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PM: Nation's interests come first (HL)

Badrul Hisham Mahzan

KUALA LUMPUR, Thurs. - The interests of the nation will take precedence in the event there are differences in policies between the Finance Minister and the newly-appointed Minister in the Prime Minister's Department responsible for economic development.

Stating this, Prime Minister Datuk Seri Dr Mahathir Mohamad said even he would have to give in where national interests were at stake.

Dr Mahathir said this when asked who would take precedence in the event the functions of Tun Daim Zainuddin as the newly-appointed Minister overlap the policies made by Datuk Seri Anwar Ibrahim.

"There is no precedence. The only precedence is the nation. Both of them will give in, including myself, if it is for the nation," he told a Press conference, attended by both the local and foreign media, after opening the SMI Showcase '98 and Apec Cross Border Linkages at the Putra World Trade Centre today.

Asked whether Daim had to give up his business interests, including ownership of Hock Hua Bank, Dr Mahathir said he must, but it would take a little bit of time for him to make these arrangements.

To a question whether Daim's appointment was a sign that Anwar was losing power, Dr Mahathir replied: "You have to ask Daim and Anwar. I can't answer that. But I think you can make your own conclusion. Whatever is my answer, you have already made up your mind."

When asked about Daim's position as the Economic Adviser to the Government, Dr Mahathir said he had not thought about Daim giving up the post.

To a question whether Daim's appointment implied that Anwar had not done a good job, he said it was not an issue.

"We have been working together and accepted that our working in the National Economic Action Council is not as effective as working with Daim in the Cabinet. I have already explained that his status is not accepted by foreign countries. Thus, it made it difficult for us to send him to foreign countries to negotiate anything."

Dr Mahathir had told reporters after a reception at the Putra World Trade Centre yesterday that Daim's appointment was to enable him to table and explain to the Cabinet decisions taken by the NEAC.

He also said that in Daim's present capacity as NEAC executive director, it would be difficult for him to deal with Ministers if he was sent abroad.

Asked how long Daim would remain in the Cabinet, the Prime Minister said: "I think at least until we have resolved the economic turmoil."

Dr Mahathir was also asked whether Daim's appointment was related to his closing remarks at the Umno general assembly on Sunday. Dr Mahathir had said if he had full control of the economy, he could turn it around in a few months.

"That doesn't give him (Daim) full control. I am in full control. Unfortunately, domestic affairs are now being managed from the outside. Strings are being pulled from the outside."

Asked whether lower interest rates would be implemented since some economists had suggested that the Finance Ministry's policies had contributed to the present economic situation, Dr Mahathir said:

"Initially, we thought the International Monetary Fund's strategies were very good. So, we adopted them, only to find they damaged our economy."

"To go back will be difficult. We are trying to figure out how to manage the economy after the damage has been done through the shortening of the period of non-performing loans, credit squeeze and raising interest rates. They have damaged a lot of companies."

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