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Mahathir-NEP
NEW ECONOMIC POLICY STILL NEEDED

KUALA LUMPUR, Aug 28 (Bernama) -- The New Economic Policy (NEP), aimed at eradicating poverty and identification of race according to economic functions, is still needed but the approach in its implementation will be changed in keeping with the times, Datuk Seri Dr Mahathir Mohamad said today.

The Prime Minister said that although the NEP, launched some 25 years ago, had proven to be successful, the policy could not yet be terminated as there were still gaps that needed to be bridged among the various races through other approaches.

"The torch that lights the way in the dark cannot have the same effect during the daylight. Nevertheless, we should not discard the torch when we use a new one," he said when launching the Wawasan 2020 Unit Trust Scheme (ASW 2020) at the Putra World Trade Centre here.

He said that the Amanah Saham Nasional (ASN) and Amanah Saham Bumiputera (ASB), managed by Permodalan Nasional Berhad (PNB), were the "torches" which were so effective in the implementation of the NEP.

"We will not discard such effective tools like the Amanah Saham Nasional and Amanah Saham Bumiputera but the time has come for us to try to expand the scope of the unit trust system," he said.

As such, the Prime Minister said, the government agreed that the PNB set up and manage another unit trust scheme, the ASW 2020, opened to all the races but confined to the younger generation.

"It is aimed at bringing the various races closer together by the year 2020. The Wawasan 2020 Unit Trust Scheme family will have an equal stake not only in the benefits of the trust scheme but also in the country's stability and prosperity," he said.

Dr Mahathir said that the government's move to introduce the NEP had been condemned and criticised by the West for being allegedly being unfair and undemocratic.

"They would rather see the rich becoming richer while the poor continue to suffer especially if the poor comprise a race or other ethnic groups which they look down upon because of the colour of their skin and such things," he said.

However, he said that the NEP was clearly more successful than the communism, socialism, affirmative action approach in the United States and the normal income tax system.

The Prime Minister said that communism and socialism did not only fail to provide equal benefits to society but also led to acute oppression and eventually poverty among the people and the nation.

It was the same with the affirmative action in the United States which failed because the rich were not prepared to make even small sacrifices merely under the assumption that their sacrifices were undemocratic, he said.

"Democracy is deemed to be more important than efforts to eradicate injustice which is clearly happening in their society," he said.

Dr Mahathir said that the approach through the normal income tax system was not suited to Malaysia because of imbalance not only among the rich and the poor but also among the races.

"As such, we have to create the NEW Economic Policy as an essential tool and approach," he said.

The Prime Minister said that although the objectives of the NEP had not

been fully achieved, the situation now was not as bad as when the policy was launched some 25 years ago.

"Jointly with other approaches created by the government, the inequality among the races in the economic field has been greatly reduced," he said.

However, Dr Mahathir said that there were still gaps between the races which reflected inequality among them.

"Therefore, we still cannot terminate the New Economic Policy. What we can do is to provide treatment which is not too different to the youths from the various races," he said when referring to the ASW 2020 which was launched today.

He said that the use of trust units to distribute the country's wealth more equally also contributed to the nation's development.

The Prime Minister said that 12 per cent of the total funds in Malaysia which had reached over 30 per cent was from trust schemes.

"This figure is difficult to achieve in other countries including developed nations. This huge funds reduced the deficit in the country's balance of payment said to be high," he said.

Dr Mahathir also criticised snobbish Western economists who had described the country's economic administration as "noddy nomics".

"They have forgotten that their countries have repeatedly experienced economic slowdown because their governments were inefficient," he said.

He said that it would be better for these economists to concentrate on overcoming the problems faced by their countries instead of giving gratuitous comments and advice to others. -- BERNAMA

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