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NUBE-FULL SUPPORT

NUBE STANDS FIRMLY BEHIND MAHATHIR AND CAPITAL CONTROLS

KUALA LUMPUR, Sept 24 (Bernama) -- The National Union of Bank Employees (NUBE) has extended its full support for Prime Minister Datuk Seri Dr Mahathir Mohamad and to the governments' foreign exchange and capital control measures.

The union, which has about 30,000 members, said that as a result of the measures, interest rates have come down, economic activities are picking up and prices are stabilising.

More importantly, it added in a statement, currency speculation has been curbed.

"NUBE and Malaysia will continue to support Prime Minister Datuk Seri Mahathir Mohamad. There is hope of getting over the crisis by taking Dr Mahathir's medicine. Taking the International Monetary Fund's medicine is tantamount to taking cyanide," the statement quoted union general secretary K. Sanmugam as saying.

"From experience, we are confident that Dr Mahathir will lead us out of the crisis. Every Malaysian must support the capital control measures. It is inevitable that for a leader to succeed he has to be firm, effective and strong," Sanmugam added.

When the economic turmoil hit Malaysia in July last year, the union said, the country had tried to implement IMF-style policies, but even after a year there had been no sign of improvement.

"Instead, the situation had gotten worse. Interest rates soared, the ringgit weakened, prices of goods increased, and people suffered. Dr Mahathir then took the radical step to impose capital controls," it said.

The union registered its displeasure with the foreign press for constantly blasting Malaysia for not taking using IMF policies.

Instead of complimenting Mahathir for his bold measures, the foreign press condemned him, it said.

"It would seem that the foreign press would like to see Malaysia engulf in an economic and social crisis like Indonesia. So when an "unorthodox" measure was promoted, the foreign press was extremely disappointed."

Mahathir, the union reminded, had appealed to world currency regulators to do something about the speculators but all of them scoffed at the idea.

"It was only when the currency attack on Russia resulted in a spillover to the Western countries did they wake up from their deep slumber," it said.

"Even the IMF itself has admitted that its medicine is not working well. Its programmes have been designed primarily with the view to bailing out reckless international investors whose activities have contributed to the financial crisis.

"IMF policies do not care about social policies such as poverty eradication or wealth distribution," the union added.

It listed the following consequences of implementing IMF policies:

- * Forced devaluation;
- * Forced privatisation;
- * A free fall in the value of the domestic currency;
- * Lower purchasing power;
- * A fall in the standard of living;
- * Unemployment and retrenchment of workers;
- * Inflation and rising prices;
- * Food riots and social unrest;

- * Challenges to trade unions and labour;
- * Substantial challenges to human rights organisations;
- * Increased mortality with the mandatory removal of subsidies on health;
- * Decline in school attendance;
- * Challenges towards democratic governance;
- * The rise and/or consolidation of military dictatorships;
- * De-industrialisation as the economies are inundated with cheap foreign products;
- * Reduction in the number of nationals owning industries due to privatisation and an invasion of foreign capitalists;
- * Intensified unequal development among ethnic groups;
- * Ethnic tension;
- * Transfer of as much as 40 percent of the domestic budget in debt repayment to the creditors/bankers of Euro-America; and
- * De facto loss of sovereignty.

The union ended the statement by saying that it condemns those who try to sabotage the control measures. -- BERNAMA

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