

# It came as no surprise, says PM

By **FOO YEE PING** and  
**JACQUELINE ANN SURIN**

**KUALA LUMPUR:** Datuk Seri Dr Mahathir Mohamad said he was not surprised by the resignations of Bank Negara Governor Tan Sri Ahmad Mohd Don.

"Not at all. We thought he would have resigned" long ago. He knows we don't approve of the policies recommended by him but he chose not to resign earlier. But to resign now, I suppose he must have his reasons," he told reporters after closing a seminar on "Islamic Financial Services and Products" at the Institute of Islamic Understanding Malaysia.

The Prime Minister said he could not stop speculations on what had led to the resignation.

"People are allowed to speculate. We can't stop them from speculating," he said when commenting on the resignations of Ahmad Don, and deputy governor Datuk Fona Weng Phak.

"They wanted to quit. The papers said it was due to their disagreements with me. So, I think I'll accept what the papers say," he added.

Asked whether he had been satisfied with their work performance, he said:

"We've had some differences. For example, the Gov-

ernment has never agreed to increase interest rates and dry up credit because this will cause (economic) contraction."

He cited the example of the the Gross Domestic Product growth which declined by 6.8% in the second quarter of the year, saying the contraction was worse than expected "because the people had no money to do business. You can't expect the economy to grow."

Dr Mahathir said Ahmad Don and Fong were not persuaded to stay on.

Dr Mahathir said the Government had not decided on Ahmad Don's successor but assistant governor Datuk Dr

Zeti Akhtar Aziz would be the acting Governor.

On capital movement, he said Malaysia would not impose restrictions on capital flow within or out of the country.

"We have no intention of controlling capital movement," he added.

At a separate function, Deputy Prime Minister Datuk Seri Anwar Ibrahim said no deadline had been set for a new governor to be appointed.

"The question of identifying a likely candidate for the position does not arise. We will give Dr Zeti our confidence and support in carrying out her duties," he told

reporters after opening the National Horse Show '98 at the STC Equestrian and Sports Centre in Sungai Besi, near here.

He said her appointment had received the consent of the Yang Di-pertuan Agong.

On the resignations of Ahmad Don and Fong, Anwar said the two had not given any reasons for their decision.

"They were firm in their decision. I accepted their resignations after consulting the Prime Minister, and we both agreed that we should accept?"

He said their letters of resignation were submitted in the "last few days."

Commenting on an AFP report yesterday which said that associate governor Abdul Murad Khalid, who is more senior than Dr Zeti, was also under pressure to resign, Anwar said:

"We should not pay so much attention to speculations by the foreign media.

"I have not received any information that senior Bank Negara executives will be leaving.

"In fact, the remaining executives held a meeting with the Prime Minister and me and gave their assurance that they would continue the work that Bank Negara has to carry out."