS WHO ALWAYS TRY THEIR BEST TO GIVE WHATEVER ASSISTANCE TO THE COMPANIES SO THAT THEY COULD MOVE MORE EFFICIENTLY. FOR EXAMPLE, IF A COMPANY NEEDS A LICENCE OR APPROVAL FOR A CERTAIN REQUEST, THE LICENCE OR APPROVAL IS GIVEN AS FAST AS POSSIBLE TO ENSURE THAT THE COMPANY DOES NOT SUFFER ANY LOSSES. SIMILARLY, IF A JAPANESE COMPANY HAS TO COMPETE WITH FOREIGN COMPANIES IN THE INTERNATIONAL MARKET, THE JAPANESE GOVERNMENT WILL ASSIST ITS COMPANY, EITHER THROUGH SOFT TERM LOANS OR THROUGH ANY OTHER WAY THAT COULD HELP THE COMPANY. IT IS THIS ATTITUDE THAT HAS ENABLED JAPANESE COMPANIES TO SUCCEED AND THIS HAS ALSO MADE JAPAN VERY SUCCESSFUL IN THE FIELDS OF TRADE AND INDUSTRY, BOTH AT DOMESTIC AND INTERNATIONAL LEVELS. -- MORE 1510/PA

MAHATHIR 3 KUALA LUMPUR (EMBARGO)

- Q. DATUK SERI, YOUR EXPLANATION INDICATES THAT BOTH THE PUBLIC AND PRIVATE SECTORS HAVE IMPORTANT ROLES TO PLAY. AM I RIGHT IN SAYING THAT THIS WOULD INVOLVE A RE-EXAMINATION OF BANK NEGARA'S FUNCTIONS? SINCE IN JAPAN, THE CENTRAL BANK IS THE GUARANTOR FOR TRADING COMPANIES UNDER THE JAPAN INCORPORATED. WOULD THE SAME APPLY TO MALAYSIA?
- A. THE JAPANESE BANKING SYSTEM IS DIFFERENT FROM OURS AND IN JAPAN THE COMPANIES NORMALLY HAVE THEIR OWN BANKS AND BANK FUNDS FORM A MAJOR PORTION OF A COMPANY'S CAPITAL, ALTHOUGH THE BANK MAY PROVIDE LOANS TO OTHER BANKS. BUT IN MALAYSIA, WE DO NOT ALLOW BANKS TO BE DIRECTLY INVOLVED IN A COMPANY, THAT IS A BANK SHOULD NOT BE OWNED BY ANY COMPANY. THIS IS OUR POLICY, BUT THIS DOES NOT MEAN THAT WE CANNOT HAVE MALAYSIA INCORPORATED.
- Q. DATUK SERI, THE COOPERATION BETWEEN THE PUBLIC AND PRIVATE SECTORS IN MANAGEMENT, ADMINISTRATION AND EVEN INVESTMENT HAS EXISTED FOR A LONG TIME. SO WHAT IS THE REASON FOR YOUR PROPOSING THE MALAYSIA INCORPORATED CONCEPT NOW? -- MORE

MAHATHIR 4 KUALA LUMPUR (EMBARGO)

