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Do not be swayed, says PM (HL)

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KUALA LUMPUR, Fri. - Umno president Datuk Seri Dr Mahathir Mohamad today called on party leaders and members to be on guard against accusations such as crony-capitalism, corruption and non-transparency which are only excuses used by currency traders to attack the economy and currencies of Asian countries.

"We admit to some extent there is truth in these accusations, but these attackers cannot deny that the attack on (Asian) currencies resulted in lots of profits for them," he said in his opening address at the 52nd Umno general assembly at the Merdeka Hall of the Putra World Trade.

Dr Mahathir said allegations that the Malaysian Government's leadership practised cronyism in enriching certain Bumiputeras were made out of jealousy of the Government's success in socio-economic engineering.

"Which country has succeeded in its social engineering programme to achieve fairness in society? The socialist and communist system failed and the capitalist system is worse. It is only in Malaysia that the restructuring of society has succeeded without causing riots and without denying anyone their rights or seizing property," he said.

Unfortunately, said the Prime Minister, when foreigners hurled allegations of cronyism against the Government, some Malaysians, including Bumiputeras, not only believed them but also repeated them.

What was strange, he said, was that those taken in by these accusations were themselves the beneficiaries of the favourable treatment accorded under the New Economic Policy.

"They have benefited from education, high positions and have received shares because they are Bumiputera. If they are forced to compete with non-Bumiputeras, chances are they will not get scholarships, gain high positions in the Government or receive shares.

"Look at oneself before accusing this and that person as being the crony of the leader. Without the NEP and the preferential treatment enjoyed by Bumiputeras, can we reach the level we are at today?"

Dr Mahathir also warned of a new form of colonialism by the powerful West through currency trading which, he said, had the same effect as colonialism through military might.

He said wealthy countries could also be colonised by weakening their economies and turning them into beggars in a short period of time. This form of colonialism could be achieved without sacrificing the life of a soldier.

"When a country becomes poor, it will be politically unstable and a power struggle will ensue. As a result, there will be successive change in leaders until a candidate who is willing to submit to the world power is found. In other words, colonisation has occurred," he said in his 75-minute address themed "The Challenges of Turmoil".

Dr Mahathir said although Malaysia had not been under the "full control of foreign powers", its economy had begun to be dominated.

"By devaluing our currency and shares, our companies are in critical condition and are no longer able to make big profits."

Without tax revenue from the ailing companies, the Government would not be able to meet its operating expenditure.

"This can even cause unrest and pressure to topple the Government. The needle they use is very fine and we may not even realise that we have been manipulated," he said.

Citing countries which have been more severely attacked, Prime Minister said changing the Government would not solve the economic problems because attacks would not cease "until power is totally surrendered to foreigners and the country is again fully colonised.

Mahathir said the world's big banks were increasingly involved in currency trading which was highly profitable but could destroy people's lives.

"Today they may need to justify their action for devaluing currencies. Tomorrow, they may not need to. So long as huge profits can be made, these people are willing to do anything to achieve this end."

Dr Mahathir warned that the banks were getting bigger through mergers and buy-outs, and cited the marriage between two large American banks which resulted in their combined assets rising to US\$653 billion (RM2.6 trillion).

"Compare this to Malaysia's reserves which total about US\$20 billion. If giant banks like these sell the ringgit, for instance, we would lose all our dollar savings if we try to defend our currency.

"Because they know we are unable to defend the ringgit, they can do whatever they please. Those among us who frequently talk about human rights should remember that those who are greedy consider greed to be their right."

Explaining the manipulation of the share market, Dr Mahathir said it was important that Umno leaders and members understand this trend because our success in overcoming financial and economic problems depended on it.

He noted that the lack of understanding of the real cause of the problems had resulted in some people blaming the wrong parties, thereby creating enmity.

Dr Mahathir also reminded Umno leaders and members not to allow their desires to rule them.

Dr Mahathir expressed confidence that the Government could deflect the attacks against the country and implement plans to rebuild the economy.

"The Umno-led Government has formulated several strategies and approaches which I cannot elaborate as this is not the right time, and because there are certain quarters who want to see us fail.

"God willing, with the support of the people, our efforts to revive the economy will succeed," he said.

* FULL TEXT OF SPEECH: P10, 12 & 13

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