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`Rich nations should have written off debts long ago'

PRIME Minister Datuk Seri Dr Mahathir Mohamad said yesterday rich nations should have written off debts of poor countries rather than allowing these loans to make some countries of the Third World half-dead.

"They (rich nations) should have written off the debts long time ago but they chose to wait until these countries are almost half-dead before deciding to write them off," he added.

Dr Mahathir was speaking to reporters after presenting certificates of competency in construction to 17 Orang Asli youths at Bukit Lanjan, Damansara.

He was commenting on last Friday's decision of the Group of 7 (G-7) to slash billions of dollars off the debts of the world's poorest countries, forgiving about US\$70 billion (US\$1 = RM3.80) of their US\$214 billion burden.

For these poor countries, Dr Mahathir said, 80 per cent of their national revenue is used to pay debts, leaving the remaining 20 per cent for their own use.

On the G-7's plan to curb financial speculation, the Prime Minister said Malaysia is glad that rich nations have agreed with the country's firm stand that financial speculation is to be blamed for the current global economic turmoil.

"When I voiced this in 1997, they said I was mad, I did not understand finance and I did not understand herd instinct. But right now, it seems that even others are equally mad," he added.

Dr Mahathir, however, remained sceptical as to whether the developed countries would initiate strong measures to regulate world currency trading. "There is a wide gap between accepting and doing something about it."

"Whether they are going to do what they did to us, that is to say we must be more transparent, translucent. But they (foreign speculators) are still totally opaque, you can't know what they are doing and do not know where they are."

Dr Mahathir said he hopes the rich nations will stop currency speculators in their endeavours as this will make the world safer as well as a richer place for all.

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