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PM: I'll not submit to ringgit, share manipulators (HL)

A Kadir Jasin in Montevideo, Uruguay

PRIME Minister Datuk Seri Dr Mahathir Mohamad said he was neither prepared nor willing to submit to the people who manipulated the ringgit and the stock market after working so hard to gain independence and later to redeem the dignity of the country.

"Are we to mortgage our self-esteem and the independence of our country that easily?" he asked in response to a question regarding the allegation that his outspokenness was hurting the ringgit and the stock market.

He was speaking to Malaysian journalists at the end of his two-day official visit to Uruguay on Thursday.

Speaking almost exclusively in Bahasa Malaysia, Dr Mahathir said Malaysians should not be easily influenced by such an allegation, adding that he was aware of accusations that his speeches were useless and damaging.

"There were those who said the time had come to change the leadership. This is an attempt to break up the unity of our leadership," he said.

Asked what feedback he had received concerning his speech on Tuesday at the Pacific Economic Co-operation Council meeting in Santiago, Chile, the Prime Minister replied:

"As I have said earlier, each time I make a speech there would be pressure applied on the ringgit forcing its value to fall. The question is do we give in to pressure. This is not the pressure from governments but individuals who are not elected by anybody.

"We are an independent nation and the Government is elected by the people. And do we disregard our independence and submit ourselves to others because they are threatening our currency?

"What is the meaning of independence and democracy if a leader, who is democratically elected, has to submit to outsiders?"

Dr Mahathir said he was aware that there were Malaysians who said the country should be willing to submit to others if by doing so the value of the ringgit would not fall.

"But there is no guarantee," said the Prime Minister "that even if we submit to them they will not push down the value of our currency."

He said in the beginning he did nothing to them yet they initiated the moves to precipitate the fall of the ringgit.

"I had not uttered a single word concerning 'Encik Yang Berbahagia (George) Soros (the Honourable Mr Soros)' and others.

"But look what they did to us. If we think by submitting to them they will be nice to us, I am afraid we are making a mistake.

"We now have a problem that we must ourselves face. For this we need discipline. Only with discipline and co-ordinated actions can we hope to overcome it."

To a question that his statements on currency trading made in Hong Kong and Santiago were significant and should be debated but had instead been used by people seeking punchy "one-liners", the Prime Minister said Malaysians should not succumb to such a tendency.

He said there had also been attempts to strain relations between Malaysia and Indonesia, noting that the Governor of the Indonesian Central Bank had been repeatedly asked about his views of him (Dr Mahathir). The objective was to force the Indonesian official to say something negative but the banker did not fall for the trick.

Asked what sort of forums could be used to discuss his ideas on currency

trading, the Prime Minister said the International Monetary Fund, which was cited by his deputy, Datuk Seri Anwar Ibrahim, could be one of them.

He said: "There are other forums that can be used. What we are saying may or may not produce positive results. But if the latter turns out to be the case, we can rest assured that other developing countries will be mercilessly attacked by these people.

"The moment they become slightly wealthier they will be clobbered. Today, they (the speculators) seem to have greater confidence in countries which are much poorer than us and which are sometimes described as basket case, to such a degree that the value of their currencies has risen against the ringgit.

"So what fundamentals are they talking about? What is happening to the ringgit has little to do with fundamentals. It is about the use of pressure to take away the wealth of others. If a nation is poor, it is spared such pressure. But mark my word when the same nation becomes rich, the manipulators will do the same to it."

Asked about the lack of confidence among some Malaysian businessmen, Dr Mahathir said they should study the record of the Government since the nation's independence.

He said thanks to the success of the Government in developing the economy, the businessmen had become rich. Now the country was facing a problem and to overcome it, a high level of discipline was needed.

But if they panicked, said the Prime Minister, the problem could not be solved and the losses they suffered would be permanent, pointing out that other countries had gone through worse experiences and survived.

There were among them that experienced 1,000 per cent inflation, survived and went on to prosper, he said.

"I think if we are disciplined and know how to react to problems, we will be able to solve them," he said.

Asked what he thought of the stand of the business community on the present problem, Dr Mahathir said some of them were truly supportive of the Government.

"But there are those who are weak and are unable to lend support," Dr Mahathir said, adding that he would not blame them.

"But I appeal to them to be disciplined. And I appeal to the (Malaysian) Press not to panic. If you do, we will be in huge trouble," he said.

Asked what steps the Government would be taking to tackle the likely effects of the current problem on the ordinary people - like the increase in food prices and fees for overseas' education - Dr Mahathir said careful studies had first to be made.

Only after getting sufficient feedback, said the Prime Minister, would the Government be able to draw up appropriate countermeasures.

He stressed currency depreciation was neither new nor confined to the ringgit. The British pound experienced the same problem (in 1993) but today it is stronger than before the crisis.

Asked if the signs of panic in some quarters were due to their ignorance of earlier crises, Dr Mahathir said the country had experienced many economic difficulties and survived.

He said when petroleum prices doubled in 1973, the economy slowed down and inflation rose 17 per cent but the crisis was quickly overcome.

In 1985/86 the property market crisis caused many people to go bankrupt but the problem was overcome despite allegations that the Government was too stupid to manage the economy.

Dr Mahathir said there were those who suggested that since we are unable to manage the economy on our own, we should just follow others and live by herd instinct.

"They wanted us to behave like a herd of buffaloes so that over time we

would become more primitive as technology advances," said the Prime Minister.

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