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MAHATHIR-CAPITALISTS

ASIANS DESCRIBED AS CRONY CAPITALISTS WHEN THEY SHUT OUT THE WEST

KUALA LUMPUR, Oct 21 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad says the West has constantly described Asian countries as crony capitalists when their governments closed the door on foreign participation.

From what he had observed, Dr Mahathir said "what the West wants from Asian countries was for them (Asians) to open up everything to foreigners on grounds that their (Western) companies are the most efficient ones."

"They suggested that if we don't open up to them, it is crony capitalism," he said in a press briefing here today on his recent visit to Japan.

In most Asian countries, he said that restrictions had been imposed on foreign participation, particularly from the West.

He said restrictions were so strong in South Korea that even Ford Motor Co, the giant US auto firm, was not able to buy over Kia Motors, the ailing South Korean car maker. The latter was bought over by Hyundai, another South Korean firm.

In Malaysia's case, he said the government preferred to provide opportunities to its own people through privatisation, a move which was not favoured by the West.

The Malaysian practice was far from the privatisation of government entities in Latin America where foreigners could buy over "lock, stock and barrel," the Prime Minister said.

"If Malaysia allowed this, the locals would (merely) be employees, which is equivalent to a new form of colonisation," he stressed.

"We don't want our companies to be taken over, that is why we did not receive International Monetary Fund (IMF) aid as one the Fund's conditions is to open up the economy by 100 percent," he said.

"Malaysia is not prepared to bow to their demands," the Prime Minister asserted, adding that he believed that the West would push its cause through the World Trade Organisation (WTO) platform.

Dr Mahathir pointed out former U.S. Secretary of State Dr Henry Kissinger had warned in an article that "American corporations should not buy cheap Asian companies and turn them into American companies."

The prime minister also said that Japan itself did not want to see America take over companies and in fact, Japan's restrictions were tighter when compared with Malaysia.

He said that Japan previously planned to provide financial aid to the tune of US\$100 billion to Asian countries affected by the regional financial crisis but the U.S. thwarted these efforts.

The U.S. felt that if Japan had such huge amounts of funds, the IMF would not be able to exert its influence on countries which received Japan's help, he explained.

Nevertheless, Japan recently proposed a US\$30 billion financial package to help rejuvenate ailing Asian economies mired in the current economic turbulence.

Asked to comment on remarks by Germany's new chancellor Gerhard Schroeder that there should be some form of limits on financial speculation, Dr Mahathir said Malaysia's views on managing its economy were beginning to be accepted.

Even U.S. financier and currency speculator George Soros himself has also accepted the Malaysian stand on limits to financial speculation and was supportive of measures introduced by Malaysia, he said.

The Prime Minister said that many parties have now condemned currency traders and these were the same people who had earlier blamed Asian governments for the regional crisis.

He again quoted Dr Kissinger as saying that the regional turmoil was not due to poor governance but was caused by currency traders. -- BERNAMA

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