

03 MAR 1996

Mahathir-politics

M'SIA FACES DILEMMA OVER FUNDING OF POLITICS, SAYS PM

By: K.C. Leong

BANGKOK, March 3 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad said today Malaysia, like other countries, faces a dilemma over how best to deal with the vexing problem of political contributions and political parties' involvement in business.

Replying to a question during a dialogue at an Asian business leaders forum here, he said that this was "damned if you do and damned if you don't" situation".

"Politics is costly. You need money to travel, you need money to campaign, to print your posters and everything else," he said.

The problem was how a political party could finance itself, he said, adding that in Malaysia both contributions from the public and political parties venturing into business had been tried and neither had proven satisfactory.

He said in the United States, political parties openly canvass for funds through such means as US\$1,000-a-plate parties.

There were also suggestions that government should allocate funds for political parties to carry out their campaigns but this had not been fully accepted.

Dr Mahathir said that in Malaysia this problem had not really been resolved and the difficulty was how to receive contributions from people and yet not favour them, for example, when awarding contracts.

He also cited his own experience where people had their photographs taken with him beside them and used the pictures to tout their own influence.

Dr Mahathir said to laughter that his solution to this particular problem was to agree to be photographed with all who requested it.

To another question, Dr Mahathir said Malaysia's affirmative action launched through the New Economic Policy had helped the country to achieve greater equality.

"The disparity is not so great now and there are rich Chinese, rich Malays and rich Indians as well as poor Chinese, poor Malays and poor Indians," he added.

The size of the middle class in Malaysia had grown as a result of the affirmative action programme while the incidence of hard-core poverty had fallen from 50 to five percent of the population.

Under the Malaysia Incorporated policy, he said business people were recognised as creators of national wealth who contributed 30 percent of their earnings to the government through taxes.

He said there were now rich Malays who were probably children of padi farmers and not from elite families.

"Anyone at all can become rich in Malaysia and the poor, if they are willing to work, should be able to overcome their poverty." -- BERNAMA

LKC YBY