

31/10/1997

PM: No need for outside help (HL)

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PETALING JAYA, Thurs. - Prime Minister Datuk Seri Dr Mahathir Mohamad said he is confident that Malaysia can overcome its economic problems without seeking outside assistance.

However, Dr Mahathir said, for this to materialise, the Government needed the people's support. He added that this would be easier if the people were prepared to be more disciplined.

The Prime Minister said this at a Press conference at the Sultan Abdul Aziz Shah airport in Subang upon his return from Edinburgh, Scotland where he attended the Commonwealth Heads of Government Meeting and a three-day official visit to Slovenia.

Dr Mahathir said: "We can overcome the problems if the people support the Government and are prepared to be more disciplined. If we are willing to do this, we will not become slaves to anyone ... if not, we will once again be colonised."

He was asked to comment on the International Monetary Fund's offer to help countries which were facing economic problems in return for tough economic policies.

IMF first deputy managing director Stanley Fischer said in Washington yesterday it was ready to help stabilise economies that might need assistance, provided they were willing to undertake appropriate ambitious economic reforms and adjustment programmes.

Elaborating, Dr Mahathir said: "I feel sad as the IMF sees this as an opportunity to impose more rules. That's why we avoided asking its help," referring to the IMF's and World Bank's penchant to impose additional conditions on countries seeking their assistance.

Deputy Prime Minister Datuk Seri Anwar Ibrahim had earlier made reference to the issue. At Gerakan's Deepavali open house at Wisma PGRM, Anwar, who is Finance Minister, said Malaysia's current economic problems do not warrant it to seek foreign financial assistance.

Emphasising this, Anwar said the country's economic woes were "nowhere near" Thailand and Indonesia, adding that the measures taken by the Government to address the problems were adequate.

"We should not be too dependent or tied up to assistance from other countries. We have no intention of seeking aid. I feel we should concentrate on measures that have been decided," said Anwar.

Reiterating his confidence of the country's resilience to weather the economic storm, he said: "I think we are able to manage the economy, contain inflation and generate an acceptable moderate growth.

"We are also able to take very bold tough measures to ensure the current account deficit and imports are reduced substantially while exports and economic activities are further generated."

Dr Mahathir was also asked to comment on the response from leaders of countries whom he had talked to on Malaysia's call for an international mechanism to protect small countries from being destabilised by manipulative activities of currency traders.

"I have talked with the Prime Minister of Britain (Tony Blair), and it seemed that he was keen to discuss the matter further.

"But there are also leaders of other developed countries who felt that we must have committed a mistake which led to the economic problems. On the other hand, I also noticed that many leaders had no understanding at all of the currency trading mechanism."

On whether Malaysia would convey its strong stand on currency trading to World Trade Organisation director-general Renato Ruggiero, who is here for the G15 Summit, Dr Mahathir said: "Yes, we will."

The Prime Minister was also asked whether Malaysia's call for currency trading to be regulated had been further substantiated by Tuesday's crash of stock markets all over the world.

He said there appeared to be more awareness on the matter but expressed pessimism that something would come out of it.

Dr Mahathir felt the world would continue to be plagued with problems unless some regulations were introduced to check excessive speculation.

He said: "They always demand that we administer the country through the rule of laws but in currency trading, there is no such ruling or regulations.

"They do according to whatever they like ... if they want us to adhere to the rule of laws, I think all sides must observe this. I do not understand why they do not apply this to the market forces, as if these forces are capable of disciplining themselves."

Asked whether the crash of the Hong Kong stock market and other bourses in the past few days had in some way vindicated him for his criticisms on excessive speculation, Dr Mahathir said:

"I had already felt vindicated much earlier ... but some people just do not want to admit it. Now they have to admit that when we have problems, they are also affected.

"Before this, they say we are a menace to our country. So it seems that now countries facing the same problem need to change their leaders."

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