- A. THIS CONCEPT BECOMES NECESSARY BECAUSE OF OUR OWN ATTITUDE, I MEAN PEOPLE IN THE PUBLIC SECTOR WHO AT ONE TIME LOOKED AT THE PRIVATE SECTOR AS THEIR ENEMY AND AS SUCH WE NEED NOT HELP THEM TO PROGRESS AS THEY ALWAYS WORK FOR THEIR OWN INTERESTS. WE FELT THAT WE IN THE GOVERNMENT SHOULD WORK FOR THE INTEREST OF THE NATION. ON THE FACE OF IT, THIS IS OUR VIEW. BUT WE SHOULD ALSO REMEMBER THAT THE GOVERNMENT GETS ITS REVENUE THROUGH TAXES AND DUTIES, A MAJOR PORTION OF WHICH IS FROM BUSINESS AND INDUSTRIAL ACTIVITIES. IN FACT, THE MAJOR FIRMS PAY BETWEEN 40 AND 55 PER CENT OF THEIR PROFITS TO THE GOVERNMENT IN TAXES. THAT IS DIRECT TAXATION. THIS MEANS THAT ALTHOUGH THE COMPANIES WORK FOR THEIR OWN INTERESTS, A LARGE PORTION OF THEIR PROFITS GOES TO THE GOVERNMENT THROUGH TAXES, WHICH FINANCE THE GOVERNMENT ADMINISTRATION AND SERVICES. THIS MEANS THAT THE GOVERNMENT WOULD BENEFIT FROM THE SUCCESS OF THE PRIVATE SECTOR. IF WE LOOK AT IT MORE DEEPLY, THE GOVERNMENT HAS A VESTED INTEREST IN THE SUCCESS OF COMPANIES AS THOUGH THE GOVERNMENT IS A SHAREHOLDER OR HOLDS SHARES OF UPTO 45 PER CENT IN THE COMPANY AND IS ENTITLED TO RECEIVE THE PROFITS MADE. ON THE OTHER HAND, IF A COMPANY FAILS THE GOVERNMENT GETS NOTHING. THIS WOULD ALSO BE A BURDEN TO THE BANKS AND SOCIETY. THAT IS WHY WE ARE GOING FOR THE MALAYSIA INCORPORATED CONCEPT IN WHICH THE GOVERNMENT AND ITS OFFICERS WORK AS IF THEY OWN THE COMPANIES. THIS IS WHAT WE MEAN BY THE MALAYSIA INCORPORATED CONCEPT. -- MORE 1520/PA

MAHATHIR 5 KUALA LUMPUR (EMBARGO).

Q. DATUK, IN THE CONTEXT OF JAPANESE HISTORY, THE CHANGE TOOK PLACE BECAUSE THE MILITARY ARISTOCRACY GAVE UP THEIR PRIVILEGES FOR THE MILITARY ARISTOCRACY GAVE UP THEIR PRIVILEGES FOR THE SAKE OF INDUSTRIAL PROGRESS. WHAT IS THE PROBABILITY OF OUR BUREAUCRATIC ARISTOCRACY SACRIFICING THEIR INTEREST AND COMFORT TO BE PART OF THIS EFFORT?

A. THEY NEED NOT SACRIFICE. IN FACT, WHAT IS NECESSARY FOR THEM TO DO IS TO ENSURE THAT ALL BUREAUCRATIC PROCESSES ARE CARRIED OUT SMOOTHLY SO THAT BUSINESS IS NOT OBSTRUCTED. FOR EXAMPLE, IF A COMPANY APPLIES FOR PERMISSION TO START A HOUSING SCHEME, WE KNOW THAT THE COMPANY WOULD NEED TO BORROW FUNDS, BUY LAND AND BUILDING MATERIALS AND MAKE OTHER PREPARATIONS. THEREFORE IF IT'S APPLICATION IS NOT PROCESSED EFFICIENTLY AND TAKES TWO YEARS AND, IN THE TWO YEARS, IF IT HAS PLOUGHED IN CAPITAL FOR THE PURCHASE OF THE LAND AND OTHER MATERIALS AND INTEREST HAS TO BE PAID OF THE CAPITAL INVESTMENT, THE ULTIMATE COST WILL DEFINITELY INCREASE. IF THE COST INCREASES, THE PROFIT OF THE COMPANY WILL BE REDUCED OR ELSE IT WILL RAISE THE PRICE OF THE HOUSES. ON THE OTHER HAND, IF THE GOVERNMENT OFFICERS ADOPT THE ATTITUDE THAT THE INDUSTRY BELONGS TO THEM AND THEREFORE PROCESS ALL THE NECESSARY STEPS SPEEDILY, EVERYTHING CAN BE APPROVED IN A MONTH OR TWO AND THE MONEY WHICH WOULD OTHERWISE HAVE BEEN PAID BY THE COMPANY FOR INTEREST, WOULD BE SAVED, GIVING THE COMPANY A BIGGER PROFIT AND THE GOVERNMENT MORE IN TAXES.

-- MORE 1548/LK

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MAHATHIR 6 KUALA LUMPUR (EMBARGO)

Q. IN THIS CONNECTION, ACCORDING TO THE JAPAN INCORPORATED CONCEPT, EVERY DEPARTMENT AND AGENCY MUST SET UP A +STUDY GROUP+ COMPRISING PROFESSIONALS, SCIENTISTS, LAWYERS, JOURNALISTS AND REPRESENTATIVES OF FARMERS. AT TIMES, A DECISION MADE BY THE PRIME MINISTER AND THE CABINET, HAS TO BE SHELVED BECAUSE OF THE DECISION OF THIS GROUP. WILL THIS ALSO HAPPEN HERE IF WE IMPLEMENT THE MALAYSIA INCORPORATED CONCEPT?

