

No need to help Europe: Dr M

> 'They should not live beyond their means'

PUTRAJAYA: Former premier Tun Dr Mahathir Mohamad yesterday slammed Europe for initiating a bailout fund to help member economies struggling with their debt crisis, saying European countries should not live beyond their means.

He charged that Europe was getting a dose of its own medicine and said there was no need for Malaysia to participate in the European bailout fund as they did little to help Malaysia during the 1997/98 Asian financial crisis.

He said it was the unscrupulous western hedge funds which attacked the ringgit and other Asian currencies, precipitating the financial meltdown from which regional economies took a long time to recover.

And when Malaysia helped its companies recover from the crisis without going to the International Monetary Fund and thereby maintaining its financial independence, they criticised the government for adopting unorthodox policies to prevent a financial disaster.

"No, why should we? If I'm in the government, I wouldn't. I don't think Malaysia should contribute anything, you see they tried to bankrupt us before and they undermined our currency," he said, when asked whether Malaysia should contribute to the bailout fund

after European leaders agreed to tighter budget rules and an expanded bailout fund at the European Union summit last week.

"Now, they are (being served) the same dose of medicine, so let them solve it. Actually, their wealth is not true wealth," the former prime minister, who was credited with saving Malaysia from a financial disaster, said in an interview with Bernama and Bloomberg.

Dr Mahathir said both the US and Europe were the world's largest home appliances and car manufacturers but later focused on the financial industry after eastern countries like China, Japan, South Korea and Taiwan started to produce similar products.

"The financial market is not a real business because it does not create jobs and there are no spinoffs. They make billions of dollars just by transferring numbers in the books of banks.

"When they start leveraging, eventually the whole system collapses due to gambling, speculations and manipulative activities. Now they are poor people, but they don't admit that and want to live in their own style.

"When their governments want to have an austerity programme, they protest against it through demonstrations, which make matters worse," Dr Mahathir said.

Asked on ways to solve Europe's problems,

he said they should not live beyond their means.

"If you are poor, you live like poor people, accept lower pay, the standard of living must be lower and don't enjoy life too much. But the problem is, now they want to live like they are rich," he added. — Bernama