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MAHATHIR-SUMMIT

MAHATHIR PROPOSES EASTASIAN MONETARY FUND

By: Tham Choy Lin

SINGAPORE, Oct 18 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad has proposed an Eastasian Monetary Fund to enable regional countries to finance recovery on their own in the aftermath of the financial crisis.

Had such a fund existed, the crisis would not have occurred or "gone to such ridiculous depths," said Dr Mahathir, who defied international condemnation by using selective capital controls to save Malaysia from ruin.

"We in East Asia can begin by establishing an Eastasian Monetary Fund (EMF), a small, compact wholly regional funding organisation which would be deeply and constantly engaged in East Asian monetary cooperation and problems on a daily basis as opposed to a once-a-decade-when-crisis-strikes basis," he told a high-profile gathering at the East Asia Economic summit which opened here today.

Gracing the same forum at which Malaysia's controls were attacked last year, Dr Mahathir also said East Asian countries must be given the "right of self determination" and not be imposed upon or dictated to.

East Asia nations had prospered in the past only because they had been fast on their feet and were able to invent and re-invent themselves according to different formulas to respond to challenges, he said.

"The important thing is not how our goals are achieved but whether the goals we achieve are good. We will do it our own way and the world should not condemn and obstruct us merely because our way is different," he said in his usual frank candour.

"I believe that our success in the future will continue to be dependent on our devotion to pragmatism, to doing what works for us -- for our own unique economies and for our own unique societies.

"The next 10 years will be a time to re-make ourselves yet again. I believe that again we will succeed, despite our flaws and weaknesses -- and despite all the dire predictions to the contrary," he said.

The three-day forum, organised by the Geneva-based World Economic Forum, is attended by more than 700 political and business captains from inside and outside the region as well as key officials from international organisations like the International Monetary Fund (IMF) and World Bank.

A staunch critic of currency speculators, Dr Mahathir said global capitalism cannot survive or thrive if "making money regardless of human cost is its creed."

"Global capitalism has a massive potential to produce wealth for all of mankind. It would be a tragedy for mankind if, because of a few rapacious capitalists, a new anti-capitalism era were to arise," he said.

Dr Mahathir said Asians should not be considered stupid or its leaders corrupt, pointing out that their efforts had resulted in making Asian countries economic tigers and dragons.

Recalling Malaysia's painful experience in searching for an answer to the crisis that included following IMF-style measures at one stage, Dr Mahathir noted that the Fund had described Malaysia's recovery as being broadly similar to that of other countries.

"However, may I point out that in Malaysia's case, we have had a similarly impressive recovery without having to go into massive foreign debt to the IMF or anyone else and without saddling future generations with massive debt-servicing burdens," he said.

It was also achieved without blood on the streets, political turmoil or having to auction off Malaysian corporations at fire-sale prices, he added.

Dr Mahathir said the fact that Malaysia did not have to bow to anyone was important to Malaysians.

"We are not computer generated numbers. We are people, real, live people with all the joys and sorrows, the pride and the sense of shame which people have, " he said.

Stating that he was not out to partake in IMF-bashing, the Prime Minister said he was quite confident that had Malaysia gone to the international organisation for help as pressured several times, Malaysia would have been forced to do things that would only destroy its economy, nation and society.

It would have happened not because of malevolence but due to the lack of understanding and insight of IMF experts of Malaysia's economy, he said.

He also reiterated that Malaysia was not against foreign equity investors but valued those who helped to build productive capacity much more than those in search of quick profit.

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