

0975

R E644 A A E
MAHATHIR-TARGET

(EMBARGO: 11PM TODAY, AUG 22)

KUALA LUMPUR, AUG 22 (BERNAMA) -- NON-BUMIPUTERAS AND FOREIGN INVESTORS WILL BE DOING THEMSELVES A GOOD TURN BY HELPING BUMIPUTERAS ACHIEVE THEIR ECONOMIC GOALS EARLY, DATUK SERI DR MAHATHIR MOHAMAD SAID TONIGHT.

+THE SOONER WE ACHIEVE OUR GOALS THE SOONER WILL THE NEED FOR SPECIAL TREATMENT CEASE,+ THE PRIME MINISTER SAID WHEN ADDRESSING MEMBERS OF THE HARVARD CLUB OF MALAYSIA AT THEIR DINNER. THE TOPIC OF HIS SPEECH WAS +POST 1990 - ECONOMIC POLICY OF MALAYSIA+.

HE SAID THE GOVERNMENT WOULD NOT FORCE THE PACE (FOR ACHIEVING THESE GOALS) BUT IT WAS IMPORTANT TO REMEMBER ALWAYS THAT THERE WOULD BE A PRICE TO PAY, ONE WAY OR THE OTHER.

+WE THINK THE PRICE WILL BE MUCH LOWER IF EVERYONE ACCEPTS THE NEED FOR SOCIO-ECONOMIC ENGINEERING AND HELPS TO MAKE A SUCCESS OF THE PROJECT,+ HE ADDED.

EARLIER, THE PRIME MINISTER SAID THE NEW ECONOMIC POLICY, WHICH ENDS THIS YEAR, WAS AN EXPERIMENT IN SOCIAL ENGINEERING, AND WHEN IT WAS DRAFTED THE GOALS WERE CLEAR -- POVERTY ERADICATION AND THE RESTRUCTURING OF SOCIETY TO REMOVE IDENTIFICATION OF RACE WITH FUNCTIONS. -- MORE

2146MST 22 08 90

0976

R E645 AA-E

MAHATHIR-TARGET 2 KUALA LUMPUR (EMBARGO)

+BUT WE HAD NO EXPERIENCE AND NO MODELS TO FALL BACK ON IN ORDER TO ACHIEVE THESE OBJECTIVES.+

HE SAID THAT BELIEVING IN A FREE MARKET SYSTEM WHILE REJECTING SOCIALISM AND COMMUNISM, THE GOVERNMENT HAD TO ACCELERATE THE GROWTH OF ONE SEGMENT OF THE SOCIETY WITHOUT CAUSING A SENSE OF DEPRIVATION OF THE OTHER SEGMENTS.

+IT WAS ALTOGETHER A TALL ORDER FOR A GOVERNMENT AND A BUREAUCRACY WHICH WAS, UNTIL ONLY 12 YEARS AGO, A PURELY ADMINISTRATIVE SET-UP,+ HE ADDED.

NOTING THAT THE PUNDITS COULD NOT BE BLAMED IF THEY HAD PREDICTED REGRESSION FOR MALAYSIA THEN, HE SAID IT WAS NO WONDER THAT MANY OF THE THINGS DONE BY THE IMPLEMENTORS OF THE NEP, A SET OF AMATEURS! FAILED MISERABLY.

REFERRING TO THE INDUSTRIAL COORDINATION ACT (ICA) AND OTHER RESTRUCTURING EXERCISES TO GIVE BUMIPUTERAS A STAKE IN THE ECONOMY! HE NOTED THAT STATE ECONOMIC DEVELOPMENT CORPORATIONS SPROUTED IN EVERY STATE AND THEY IN TURN GAVE BIRTH TO HUNDREDS OF SUBSIDIARIES, JOINT VENTURES AND SUB-AGENCIES. -- MORE

2148MST 22 08 90

0978

R E646 A A E
MAHATHIR-TARGET 3 KUALA LUMPUR (EMBARGO)

+A LOT OF PEOPLE WHO WERE STRANGERS TO BUSINESS SUDDENLY FOUND THEMSELVES RUNNING MULTI-MILLION DOLLAR TRADING COMPANIES, MANUFACTURING COMPANIES AND CONSTRUCTION COMPANIES.

