

'DON'T BLAME GOVT FOR DECLINE'

'Policies to stay'

ST 17 NOV 1987

By KHALID JAAFAR

THE Government will continue to pursue the New Economic Policy (NEP), the Look East Policy and the Privatization Policy because they are basically sound, Prime Minister Datuk Seri Dr Mahathir Mohamad said yesterday.

Many people, he said, are quick to point at Government policies as the cause of the country's economic decline, but then there are people who point at the Government all the time as the cause of everything bad.

The Prime Minister was opening the "Ministerial briefing: Towards National Economic Recovery" organised by the Malaysian Institute of Management.

"Even when times are good, these people will still blame the Government for the economy not being better. They may be economists. But essentially they are politicians and it is for political ends that they serve," he said.

The private sector, Datuk Seri Dr Mahathir said, must play a more dynamic role to achieve economic recovery.

Telling businessmen not to adopt a negative attitude towards government policies, he said: "Don't start tearing government policies to pieces the moment they are announced, as happened in the case of the Look East Policy.

"An academic view is fine. They may be right. But it is the people who are doing the business who must do the thinking in the end.

"There are no wise oracles whose opinions must be sought every time a

government policy is to be announced. To be interesting these oracles have to be original and they invariably achieve this by tearing to pieces whatever policy is announced, especially when they are anti-establishment," he added.

He pointed that many perfectly sound ideas have been strangled at birth because someone has to prove his originality.

On the NEP, Datuk Seri Dr Mahathir admitted that it is a constraint on rapid development. But political stability will be affected if the Government makes no effort to balance development of the different races.

"If recent events are anything to go by, the stability of Malaysia is quite easily undermined. We have to constantly work at it if we want to remain stable and the NEP is a major instrument for achieving all round stability," he said.

The choice is between a slightly slow economic growth with the constraints of the NEP and an uncertain growth under distinctly unstable conditions.

However, the Government recently decided to "soft pedal" the equity aspect of the NEP in favour of jobs for the unemployed.

"We cannot sacrifice jobs for the poor in favour of shares for the well-to-do. Once the economic cake grows again, we can focus on share distribution," the Prime Minister said.

He reiterated that the Government is still committed to promoting the work

ethics of the Look East among the Malaysian workforce, and that managers should learn Eastern management techniques.

He regretted that despite innumerable clarifications that the Look East Policy means learning Japanese and South Korean or even Taiwanese work ethics and management methods, many still insist that it means giving contracts to the Japanese and South Koreans.

On privatization, the Prime Minister said the Government need not lose everything when an agency is privatized because it can earn through income tax should the company make profit.

At the very least, the Government will no longer bear the burden of paying salaries, carrying out maintenance and in many cases injecting more capital.

While private business try to maintain themselves or expand through earnings, government companies expect yearly injections of capital and subsidies for running cost.

If the Government is relieved of the running cost and subsidies, the fund can be used for more development which will help stimulate the economy. The reduced government bureaucracy can also be better paid by the Government.

According to Datuk Seri Dr Mahathir, companies and facilities which have been privatized have attained better returns.