

DD37

U E613 AAE

MAHATHIR-CURRENCY
BY AZMAN UJANG

(EMBARGO: FOR RELEASE AFTER 6PM TODAY, DEC 28)

KUALA LUMPUR, DEC 28 (BERNAMA) -- MALAYSIA HAS EVERY RIGHT TO PROTECT ITS OWN CURRENCY FROM EXTERNAL MANIPULATION AND THE CONCERN BY THE UNITED STATES ABOUT THE COUNTRY'S FOREIGN RESERVES DEALINGS IS UNJUSTIFIED, THE PRIME MINISTER SAID TODAY.

+ WE ARE A VERY SMALL PLAYER AND FOR A HUGE COUNTRY LIKE THE UNITED STATES WHICH HAS A DEFICIT OF US\$250 BILLION TO COMMENT ON A COUNTRY LIKE MALAYSIA BUYING AND SELLING ITS CURRENCY IS QUITE DIFFICULT TO UNDERSTAND THE RATIONALE,+ DATUK SERI DR MAHATHIR MOHAMAD TOLD SENIOR EDITORS IN AN END-OF-YEAR INTERVIEW AT HIS OFFICE HERE.

ASKED ON THE US CONCERN ABOUT THE WAY MALAYSIA WAS MOVING ITS FOREIGN RESERVES, HE SAID MALAYSIA'S FOREIGN EXCHANGE DEALINGS WERE NOT GOING TO DESTABILISE THE WORLD.

RATHER, THE WORLD COULD DESTABILISE MALAYSIA ANY MOMENT BY JUST ONE BANK DUMPING INTO THE MARKET M\$100 MILLION, AN AMOUNT ENOUGH TO PUSH DOWN THE MALAYSIAN RINGGIT AND RAISE THE COUNTRY'S DEBTS.

+ AT THE TIME WHEN THE BANKS DID THIS, NOBODY COMPLAINED EXCEPT US BUT WE WERE A VOICE IN THE WILDERNESS,+ HE SAID, ADDING THAT WHEN THE INDUSTRIALISED NATIONS GANGED UP TO DOUBLE THE VALUE OF THE YEN, THERE WAS NO CONSULTATION WITH COUNTRIES LIKE MALAYSIA.--MORE

MAHATHIR-CURRENCY 2 KUALA LUMPUR (EMBARGO)

BUT HE SAID MALAYSIA WAS QUITE WILLING TO STOP MOVING ITS FOREIGN RESERVES IF THESE COUNTRIES STOPPED FIDDLING WITH ITS CURRENCY.

+IT IS A VERY BIG THING FOR US BUT OUR BUYING AND SELLING CURRENCY IS A VERY SMALL THING IN TERMS OF THE HUNDREDS OF BILLIONS OF TRANSACTIONS GOING ON EVERYDAY IN THE WORLD,+ THE PRIME MINISTER ADDED.

ASKED IF HE THOUGHT MALAYSIA WAS THE ONLY COUNTRY DOING IT, HE REPLIED: + I THINK ANY COUNTRY SHOULD BE DOING IT IN ORDER TO PROTECT ITS OWN CURRENCY+.

HE SAID ALTHOUGH SOME COUNTRIES MIGHT NOT HAVE THE CAPACITY TO DO IT, THOSE THAT COULD AFFORD TO DO SO SHOULD NOT BE DEPRIVED OF THE RIGHT TO PROTECT THEMSELVES.

DATUK SERI DR MAHATHIR ALSO SPOKE OF MALAYSIA'S CHANGING ECONOMIC FORTUNES, FROM THE INITIAL YEARS OF HIS EIGHT-YEAR OLD ADMINISTRATION WHEN THE COUNTRY WAS ON THE THROES OF RECESSION TO THE CURRENT ECONOMIC TURNAROUND.--MORE

MAHATHIR-CURRENCY 3 KUALA LUMPUR (EMBARGO)

IN TURNING AROUND THE ECONOMY, THE GOVERNMENT HAS HAD TO EXAMINE ITS POLICIES, WAYS OF FUNCTIONS AND DECISION-MAKING MACHINERY AND EQUALLY IMPORTANT, IT HAS TO BE ABLE TO ADMIT ITS MISTAKES.

+ WE HAVE TO ACCEPT THAT SOMETIMES WE DO NOT KNOW HOW TO DO THINGS WELL. WE NEED OTHER PEOPLE'S HELP. IF YOU ARE TOO PROUD TO ASK FOR ADVICE, I THINK YOU'LL GET INTO A MESS,+ HE SAID, ADDING THAT THIS WAS WHY HAD ALWAYS ADVOCATED THAT THE COUNTRY SHOULD LOOK EAST, PARTICULARLY JAPAN.

+ THIS WAS WHY WE SLOWLY ACHIEVED A TURNAROUND, PARTLY OF COURSE, THE WORLD HAS ACHIEVED A TURNAROUND ITSELF. IT IS A QUESTION OF HOW YOU MANAGE TO COPE WITH THE RECESSION AND THE RECOVERY OF THE WORLD+.

THE PRIME MINISTER SAID IN TAKING ADVANTAGE OF THE RECOVERY, MALAYSIA MUST HOWEVER BE EFFICIENT, OTHERWISE IT WOULD BE IN TROUBLE.

ON EFFICIENCY, HE SAID IT COULD BE IMPROVED ALL THE TIME, BECAUSE +YOU CANNOT REACH ABSOLUTE DEGREE OF EFFICIENCY AS NO MATTER HOW GOOD YOU ARE AT DOING SOMETHING, THERE IS ALWAYS A BETTER WAY TO DO IT+.--BERNAMA

1144MST 28 12 89