

WE WILL SUCCEED AGAIN: Dr M

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KUALA LUMPUR, Mon. — Prime Minister Datuk Seri Dr Mahathir Mohamad, dismissing the "malcontents and the rumour mongers," spelt out today the reasons why businessmen should invest in Malaysia.

"This country works, it functions, it delivers," he said when opening the second Round Table investment talks on Malaysia organised by the World Economic Forum based in Geneva.

Dr Mahathir said Malaysia's economic downturn was caused by "outside forces which have depressed the prices of our

commodities and played havoc with exchange rates."

He added: "But we will overcome. Apart from (attracting) foreign investment . . . we have cut back on our spending. We borrow less. We try to improve productivity. We diversify our agricultural base. We promote tourism."

"We do a whole lot of things which we hope will bring about recovery even if commodities never attain pre-eminence again. We have succeeded before and we will succeed again — prophets of doom notwithstanding."

In his wide-ranging speech, Dr Mahathir touched on the world economy, the manipulation of the currency markets by some dealers, the problems of governing a multi-racial nation, the spreading of rumours, corruption, the New Economic Policy and

Press freedom.

He said the current world recession was largely due to an inability to handle the effects of new technology and changing trade patterns.

"Some of the most powerful countries have resorted to economic politics. Pressure is brought to bear on certain countries to limit export voluntarily or face quota restrictions."

"National laws are extended beyond national boundaries so as to limit competition. Stockpiles are used as economic weapons or even political weapons."

"When all this fails, the value of other countries' national currencies are forced up or down in order to influence international trade," he said.

He also said that with nations now unable to control their own currencies, the func-

tion had shifted to currency traders "whose main concern is profit."

Dr Mahathir said that while Malaysia did not believe in devaluation, "our ringgit has been effectively devalued because of the anarchy in the world's monetary system."

In spelling out Malaysia's attractions for foreign investors, Dr Mahathir described as the premier attraction "our political stability and a strong government which has the support of the vast majority of the people."

"Malaysia attained independence without racial or religious bloodshed. We have just had a general election when not a single drop of blood was shed."

"Malaysians have shown that they are not only democrats but they are reasonable democrats as well. And where the opposition was really favoured, they won. We don't have a situation where 99.9 per cent of

the seats are won by the government parties with 99.9 per cent majorities," he said.

He stressed that the current state of the nation's economy was not because "we have lost the knack of managing our multiracial country with its myriads of problems but because outside forces have depressed the prices of our commodities."

Dr Mahathir added that while Malaysia "is not a perfect country because no country is perfect, many developed countries have policies worse than ours."

"If Malaysia's practices and policies seem irksome, it is because generally people feel that beggars cannot be choosers."

"We want foreign involvement in our economy while a lot of developed countries do not care for

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foreign investments... but we do have a lot to offer.

On rumours, Dr Mahathir said Malaysians "enjoy spreading rumours."

"One day the country may be destroyed by these rumours. Never mind that these rumours have been proven wrong repeatedly. Everyone likes to believe and pass them on. A juicy piece of gossip enlivens the conversation.

"Corruption is a favourite topic for gossip. It does not matter that there is not a shred of evidence for these wild accusations which can drive away foreign investors.

"Ministers and Prime Ministers from many countries have come to Malaysia to lobby for their countries' private companies. Some even offer grants from their government if a particular contract is given to a particular company.

"No one accuses these Ministers and Prime Ministers of corruption. But a Malaysian Prime Minister or Minister has only to head a trade delegation abroad to be accused of corruption," he said.

Dr Mahathir also warned those attending the conference of "certain quarters who bemoan the lack of Press freedom and maintain that rumours are necessary as the newspapers, they claim, print only government propaganda."

He said these quarters are quoted by the local Press. "None of their views are supportive of the Government. But they get published anyway in this country where there is supposed to be no Press freedom."

He also stressed that the Government only resorts to punitive action when the views expressed are "most blatantly provocative and damaging."

He added: "We have a multi-racial society. We don't think anyone has the right to forment racial fights in the name of freedom of speech.

"Freedom is not a licence. Neither is it free. There is a price to pay. To have freedom, one must also be responsible."

Dr Mahathir said the returning of the Government to power in every general

election indicated that the people were responsible and knowledgeable.

"It means that the people want political stability. When the same party is endorsed by the people again and again, policies continue.

"However, not everyone is happy with this situation. 'One foreign newspaper said: *The New Economic Policy set up in 1970... has largely succeeded in discouraging foreign investments.*'

"This piece of nonsense is probably the result of wishful thinking. This newspaper for some unknown reason finds it impossible to say anything good about Malaysia.

"It is alleged that this is a business newspaper. It reads more like *The News of the World.*"

He pointed out that all the export-oriented industries were established after 1970. "The NEP does not represent a change in policy. We are in the throes of a recession now. But is this due to the NEP?"

He said the present economic situation was due to the fall in commodity prices and this could be noticed by "any person with any intelligence at all."

On the holding in abeyance of the NEP, Dr Mahathir said this was because the Government was out to create more jobs for the people laid off by the fall in commodity prices. "The economic cake may not grow but people must have jobs. They cannot wait for the demand for tin to pick up."

The Prime Minister also said the question of an Asean economic market would be discussed at the organisation's summit meeting in Manila next year.

He stressed that there were very few countries which could exceed what Malaysia could offer.

Forum president Prof Klaus Schwab later told reporters that Malaysia had much more to offer than some OECD (Organisation of Economic Co-operation and Development) countries like Italy and Spain.

He said Dr Mahathir had confirmed the optimistic view held by other countries.