

19/08/1998

Dr M: Attacks on currencies, marts at dangerous level

Kamarul Yunus

THE speculative attacks on currencies and stock markets in the region have reached a dangerous level and may prompt some countries to take drastic counter-measures, Prime Minister Datuk Seri Dr Mahathir Mohamad said.

Speaking at a Workers' Day celebration in Kuala Lumpur yesterday, Dr Mahathir said, if the attacks on currencies and stock markets continue on developing nations, there will be a point in time where "such attacks would hit countries that could fight back".

"These countries may find it difficult to contain the speculative attacks on their currencies and stocks. Thus, they may take radical measures to hit back at the speculators," he added.

However, Dr Mahathir said, he is confident that Malaysia, backed by racial unity and strong tripartite relationship between the Government, employers and workers, will be able to fend off such attacks.

He said close cooperation between the workers, the employers and the Government is vital to revive the country's economy and defend its independence and sovereignty.

"Efforts and sacrifices must be made by all three parties to overcome the current economic crisis," he said, adding this is essential because foreign powers, especially currency speculators will continue to undermine the nation's economy by attacking the stock market and the ringgit.

"I am confident that for as long as we are disciplined, for as long as we are prepared to cooperate, for as long as there are strong ties between the workers, the employers and the Government, we can overcome the pressures on our economy.

"To overcome our economic problems, we need to initiate actions which sometimes require our sacrifice. Only then, will we be able to overcome the economic problems in a short period," he added.

Dr Mahathir said all parties should renew their resolve to defend the country because it could not depend on assistance from others.

He called for caution and discipline by the various parties in all actions taken.

"If we are disciplined, focused in all our efforts and with systematic planning, we should be able to overcome the economic downturn soon," Dr Mahathir added.

The Prime Minister also expressed concern that if speculative attacks on developing countries were to continue, there would be a point in time when it would hit countries that could retaliate.

"For instance, if there is too much pressure on countries like Russia, which has nuclear weapons, there might be grave consequences," he added.

Besides South-East Asian countries, Dr Mahathir said, Russia and Hong Kong have also experienced the economic problems which have resulted from the depreciation in their currencies since a year ago.

"We do not have atomic or nuclear bombs. But I am sure that the people of Malaysia will be able to withstand any speculative attack," he added.

Dr Mahathir said that the pledge read out by 40 workers, representing the various sectors in the country, expressing support for the measures taken by the Government was most heartwarming.

He said that as Prime Minister and on behalf of the Government, he also pledged to strive to ensure that the standard of living of the workers in the country will continue to improve.

By the same token, he said, the Government would also ensure that

employers would continue to register better profits.

However, he said, what needed to be done now was to improve the value of the ringgit so that the monthly minimum wage of RM1,200 envisaged for the future would also mean an improvement in the people's purchasing power.

Dr Mahathir also said the Government will continue to protect the interests and rights of workers as they play a very vital role in the nation's development.

"Malaysia, which has enjoyed rapid development as a result of the cooperation of the three parties - the Government, employers and workers - is fortunate because all three parties have understood their respective roles and are prepared to compromise," he added.

The Prime Minister went on to say that even if there has been industrial action in the country, there was never a general strike because disputes were mostly resolved amicably between the parties involved through negotiations.

(END)