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World must learn to be flexible: PM (HL)

Lokman Mansor

DATUK Seri Dr Mahathir Mohamad last night told senior officials of the World Bank, the European Commission and the UN that the world should not be fanatical about any economic system, but instead be prepared to make adjustments and corrections when there are mistakes.

Speaking at a video conference that involved, among others, the World Bank vice president Mark Malloch Brown, the Prime Minister said ideas of free capital flows, free markets, and market forces disciplining governments are far from perfect.

"If there is going to an ideal society we must be able to adjust. As soon as we see the pendulum swinging too far to the other side, we should stop it and bring it back to the middle." He said the world has already witnessed how market forces have destroyed whole societies, countries and regions.

"When we see this we should be willing to re-examine and find out what the mistake is, and make corrections."

Brown was participating from his remote site in Washington, as did European Commissioner for Industrial Affairs Mr Martin Bangemann in Brussels and UN Conference on Trade and Development secretary-general Mr Rubens Ricupero in Geneva.

Last Friday, Brown had warned other developing countries against following Malaysia's lead to impose currency controls. He said such a move would be "a great mistake".

Dr Mahathir, who is also First Finance Minister, said the world must learn to accommodate different ideas, different values, and different ways of doing business.

The idea that there can only be one way of doing business and "if you don't do it `I am going to hammer you on the head until you do', I think that is very wrong. That is what is creating the problems we have in East Asia", he said.

"We are accused of cronyism because we help our businessmen to prosper. But (what about your) bail-out of Long-Term Capital Management - US\$3.5 billion (US\$1 = RM3.80) to save this hedge fund?

"(The hedge funds) were making money before. Did they give us anything? Now that they have lost money, the banks of the world have been told `you will rescue this or else you will get in trouble`.

"But nobody said `please rescue Malaysia or Indonesia'."

The hour-long video conferencing also involved Tan Sri Razali Ismail as moderator, and onsite panelists Multimedia Development Corp executive chairman Dr Othman Yeop Abdullah, International Movement for a Just World president Dr Chandra Muzaffar, and Mimos Bhd president Dr Tengku Mohd Azzman Shariffadeen.

The participants discussed broad-ranging topics, from global governance and politics to poverty and the media.

Dr Mahathir started the exchange with a frank observation about the world media. "We are not very well-informed about what happens in other countries because the information we get is far from accurate... I am very cynical about news on television. If they can be wrong about your country, they can be wrong about other countries."

He said for example the foreign media reported that there were 150,000 people demonstrating against the sacking of Datuk Seri Anwar Ibrahim at Dataran Merdeka. "If there were 150,000 people they would be squeezed.

Yes, there were demonstrations but more likely there were only 5,000 people there."

In one of his responses to Dr Mahathir's comments, Brown defended freedom of the press. "We need a free press. It is what keeps politicians and businessmen accountable, especially in times of crisis."

Dr Mahathir meanwhile, said because of globalisation there are already greater similarities among peoples and countries all over the world.

"We should make an attempt to preserve indigenous cultures... We should tolerate differences," he added.

"The attempt to create universal values is what is causing a lot of problems. Certain people want to impose their value system on the rest of the world."