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PM: Asian solutions needed (HL)

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PUTRAJAYA, Sun. - Asian problems need Asian solutions, and Asians need to be pragmatic enough to forgo ideologies that stand in the way of results, Datuk Seri Dr Mahathir Mohamad said today.

"Asian civilisation has survived longer than others," the Prime Minister observed. "We must be brave enough to go our own way."

Speaking to the World Economic Forum East Asia Economic Summit 2002 at the Putrajaya Marriot Hotel here tonight, Dr Mahathir urged Asians to work together against those who would manipulate the world's economy and finance system through such global institutions as the World Trade Organisation.

He said attempts to use the WTO as a cover to discriminate against the developing world should be stopped at all costs.

"We need to relook very closely at the interpretation of globalisation, the proposed regime for world trade and finance. What is being cooked up is a recipe for the exploitation of the world by the few and the greedy. They will destroy the world for a few billion dollars in their pockets.

"We should resuscitate real business, the business of producing things, of providing services. Money should be invested in this and not in buying and selling shares ... or in speculation and manipulation of currencies," Dr Mahathir said in his keynote address on "Renewing Asia's Foundations of Growth: Building on Diversity".

Speaking before hundreds of economists, foreign Government representatives and captains of industry, he said stock exchanges should be used for raising capital and not for making quick profits.

"Stop preaching to others. Stop examining the shoes of hundreds of millions for a hundred or so terrorists but look instead for the causes which move people ... to blast themselves to smithereens and eliminate the causes."

Dr Mahathir reiterated that Asians must make their voices heard.

"Not everything that comes out of the West is ideal and the Godgiven truth. How many times have their ideologies and their systems failed? How many times have they rejected their own ideologies and formulas in order to replace them with yet another perfect and infallible formula?" he questioned, predicting that the replacements, too, would fail.

He stressed that the present theory and interpretation of globalisation would ultimately go the way of past ideologies and systems.

Dr Mahathir, who is also Finance Minister, said the belief that markets should be left to regulate themselves and that they should discipline Governments was neither right or true.

He noted that Governments were still relevant and not anachronistic, and they had the incentive to do the right thing for everyone because otherwise, they would be replaced.

On the other hand, he said, the stock market was all about making profits rather than caring for the people and the country, or even about taking care of business.

"The Malays, not the greatest business people in the world, have a saying, 'when you lose your way, go back to where you started'. Others call this going back to square one, back to the drawing board.

"We need to go back to the status quo ante, to the good years of the world's growth, to the 60s, 70s and 80s.

"We must not be afraid to admit that we have gone wrong and go back to

doing real business," he said, signalling that the international financial framework was in need of a revamp to prevent economic anarchy.

Citing the once "high-riding" dot-com companies as an example of how false perceptions and unreal business threatened to dominate the world economy, he said that at present no one seemed to care about the true value of products.

Dr Mahathir said that large corporations, which were supposed to enhance efficiency and quality while reducing the cost of products, had proven to be false and deceptive.

"We see a number of them cheating. They cook their books and the auditors help them with attractive figures. And of course they pay their cooks well, giving them huge salaries with private jets and yachts, and share options.

"Sometimes, and sometimes only, the cooking is discovered. Then their cronies in the government who may also have invested in them would bail them out.

"I would challenge anyone to say that it is real business, the business of making and selling things that has brought the world's economy into this dire state," he said.

On the regional financial crisis of the late 90s, Dr Mahathir said Asian countries were condemned at the time for incompetence, corruption, cronyism and a host of other things, but the real culprits were never demonised.

"Indeed they became great philanthropists. No one bothered to look at the damage they caused, the poverty, the starvation and deaths they left in their wake while making their money.

"Robin Hood stole from the rich to give to the poor. These hoods stole from the poor and gave a minute portion of the ill-gotten gains in order to be known as philanthropists."

Decrying those who were only interested in making quick money through speculation and manipulation, he warned that the greedy had taken over the economy of the world.