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Mahathir-Market

HAVING CONFIDENCE IN MARKET FORCES IS A FAIRY TALE, SAYS MAHATHIR

KUALA LUMPUR, June 19 (Bernama) -- Datuk Seri Dr Mahathir Mohamad said today the economic problems faced by Malaysia cannot be overcome by submitting to all the demands of market forces purportedly to restore their confidence in the country's economy.

The Prime Minister said claims that these market forces are apparently aimed at forming transparent governments, free from corruption and nepotism and any form of crime by the leadership are mere excuses to gain control or to recolonise a country.

" This is mere fairy tale. Market forces are not meant to improve governments, financial management and practices of the countries under attack," he said in his policy speech when opening the 52nd Umno General Assembly here today.

The Umno president said the market forces were driven ultimately by huge profits for them and if something favourable happens, they were merely side issues.

"Hoping for market forces to create a stable currency exchange, economy and stable politics is the same as not doing anything and leaving everything to fate," he said.

Dr Mahathir said market forces profit from economic and financial instability caused by the attack on the currencies.

" Why should they stabilise the conditions at the expense of their profits,? he asked.

" Therefore, it is illogical that to resuscitate our economy and currency, we should submit to the demands of market forces," he said.

Dr Mahathir said they would continue attacking the financial and economic systems until a democratically elected leader bow to the outside powers.

"When this happens, the economy will be opened to foreign companies and funds to enter and take-over local big companies," he said.

" At that time they will revive the economy and the value of our currency. This can be easily done as they will claim that their confidence had returned, thus allowing the value of the ringgit to appreciate," he said.

This way, not only will the economy recover, but the ringgit which they had bought cheaply would increase in value, giving them a large profit, he said.

" Thus, if they bought the ringgit at RM4.00 to the dollar, and revive the value to RM2.50 per US dollar, they will make a profit of RM1.50 for each dollar they used to buy the ringgit.

" In US dollar terms, when one dollar is worth RM2.50, a profit of RM1.50, which is equivalent to about US60 cents is made, i.e. 60 per cent profit for each US dollar used to buy the ringgit," he said, explaining how the rogue speculators rake in huge profits through currency trading.

If the share value reaches the original high price, they would again make capital gains, he said.

"Through this method, they can gain profit twice, once through the increase in the value of the ringgit, and again through an increase in the share value," he said.

Dr Mahathir said Malaysia could still defend the local companies from being acquired by foreigners who could only own 30 per cent stake in companies and Malaysian banks.

" At the World Trade Organisation (WTO), we still have a voice to defend ourselves although we are now alone," he said.

He said Malaysia might have to open up 100 per cent of its economy to foreigners if " we have to resort to assistance from the International Monetary Fund (IMF) which will enable them to do business in our country without our participation.

"Definitely, there will not be any Bumiputera quota as the New Economic Policy (NEP) is an injustice and unacceptable to their liberal democracy," he said.

When such a situation arises, local millionaires would be replaced by foreigners who claim that they were among the deserving ones and not cronies of the country's political leadership, he said.

"Critics comprising foreigners and those among us will be happy and satisfied as unwanted practices have all been eradicated.

" What is unfortunate is that all of us will be servants to foreigners who will rule our own country," he added.

-- BERNAMA

AD/MAM TS