

# PM warns 'greedy people' against depressing ringgit

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THE government will mete out suitable punishment to greedy people who contrive to depress the exchange value of the ringgit just to make a fast buck. Prime Minister Tan Sri Dr. Mahathir Mohamad warned last night.

This was because, while fluctuations in the price of the usual commodities had only limited economic effect, the movement in the value of money could affect the total economy of a country.

As such, it was dangerous for the unscrupulous to be allowed to trade in currencies, he said.

"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 added.

Dr Mahathir said he strongly suspected that the recent pressure on the ringgit was artificial-

ly contrived by people "whose greed had overcome their commitment to ethics."

Dr Mahathir said under the present "anarchic" world monetary system, governments were frequently powerless to determine the value of their own currencies.

Despite reserves being held in different currencies in order to reduce the effect of collapse of any one currency, the

fluctuation continued.

"Money is now just another commodity to be traded its one trades rubber or tin or palm oil. As such, it comes under the machination of speculators," he added.

Under the previous system the exchange rates between the currencies of various countries were fixed. If there was to be a change in the rate of any one currency, it was premeditated and announced.

Although there was some artificiality in that system, by and large it was orderly, the Prime Minister added.

Speaking at the joint annual dinner of financial institutions in Malaysia, the Prime Minister declared: "This government does not believe that devaluation will solve its economic problems. Only high productivity will."

The Prime Minister appealed to banks in Malaysia and abroad which dealt in the ringgit to live up to the trust placed in them and adhere rigidly to good financial ethics.

If the long run, it would pay to do so, he added.

He stressed that in the pursuit of profit, bankers must never lose sight of their basic responsibility as trustees of the financial assets of the community in which they serve.

Public accountability of their behaviour helps

inculcating this trust, which must be upheld to instill continuing public confidence in the banking system, he added.

The standing of the nation, the value of the ringgit and the confidence of the public in the country and abroad, rested on the competence and integrity of the country's financial agencies.

"Such is the responsibility that you must bear and such is the trust placed on you. You must never, never abuse that trust. If for any reason you abuse it, you do so at your peril," he added.

He said the recent losses suffered on account of the BMF affair demonstrated too clearly that without sound management and effective supervision, serious mistakes could occur.

"The nation cannot afford such losses, nor should we expect to. I would like to reiterate that action will be taken against the wrong-doers. The lesson must be driven home."

Dr Mahathir said managers of financial institutions, just as managers of public and private enterprises, must be totally committed and involved in the affairs of institutions under their charge.

It was for this reason that the government had separated the non-executive chairmen from the chief executive officers in some public enterprises.