

19/06/1999

NEP helps to distribute wealth fairly

MALAYSIA would have a major problem, bigger than the economic recession it is currently facing, if the New Economic Policy (NEP) objectives - eradication of poverty and equal distribution of wealth - are obstructed. Prime Minister and Umno president Datuk Seri Dr Mahathir Mohamad said the Malays and other Bumiputeras would revolt and riot if they were to remain only as workers in foreign companies.

"Through the NEP, we distribute or we try to distribute company ownership and various types of businesses between Bumiputeras and non-Bumiputeras.

"This policy is not liked by free marketeers or free market enterprises from the West. They regard this policy as discriminatory against them.

"The privatization opportunities open to Bumiputeras, for instance, prevented them from taking over fully those companies and services that were privatized," he told 2,034 delegates of the 53rd Umno General Assembly in Kuala Lumpur yesterday.

He said foreigners are disappointed with the restrictions imposed by the NEP as unlike in South America where privatization meant the sales of businesses owned by Governments to foreigners for cash required to pay off debts, "in Malaysia, we do not need cash because we do not have much foreign debts."

Dr Mahathir said the economic weapon of the Western powers, especially the ability to depreciate the value of the currencies and shares, is effective to weaken countries.

He said the main effect of these weapons is to open up the country unconditionally and unrestrictively to the entry and exit of modern Western capitalists. The normal protection given to local businesses must be withdrawn so that foreign businesses not only could take over fully the local businesses but will also be able to set up banks and businesses that are 100 per cent owned by them.

With the strength of their capital and experience, all local businesses and enterprises will be owned by them. The local people will only be their workers who might be allowed to invest in their companies but not allowed to own these foreign companies.

"When the economy is under their control, they would attempt to control politics as well."

The economic weapon of foreign powers is indeed potent and can by itself defeat and recolonise us. But when foreigners are supported and aided by locals, especially Government leaders, the possibility of us being recolonised is greater.

"We believe no Malaysian is willing to surrender the management of the economy to foreigners. But apparently, there is a Malaysian, in fact our leaders, who saw the economic turmoil as an opportunity to take over the Government," he added.

Dr Mahathir said foreign currency rogues not only deliberately destroyed the country's economy for profits but accused the Government of practising cronyism, nepotism and for being non-transparent in the management of the economy.

Malaysians, he added, could see that their accusations were only excuses to blame the Government and not them. "We do not deny the fact that such practices exist in our country, but it is not the cause for the deterioration of our economy.

"If it is true that it is us as well as our policies and practices that are defective, why is it then that our economy did not collapse earlier? Why is it able to grow rapidly? Why was our per capita income which was only RM750 when we achieved independence was able to increase to RM12,500 per month before we were attacked by the currency rogues? If they did not depreciate the value of our currency and our shares, would our economy on its own deteriorate?" he added.

Dr Mahathir said Umno is the only defence of Malaysia's sovereignty. The strength of the Malaysian Government and Malaysia's firmness is because Umno forms the backbone of the Government.

"They are aware without a formidable Umno, Barisan Nasional will not be stable and strong. They will support whatever actions by anyone, and they will continue to work alone to weaken or destroy Umno.

"Only Umno's destruction will fulfill their desire."

(END)