

09/08/1998

PM: Use realistic ways to raise funds

Ashraf Abdullah; Patvinder Singh; Sumitha Martin

PETALING JAYA, Sat. - The Prime Minister today urged Malaysians to use whatever "realistic methods" to raise funds for the country.

Datuk Seri Dr Mahathir Mohamad said for instance, they could use this wealth to raise funds abroad and bring them home.

This includes pawning their jewellery and other valuable items to obtain foreign currencies. Dr Mahathir said the money could then be brought back to be used by local businessmen.

As Malaysia's attempts to raise funds through international bond issues were made difficult by the lowering of the country's sovereign ratings by international rating agencies, Dr Mahathir said Malaysia now had to depend on internal funds to revive the economy.

Speaking at the opening of the 52nd MIC general assembly at the Sheraton Subang, Dr Mahathir urged Malaysians to pawn their jewellery outside the country and deposit the money received from the transaction in local banks.

"I am not asking you to donate. I am asking you to convert the jewellery into cash ... not in the country but outside the country.

"If we pawn the jewellery in the country, the money is only moved from one pocket to another. There will be no nett increase in our stock of money.

"I am suggesting to all patriotic Malaysian women of all races to make available the wealth that they have in order to raise funds outside the country.

"You can make arrangements for your jewellery to be temporarily pawned outside the country to bring money back into the country. When times are better, you can go and get back your jewellery."

Two weeks ago, Moody's Investors Service revised Malaysia's sovereign rating downward from A2 to Baa2, making any sale of Malaysian Government securities less attractive.

Another United States rating agency, Standard and Poor's Corporation, lowered the ratings of several Malaysian companies.

Dr Mahathir added that Malaysians had billions of ringgit stashed away and not used.

"Please bring out the money and put it into the system, our businessmen can borrow money and we can finance economic activities which will help us recover.

"I am appealing to all Malaysians to join hands and contribute realistically to the nation's economic revival," he said.

He also spoke of attempts to recolonise the country by devaluing the ringgit and shares at the Kuala Lumpur Stock Exchange but expressed confidence that Malaysians would resist this through unity.

In an immediate response, MIC president Datuk Seri S. Samy Vellu said MIC would establish a fact-finding mechanism to determine how members could pawn their jewellery abroad and bring home the foreign exchange.

Dr Mahathir also paid tribute to workers' unions which he said, fully understood the current economic problems and did not make unreasonable demands for wage increase during the current economic problems.

"I had a meeting with leaders of the Malaysian Trades Union Congress yesterday and I thanked them for appreciating the problems faced by the country and for not demanding wage increases," he said.

"I also explained to workers' leaders the many ways through which the

Government felt workers' income can be increased without them resorting to industrial action like in the West," he said.

"There are many ways of increasing workers' income such as by increasing the number of jobs, enhancing productivity and skills and investing in modern machinery," the Prime Minister said.

(END)