

## WE'LL PUNISH RINGGIT SPECULATORS, PM WARNS

KUALA LUMPUR, OCT. 3 04 BERNAMAES) -- THE GOVERNMENT WILL ENSURE THAT SUITABLE PUNISHMENT WILL BE METED OUT TO THE CULPRITS RESPONSIBLE FOR THE RECENT PRESSURE ON THE RINGGIT IN THE FOREIGN EXCHANGE MARKET, THE PRIME MINISTER WARNED TONIGHT.

SAYING HE STRONGLY SUSPECTED THAT THE FOREX CHAOS ON OCT. 5 WAS ARTIFICIALLY CONTRIVED BY PEOPLE WHOSE +GREED HAS OVERCOME THEIR COMMITMENT TO ETHIC+, DATUKSERI DR. MAHATHIR MOHAMAD SAID THIS PROVED THAT IT WAS DANGEROUS FOR THE UNSCRUPULOUS TO BE ALLOWED INTO THE TRADING OF CURRENCIES.

IN A HARD-HITTING SPEECH AT THE SIXTH JOINT ANNUAL DINNER OF THE ASSOCIATIONS OF BANKS AND FINANCIAL INSTITUTIONS IN MALAYSIA AT THE HILTON HERE, THE PRIME MINISTER SAID THE WORLD'S MONETARY SYSTEM WAS IN A STATE OF ANARCHY.

MONEY IS NOW JUST ANOTHER COMMODITY TO BE TRADED LIKE RUBBER, TIN OR PALM OIL AND AS SUCH IT COMES UNDER THE MACHINATION OF SPECULATORS.

+ INDEED, IT IS A DANGEROUS TRADE FOR WE CAN NEVER BE SURE THAT EVEN BANKS WILL NOT BE TEMPTED TO DEPRESS THE VALUE OF MONEY AND RAISE IT AGAIN IN ORDER TO MAKE A FAST BUCK+, HE SAID ALLUDING TO THE RECENT RINGGIT DEPRECIATION AGAINST MAJOR CURRENCIES.

THE PRIME MINISTER AGAIN RULED OUT ANY DEVALUATION OF THE MALAYSIAN CURRENCY, SAYING THAT :+THIS GOVERNMENT DOES NOT BELIEVE THAT DEVALUATION WILL SOLVE ITS... ECONOMIC PROBLEMS. ONLY HIGH PRODUCTIVITY WILL.+

TOUCHING ON THE ANARCHY IN THE MONETARY SYSTEM, THE PRIME MINISTER SAID THERE WAS A TIME WHEN THE EXCHANGE RATES BETWEEN THE CURRENCIES OF VARIOUS COUNTRIES WERE FIXED, BUT NOW THE SYSTEM NO LONGER APPLIED.

GOVERNMENTS ARE FREQUENTLY POWERLESS TO DETERMINE THE VALUE OF THEIR OWN CURRENCIES, AND DESPITE RESERVES BEING HELD IN DIFFERENT CURRENCIES TO REDUCE THE EFFECT OF COLLAPSE OF ANY ONE CURRENCY, THE FLUCTUATION CONTINUED.

+ WHILE FLUCTUATION IN THE PRICE OF THE USUAL COMMODITIES HAS ONLY LIMITED ECONOMIC EFFECT, THE MOVEMENT IN THE VALUE OF MONEY CAN AFFECT THE TOTAL ECONOMY OF A NATION,+ HE SAID.

DR. MAHATHIR REMINDED THE FINANCIAL COMMUNITY OF ITS SPECIAL RESPONSIBILITY TO SOCIETY, CITING THE BMF (BUMIPUTRA MALAYSIA FINANCE) LOANS AFFAIR IN HONG KONG AS A LESSON THAT MUST BE DRIVEN HOME.