+CIVIL SERVANTS UNSURE OF WHAT TO DO YET ANXIOUS TO ACHIEVE THE OBJECTIVES OF THE NEP SOMETIMES BECAME OVERZEALOUS,+ DATUK SERI DR MAHATHIR SAID, ADDING THAT THEY AND THE GOVERNMENT WERE NOT HELPED BY THE BUMIPUTERAS AND NON-BUMIPUTERAS MAKING USE OF THE NEP FOR THEIR OWN SELFISH PURPOSE.

HE SAID THE BUMIPUTERAS OBTAINED THE LICENCES AND PERMITS AND SHARES WHICH THEY PROMPTLY SOLD TO THE NON-BUMIPUTERAS.

+AND NON-BUMIPUTERAS ABETTED THEM BY BUYING LICENCES, BY USING BUMIPUTERAS AS FRONTS.+

HE SAID THAT IN MOST CASES THE BUMIPUTERAS WERE NOT GIVEN FIRST-HAND EXPERIENCE AND KNOWLEDGE OF BUSINESS MANAGEMENT? NOTING THAT IN MOST CASES ALL THE BUMIPUTERAS LEARNT WAS HOW TO USE THEIR STATUS TO GET MORE AND MORE LICENCES.

+CLEARLY MANY SINS WERE COMMITTED IN THE NAME OF THE NEP BOTH BY THE BUMIPUTERAS. AND NON-BUMIPUTERAS,+ HE ADDED. -- MORE

2152MST 22 08 90

J980

RE647A A E
MAHATHIR-TARGET 4 KUALA LUMPUR (EMBARGO)

DATUK SERI DR MAHATHIR SAID THAT UNDER THOSE CIRCUMSTANCES MALAYSIA SHOULD REALLY STAGNATE OR REGRESS BECAUSE OF THE NEP, THE WAY THE SOCIALIST AND COMMUNIST COUNTRIES REGRESSED.

+BUT DID MALAYSIA REGRESS? THE ANSWER IS A RESOUNDING NO,+ HE SAID, ADDING THAT ECONOMIC GROWTH ACTUALLY ACCELERATED WITH THE NEP. THE GROWTH IN THE 1970s AVERAGED SEVEN TO EIGHT PER CENT WHILE IN THE 80s AFTER A SHORT PERIOD OF RECESSION CAUSED NOT BY THE NEP BUT BY THE WORLDWIDE DEPRESSION, THE ECONOMY RECOVERED AND WENT ON TO RECORD EIGHT PER CENT GROWTH.

NOTING THAT MALAYSIA HAD BEEN RANKED FIFTH OUT OF 130 DEVELOPING ECONOMIES OF THE WORLD- HE SAID +MALAYSIA IS AN ECONOMIC SUCCESS BUT EVERYONE KNOWS THAT THE NEP HAS NOT ACHIEVED THE ARBITRARY TARGET THAT WAS SET BY THE NATION.

+THUS BUMIPUTERAS, BY ANY MEASURE, ARE STILL VERY FAR BEHIND THE OTHER COMMUNITIES,+ HE ADDED. -- MORE

2156MST 22 08 90

D991

RE651A A E
MAHATHIR-TARGET 5 KUALA LUMPUR (EMBARGO)

DATUK SERI DR MAHATHIR SAID THAT THOUGH THE BUMIPUTERAS' COMPLAINTS WERE MORE LIMITED AND THIS WAS BECAUSE THEY FELT THAT THEY HAD A GOVERNMENT THAT WOULD LOOK AFTER THEIR INTEREST, THEY WERE DEFINITELY STILL UNHAPPY WITH THEIR LOT.

