

Dr M: Malaysia to take yen loans again

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By LIM CHYE KHIM

TOKYO: Malaysia will once again accept yen loans, Datuk Seri Dr Mahathir Mohamad said last night.

"At one time we stopped yen loans because the currency was appreciating.

But now the yen is actually depreciating, so it is a good time to borrow yen," the Prime Minister said.

"We (both the government and private sectors) are hoping to be able to borrow some yen," he told reporters at the end of a four-day working visit to Japan.

Dr Mahathir said this was one of the matters discussed during the meeting with his Japanese counterpart, Ryutaro Hashimoto, yesterday.

The loans would be used for various purposes - project financing, special loans for environment-friendly projects or environmental develop-

ment, he added.

Asked whether the loans would be at concessionary rates, he said: "We are negotiating."

During the meeting, Dr Mahathir said he also persuaded Japan to invest more in Malaysia and help out the country.

Regarding his views on new capitalists and that market forces could discipline governments, he said some quarters were already thinking along the same line though not using the same words.

He cited an article in *Japan Times* where the author also spoke of increasing anti-American sentiments.

"I think sooner or later the world will understand this is the return of unabashed and naked capitalism."

Asked to comment on IMF deputy managing director Stanley Fischer's statement that this was retrospective and would set the country back, he asked:

"What's wrong with

going back to something that's good? Sometimes we take the wrong turn and we have to go back.

"Even the West had gone back many times ... they went into socialism and got out of socialism. Later they invested in communism and got out of communism."

To a question on whether his views on the need for reforms were accepted, Dr Mahathir replied that at the moment the big powers were doing well so they did not see the need for reforms.

"But one day they will lose money and ask for reforms."

Dr Mahathir said the world took 70 years to learn that communism did not work and during the period millions died.

On the economic recovery in Asia, he said it would take a long time and it would not recover fully.

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"For some countries, it will take longer than others but it will be quite a different kind of situation. I don't believe it will be back to square one."

To a question on whether a deposit insurance scheme would be introduced to safeguard investments, he said the Government was studying all these and would adopt experiences from other countries.

"For example, Chile decided that short-term investments must be regulated.

"So does Slovenia. Strange for a new country that is ex-communist.

"So people are learning to do things that are not the standard," he said, adding that Malaysia must begin to think in unorthodox ways to deal with unorthodox situations.

"We must consider everything, including bailouts," he said, adding that even the Americans had bailed out a bank.

Dr Mahathir will leave for home today.