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Asian nations must learn to rely on their own ingenuity

Datuk A. Kadir Jasin

FOR more than a year now Malaysians who think of themselves as liberal-democrats - never mind if they hardly understand what the label means - have cringed each time the Prime Minister, Datuk Seri Dr Mahathir Mohamad, makes a statement which, to their minds, is against the West.

They cringed when he named Mr George Soros as being among the fund managers and currency traders responsible for manipulating Asian currencies a year ago.

They cringed when he suggested that currency trading should be banned altogether or, if allowed, subjected to stringent internationally-accepted rules.

They cringed when he spoke of a conspiracy to weaken Asian economies. They said that he was suffering from paranoia.

They cringed and broke into a cold sweat when he spoke of developing countries being re-colonised by what he called the new capitalists.

They cringed when he argued against high interest rates and a tight monetary policy.

They did not see the saviour in him but saw it instead in the likes of US Treasury Secretary Robert Rubin and International Monetary Fund (IMF) director Michel Camdessus.

And most recently they cringed when he proposed that the developing countries use barter trade to complement the bilateral payments arrangement (BPA). They said he was taking the country back to the Stone Age.

These people are so overawed by Wall Street, the US Treasury, the International Monetary Fund (IMF) and the World Trade Organisation that they refuse to accept any other view, especially if it comes from Dr Mahathir.

They are so afraid of being "punished" by the "Wall Street-Treasury-IMF Complex" that they would not dare express contrary views.

Dr Mahathir may not be 100 per cent correct. In fact some of his views are based only on his "gut feelings". However, as time progresses, more and more of what he has been saying in the last one year is not only gaining acceptance but is proving to be correct.

Among them are his arguments that high interest rates and tight liquidity will hamper economic recovery and about the indirect re-colonisation of the developing countries by Western business interests.

Ironically, Dr Mahathir is gaining increasing support for his views from abroad, including from people who were once sceptical of these ideas.

Journalist Philip Bowring, an old Asian hand, on June 9 said the following of Dr Mahathir in the International Herald Tribune: "This time, Malaysian Prime Minister (Datuk Seri Dr) Mahathir Mohamad has it right. Asia (excluding Japan) is being crippled by extraordinarily high interest rates that threaten to turn a necessary, short, sharp recession into a depression. Policy must be changed, regardless of the IMF."

Bowring said: "This is not the time to be re-examining the causes of the crisis or apportioning blame. It is time for action to bring down rates everywhere."

Dr Mahathir's assertion on re-colonisation is finding its truth in Indonesia, a country known for its deep sense of nationalism.

This concerns its national carrier, Garuda. Like most Asian airlines, Garuda has been badly hit by the regional economic crisis. In fact the

state-owned airline can no longer pay for the purchase and lease of its aircraft.

The latest news from Jakarta quoted Garuda spokesman Pujobroto as saying that the carrier is considering reducing or scrapping its remaining flights to Europe and entering into a code-sharing pact with Dutch airline KLM Royal Dutch Airlines NV.

It had stopped flying to Madrid, Munich, Vienna, Zurich and Rome, leaving only Paris, London, Frankfurt and Amsterdam.

Now Garuda is considering letting the Dutch flag carrier fly some of its routes through a code-sharing pact.

The proud, nationalistic Indonesians, who for decades shed blood fighting the Dutch and a string of other European colonisers, had to surrender their national pride within one year of the attack on the nation's currency.

Perhaps this is another area where regional countries can work together. Instead of franchising the international routes of their national carriers to Western airlines, they may want to form a regional consortium to operate these routes.

Asian countries affected by the crisis should learn to rely on their own ingenuity and resources, rather than merely listening to the US Treasury and the IMF.

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