+WITH THIS IN MIND, IT WOULD BE FOOLISH TO SAY THAT THERE IS NO LONGER A NEED FOR SOME SOCIO-ECONOMIC ENGINEERING,+ HE ADDED.

STRESSING THAT MALAYSIA WAS A RICH COUNTRY, HE SAID GIVING THE BUMIPUTERAS A SHARE HAD NOT DONE ABSOLUTE DAMAGE TO THE ECONOMY OR TO THE PROSPERITY OF THE OTHER COMMUNITIES.

+LET US THEREFORE BEGIN BY ADMITTING THAT WE STILL HAVE TO DESIGN A POLICY THAT WILL FURTHER REDUCE THE RACIALLY RELATED DISPARITIES IN OUR SOCIETY,+ HE ADDED.

REFERRING TO THE FAILURES OF THE NEP SO THAT THEY WOULD NOT REPEAT THEM, HE SAID THE THRUST OF THE NEP WAS WEALTH-WARING AND IT WAS SIMPLY ASSUMED THAT IF YOU GAVE THE BUMIPUTERAS A 30-PERCENT SHARE OF THE WEALTH THEN RESTRUCTURING WOULD HAVE BEEN ACHIEVED.

+AND SO THE BUMIPUTERAS WERE SOLD SHARES EQUAL TO 30 PERCENT OF THE TOTAL SHARE HOLDINGS -- OR AT LEAST THIS WAS ATTEMPTED.

+BUT POSSESSION OF WEALTH WITHOUT THE ABILITY TO MANAGE WEALTH WILL NOT MAKE FOR A PERMANENT OR STABLE SOLUTION TO THE PROBLEM OF RACIAL INEQUITY,+ HE ADDED. -- MORE

2219MST 22 08 90

0994

R E654 A A E

REPEAT

MAHATHIR-TARGET 6 KUALA LUMPUR (EMBARGO)

HE SAID: +AS THE FAMOUS SAYING GOES 'A FOOL AND HIS MONEY ARE SOON PARTED.'+

THUS, WHEN THE NEP PUT WEALTH INTO BUMIPUTERA HANDS WITHOUT FIRST TRAINING THEM IN THE MANAGEMENT OF WEALTH, THE RESULT WAS A FOREGONE CONCLUSION, HE ADDED.

+WITHOUT THE GOVERNMENT-CONTROLLED AGENCIES SUCH AS THE PNB (PERMODALAN NASIONAL BERHAD) AND PERNAS, THE NEP WOULD NOT HAVE ACHIEVED THE 19 PERCENT BUHIPUTERA EQUITY BUT PROBABLY ONLY FOUR PERCENT,+ HE SAID, ADDING THAT GIVEN TIME, THAT FOUR PERCENT TOO COULD DISAPPEAR AS THE BUMIPUTERAS DISSIPATED THEIR WEALTH.

DATUK SERI DR MAHATHIR STRESSED THAT MORE IMPORTANT THAN THE MERE DISTRIBUTION OF SHARES AND OTHER FORMS OF ASSETS WAS THE TRAINING IN ETHICS AND MANAGEMENT.

+IF ANY KIND OF SOCIAL ENGINEERING POLICY IS TO BE DEvised, THEN THAT POLICY MUST LAY STRONG EMPHASIS ON ETHICAL AND MANAGEMENT TRAINING.+

HE SAID THE GOVERNMENT HAD ALREADY STARTED ON THIS BY INCLUDING IN THE SCHOOL CURRICULUM A SUBJECT CALLED +LIVING SKILLS+ TO PREPARE MALAYSIANS TO ADAPT TO AN INDUSTRIALISED SOCIETY IN A FREE MARKET SYSTEM. -- MORE

2226HST 22 08 90

0995

R E655 A A E

MAHATHIR-TARGET 7 KUALA LUMPUR (EMBARGO)

HE ALSO SAID THAT KNOWLEDGE OF MANAGEMENT WAS BEING TAUGHT IN INSTITUTIONS LIKE THE MARA INSTITUTE OF TECHNOLOGY (ITM) AND THE UNIVERSITIES WHILE UNIVERSITI UTARA MALAYSIA HAD BEEN SPECIALLY DEDICATED TO MANAGEMENT.

