

Why bid to back tin price was not revealed

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The Government made public this month its price-supporting venture in the London tin market and not earlier because a group of people was out to create a scandal, Datuk Seri Dr Mahathir Mohamad said yesterday.

"So, we thought we would come clean and tell the whole truth even if it means damaging our credibility..."

But, the Prime Minister added, the Government went into the market with honest intentions and no corruption was involved.

It acted to support the depressed tin prices prevailing then and it would have succeeded if the London Metal Exchange had been fair and not changed the rules to protect its members.

The Prime Minister said this fact was not published by the newspapers.

Instead, they reported that the Malaysian economy was depressed because of the New Economic Policy, the tin operations, the mistake of going into heavy industry and other reasons.

Dr Mahathir said Malaysia was not the only country facing lean times. Every country depending in its primary commodities was suffering. Even Australia was hit when the US sold wheat at subsidised prices.

Weak demand

Tin prices went down, but it was the market place and not the Malaysian Government which fixed the price.

"Our income has also been affected by the fall in the prices of palm oil, petroleum and timber.

"Under such circumstances how do you expect Malaysia to prosper?" Dr Mahathir asked.

"What has this to do with the NEP or whether the Government went into the tin market? Would it have saved Malaysia if this was not done? Would the abolition of the NEP have brought prosperity to Malaysia?"

He said if Malaysia was suffering now, it was due to the weak demand for its commodities and not because of its policies.

Modern technology had made redundant some commodities and minimised the demand for others.

For example, tin had been substituted by such materials as paper, aluminium and plastics.