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Mahathir - thrift

SACRIFICES CRUCIAL TO BEAT ECONOMIC WOES, SAYS DR MAHATHIR

By: Ahmad Zukiman Zain

TEHRAN, Dec 10 (Bernama) -- The government's cost-cutting measures, including pay-cuts for ministers, deputy ministers and senior officials, are aimed at expediting recovery from the current economic setbacks, Prime Minister Datuk Seri Dr Mahathir Mohamad said today.

He urged the people to back the government's plans to revitalise the national economy through thrift.

"...We must spend less. If we were to continue spending like the time when we were loaded, then we'll have problems," he said speaking to Malaysian journalists.

The prime minister is here attending the summit meeting of heads of government of the Organisation of Islamic Conference Islam (OIC).

"We must remember that this matter may prolong. That's why we must make sacrifices. Don't spend like before," he said.

Last Monday Deputy Prime Minister Datuk Seri Anwar Ibrahim announced in the Dewan Rakyat austerity measures including a 10 per cent pay cut for federal Cabinet members and deputy ministers and three per cent cut for senior government officials.

He said the people could contribute much towards the cost-cutting efforts by not holidaying abroad.

In fact they could do so even by cutting down on their sugar intake in their drinks, he said.

"Why the need for two, three spoonfuls. One spoonful is enough.. so also is the case with flour. During the Japanese occupation, we don't have wheat flour, so we take rice flour. If we can't have yellow noodles, we have meehoon," he said.

He said because of the depreciating ringgit imported food were now 40 per cent dearer.

"Who will want to sell them at the same price. Importers will not want to suffer losses," he said.

Asked whether the rich among OIC member countries were aware of depreciating currencies, Dr Mahathir said although these countries knew what had actually happened, they tend to regard the problem as temporary.

Dr Mahathir said not only OIC-member countries, but in fact leaders of the developed countries also thought that Malaysia has exceptional abilities to overcome the problems.

"We're flattered when people say we shall prevail but they don't know how difficult things are now as many companies are half-dead and when people are not able to repay bank loans, banks may go bankrupt," he said.

The prime minister said it was not easy to regain money "lost" because of currency depreciation.

"If we look at it, the moment the IMF takes over, it will only provide US\$20 billion or US\$30 billion, it gives Thailand US\$17 billion but we lost US\$150 billion...how are we to overcome such substantial losses, will the money come back just like that," he said.

Asked on the rebound on the Kuala Lumpur Stock Exchange over the past several days, Dr Mahathir said the public should have confidence in the bourse's continuing upward trend.

"...but some times when there's a rebound, there will be profit-taking...they'll sell for profits, if we sell they'll plunge again.. when this happens the company will eventually die, there'll be no more rebound ," he said.

Asked whether Malaysia would seek help from other countries to over the ringgit's depreciation, the prime minister said the government had not asked for help from anybody.

"We'll deal with the problem ourselves, we can't ask others to help as they have their own problems," he said.

Moreover, many parties believed Malaysia has exceptional abilities to overcome the problems, he said.

"So it's difficult for us to convince others that we're facing problems" said the prime minister.

"Almost everyone that I talk to says Malaysia can handle and can recover in a matter of months...I said we've lost 150 US dollars, not Malaysian ringgit. How are we going to get back the money?"

"It's okay if we can get back the money, I shall not complain much and not criticise people for impoverishing us," said Dr Mahathir who had repeatedly condemned currency speculators for causing the problem.--

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