+HOPEFULLY THE BUMIPUTERAS WILL LEARN THE RUDIMENTS OF MANAGEMENT IN THESE INSTITUTIONS. THEY MUST NOT MAKE THE MISTAKE THAT WITH THEIR DEGREES OR DIPLOMAS THEY HAD BECOME FULLY QUALIFIED MANAGERS.

+IT TAKES MORE THAN BOOK-LEARNING TO BECOME MANAGERS,+ THE PRIME MINISTER SAID.

BUT, HE SAID, THE PRIVATE SECTOR ESPECIALLY THE NON-BUMIPUTERA PRIVATE SECTOR MUST PLAY ITS PART TOO.

+THEY MUST TAKE PAINS TO TRAIN THEIR BUMIPUTERA PARTNERS AND EXECUTIVES IN THE ART AND SCIENCE OF MANAGEMENT,+ HE SAID, ADDING THAT THE BUMIPUTERAS MUST ACCEPT THE RISKS INVOLVED IN BUSINESS, THE NEED TO CONTROL SPENDING AND THE APPRECIATION THAT FOR EVERY CENT SPENT THEY MUST EARN A RETURN COMMENSURATE WITH THE EXPENDITURE.

+NON-BUMIPUTERAS SHOULD NOT USE THEIR BUMIPUTERA PARTNERS AS FRONTS, USEFUL ONLY IN INTERACTING WITH GOVERNMENT OFFICIALS⁹ GETTING LICENCES AND PERMITS,+ HE SAID. -- MORE

222BMST 22 08 90

0998

R E656 A A E

MAHATHIR-TARGET 8 KUALA LUMPUR (EMBARGO)

THE PRIME MINISTER SAID THE BUMIPUTERAS, FOR THEIR PART, MUST LEARN THAT THERE WAS NO EASY WAY OF GETTING RICH QUICK.

+IF YOU DO NOT EARN YOUR MONEY, IT IS NOT GOING TO STAY LONG WITH YOU,+ HE SAID, POINTING OUT THAT RESTRUCTURING WAS NOT INTENDED TO BE A TRANSIENT THING BUT MUST BE DURABLE.

DATUK SERI DR MAHATHIR ALSO STRESSED THAT ETHICS WAS IMPORTANT AND THAT WEALTH TENDED TO CORRUPT, PARTICULARLY EASY WEALTH.

+WE NEED TO HAVE SOME ETHICAL CODE FOR BUMIPUTERAS AS FOR OTHERS. FAR TOO MANY BUMIPUTERAS HAVE SUCCUMBED TO THE CORRUPTING INFLUENCE OF EASY MONEY.

+THEY SHOULD BECOME WEALTHY BUT THEY SHOULD BE MADE TO EARN EVERY CENT OF IT.+

THE PRIME MINISTER SAID THE NON-BUMIPUTERAS SHOULD NOT HELP IN THE CORRUPTION PROCESS AND THE BUMIPUTERAS MUST LEARN TO RESIST THE CORRUPTION OF THE WEALTHY.

+WHAT WE WANT REALLY IS NOT 30 PERCENT OF THE WEALTH OF THIS COUNTRY FOR THE BUMIPUTERAS BUT 30 PERCENT OF MALAYSIAN MANAGERS AND ENTREPRENEURS TO BE HIGHLY SKILLED AND ETHICAL BUMIPUTERAS.

+WITH THIS PERCENTAGE⁹ BUMIPUTERAS CAN ACQUIRE THE WEALTH AND RETAIN IT WITH MINIMAL HELP FROM THE GOVERNMENT,+ DATUK SERI DR MAHATHIR ADDED. -- BERNAMA

2233MST 22 08 90