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Mahathir-Economy

CURRENCY CRISIS: DON'T DESPAIR AND PANIC, SAYS DR M

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MONTEVIDEO, Oct 3 (Bernama) -- The economic problems faced by Malaysia due to the attack on the ringgit can be overcome and the people should not despair and panic, Prime Minister Datuk Seri Dr Mahathir Mohamad said Thursday.

" We can overcome this problem if we are disciplined and know how to adjust ourselves," he told Malaysian journalists covering his visit to Uruguay.

He said the government was gathering information on the impact on the ringgit's depreciation and drop in the stock market on the country's economy as well as the people to take the necessary steps to deal with the problem.

To businessmen who are worried, the Prime Minister said, they had to look at the government's performance record which had succeeded in developing the country and enabled them to become rich.

He said Latin American countries which faced worst economic problems with inflation up to 1,000 per cent still existed.

Dr Mahathir said this was not the first time Malaysia was facing problems.

In 1973, Malaysia faced a crisis due to the hike in oil prices and recession in 1985-86 but could overcome the two problems, he added.

Dr Mahathir said claims that what happened in Malaysia and in other Southeast Asian countries was due to weak fundamentals actually had no connection whatsoever to fundamentals.

" This is not a question of fundamentals, this is a question of pressure... the question of getting money from those who have money. If (we) have no money, they won't disturb. (Believe me) those who do not have money now but when they have progressed in future, will face the same pressure," he said.

The Prime Minister said it was suggested that it was time to change the country's leadership to overcome the problems faced by Malaysia.

" This is an attempt to divide us," he said, citing an example of efforts by a group to create tension between Malaysia and Indonesia.

He said the group had repeatedly asked the Governor of the Central Bank of Indonesia for his opinion on him (Dr Mahathir).

The question was asked so that the governor would say "yes, he is a rascal" but the governor did not say so.

Asked on the reaction or feedback from the international community on his recent speeches which were regarded as provocative particularly his call to stop currency trading, Dr Mahathir said every time he delivered a speech, there would be pressure on the ringgit, causing its value to drop.

" The question is whether we have to bow to their pressure)?,

" These are not pressures from governments but from individuals who are not elected by anyone whilst we are a sovereign country, having a government elected by the people.

" Hence, do we have to give up our independence because we want to give in to others,?

" What's the meaning of independence or democracy if leaders elected democratically have to idolise foreigners,?" he said.

Dr Mahathir said some might say it doesn't matter if Malaysia adored foreigners as long as the ringgit does not depreciate.

" But we cannot be sure. If we look back, Malaysia did not do anything

and I myself did not utter a word against Soros but the groups indulged in activities which affected Malaysia's economy," he said.

The Prime Minister said Malaysia need to overcome on its own the problems it was facing by exercising discipline and implementing proper measures.

He said Malaysia should not be influenced by what other people say, for instance, his (Dr Mahathir) speeches were useless and caused problems for others.

" If there are those who want to idolise others, they can carry on. I cannot. We have worked hard to redeem our integrity and to get independence for our country, do we want to surrender our integrity and independence just like that," he said.

Dr Mahathir said Malaysia would continue to voice its opinion at international forums and "they may or may not be effective."

" However, if not effective, believe me, all developing countries will be whacked (by speculators and currency manipulators)," he said.

On the assumption that many third world countries supported Malaysia but dare not speak up, Dr Mahathir said: " We should not be angry with them as they are indebted to certain parties and hence, their hands are tied."

Attempts were also made to tie Malaysia's hands to bow to others but this was up to the people whether they wanted to allow that or not, he said.

To Malaysians, he said, the problems faced could be overcome if they do not despair as it was not the first time the currency problem was happening in the world.

Dr Mahathir said the British pound had fell before but it was now more expensive than previously while the US dollar, which was equivalent to RM3, dwindled to RM2.50 and had gone up again.

" It is not stable," he said.

The Prime Minister said the country had overcome many economic problems like the sharp rise in oil prices during the 1973 oil crisis which pushed the inflation to 17 per cent.

He said many people became bankrupt during the 1985 property market crash.

" We can overcome all these though people say we are stupid and do not know how to administer the country and should just follow them,

" They say, there must be herd instinct ... in the present world, we must follow the groups like buffaloes. I feel no need to follow to the extent of becoming buffaloes," he added. -- BERNAMA

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