

23/08/1998

PM: Early polls being considered

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KOTA BARU, Sat. - Prime Minister Datuk Seri Dr Mahathir Mohamad said the Government would study the possibility of an early general election.

He said this at a Press conference when asked to comment on a proposal by former Deputy Prime Minister Tun Ghafar Baba who, in an interview with TV3 in Kuantan two days ago, said the Government should call for an early election.

Ghafar had said that an early election was important, as besides getting a fresh mandate from the people it would also help to expedite efforts to revive the economy.

In the past few months, Pas and the DAP had also predicted an early polls.

Asked to comment on the statement by Special Functions Minister Tun Daim Zainuddin yesterday that the Government expected to see some signs of improvement in the third quarter, Dr Mahathir said it was probably based on Daim's study.

"I have yet to discuss with Daim on the predicted recovery," he said.

Daim had said in Sungai Petani yesterday that Malaysia was heading towards an economic recovery and there were already signs of an encouraging improvement in the last quarter.

The stability of the ringgit, rising exports and reduction in imports were among the notable signs pointing towards economic recovery.

Dr Mahathir said the Government's efforts to revive the economy initially failed especially when it carried out measures prescribed by the International Monetary Fund.

He said the economy deteriorated when the IMF advice was adhered to.

"For instance, we abided by the IMF's advice when we raised interest rates and imposed a credit squeeze, and reduced from six to three months for unsettled loans to be classified as non-performing ...

"Definitely the companies faced problems," he said.

Asked to comment on talk by certain quarters that political stability was also facing problems, the Prime Minister said he was aware of such talk especially among foreigners.

However, he said, he did not see it as a problem in the Government's efforts to revive the economy.

Those who talked about the so-called political instability, he said, had certain motives.

"We have determined our own methods (to revive the economy) so they (now) want to create kegawatan politik (political problems)."

Asked to elaborate on his statement during the meet-the-people session earlier that there were attempts to change the leadership in Malaysia, Dr Mahathir said there had been a suggestion (by foreigners) that he be removed and replaced by his deputy.

"Fortunately, even the opposition did not agree to this. (DAP secretary-general) Lim Kit Siang also did not agree to this. It's our (Malaysia's) own affairs, we will settle among ourselves."

On a statement by Tenaga Nasional Bhd executive chairman Datuk Dr Ahmad Tajuddin Ali that Tenaga was incurring losses because it had to buy more power than it needed from independent power producers although demand had declined following the economic problems, Dr Mahathir said the agreement could be re-negotiated.

He said if Tenaga felt that the agreement was more to the advantage of

the IPPs, it could be re-negotiated even though the provisions in the original agreement had been agreed to.

Ahmad Tajuddin said that Tenaga had to pay RM3.5 billion a year for power from six IPPs and this came to 50 per cent of its overall operating cost.

"The agreement has been made but if Tenaga feels it needs to be re-negotiated for the benefit of both parties, then it should be re-negotiated," said Dr Mahathir.

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