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PM: Mobilise dormant cash, valuables to replenish nation's capital

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KUALA LUMPUR, Tues. - Prime Minister Datuk Seri Dr Mahathir Mohamad today urged Malaysians to mobilise their dormant cash and valuables to replenish the country's capital which has been reduced by 50 per cent due to the depreciation of the ringgit.

Dr Mahathir said the cash and valuables owned by Malaysians, which was about RM1 trillion, should be invested so that both the individual investor and the nation would benefit.

Speaking at the launching of Asnita, Malaysia's first trust fund for women at the Putra World Trade Centre, he said the Government could use these investments as capital to rebuild the economy, which had been affected when the ringgit came under attack by currency speculators last year.

He added that Malaysians should also mobilise their strength and ideas to increase their own wealth which would effectively improve the Government's earnings through taxes.

Dr Mahathir said there were many Malaysians who still preferred to keep their money or valuables at home, but such actions did not benefit anyone.

Since the economic problems which started last July, the country's wealth had eroded by half, he said.

"We want to increase capital in the local companies and this must come from within us and the people must make their investment in Asnita as an alternative to their savings."

Dr Mahathir said the Government could borrow from foreign sources such as the International Monetary Fund but it would impose very tight conditions.

"The IMF may also want us to open the country to foreign businessmen so that they can do business in this country freely without any restrictions.

"The foreigners may buy up our companies as well as the banks and financial institutions or increase the number of their companies and compete with the local companies which are weak," he said.

Dr Mahathir said foreign domination of local companies and banks could also weaken the Government's policies, particularly those related to Bumiputeras.

He said greedy speculators were responsible for the depreciation of the ringgit, which was not because of the loss in confidence in the country's economy, as they claimed.

He added that speculators had claimed that they had lost confidence in the country because of poor administration, corruption, discrimination and lack of transparency.

"But for 40 years, the country has been ruled by the same coalition Government which opened up businesses for outsiders and foreigners a long time ago," he said.

"We are not closing this country (to foreigners) but we are inviting them to come ... anyone can come in search of profits. We are not greedy to the extent of keeping the wealth of our country to ourselves," he added.

He also said through the Government's continuous efforts, the country's per capita income had increased from US\$300 just after independence to US\$5,000 (RM18,000) just before the economic problems hit the country.

He said the fall in the value of the ringgit had also caused the Gross Domestic Product to fall from US\$100 billion to US\$50 billion.

Dr Mahathir said there were companies which were unable to make profits and as a result, the Government could not collect enough taxes.

Hence, the Government had to reduce development expenditure by 20 per cent and operating expenditure by 80 per cent.

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