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`US should also help revalue the ringgit'

PRIME Minister Datuk Seri Dr Mahathir Mohamad said the United States should also help revalue the ringgit just as it did to boost the yen.

Questioning the sincerity of the US Government in helping ailing economies, Dr Mahathir said when Japan and the US acted together, the yen was easily revalued.

"So we would like to see the US help us revalue our ringgit. Why help only Japan? Japan is a rich country but Malaysia needs the money. Please ask them to work with us to revalue our ringgit," he said.

Speaking to reporters at the end of the first day of the Umno general assembly, Dr Mahathir, who is also Umno president, said the foreign media continued to write negatively about Japan although it was making every effort to improve its economy.

"Japan had injected US\$130 billion into the economy but the foreign media says it was too little, too late. These writers should advise Japan on what to do," he said.

The yen strengthened on Thursday following the joint intervention of the Federal Reserve (Fed) and Bank of Japan in New York. On Wednesday, the US Treasury Department instructed the New York Fed to spend about US\$2 billion to buy the yen.

The surprise move was to boost the weak yen to avoid destabilising the country, already hit by economic problems.

Dr Mahathir also said that there would be a deficit in the Government expenditure if the growth rate did not improve.

"As we know, the Government's revenue has declined due to the reduced collection of corporate tax," he said, adding that the Government might need to borrow money or issue bonds to acquire funds.

On the US\$300 million World Bank loan, Dr Mahathir said it would be used for social programmes such as housing.

"It is not for economic reforms but to ensure that the people could live a good life," he said.

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