

04 JUN 1998

Mahathir-IMF

TAKE NEW INDON GOVT ON TRUST, SAYS PM

By: Michael Raj

TOKYO, June 4 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad has called on the International Monetary Fund (IMF) to stop its delaying tactics and release badly-needed funds pledged to Indonesia.

He said the IMF's insistence on stability first before disbursing the funds would only hinder stability for it would hamper economic recovery, further impoverishing the nation.

"You have to take the new government on trust...you cannot always be suspicious," he said at a question-and-answer session at the international conference on "The Future of Asia" organised by the Nihon Keizai Shimbun, Inc, here today.

Responding to a question, on whether Southeast Asia perceived the change in leadership in Indonesia as positive or negative, Dr Mahathir said that "if the new Indonesian government is given support, I am quite sure some of the country's problems would be resolved and its chances of making a recovery would be much better."

"It has always been assumed that if we change governments, we can correct whatever is wrong and achieve success," he said.

Citing the case of Ethiopia more than two decades ago, he said that things did not improve despite a change in its government.

On the contrary, the situation became worse there, Dr Mahathir said.

"...but I am not saying it will happen to Indonesia.... But a mere change in government does not mean that everything can improve if the other things (such as funds) that should accompany it are not there," the Prime Minister said.

He said Indonesia badly needed the US\$3 billion in funds promised by the IMF, but its disbursement had been made conditional upon Indonesia stabilising itself.

"And one of the things it must do in order to stabilise itself is to change the government which Indonesia has done. But a change without the funds is not going to help," he said.

With the funds still being withheld, he said that the Indonesian people were still without enough food and medicine and the children without meals.

He said that when the people see this, they would get very angry with the new government and there would continue to be instability and as such, the international agencies would say "we will not release the money to you".

The Prime Minister said "we have to decide to break this cycle...you have to give them the money now that they have changed the government."

-- BERNAMA

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