A. I BELIEVE THAT IF THIS CONCEPT IS FULLY UNDERSTOOD BY THE OFFICIALS, THAT IS, THAT THEY BENEFIT FROM THE SUCCESS OF COMPANIES, THERE WILL BE NO PROBLEM. WE NEED NOT HAVE A STUDY GROUP. WHAT IS NECESSARY IS THAT EVERY TASK IS CARRIED OUT EFFICIENTLY, AS IF IT BENEFITS THE OFFICERS THEMSELVES. IN THIS WAY ALL ACTIVITIES WOULD PROCEED SMOOTHLY AND THE PROBLEMS THAT WE USED TO HEAR NOW, COMPLAINTS FROM MANAGEMENT OF FIRMS, WOULD DECLINE. THE FIRMS ON THEIR PART WOULD PROGRESS FASTER AND MAKE PROFITS AND SO WOULD THE GOVERNMENT.

Q. INDIVIDUAL EFFICIENCY OR THAT OF OFFICERS FORMS ONLY PART OF THE ACTIVITIES. THERE ARE COMPLAINTS THAT A PROJECT HAS TO PASS THROUGH TOO MANY STATUTORY REQUIREMENTS OR LAWS BEFORE IT COULD BE IMPLEMENTED. FOR EXAMPLE HOUSING, A SECTOR WHICH WE WISH TO PROMOTE UNDER THIS CONCEPT, NEEDS TO PASS THROUGH NOT LESS THAN 30 STAGES, IF I AM NOT MISTAKEN. IN VIEW OF THIS, IS IT NECESSARY FOR US TO REVIEW THE LAWS ON HOUSING TO MAKE THE PROCESS SIMPLER?

-- MORE 1559/LK

MAHATHIR 7 KUALA LUMPUR (EMBARGO)

A. IT IS TRUE THERE ARE PROBLEMS RELATING TO REGULATIONS. HOWEVER, WHAT IS MORE IMPORTANT IS THE PROBLEM RELATING TO MEASURES TO BE TAKEN IN IMPLEMENTING A TASK. IN FACT, THE APPROVAL FOR A HOUSING SCHEME NEEDS TO GO THROUGH NO LESS THAN 120 STAGES WHICH MAY BE HANDLED BY 30 TO 40 OFFICERS. THIS TAKES A LONG TIME BEFORE A PROJECT CAN BE IMPLEMENTED. WE ARE AWARE OF THIS PROBLEM AND HAVE CARRIED OUT A STUDY AND NOW WE HAVE FORMULATED A NEW SYSTEM WHICH HAS YET TO BE FULLY IMPLEMENTED THE SYSTEM IN WHICH WE DEFINE THE MEASURES TO BE TAKEN IN CARRYING OUT A TASK. FOR EXAMPLE IF SOMEONE APPLIES FOR AN EXPORT PERMIT, WHAT ACTION SHOULD BE TAKEN BY THE OFFICERS CONCERNED. THIS WILL BE LISTED AS A +WORK FLOW CHART+. IN THIS WAY WE CAN DEFINE THE STEPS TO BE TAKEN AND WHO SHOULD TAKE SUCH ACTION, AND WE KNOW HOW LONG HE WILL TAKE TO DO IT. IF THE OFFICER ADHERES TO THE SPIRIT OF MALAYSIA INCORPORATED, I AM SURE THAT THE 120 STAGES CAN BE SPEEDED UP. WE HAVE ALSO TRIED TO SIMPLIFY THE PROCESS. THERE ARE PROCESSES WHICH WERE NOT NECESSARY, EITHER REGARDING REGULATIONS OR REGARDING ADMINISTRATION. A STUDY IS BEING MADE BY MAMPU ON THIS. WHAT IS UNNECESSARY WILL BE SCRAPPED. WE WILL ONLY RETAIN THOSE THAT ARE NECESSARY TO REDUCE THE PROCESS FROM 120 STAGES TO 70, SAY, 30 STAGES. IN THIS WAY WE COULD ENSURE A MORE EFFECTIVE ADMINISTRATION. --
-- MORE 1602/LK

