

D233

U E635 AAE
MAHATHIR-NEP

KUALA LUMPUR, JULY 3 (BERNAMA) -- DATUK SERI DR MAHATHIR MOHAMAD TODAY REFUTED ALLEGATIONS THAT THE NEW ECONOMIC POLICY (NEP) HAS BEEN A HINDRANCE TO THE ACHIEVEMENT OF A BETTER RATE OF ECONOMIC GROWTH FOR THE COUNTRY.

THE PRIME MINISTER SAID THAT THE COUNTRY'S ECONOMIC SUCCESS SINCE THE IMPLEMENTATION OF THE NEP IN 1971 WAS CLEARLY FAR BETTER THAN THE PERIOD OF THE IMPLEMENTATION OF THE FIRST AND SECOND MALAYAN PLAN FROM 1956 TO 1965.

WINDING UP THE DEBATE ON THE MOTION ON THE MID-TERM REVIEW OF THE FIFTH MALAYSIA PLAN (FMP) IN THE DEWAN RAKYAT, HE SAID THAT STATISTICS CLEARLY INDICATED THAT THE NEP HAD SUCCEEDED IN UPGRADING THE COUNTRY'S ECONOMIC GROWTH COMPARED WITH THE PERIOD BEFORE ITS IMPLEMENTATION.

CITING STATISTICS, HE SAID THAT THE ECONOMIC GROWTH FOR THE 1956-1960 PERIOD WAS 4.1 PERCENT, FIVE PERCENT IN 1960-1965, 5.4 PERCENT IN 1965-70, 6.6 PERCENT ON 1971-1975, 8.5 PERCENT IN 1976-1980 AND A REDUCED RATE OF 5.1 PERCENT DURING THE FOURTH MALAYSIA PLAN BECUASE OF THE WORLD ECONOMIC RECESSION.

HE ALSO DENIED THAT THE NEP HAD ATTRIBUTED TO THE FAILURE OF THE COUNTRY TO ATTAIN THE STATUS OF A NEWLY INDUSTRIALISED COUNTRY, HAVING RESULTED IN THE BRAIN-DRAIN FROM MALAYSIA TO OTHER COUNTRIES, HAVING UNDERMINED THE POSITION OF THE NON-BUMIPUTERAS AND HAVING BENEFITTED ONLY A SMALL GROUP OF PEOPLE. -- MORE
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MAHATHIR-NEP 2 KUALA LUMPUR

ON THE BRAIN-DRAIN, THE PRIME MINISTER SAID THAT THE ALLEGATION THAT THE NEP HAD CREATED THE SITUATION WAS INAPPROPRIATE BECAUSE EVEN IN A COUNTRY WITH ITS LEADERSHIP MADE UP OF 100 PERCENT CHINESE, THERE WERE STILL MANY CHINESE NATIONALS MIGRATING TO OTHER COUNTRIES LIKE AUSTRALIA AND THE UNITED STATES.

ON CHARGES THAT THE NEP HAD UNDERMINED THE NON-BUMIPUTERAS AND OBSTRUCTED THEIR ECONOMIC PROGRESS, HE CALLED ON THE OPPOSITION, ESPECIALLY THE DAP, TO HAVE A RATIONAL DISCUSSION WITH THE GOVERNMENT TO PROVE THE ALLEGATION.

+I AM MYSELF INTERESTED TO KNOW THE EXTENT OF THE TRUTH OF THE ALLEGATION AND THE STATISTICS AS PROOF, FROM THE OPPOSITION,+ HE ADDED, SAYING THAT THE OPPOSITION SHOULD NOT MAKE WILD ALLEGATIONS.

ON THE POINT RAISED BY ENCIK LEE LAM THYE (DAP-BUKIT BINTANG) REGARDING INFLATION, HE SAID THAT THE ONE PERCENT INFLATION RATE IN MALAYSIA DURING THE EARLY STAGES OF THE WORLD INFLATIONARY TREND, COULD BE CONSIDERED AS NOT HAVING EXISTED COMPARED WITH THE INFLATIONARY RATE OF EIGHT PERCENT PER ANNUM IN DEVELOPED COUNTRIES AND 2,000 PERCENT IN MOST OF THE LATIN AMERICAN COUNTRIES.

HE SAID THAT THE SITUATION IN MALAYSIA COULD BE CONSIDERED MORE AS AN IMPORTED INFLATION AND COULD BE CONTROLLED IF THE PEOPLE COULD CURB THEMSELVES FROM BUYING IMPORTED GOODS AND NOT TO SPEND BEYOND THEIR MEANS.

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MAHATHIR-NEP 3 KUALA LUMPUR

ON THE POSITION OF THE RINGGIT, THE PRIME MINISTER SAID THAT ITS VALUE HAD NOT DROPPED DOMESTICALLY BUT DROPPED IN VALUE ONLY COMPARED WITH THE VALUE OF FOREIGN CURRENCIES.

HE SAID THAT A CLEAR INDICATION WAS THAT THE PEOPLE COULD STILL PURCHASE GOODS WITH THE SAME AMOUNT OF MONEY THAT THEY HAD BEEN USED TO PREVIOUSLY.

HE HOWEVER ACKNOWLEDGED THAT THE RATE OF INFLATION HAD INCREASED A LITTLE TO ABOUT THREE PERCENT NOW BECAUSE THE COUNTRY HAD PROSPERED WITH THE PEOPLE HAVING MORE PURCHASING POWER.

ON THE VALUE OF THE RINGGIT IN THE INTERNATIONAL MARKET, HE SAID THAT IT WAS DETERMINED BY MALAYSIA'S BASKET OF CURRENCIES AND NO LONGER DEPENDED ON THE VALUE OF THE STERLING AS PREVIOUSLY.

REGARDING WORKERS' SALARY INCREASE, HE SAID THAT IT WAS NOT TO CURB OR BALANCE INFLATION BECAUSE IF IT WERE SO THE RATE OF INFLATION WOULD CONTINUE TO RISE.

REPLYING TO ENCIK LEE ON THE NEW UMBRELLA TRADE UNION, THE MALAYSIAN LABOUR ORGANISATION, THE PRIME MINISTER SAID THAT THE GOVERNMENT DID NOT HAVE A PUPPET TRADE UNION LIKE THE DAP. -- BERNAMA
2155MST 03 07 89
