

E
ECONEWS

MAHATHIR TELLS CFM TO ADOPT COMMON STAND AT WORLD BANK MEETING

KUALA LUMPUR, Oct 9 (Bernama)-- Prime Minister Datuk Seri Dr Mahathir Mohamad today advised Commonwealth finance ministers not to accede to the World Bank's insistence of new conditions for aid and loans, saying that as a group they should understand the problems faced by their weakest members and help off the more extreme demands that would be made upon them.

They should appreciate the difficulties of the weak, the recipients of aid and the debtors, he said when opening the two-day annual Commonwealth Finance Ministers meeting here.

He said if the Commonwealth countries work in concert and decide on common stands after the meeting of the finance ministers where the voices of the weaker members had been heard, then it may be possible for the Commonwealth as a group or for the stronger members of the Commonwealth to lend weight to the arguments and pleas of the weak.

+The need for the weak to be heard is much more urgent now for we hear talk of linking aid and trade to democracy, human rights, workers' rights and the environment,+ he said.

Datuk Seri Dr Mahathir said he hoped that the participation of the ministers at the meeting was not just of logistical convenience. as it is a common practice for them to meet before going on to meet the finance ministers and central bankers from other parts of the world at the annual meetings of the World Bank and International Monetary Fund. This year's World Bank/IMF annual meeting will be held in Bangkok.

+I hope that you will hold substantive discussions which will help you to appreciate the financial and other problems of the countries of the Commonwealth, to understand each other, formulate certain common stands which will be beneficial to the members as a whole,+ he said.

He said there was often a great disparity between the powers wielded by the members of the world fora that a small country was often completely lost, its voice completely ignored and its interests relegated to the background.

The prime minister said that aid and trade were two things that concern all the finance ministers as even the rich countries which do not need aid have to manage their finances well if they were to remain prosperous.

+So let us not be too ready to condemn failure and apply sanctions, but instead let us help each other first,+ he added.

Some countries would be successful while some others failed in managing their finance, he said, adding that Malaysia believed in learning from others.

The Prime minister said the debtors and recipients of aid must also acknowledge their need to accept reasonable actions.

+No one will help if that help is going to be frittered away or to be used to oppress or sustain authoritarian rule,+ he added.

The Prime minister said the restructuring of debts cannot be resolved by merely asking the debtors to practice thrift and cut back on development.

The lenders and agencies must actively provide guidance and help while debtors must accept guidance and direct help, he added.

+It is acknowledged that there may be political reasons for recalcitrance on the part of the debtors,+ he said. +This should not be simply condemned. The situation should be studied and solutions found.+

He also advised donors not to hold back aid because of alleged breaches of humanrights or whatever.

+The donor and the recipient, and possibly a third party, should study how best to continue to give aid but control the breaches of human rights,+ he added.

Datuk Seri Dr Mahathir said Commonwealth finance ministers must be committed to 'free trade.

Where there were no breaches of freedom, democracy, human rights; workers rights, free speech and environmental pollution, there should not be protectionism and regulated trade.

The status of the Generalised System of Preferences should not be reviewed merely to slow down the growth of development which conforms to all the conditions,+ he added.

The prime minister said there should not be a continuous effort to effect new conditionalities for trade.

With the intellectual property rights and the +Watch List+, some vulnerable countries are feeling that they are being put under surveillance like criminals.

But he said there was now a new twist to the environmental conditions in that goods must be recyclable.

This will affect the manufactured products exported by the poorer countries which use borrowed technology and have limited capacities to innovate and adapt to the new conditions.

At the same time since the poor countries are also 'the producers of raw materials for manufactured goods, recycling would reduce the demand for the raw materials involved, thus making the poor countries even poorer.

The linkages between trade and aid with the democratic practices of a country should not be selective.

+Friends or foes should not count,+ he said. +It would be a mockery and a farce if friends can get away with dictatorships and oppressions while those who are not friendly and given to plain speaking are subjected to the proposed pressures.+ -- Bernama