

PM: There was no cover-up of forex losses

By K.P. Waran and James Ritchie

KUCHING, Tues. — Prime Minister Datuk Seri Dr Mahathir Mohamad said today there was no cover-up of foreign exchange trading losses by Bank Negara in its 1994 annual report.

He said he was fully satisfied with the transparency of Bank Negara in the figures quoted in the report.

Dr Mahathir was asked to comment on an article in a local English daily by businessman and Umno supreme council member Tengku Datuk Adnan Tengku Mansor calling for Bank Negara to disclose "the real truth" behind the alleged few billion ringgit of losses "if the transparency pledged by the bank was to be implemented".

Writing in his column in the *Sunday Sun*, Tengku Adnan also said the local media was collectively guilty of lending the central bank a "white washing service" instead of highlighting the truth behind the alleged "speculative trading fiasco".

The Prime Minister said: "I do not know where he got his information but we did not cover up. How can we cover up if there are forex losses?"

"One thing that I would like to explain is that in other countries transac-

tions such as forex dealings are not even made public since this may cause problems including loss of confidence in the nation's economy.

"No one has criticised these countries, what is there to criticise us on this?"

Dr Mahathir stressed that no one can complain about the country's financial standing which was evidently strong.

"Our reserves are high. Our balance of payment is well managed and we know how to manage our finances," he added at a Press conference here following his visit to Sarawak.

Bank Negara Governor Ahmad Mohd Don, when releasing the report, disclosed that the bank had a net operating loss of RM668.32 million, which included provisions made to write off the RM5.7 billion loss in the previous year as a result of foreign exchange trading.

The report said Bank Negara would write off the loss over a 10-year period beginning last year. It has since adopted a more conservative approach in managing its foreign reserves.

In his column, Tengku Adnan said the official disclosure by Bank Negara on Wednesday that it suffered losses in 1992 and 1993 from foreign exchange dealings "was belated and still leaves much to be desired".

He charged that from the start, the whole affair of the losses "reeks of scandal" and "unless Bank Negara makes a genuine attempt to come up with the real truth, not only its credibility, but also that of the whole nation, would continue to be at stake".

"The reason for me saying this is due to the sad fact that although our Prime Minister Datuk Seri Dr Mahathir Mohamad had even admitted the losses incurred by the central bank during his recent Hari Raya speech, nobody has ever made any attempt to reveal the real truth behind them.

"What strikes me as most strange is the shameful fact that not a single media in the country, not even the official one, has come to comprehend the significance of the Prime Minister's hint."

He said either the editors could not see or comprehend the significance of the disclosure by the Prime Minister or that they were being "curiously patriotic by helping Bank Negara whitewash itself from the grime and dirt of the major financial scandal".

Apart from his political activities, Tengku Adnan is also involved in a wide range of businesses. Among the many corporate posi-

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Tengku Adnan in many businesses

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tions he holds are that of executive chairman of the Sun Media Group Sdn Bhd, chairman of Far East Assets, executive director of Berjaya Singer and director of TAS Industries.

His business interests include construction, engineering, manufacturing, agriculture, plantations, mining, property development, office equipment and communications.

In politics, he was elected to the Umno supreme council at its general assembly in 1993.