MAHATHIR 8 KUALA LUMPLUR (EMBARGO)

Q. DATUK SERI, IS THERE ANY DIFFERENCE BETWEEN OUR METHOD OF IMPLEMENTATION OF THE MALAYSIA INCORPORATED AND THE JAPANESE METHOD?
A. THERE ARE DIFFERENCES. WHAT WE WANT IS CLOSE COOPERATION BETWEEN THE GOVERNMENT AND THE PRIVATE SECTOR. WITH THIS COOPERATION, WE ALREADY HAVE MALAYSIA INCORPORATED. BUT THERE ARE METHODS BEING USED IN THE JAPAN WHICH MAY NOT BE SUITABLE FOR OUR NEEDS. FOR EXAMPLE, THEY ARE A HOMOGENOUS SOCIETY, AND AS SUCH THEY DO NOT FACE THE PROBLEM OF RACIAL ECONOMIC IMBALANCE. SO, WHILE WE HAVE THE MALAYSIA INCORPORATED CONCEPT, WE ALSO HAVE TO ENSURE THAT POLICIES SUCH AS THE NEW ECONOMIC POLICY ARE NOT NEGLECTED IN THE PROCESS OF IMPLEMENTING THAT CONCEPT. THERE MAY BE OTHER METHODS USED IN JAPAN WHICH ARE CONSIDERED UNSUITABLE FOR US FROM THE CULTURAL POINT OF VIEW OR THAT ARE IN CONFLICT WITH OUR SYSTEM. THESE UNSUITABLE METHODS WILL BE EXCLUDED. WE WILL ONLY USE THE SUITABLE METHODS AND PROBABLY FORMULATE OUR OWN METHODS. THE IMPORTANT THING IN MALAYSIA INCORPORATED IS CLOSE COOPERATION BETWEEN THE GOVERNMENT AND THE PRIVATE SECTOR, AS IF THE WHOLE OF MALAYSIA IS A COMPANY DEDICATED TO NATION'S PROGRESS FOR THE BENEFIT OF THE PEOPLE AND INTERNATIONAL COMPETITION OR DEVELOPMENT. --
MORE 1615/PA

MAHATHIR 9 KUALA LUMPUR (EMBARGO)

Q. DATUK, DO YOU ENVISAGE ANY PROBLEMS CONSIDERING THE FACT THAT THE PRIVATE SECTOR MAINLY COMPRISES NON-MALAYS AND THE BUREAUCRACY. MALAYS. IN THE PROCESS OF IMPLEMENTING IT, DO YOU THINK THAT PROBLEMS WILL ARISE?

A. I BELIEVE WE CANNOT RUN AWAY FROM PROBLEMS. BUT OUR PROBLEMS CAN BE OVERCOME IF WE HAVE THE RIGHT ATTITUDE. WE REALISE THAT IN THE FIELD OF POLITICS IN WHICH VIEWS MAY BE DIVERGENT, THERE ARE AREAS IN WHICH WE CAN COOPERATE TO BRING ABOUT A PEACEFUL NATION. I FEEL THAT IN BUSINESS, A KIND OF COOPERATION CAN ALSO BE ACHIEVED SO THAT THE IMPORTANCE OF THE NEW ECONOMIC POLICY WILL NOT BE LOST IN THE IMPLEMENTATION OF MALAYSIA INCORPORATED. WE WILL FACE THIS PROBLEM WHEN IT ARISES.

Q. WILL THIS POLICY EVENTUALLY MAKE MALAYSIA A GOVERNMENT OF BUSINESS, BY BUSINESS, FOR BUSINESS?

A. THAT IS A KIND OF CULTURE, IN FACT. I BELIEVE THAT THE PEOPLE IN OUR COUNTRY HAS CERTAIN VALUES, VALUES WHICH WILL ENSURE THAT WE STAND WITH OUR FEET FIRMLY ON THE GROUND. THEREFORE, I BELIEVE THAT WE WILL NOT LOSE THESE VALUES IN OUR DESIRE TO ACHIEVE ECONOMIC SUCCESS. EVEN NOW, WE WILL OBSERVE THAT THE ECONOMY OF THE COUNTRY HAS CHANGED FROM TIME TO TIME SINCE MERDEKA. BUT OUR VALUES HAVE NOT CHANGED MUCH, THAT IS, THE VALUES WHICH HAVE BECOME THE BASIS OF OUR CULTURE HAVE NOT CHANGED AND I BELIEVE THAT IF WE ARE CAREFUL, SUCH PROBLEMS WILL NOT ARISE.

