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Dr Mahathir: Proposed Asian Monetary Fund will certainly fail if it

THE proposed Asian Monetary Fund (AMF) will fail if it subscribed to International Monetary Fund (IMF) regulations, said Prime Minister Datuk Seri Dr Mahathir Mohamad.

In fact, he said most of the remedies prescribed by the IMF during the financial crisis of 1997/98 actually destroyed the affected economies.

"It (AMF) may fail...it would certainly fail if you subject it to the regulations of the IMF.

"But it can be made to succeed if you are willing to find a way round to be able to make corrections as we go along to reject initial ideas and bring new ideas," he told participants at a dialogue at the three-day first East Asia Congress yesterday.

Dr Mahathir was asked whether the proposed AMF should operate independently rather than complement the IMF.

"We must have an open mind as regards ideas from elsewhere and we have to have an open mind as to ideas coming," he said.

He described the AMF as not only a good thing but something much needed.

"We have AMF simply because the IMF is not as international as it should be. As you know, there are other hands controlling (the IMF) and those hands at times have ideas other than looking at the prosperity of East Asia.

"Therefore, we must examine what is in front of us to see whether or not they fulfil our needs. We know what has happened to the IMF during the financial crisis. What they prescribed actually destroyed our economies. This is one reason why Malaysia rejected what they prescribed."

He said Malaysia usually would not subscribe to IMF's convention.

"We are contrary people in Malaysia. We do not usually subscribe to convention. We believe in examining the convention to see whether they should be conventional or not.

"And so many times, we found that most of these conventions are not really conventional in the sense that they should be prescribed for all. We have to examine all the things we are doing to see whether they fulfil our needs or not."

In this regard, Dr Mahathir said democracy should also be examined. In democracy, some people believed that it was the means that mattered and not the end.

"But to me, I believe the ends and means often justify. We should examine every idea that is thrown to us to see whether they really work or not.

"Maybe we are different, our cultures are different, and therefore we have to see whether the current regime will fulfil our needs or not," he said.