

21 MAR 1998

Mahathir-Boat People

ECONOMIC TURMOIL HAS CREATED NEW BOAT PEOPLE, SAYS DR MAHATHIR

By: Yong Soo Heong

HANNOVER, March 21 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad said Saturday the economic turmoil in Southeast Asia has created new "boat people".

The situation now was like that in Vietnam in the 70s, he said.

He said the situation was brought about by the fall in Southeast Asian currencies and share prices with millions of people losing their livelihood.

He described this loss of livelihood through speculation by some parties, which had caused many people to run short of food and medicine, as a violation of human rights.

Malaysia was receiving the impact of this, one of which was the rise in criminal activities in the country, he told a news conference for Malaysian journalists, here.

"Today it's Malaysia, but it will spread to other countries," he said.

He said he discussed the matter with German Chancellor Dr Helmut Kohl when he met him for an hour Thursday to explain the economic crisis in Southeast Asia.

Dr Mahathir said Dr Kohl, who expressed his sympathy, agreed with him on the boat people issue.

Dr Kohl told him that Germany also had to accept refugees from Bosnia and now had about 300,000 of them. He said Germany also felt the impact of the boat people in the 70s.

The German leader, who would raise the matter of the Southeast Asian crisis and the new boat people at the Asia-Europe meeting in London on April 3-4, felt that the problem should be resolved at the source, Dr Mahathir added.

He said the problem in Vietnam was overcome when it switched to a market economy from a command economy.

With a market economy many countries which had problems with refugees or boat people from Vietnam could send them back to their country of origin, he said.

Dr Mahathir stressed that a permanent solution to the Southeast Asian crisis including the boat people problem was to have a stable currency situation.

He said he told Dr Kohl that what had happened in Southeast Asia was due to the steep fall in the value of currencies of the countries involved and that "so long as the currency value can drop easily the economies of the developing nations like Malaysia will not be able to progress like before."

On transparency in foreign currency trading, he said the International Monetary Fund (IMF) had agreed that the system needed improvement.

The IMF was looking into the matter and a team would visit Malaysia next month to submit its report but Dr Mahathir said: "I'm not so sure that they will do something effectively."

He felt that one of the ways to overcome the negative effects of the fluctuating foreign exchange rates was to trade in one's own currency and reduce the use of foreign currencies, especially the US dollar, and to conduct trade through the Bilateral Payments Arrangement.

Dr Mahathir also suggested barter trading.

Asked whether the forecast of 4 per cent to 5 per cent for the country's economic growth would be scaled down further, he said that with

the 60 per cent drop in the currency value and the drop in the share prices, it would surely fall because the economic activities had diminished.

He said that although the government expenditure was cut by 20 per cent the salaries of its employees could not be cut.

The government would only cut development expenditure and this would reduce economic activities, he said.

Asked why many people still migrated to Malaysia despite the economic slowdown, he said some people's perception was that although the situation in Malaysia was bad, it was not as bad as that in other countries. --

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