-- MORE 1721/LK

ZCZC N110: (F/S)
MAHATHIR 10 KUAL LUMPUR (EMBARGO)

Q. DATUK SERI, SOME PEOPLE INTERPRET THAT THROUGH MALAYSIA INCORPORATED, THE GOVERNMENT WOULD HAND OVER THE INDUSTRIES BEING RUN BY ITS AGENCIES TO THE PRIVATE SECTOR. IS IT A CORRECT INTERPRETATION?

A. THE TRANSFER OF PART OF THE GOVERNMENT'S ACTIVITIES TO THE PRIVATE SECTOR DOES NOT NECESSARILY BE PART OF THE MALAYSIA INCORPORATED CONCEPT. THIS IS YET ANOTHER APPROACH ACCEPTED BY THE PRESENT GOVERNMENT, TO MAKE SOME OF THE EXISTING FACILITIES MORE EFFICIENT. WE FEEL THAT THE PRIVATE SECTOR, BEING PROFIT MOTIVATED, WOULD BE ABLE TO MANAGE CERTAIN PROJECTS MORE EFFICIENTLY. IN THIS WAY THE PEOPLE WOULD RECEIVE BETTER SERVICES. WE BELIEVE THAT +TELECOMMUNICATION+ FOR EXAMPLE, NEED NOT NECESSARILY BE OWNED BY THE GOVERNMENT. IN MANY COUNTRIES, TELECOMMUNICATION IS MANAGED BY THE PRIVATE SECTOR. SO IN MALAYSIA TOO, WE SHOULD TRANSFER PART, IF NOT ALL, OF THE TELECOMMUNICATION FACILITIES TO THE PRIVATE SECTOR, ESPECIALLY WHEN THE GOVERNMENT DOES NOT HAVE SUFFICIENT CAPITAL AND STAFF TO KEEP PACE WITH DEVELOPMENTS IN THIS FIELD. AS SUCH IT WOULD BE BETTER FOR US TO ALLOW THE PRIVATE SECTOR TO RUN THE SERVICES BUT SUBJECT TO OUR POLICIES. AND WHEN THEY MAKE PROFITS, THE GOVERNMENT GETS REVENUE FROM THEM.

WE FEEL THAT PART OF THE PORTS, TRANSPORTATION, TELECOMMUNICATION, RADIO AND TV SERVICES MAY BE HANDED OVER TO THE PRIVATE SECTOR SO THAT THEY CAN PROGRESS FASTER. THE GOVERNMENT TOO WOULD BENEFIT FROM SUCH PROGRESS.

-- MORE 1725/LK

MAHATHIR 11 KUALA LUMPUR (EMBARGO)

Q. DATUK, AT THE STATE LEVEL, WILL THE SUBSIDIARY COMPANIES OF THE STATE ECONOMIC DEVELOPMENT CORPORATIONS BE GIVEN TO BUMIPUTERA COMPANIES, FOR INSTANCE?

A. THE QUESTION OF HANDING OVER COMPANIES CONTROLLED BY THE GOVERNMENT TO THE PUBLIC IS A DIFFERENT MATTER. SOME HOLD THE VIEW THAT ONCE THE GOVERNMENT HAS VENTURED INTO BUSINESS AND SUCCEEDED, WE SHOULD HAND EVERYTHING OVER TO THE BUMIPUTERA COMPANIES. HOWEVER, THE GOVERNMENT BELIEVES THAT EVEN THOUGH WE SHOULD DO THIS, WE SHOULD GIVE BACK TO ALL BUMIPUTERAS. BECAUSE OF THIS, WE HAVE SET UP THE AMANAH SAHAM NASIONAL. MALAYSIA INCORPORATED

