

15/09/1998

Singapore exploits neighbours' weaknesses, says PM

Ashraf Abdullah

KUALA LUMPUR, Mon. - Datuk Seri Dr Mahathir Mohamad said today Singapore used the weaknesses of its neighbours to achieve economic prosperity, saying that he had a whole list of attempts made by the island republic to undermine Malaysia's economy and policies.

Expressing disappointment over the memoirs written by Senior Minister Lee Kuan Yew which make various allegations against Malaysia, the Prime Minister said Singapore used Malaysia's weakened position to strengthen its own economy.

In fact, Dr Mahathir said, all its businesses were based on undermining the interests of its neighbours, including Malaysia.

Dr Mahathir said the Singapore International Monetary Exchange's imminent launch of a Kuala Lumpur-based equity index futures contract and the action by Singapore to offer high interest rates to ringgit deposits, were among the attempts to undermine the Malaysian economy.

"These actions will bring about a bad effect on Malaysia. Singapore wants to develop on the weaknesses of its neighbour. There is no attempt whatsoever to help its neighbour," he said after visiting the Pantai Hockey Stadium, where the 1998 Commonwealth Games' women's hockey event is being held.

"If we impose tax, they reduce tax. Everything they do is at the expense of neighbours," he said.

Dr Mahathir said although Malaysia had refused to talk about these issues openly, it had no choice because Singapore continued to harp on issues of the past.

Lee's memoirs claimed that Malaysia had used "bullying and intimidation" during the two countries' brief federation and still believed it could use the water issue to cow its neighbour.

It also alleges that the 1964 racial riots in Singapore in which 24 people were killed, were instigated by Umno.

He said Singaporean leaders were still living in the past and even if the people of Singapore wanted to be friendly with Malaysians, their leaders would not allow this.

Dr Mahathir said he did not see how Malaysia could use the water issue to bully Singapore as it had a long-term agreement on water supply.

"From our calculations, we are supplying 80 gallons of water per day for each Singaporean. I am quite sure Singaporeans don't use 80 gallons of water a day.

"What they are doing of course, is to sell the water to make a lot of profits for themselves. They buy from us at three cents per 1,000 gallons and I believe they are selling at S\$7 per tonne, which is very much less than 1,000 gallons."

Dr Mahathir said Singapore was making more money than Malaysia by selling the water.

"So I don't see where the bullying is. They will have sufficient water not only for them to bathe and drink, but also to make money under the present arrangement. We have never indicated that we want to stop the supply of water," he said.

Dr Mahathir also said that Singapore was in no position to claim that Umno instigated the racial riots in 1964.

"In actual fact, when Singapore was in the federation, it kept harping on racial issues," he said.

As a result, he added, the sentiments remained and caused the 1969 racial riots in Kuala Lumpur.

Dr Mahathir said prior to Singapore's entry, Malaysians of all races had worked together to achieve Independence.

He added that Singapore leaders should not harp on issues of the past if they wished to see the relations between the two countries improve.

"Mentioning things of the past doesn't solve the problem. It only creates problems. Right now, if I were to tell Malaysians to be friends with Singapore, the people will not want to."

Dr Mahathir said Singapore wanted Malaysia to enter into negotiations now for a new water supply agreement to replace the one which expires in 2061.

"They want us to enter into agreement now, for perpetuity, but we cannot. We have an agreement and we will supply them with water.

"But naturally, the agreement must change from time to time. Three cents in the year 1926 is a lot of money but three cents for 1,000 gallons of water in year 2500 is just like paying money to give things to them," he said.

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