

# Mahathir: NEP has not retarded growth

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NEW YORK: Datuk Seri Dr Mahathir Mohamad said foreign investors will not find their investments in Malaysia adversely affected when the Government formulates new policies after 1990, the target year for the end of the New Economic Policy.

The Prime Minister said whatever new policies the Government formulates, these will not be nationalistic in outlook because the Government believes in foreign capital and technology.

He said: "The NEP has never been a problem, even though some people consider it as having retarded economic growth. I find it difficult to accept because the country was enjoying at least seven per cent growth during the greater part of the NEP years, particularly in the 70s.

"The allegation that the NEP has retarded growth has not been proven. When the country's economy slackened, it happened at the time when the world economy as a whole was undergoing a slowdown," Dr Mahathir told a large gathering of note-taking senior executives of some of the biggest names in American commerce and industry yesterday.

The Prime Minister had earlier addressed them over lunch hosted by the Asia Society, a non-profit making organisation with membership from varied strata of the American community.

Responding to point blank questions from the floor, Dr Mahathir said the Government does not, and has never intended, to nationalise foreign investments — a policy which has worked very well in the past.

## Privatisation

The Prime Minister was asked to comment on the judiciary, current political developments, prospects for manufactured exports, privatisation and the role of the private sector in economic expansion.

He assured the audience that the Malaysian judiciary has not been subverted even though some judges are now being tried by a tribunal for actions which contravened the Federal Constitution.

He said judges are not above the law and that politicians have no jurisdiction over the judiciary. The Government had acted within the Constitution. Anyone who breaks the law must face the consequences.

Dr Mahathir said the judges are being tried by a panel of judges of similar standing, and the inclusion of foreign judges were meant to make the hearing as fair as possible. The tribunal which heard the case against the former Lord President had also included foreign judges.

All this had shown that the Government had not acted to undermine the independence of the judiciary, he said.

He was also asked to elaborate on what some American believed to be "growing dissidence" among Government members of Parliament.

He said the Government was not overly concerned with the dissidents because the number was small. Even if more MPs were to cross the floor to join these dissidents, the Government still has a clear majority to rule.

He said the prospects for manufactured imports are good, highlighting the potential of Proton Saga exports to the United States. Contrary to foreign reports that the national car will not be marketed in the US, Dr Mahathir said the exports are going to be expedited once modifications have been made to meet US regulations.