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A tragic Asian drama

WHEN Prime Minister Datuk Seri Dr Mahathir Mohamad first lashed out at the foreign speculators who attacked, and continue to attack, the stock markets and currencies of the region's nations, his was a lone voice. When at the International Monetary Fund/World Bank annual meeting in Hong Kong, he described excessive speculative currency trading as "unnecessary, unproductive, and totally immoral", it reverberated throughout the capitalist West, eliciting shock responses such as that surely the Prime Minister does not know what he is saying. At one point, it was also claimed by the foreign press and television networks that when Dr Mahathir speaks, the region's currencies fall. If events since then do not convince his detractors that perhaps there is something to Dr Mahathir's proposal for rules and regulations, for a specific market for currency trading, to quell the turbulence that has beset the region for over three months now, and prevent its recurrence, probably nothing will.

It is true that the World Bank, the International Monetary Fund, the World Trade Organisation subsequently indicated that they would like to look more deeply into Malaysia's suggestions. In fact, the World Bank has even requested the secondment of a Kuala Lumpur official to help it seek ways to rein in the destructive activities of the currency speculators and manipulators whose unbridled greed is wreaking havoc and setting the progress of the region's economies back by a decade or so. And while the reaction of the developed nations to Dr Mahathir's alleged "outbursts" was not unexpectedly bemused at best and derisive at worst, that of those which are most affected by the repeated assaults on the markets has been unhappily muted.

As the Prime Minister has pointed out, this is no time to keep quiet in the hope - a delusive one, one might add - that the speculators would not notice you when they select their next victim. Developments have shown that no one will be spared; not the mighty Singapore dollar, not the Taiwan dollar, not even the Hong Kong stock market with its enviable buffer of resources and business opportunities that mainland China promises. Perhaps it is this realisation that has prompted Philippine President Fidel Ramos to come out in support of Malaysia's proposal to tackle the currency crisis during the Asean summit in December in Kuala Lumpur. He was also reported to have said on Tuesday that he backs the establishment of an Asean common fund to help member countries weather the speculative attacks on their currencies.

Whatever the reason, there is no question that individually Thailand, Indonesia, Philippines and Malaysia are in no position to fend off the speculators who have billions at their disposal. The countries can of course turn to the World Bank or the IMF for assistance, like Thailand, Philippines and Indonesia have done, to bolster their economies on the assumption that actual fundamental weaknesses were what caused the attacks in the first place; not perceived ones of "overheating", asset inflation and alleged economic mismanagement by the very countries which had only three months earlier been held up as "miracles".

One may wonder what these countries have to do to convince the currency speculators that their economies are in order, that in fact they are in better shape than many developed countries. But the bigger question is why are the region's countries suddenly accountable for all intent and purposes only to the speculators who are the main cause of the problems in

the first place? The irony of the situation is comedic if not for the tragic consequences being felt throughout the region. This is the main contention of the Prime Minister. It is tragic because not only are the countries now denied much of the fruits of their labour, they have in effect been punished for their hard work and resourcefulness. Even after the trauma, it will take time, much resources and effort to undo the damage. But a bigger tragedy would be for the beleaguered nations to lose faith now and submit to a new era of domination by others.

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