

Dr M to Malaysians:

LIVE WITHIN YOUR MEANS

By ZAINAL EPI

KUALA LUMPUR, Mon. — Prime Minister Datuk Seri Dr Mahathir Mohamad has asked Malaysians to make a choice — to live within their means or join the ranks of the basket cases begging for aid.

"We must have pride. We must face reality. We must set about the task of overcoming the problems caused by the collapse of commodity prices," he said in urging the people to switch to fast revenue-generating ventures.

"We have read the signs of the times. Should we continue to produce what is no longer in de-

mand? How much can we absorb ourselves?" he added at a national seminar on commodities.

Dr Mahathir said that since we could not depend on commodities, we must reduce our dependence on them.

He said diversification of commodities was insufficient to achieve economic growth.

"We must face reality. Therefore, we have to think of other ways of achieving objectives.

"Shouldn't we turn to other commercial activities, manufacturing for example? What are the manufacturing areas that give us the most competitive edge?"

However, he noted that even a switch would not bring immediate results.

"We are promoting tourism but it will take years before we reap the harvest, if indeed we will."

The same applied to any new

manufacturing, he said.

Even low-cost housing, projected to help growth by two per cent, would not achieve that result immediately, he added.

But something quick was needed, said the Prime Minister. In this aspect, he said the handicraft industry held promise.

"Not only is there a demand but the industry uses a lot of labour. With so many people unemployed, production and export of handicraft might be the answer."

Dr Mahathir also said there was evidence that we were getting soft. "Indeed, in many instances, because of high profits we have not given much thought to efficiency and productivity, and outmoded methods and management techniques.

"But now there is no big profit margin. To stay in business, we have to try to lower costs.

"We have to learn to live with whatever income we get. The Japanese and Germans made sacrifices after the war and today, their discipline and strong will have paid off handsomely."

Dr Mahathir said what Malaysia was experiencing now was not the usual cyclical changes that had always afflicted the commodities trade.

He said the trade was undergoing a structural change.

"Part of what is happening now is due to our clumsy attempts to bring order to the commodities market.

"We had set up numerous commodity agreements and stockpiles so as to counter cyclical price changes. The cost has been high but the success limited."

Dr Mahathir said there were a lot of things wrong with the commodities trade.

"If we are to continue to produce and export commodities, we have to understand the problems first and find ways and means to overcome them.

"For some commodities, the good days are over. For others, the situation will worsen," he added.

Dr Mahathir said that when greater efficiency was suggested, the response was to demand removal of taxes.

"This does not help our national earnings. Efficiency will only be economically meaningful if we produce more at less cost."

Dr Mahathir also said the targets of the Fifth Malaysian Plan were realistic when the plan was being drawn up.

"The fall in commodity prices have probably put these modest targets be-

yond reach.

"If we sit tight and do nothing, if we merely bemoan our fate or if we just urge the Government to do something, we are not going to achieve anything.

"We have to think of what we can do and not what others can do for us," he added.

Earlier, Primary Industries Minister Datuk Paul Leong said the Government was deeply concerned over events and circumstances which have brought down commodity prices.

He said the Commodity Agreements had been rendered ineffectual and even ineffective by unfair marketing practices and rising trade protectionism.

"Therefore, the development of our resources and our marketing approaches and strategies will have to be strengthened," he added.