

KUALA LUMPUR, AUG. 17 (BERNAMA) -- (DATUK SERI DR MAHATHIR MOHAMAD TODAY EXPOSED MOVES BY INDUSTRIALISED WESTERN COUNTRIES TO WEAKEN THE ECONOMIC GROWTH OF MALAYSIA AND OTHER DEVELOPING COUNTRIES.

THE DEVELOPED COUNTRIES WERE MAKING USE OF INTERNATIONAL WORKERS ORGANISATIONS TO ENSURE THAT INDUSTRIES IN MALAYSIA WERE DISRUPTED BY INDUSTRIAL ACTION BY THE WORKERS, THE PRIME MINISTER SAID.

OPENING THE 34TH UMNO GENERAL ASSEMBLY HERE, HE SAID THAT MANY OF THEIR STOOGES WERE IN MALAYSIA, FOR EXAMPLE THOSE WHO TOOK ADVANTAGE OF THE WEAKNESS AMONG THE WORKERS TO CHECK THE DEVELOPMENT OF THE INDUSTRIES AND THEIR EFFICIENCY.

HE SAID THE WEST WANTED TO SEE THAT THE PRODUCTIVITY OF THIS COUNTRY WAS REDUCED.

DURING THE COLONIAL TIMES, HE SAID, THE WESTERN COUNTRIES COULD CHECK THE GROWTH OF INDUSTRIES IN MALAYSIA BUT BECAUSE THE WESTERN EMPIRES NO LONGER EXISTED, THEY WERE MAKING USE OF INTERNATIONAL WORKERS ORGANISATIONS TO DISRUPT INDUSTRIES IN THIS COUNTRY.

-- MORE 1237/LK

2020 N039:

MAHATHIR-ECONOMY 2 KUALA LUMPUR

+BECAUSE OF THIS, WE HEAR OF OPPOSITION TOWARDS POLICIES SUCH AS THE LOOK-EAST, PRIVATIZATION, +MALAYSIA INCORPORATED+ AND OTHER POLICIES AIMED AT ENABLING MALAYSIA COMPETE IN THE WORLD MARKET,+ HE SAID.

DATUK SERI DR MAHATHIR, WHO IS ALSO UMNO PRESIDENT, SAID THAT THE DECLINE IN THE WORLD ECONOMY WAS ACTUALLY CAUSED BY LAZINESS WHICH HAD LATELY PERVADED THE COMMUNITIES OF THE DEVELOPED COUNTRIES IN THE WEST.

HE SAID THEY WANTED TO TAKE THINGS EASY AND IN THE END ALL THEIR PRODUCTS BECAME COSTLY NOT ONLY IN THE FOREIGN MARKETS BUT IN THE LOCAL ONES AS WELL.

THE WESTERN COUNTRIES, HE SAID, CLOSED THEIR MARKETS TO GOODS PRODUCED BY DEVELOPING COUNTRIES AND THOSE IN THE EAST WHEN THEY FOUND THAT THESE GOODS HAD BETTER MARKETS THAN WESTERN GOODS IN THEIR COUNTRIES.

THIS WAS CONTRARY TO THE POLICY OF FREE TRADE WHICH WAS HELD IN HIGH ESTEEM BY THESE WESTERN COUNTRIES IN THE PAST, HE ADDED.

-- MORE 1247/LK

2020 N040:

MAHATHIR-ECONOMY 3 KUALA LUMPUR

AS A RESULT OF THAT, THE MARKET FOR ALL GOODS, INCLUDING RAW MATERIALS HAD DECLINED, HE SAID.

DATUK SERI DR. MAHATHIR SAID THAT ONE MORE ACTION TAKEN BY THE WESTERN COUNTRIES WAS THE BORROWING OF LARGE SUMS OF MONEY FROM THE FINANCIAL MARKET FOR THE PURCHASE OF WEAPONS.

"WITH THAT, THE BANK RATES HAD RISEN AND AT ONE TIME REACHED 22 PER CENT," HE SAID.

THE PRIME MINISTER SAID THAT THE HIGH INTEREST RATES HAD HINDERED TRADE AND INVESTMENT DEVELOPMENT AS THOSE WITH MONEY WERE MORE INTERESTED IN SAVING MONEY THAN FROM BUYING THINGS OR INVESTING.