BMF DEMONSTRATES ALL TOO CLEARLY THAT WITHOUT ATTENTION TO SOUND MANAGEMENT AND EFFECTIVE SUPERVISION, SERIOUS MISTAKES COULD ACCUR.

HE TOLD MANAGERS OF FINANCIAL INSTITUTIONS TO BE TOTALLY COMMITTED AND INVOLVED IN THE AFFAIRS OF INSTITUTIONS UNDER THEIR CHARGE.

THIS WAS WHY THE GOVERNMENT HAD SEPARATED THE NON-EXECUTIVE CHAIRMEN FROM THE CHIEF EXECUTIVE OFFICERS IN SOME PUBLIC ENTERPRISES.--MORE

IN THIS LIGHT, THE RECENT BUDGET STRATEGY OF TAX CUTS WAS THE FIRST PHASE ON THE NATIONAL PROGRAMME TO MAKE THE COUNTRY ATTRACTIVE AND COMPETITIVE FINANCIALLY AND TO PROVIDE INCENTIVES FOR HARDWORK AND THE TAKING OF RISKS, HE ADDED.

IT SHOULD ALSO LESSEN THE DEMAND FOR HIGHER PAY FOR THOSE EXECUTIVES AND EMPLOYEES IN THE HIGHER INCOME BRACKET AS A FAIR PORTION OF THEIR EARNINGS WILL NOW BE RETAINED BY THEM.

+ IN A VERY TANGIBLE WAY, THE TAX CUTS REPRESENT A REVISION OF PAY, + THE PRIME MINISTER SAID.

DR. MAHATHIR POINTED OUT THAT HIS ADMINISTRATION WOULD SEEK TRADE INITIATIVES WITHIN THE INTERNATIONAL TRADE ENVIRONMENT TO ASSIST THE PRIVATE SECTOR TO EXPORT COMPETITIVELY.

BUT, THE PRIVATE SECTOR MUST RESPOND, NOT TIMIDLY WITH MORE AND MORE DEMANDS FOR GREATER GOVERNMENT ASSISTANCE, BUT WITH VISION, INITIATIVE AND DARING, TO PENETRATE NEW MARKETS WITH NEW PRODUCTS AND SERVICES. --MORE

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THE PRIME MINISTER ALSO STRESSED THAT PROFESSIONALISM MUST PREVAIL AT ALL TIMES AMONG THESE MANAGERS IN CARRYING OUT THEIR DUTIES.

BOARDS OF DIRECTORS MUST AT ALL TIMES BE ALERT TO THE EFFECTIVENESS AND COMPETENCE OF THEIR STAFF WHILE SENIOR OFFICERS MUST CHOOSE EFFECTIVE AND COMPETENT PERSONNEL AT ALL LEVELS.

THEY MUST SUPERVISE THE AFFAIRS OF THEIR INSTITUTIONS, DEVISE EFFECTIVE MANAGEMENT INFORMATION SYSTEMS AND FOLLOW SOUND AND PRUDENT POLICIES IN MEETING THEIR OBJECTIVES.

SELF-SERVING OFFICERS AND LEADERS MUST BE WEEDED OUT FROM THE SYSTEM, DR. MAHATHIR SAID.

+ JUST AS I EXPECT THE ADMINISTRATORS IN GOVERNMENT TO BE FULLY INFORMED AND BE ON TOP OF THE STATE OF AFFAIRS AND POLICIES IN THEIR CHARGE, SO WOULD I EXPECT THE SENIOR BANKERS TO BE FULLY AWARE OF THE HEALTH OF THEIR INSTITUTIONS AND THE DIRECTION THEY ARE STEERING OVER THE SHORT AND LONG TERM. +

HE TOLD THE BANKERS: + THE RESPONSIBILITY THAT YOU BEAR AND THE TRUST PLACE ON YOU MUST NEVER BE ABUSED. IF FOR ANY REASON YOU ABUSE THEM, YOU DO SO AT YOUR PERIL. + --BERNAMP ES