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Dr M: Turmoil in currency

By K.P. Waran and Hayati Hayatudin

KUALA LUMPUR, Tues. — Datuk Seri Dr Mahathir Mohamad said the turmoil in the currency market and attempts by some developed nations to link international trade to social conditionalities would further impoverish poor nations.

The Prime Minister said linking trade policies to labour and social standards would prevent poor nations from achieving the social reforms these conditionalities were supposed to bring about.

The Prime Minister said such linkage amounted to a hidden barrier and an attempt to curb exports from developing nations to developed countries.

Expressing concern for such attempts by some de-

veloped nations, Dr Mahathir said: "We should free ourselves from the need to hide behind such spurious tactics in the attempt to counter fair competition. We should be prepared to open up our countries to international trade within the agreed rules designed for fair competition."

In his opening address at the 68th Congress of the International Association of Seed Crushers (IASC) Conference, he said in a dynamic world order, nothing remained static particularly the economic development of nations and regions and added that the 21st century was increasingly viewed as belonging to Asia in general and the nations of the Pacific rim in particular.

He said this was a natural development which should be welcomed by the world community, both developed

and developing, and by countries of the North as well as the South.

IASC, formed in 1910 by a group of European vegetable oil seed crushers today comprises national bodies such as the Malaysian Oil Palm Growers' Council, Malaysian Palm Oil Promotion Council, Chicago Board of Trade and Japan Oil Seed Processors Association.

The association's main objective is to promote the interests of members in the production, processing, refining, sale or use of oil from oil palm, soya bean and sunflower or rape seeds.

Last year the congress was held in Seville, Spain. This is the second time Malaysia is hosting the congress, the first being in 1978. The congress is a chance for members to meet and discuss solutions to problems pertaining to seeds and the

industry.

Dr Mahathir said the economies of the West were essentially mature and self-sustaining with high rates of personal consumption and low rates of savings and capital formation while the emerging nations, starting from a lower base and with their propensity for higher savings and investments, and with the zeal and determination to catch up, were able to grow at a more rapid pace.

He said this growth, however, would be stunted if the developed world not only did not lend a helping hand but actually put obstacles in the way.

"The world is a much smaller place now and we are all close neighbours. If neighbours are poor there will be a spillover effect into other countries, and one of the results will be the mas-

market bad for poor nations

sive migration of the poor with all the attendant problems," he said.

As for the turmoil in the currency markets, Dr Mahathir said this was another major problem faced by developing countries especially the loss of sovereignty over the country's own currency.

This, he said, with the manipulation by unscrupulous currency traders and governments, was creating havoc, distortions and anarchy in poor countries.

He related that Malaysia's Yen debts rose 300 per cent because of the current anti-Japanese climate.

He said the rising Yen resulted in producers of raw materials having to sell more and more in order to pay for less and less manufactured goods.

Although Malaysia had turned away from depend-

ing on the production and export of raw material to avoid the changes in terms of trade, he said, presently its manufactured goods were also affected by the Yen revaluation and the loss of GSP privileges long before the country reached the cut-off points.

Dr Mahathir also doubted whether the World Trade Organisation, established after the conclusion of GATT negotiations, would benefit the weak.

"Might is still right and it will remain so until there is a radical change in the attitudes of the powerful.

"As we stand at the threshold of a new century, we should make a serious attempt to free ourselves from the excess psychological baggage and restrictive mental blinkers associated with narrow parochial and national thinking," he said.

He said countries all over the world must open up their minds to think global as members of an enlightened world community and should be more sympathetic to human tragedies that had occurred in many parts of the world.

"The international community can and indeed must do much more to assist in a concrete and tangible manner the poor and the unfortunate of the world and developed countries should set good examples for the rest of the world," he said.

He said developed countries, which proclaimed themselves to be world leaders, and claimed the high ground when it came to questions of human rights and justice should set themselves up as good and proper examples for the rest of the world.

He said international bodies such as the International Association of Seed Crushers could help foster the message of a caring world community and could send a clear signal to all countries.

"In this way, we shall be doing our bit as responsible world citizens and help in the development of a caring world community of nations," he added.

On the edible oil industry, he said, it was facing stimulating challenges with the opening up of important new markets due to the spreading acceptance of the free market economy and the prosperity which often accompanied it.

He urged the industry to be united, to pool its resources, and invest in research as well as new technologies to remain competitive.