DOES NOT MEAN THAT WE WILL TAKE ALL COMPANIES CONTROLLED BY THE GOVERNMENT AND HAND THEM OVER TO INDIVIDUAL BUMIPUTERAS. IN CERTAIN CASES, HOWEVER, WHERE PERBADANAN NASIONAL BERHAD, FOR INSTANCE, DOES NOT HAVE THE MEANS AND BUMIPUTERA WITH EXPERTISE, THE MATTER MAY BE RECONSIDERED AND THE COMPANY HANDED OVER TO BUMIPUTERAS WHO ARE QUALIFIED TO OWN IT. BUT IN GENERAL, WE FEEL THAT SINCE WE MAKE USE OF PUBLIC FUNDS TO SET UP THESE COMPANIES, IT IS ONLY RIGHT THAT THE

GREATEST NUMBER OF BUMIPUTERAS SHOULD BENEFIT FROM THE GOVERNMENT'S EFFORT IN INVESTING IN THE ENTREPRENEURIAL FIELD THROUGH THE AMANAH SAHAM NASIONAL.

-- MORE 1806/LK

MAHATHIR 12 KUALA LUMPUR (EMBARGO)

Q. THE JAPANESE ACHIEVED GREAT SUCCESS BECAUSE THEY WERE PREPARED TO GIVE UP CONFUCIANISM. IN OUR SOCIETY, THERE ARE ALSO CULTURAL VALUES WHICH WE SHOULD GIVE UP AND OTHER WHICH WE SHOULD RETAIN. TO ACHIEVE THE SAME SUCCESS AS THE JAPANESE, IT IS THIS PROBLEM THAT MAY BE THE BIGGEST OBSTACLE.

A. MY VIEW DIFFERS SOMEWHAT. I FEEL THAT THE VALUES WE CHERISH ARE SUITED TO WHAT WE WANT TO DO. WHAT HAS BECOME A PROBLEM TO US, HOWEVER, IS THAT WE ACCEPT VALUES WHICH WE CANNOT PRACTISE. FOR EXAMPLE, WE ALL ADMIT THAT TO BE INDUSTRIOUS IS GOOD. BUT WHILE WE RECOGNISE IT, WE DO NOT PRACTISE IT. AND WE SAY THAT TO WORK SINCERELY IS GOOD BUT SOMETIMES WE DO NOT WORK WITH SINCERITY. THEREFORE WHAT WE WANT NOW IS TO PRACTISE ALL THE GOOD VALUES THAT WE ALREADY HAVE. SO THE PROBLEM DOES NOT ARISE FOR US TO REJECT OUR VALUES THE WAY THE JAPANESE WERE FORCED TO REJECT THE VALUES OF CONFUCIANISM AND ACCEPT THE VALUES OF THE WEST. IT IS NOT NECESSARY TO DO SO. WHAT WE SHOULD DO IS, FIRSTLY, TO WORK HARD. AND THIS IS IN TUNE WITH OUR VALUES. THOSE WHO WORK HARD AND ARE DILIGENT WILL BE MAKING A CONTRIBUTION THAT IS APPRECIATED BY SOCIETY. AND IF WE ARE REQUIRED TO LEARN, IT IS ALSO ENCOURAGED

BY OUR SOCIETY. THE ONLY PROBLEM IS THAT WHILE WE TALK ABOUT WHAT IS GOOD, SELDOM PRACTISE IT. WE SAY WE WILL WORK. BUT WHEN ASKED TO WORK, WE SAY WE HAVE PROBLEMS AND GIVE EXCUSES. THIS SHOWS THAT WE DO NOT VALUE WORK THE WAY WE TALK ABOUT IT.

-- MORE 1831/LK

ZCZC N146: (F/S)

MAHATHIR 13 KUALA LUMPUR (EMBARGO)

WHEN THE TRADERS MAKE PROFITS THEY PAY INCOME TAX TO THE GOVERNMENT. ALTHOUGH WE ABOLISHED IMPORT DUTY, WE ARE ABLE TO COLLECT REVENUE IN THE FORM OF INCOME TAX. A HIGH IMPORT DUTY ON CAMERAS HAD AFFECTED THE IMPORTS AND THE SALES. THIS IS THE LINE OF THINKING THAT WE ARE STUDYING TO ENSURE THAT THE GOVERNMENT'S TASKS ARE NOT HAMPERED BY OUTDATED PRINCIPLES.

