

**Dr M: Faith and integrity
vital for this institution**

**KLCE comes
back to life**

NST 30 OCT 1985

KUALA LUMPUR, Tues.— ^(P) **Datuk Seri Dr Mahathir Mohamad** drove home the point that the **Kuala Lumpur Commodity Exchange (KLCE)** trades on faith and integrity when he launched the revamped exchange this morning.

The Prime Minister also warned that any attempt to undermine the market would not be tolerated as the KLCE (which had been suspended for 20 months) was not "a play thing or a casino".

"It is a vital part of a modern market economy and those who participate in it must forget their get-rich-quick ideas. They must regard their participation as a serious vocation that requires responsibility and ethical practices."

Underscoring the importance of integrity and faith in commodity trading, Dr Mahathir said the proper functioning of an exchange such as the KLCE depended on the ethics and good faith of all people involved in trading.

"Indeed if one analyses carefully, one must conclude that what is being traded is the integrity of the participants. Integrity and good faith are in fact the main capital."

He pointed out that there were too many opportunities and loopholes for the unscrupulous and the irresponsible to take advantage of.

"We can have laws and rules and commissions and councils to keep everyone in line. But these will not be of any use if a trader is determined to cheat. Hence, the value of integrity.

"The traders and brokers and all who are involved in this exchange must have integrity. It is important therefore that everyone be very carefully screened, that erring members be disciplined, and a keen eye maintained all the time for any sign of manipulation."

He added that excessive speculation and breaches of good faith must be dealt with "firmly, impartially and quickly" by the Commodities Trading Commission, the statutory body to be set up under the new legisla-

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tion to replace the Commodities Trading Council (CTC).

The new legislation, which is now before Parliament, also seeks to make manipulation a serious criminal offence punishable with a fine and imprisonment in addition to equipping the CTC with appropriate powers to oversee the operation of the exchange and the clearing house in conformity with rules and regulations as well as to intervene in the market in an emergency.

Dr Mahathir hoped that the intervention by the Commission would be necessary only rarely.

He added that it was vital to monitor developments in the market and the exchange and the Clearing House, being in the front line to protect the integrity of the market, must be prepared to take appropriate action to prevent any undesirable development in the market.

Primary Industries Minister Datuk Paul Leong said the Government would continue to monitor the immediate and future needs of the commodity futures industry.

He is confident that with a strengthened exchange and with the established close working relationship between the Government and the industry, coupled with guidance, direction and dedication of its directors, the KLCE and the new Malaysian Futures Clearing Corporation Sdn Bhd would be able to function effectively and successfully.