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MAHATHIR-SANITY

FROM WAN A. HULAIMI

LONDON, JULY 21 (BERNAMA) -- PRIME MINISTER DATUK SERI DR MAHATHIR MOHAMAD TODAY CALLED FOR SANITY IN A WORLD WHERE THE ECONOMY HAS GONE HAYWIRE AND STRESSED THE NEED FOR A RETURN TO MULTILATERALISM.

ADDRESSING ACADEMICS AND POLICY-MAKERS AT THE PRESTIGIOUS ROYAL INSTITUTE FOR INTERNATIONAL AFFAIRS HERE, THE PRIME MINISTER SAID THAT IN A WORLD NOW MORE DIVIDED THAN EVER BEFORE BETWEEN THE NORTH AND SOUTH, CONFRONTATIONISM, ISOLATIONISM OR PROTECTIONISM WERE ABOUT AS HELPFUL AS A HOLE IN THE HEAD.

URGING COUNTRIES TO SIT DOWN AND TALK TO EACH OTHER AS SANE PEOPLE, HE SAID: +WE ARE ALL NOW IN A MADHOUSE AS FAR AS THE GLOBAL ECONOMIC SITUATION IS CONCERNED.+

SUCH TALKS WERE NEEDED MORE THAN AT ANY OTHER TIME, HE SAID, ADDING: +MULTILATERALISM HAS NOW BECOME A BAD WORD AMONG DEVELOPED COUNTRIES.+

THE DISILLUSIONMENT WITH THE UNITED NATIONS HAS LED TO THE SETTING UP OF AN EXCLUSIVE RICH MEN'S CLUB, AND THE GROUP OF FIVE WAS AN ALLIANCE OF THE RICH WHICH MUST INEVITABLY WORK AGAINST THE INTERESTS OF THE POOR. -- MORE

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THE FIVE HAD NOW BECOME THE GROUP OF SEVEN, AGAIN UNREPRESENTED BY THE POOR COUNTRIES, HE SAID.

HE SAID ALTHOUGH THE SEVEN INDUSTRIALISED COUNTRIES OF THE WORLD SAT DOWN IN VENICE (ITALY) TO DISCUSS THE PROBLEMS OF THE POOR, IT WAS DOUBTFUL THEY FULLY APPRECIATED THE PROBLEMS BEING FACED.

+IT IS EVEN MORE DOUBTFUL WHETHER THEY TOOK INTO ACCOUNT THE FACT THAT INCREASING POVERTY OF THE POOR WILL ADVERSELY AFFECT THEIR OWN ECONOMIC PERFORMANCE.+

DATUK SERI DR MAHATHIR REMINDED DEVELOPED COUNTRIES IT WAS WORTH REMEMBERING THAT THE THIRD WORLD ACCOUNTED FOR 40 PERCENT OF THE EXPORTS OF THE WORLD'S ECONOMY.

AS A MARKET, THE NON-SOCIALIST THIRD WORLD WAS BIGGER TO THE UNITED STATES THAN WESTERN EUROPE, EASTERN EUROPE, THE SOVIET UNION, AUSTRALIA, NEW ZEALAND AND CHINA PUT TOGETHER. -- MORE

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MAHATHIR-SANITY 3 LONDON

+ECONOMIC DEPRESSION IN THE THIRD WORLD IS ONE REASON WHY THE UNITED STATES WILL CONTINUE TO HAVE DIFFICULTIES IN REDUCING ITS TRADE DEFICIT, + HE SAID.

+IF WE ARE GOING TO FIND A SOLUTION THAT WILL WORK SOMEWHAT BETTER THAN THE CURRENCY MANIPULATION WHICH IS THE MAIN RESULT OF THE GROUP OF SEVEN MEETINGS SO FAR, WE MUST RETURN TO MULTILATERALISM.+

THE DEVELOPING COUNTRIES HAD LONG BEEN BEGGING FOR A NEW INTERNATIONAL ECONOMIC ORDER BUT THE NORTH SAW IN THIS ANOTHER ATTEMPT TO EXTRACT AID FROM THEM, AND ACCORDINGLY FORMED THE GROUP OF SEVEN AND IMPOSED A NEW INTERNATIONAL ECONOMIC ORDER OF THEIR OWN, DATUK SERI DR MAHATHIR SAID.

HE SAID THE GROUP OF SEVEN FAILED TO SOLVE EVEN ITS OWN PROBLEMS.

ASKING WHY ELSE SHOULD THE UNITED STATES CLAMOUR FOR ITS OWN PROTECTIONIST POLICY IF THE CURRENCY MANIPULATION AND OTHER MEASURES ADOPTED BY THE GROUP OF SEVEN HAD WORKED, DATUK SERI DR MAHATHIR PROVIDED THE LACONIC ANSWER: +IT MUST BE PAINFULLY OBVIOUS THAT IT IS NOT WORKING.+ -- MORE

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+INDEED, FAR FROM SOLVING THE PROBLEMS, THE EXCHANGE RATE ADJUSTMENTS HAVE WORSENERED THE SITUATION,+ THE PRIME MINISTER SAID.

+DEVELOPING COUNTRIES UNABLE TO SERVICE DEBTS NOW SIMPLY REFUSE TO PAY. THERE WAS MUCH PROTEST BY THE BANKS IN THE NORTH BUT FINALLY THEY ARE FORCED TO PROVIDE FOR THESE BAD DEBTS. AND WEAK BANKS ARE GOING BANKRUPT BY THE DOZEN.+

HE SAID COUNTRIES IN THE SOUTH, AWARE THEY COULD NOT HOPE TO BE HEARD IF THEY SPOKE WITH A HUNDRED VOICES, HAD FORMED THE SOUTH COMMISSION HEADED BY DR JULIUS NYERERE WHICH HAD BEEN GIVEN THE TASK OF MAPPING OUT THE AREAS AND MANNER OF COOPERATION AMONG THE COUNTRIES OF THE SOUTH SO AS TO REDUCE DEPENDENCE ON THE NORTH.

QUOTING GEORGE SATAYANA, DATUK SERI DR MAHATHIR SAID THOSE WHO DID NOT LEARN THE LESSONS OF HISTORY WERE CONDEMNED TO REPEAT THEIR MISTAKES OVER AND OVER AGAIN.

THIS WAS HIS FAVOURITE QUOTE, HE TOLD THE AUDIENCE, AND HE HAD REPEATED IT IN HIS SPEECH BECAUSE IT DEALT MAINLY WITH THE CURRENT ECONOMIC SITUATION. -- MORE  
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EARLIER TODAY, THE PRIME MINISTER RECEIVED AT HIS HOTEL, LORD YOUNG, BRITAIN'S SECRETARY OF STATE FOR TRADE AND INDUSTRY. HE ALSO ATTENDED A LUNCHEON HOSTED BY BRITISH FOREIGN AND COMMONWEALTH AFFAIRS SECRETARY SIR GEOFFREY HOWE.

THE PRIME MINISTER HAD MEETINGS WITH THE COMMONWEALTH PARLIAMENTARY ASSOCIATION AND THE BRITISH-MALAYSIA PARLIAMENTARY GROUP AT THE HOUSE OF COMMONS. -- BERNAMA  
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