Q. DATUK SERI, JAPAN HAS BEEN ACCUSED OF SUBSIDISING HER INDUSTRY AND EACH TIME SHE SUCCEEDED IN EXPORTING HER PRODUCTS TO THE INTERNATIONAL MARKET SHE WAS ACCUSED OF DUMPING. DON'T YOU THINK THAT WE TOO MAY BE ACCUSED OF SUCH PRACTICES BY OUR TRADING PARTNERS, ESPECIALLY THOSE IN THE WEST?

A. PERHAPS, BUT SOONER OR LATER THEY WILL BE FORCED TO BUY FROM THE CHEAPEST SOURCE OR COMPETE WITH US BY REDUCING THE PRICES OF THEIR PRODUCTS. BUT IF WE ACCEPT THE VIEWS THAT IF WE SUCCEED OTHER WOULD ACT AGAINST US, WE WOULD NOT BE HAVING OIL PALM ESTATES AND SO ON. WE CANNOT ACCEPT SUCH VIEWS. ON THE OTHER HAND WE SHOULD WORK TO MAKE OURSELVES MORE COMPETITIVE. IF WE CANNOT SELL OUR PRODUCTS IN THE UNITED STATES, WE CAN SELL THEM ELSEWHERE. THERE ARE OTHER PLACES WHERE WE CAN SELL OUR PRODUCTS.

-- MORE 1836/LK

ZCZC N147: (F/S)

MAHATHIR 14 KUALA LUMPUR (EMBARGO)

Q. FROM YOUR EXPLANATION, WE CAN DEDUCE THAT FOR THE MALAYSIA INCORPORATED CONCEPT TO BE EFFECTIVE, THE GOVERNMENT HAS TO BE MORE SENSITIVE TO THE NEEDS OF THE PRIVATE SECTOR.

HAVE YOU THOUGHT OF A FRAMEWORK TO IMPLEMENT THIS?

A. WE HAVE STUDIED THE MATTER IN DETAIL AND WE HAVE TAKEN ACTION. AS I HAVE SAID EARLIER, METHOD OF WORK, FOR EXAMPLE, IS BEING REVIEWED TO SUIT THE OBJECTIVE OF CREATING A MORE EFFICIENT ADMINISTRATION. OTHER MEASURES HAVE ALSO BEEN TAKEN. WE ARE ALSO STUDYING WHAT COULD BE DONE IN THE FUTURE. FOR EXAMPLE, IN 1982 WE ABOLISHED THE DUTY ON CAMERAS. PREVIOUSLY WE IMPOSED A HIGH DUTY ON CAMERA BECAUSE WE FELT THAT IT WAS A LUXURIOUS ITEM AND NEEDED TO BE HIGHLY TAXED. THIS IS THE PRINCIPLE OF IT, BUT WE FOUND THAT THE MARKET FOR CAMERA DROPPED DRASTICALLY BECAUSE OF THE HEAVY DUTY. EVEN PEOPLE FROM MALAYSIA WENT TO SINGAPORE TO BUY CAMERAS AND WE DID NOT BENEFIT ANYTHING FROM THAT. ON THE OTHER HAND, IF WE ABOLISH THE DUTY, THE MARKET WOULD PICK UP, TRADERS WOULD MAKE PROFITS AND OUR PEOPLE NEED NOT BUY THE ITEM FROM SINGAPORE.

-- MORE 1841/LK

MAHATHIR 15 KUALA LUMPUR (EMBARGO)

Q. CAN YOU TELL US WHETHER THE MALAYSIA INCORPORATED CONCEPT HAS BEEN IMPLEMENTED?

A. IN FACT THE BASIS OF IMPLEMENTATION OF THIS CONCEPT DEPENDS ON ATTITUDE, THE ATTITUDE OF THE GOVERNMENT AND ITS STAFF. AND WITH THE ANNOUNCEMENT OF THE ACCEPTANCE OF THE CONCEPT AND THE BRIEFING TO STAFF AND POLITICAL LEADERS EFFORTS TOWARDS CHANGING THE ATTITUDE TO ADAPT TO THE CONCEPT HAS BEGUN. IF WE ARE ABLE TO CHANGE THE ATTITUDE, AND ELIMINATE THAT OF CONFRONTATION WITH THE PRIVATE SECTOR, WE ARE ALREADY ON THE WAY TOWARDS IMPLEMENTING THE CONCEPT.

-- BERNAMA 1842/LK