IT WAS CLEAR THAT IT WAS NOT THE PRICE OF OIL WHICH WAS THE PROBLEM BUT THE RELUCTANCE TO WORK AND ACTIONS OF THE WESTERN COUNTRIES WHICH CAUSED THE ECONOMIC RECESSION, HE SAID.

-- MORE 1302/LK

MAHATHIR - ECONOMY & KUALA LUMPUR

HE SAID THAT WHEN THE PRICE OF OIL WAS HIGH BETWEEN 1975 AND 1980, RUBBER, TIN, PALM OIL, TIMBER AND OTHER PRODUCTS HAD GOOD MARKETS EVEN THOUGH THE PRICES WERE HIGHER THAN NOW.

THAT THE ECONOMIC RECESSION WAS CAUSED BY THE INCREASE IN THE PRICE OF OIL WAS A LIE SPREAD BY THE WESTERN INDUSTRIALISED COUNTRIES, HE SAID.

HE SAID THAT THE INCREASE IN THE PRICE OF OIL HAD BROUGHT BENEFITS NOT ONLY TO THE PRODUCER COUNTRIES AND THEIR PEOPLES BUT ALSO THE PEOPLES OF DEVELOPED COUNTRIES WHO IN THE PAST HAD BEEN VERY EXTRAVAGANT IN THE USE OF OIL.

THE DEVELOPED COUNTRIES NOW REALISED THE NEED TO REDUCE THE USE OF OIL AND HAD CUT OIL CONSUMPTION BY 25 PER CENT WHILE SUBSTITUTE FUELS HAD BEEN DISCOVERED.

THOSE THAT WERE REALLY SUFFERING WERE THE DEVELOPING COUNTRIES WHICH DID NOT HAVE OIL AND WHICH HAD LIMITED RESOURCES, HE ADDED. -- MORE 1323/MB

MAHATHIR-ECONOMY & KUALA LUMPUR

MALAYSIA, HE SAID, WAS FORTUNATE IN THAT IT HAD A LOT OF RAW MATERIALS AND OIL TO SUPPLEMENT ITS INCOME.

DATUK SERI DR MAHATHIR MOHAMAD SAID THAT AS A RESULT OF THE WORLD ECONOMIC RECESSION, WHICH WAS VERY BAD IN 1982, THE NATION'S INCOME DROPPED BECAUSE OF THE DECLINE IN PRICE AND DEMAND OF THE COUNTRY'S EXPORT COMMODITIES.

"EVEN THOUGH IT APPEARS THAT THE ECONOMY WILL RECOVER, THE EFFECTS OF THE RECOVERY WILL NOT BE IMMEDIATELY FELT," HE SAID.

HE SAID THAT MANY COUNTRIES WHICH BORROWED HEAVILY WHEN THEY EARNED A LOT OF REVENUE FROM OIL WERE NOW NEARLY BANKRUPT BUT MALAYSIA WAS FORTUNATE BECAUSE IT DID NOT SPEND ITS MONEY UNNECESSARILY.

HE SAID THAT WHEN MALAYSIA HAD GOOD RETURNS FROM ITS TRADE, IT ONLY SPENT TO MAINTAIN THE IMPORTANT INFRASTRUCTURE.

-- MORE 1355/LK

MAHATHIR-ECONOMY & KUALA LUMPUR

"AS SUCH WE NOT ONLY AVOID FROM BECOMING BANKRUPT BUT STILL CAN BORROW TO FINANCE IMPORTANT AND NECESSARY PROJECTS," HE SAID.

HOWEVER, SEVERAL PROJECTS PLANNED WHEN THE COUNTRY HAD HIGH REVENUES HAD TO BE SHELVED, HE SAID.

"WHEN WE HAVE, WE CAN SPEND REASONABLY, BUT WHEN WE DON'T WE SHOULD ACCEPT THE FACT THAT EXPENDITURE MUST BE REDUCED," HE SAID.

AND IN THE CURRENT FINANCIAL SITUATION, THERE WAS NO BETTER MEASURE THAN TO TIGHTEN THE BELT AND WORK HARDER, HE ADDED.

IN THIS WAY, PROSPERITY WOULD RETURN TO THE COUNTRY, HE SAID.

-- BERNAMA 1402/LK