

25/08/1997

Bank has no business arranging Dr M-Soros meet

Datuk A. Kadir Jasin

ONE wonders just when the American foreign exchange trader George Soros appointed the World Bank as his personal agent and spokesman.

This is precisely the impression one gets from reading newspaper reports quoting World Bank spokesman, Mr Tim Cullen, as saying that the bank could arrange a meeting between Prime Minister Datuk Seri Dr Mahathir Mohamad and Soros.

Cullen, who was quoted as saying so by the US-based Associated Press, was even sure that the meeting would take place during a three-day meeting of the World Bank and the International Monetary Fund (IMF) in Hong Kong beginning September 20.

Perhaps after bailing out Thailand, both the World Bank and the IMF think they can speak on behalf of the rest of the world.

What can be immediately ascertained is that no such meeting will take place and Dr Mahathir had not given a mandate to the World Bank to arrange such a meeting.

Speaking in Kuala Lumpur on Saturday, the Prime Minister said he will not meet Soros and the World Bank has no business arranging such a meeting.

One also wonders why the World Bank assumes that Dr Mahathir would agree to meet Soros simply because the latter had expressed such a sentiment.

Soros had expressed the desire to meet Dr Mahathir in an interview with the New Straits Times in New York earlier this month, during which he also denied that his company had made speculative attacks on several Association of South-East Asian Nations (Asean) currencies, including the ringgit.

Notwithstanding whether a meeting between Dr Mahathir and Soros ever takes place, it is apparent that Soros was stung by the Prime Minister's allegation against him.

It is ironic that Soros, who claims to be concerned with human rights standards and practices in developing countries and has set up foundations to help victims of human rights abuses, has no qualms about speculating in the currencies of week nations knowing fully well that it could bankrupt them.

Though Soros has vehemently denied speculating in Asean currencies, he has in the past, proudly admitted to making a killing through speculating in the British pound and other currencies.

But it did not have to be Soros himself. It could have been currency traders and hedge fund managers linked to him or his outfit - Soros Fund Management - or at the very least, those who took a cue from him.

Clearly, between defending the rights of the oppressed and the dispossessed, be they in Bosnia, Eastern Europe or Myanmar, and making tonnes of money speculating in currencies, Soros is more apt at the latter.

One wonders how much Soros truly knows about the countries and governments he is purportedly crusading against. Perhaps all his information comes from his country's media and through biased Western eyes.

But having said that, the countries of the world, especially the newly industrialised and industrialising ones, must not merely talk.

No amount of condemnation is likely to deter Soros and his band of currency traders, hedgers and speculators. The more successful a country

becomes economically, the more valuable its currency becomes to these traders.

Decades ago nobody cared to speculate in the ringgit. But today, with the Malaysian economy expanding rapidly and its place in world trade becoming more important, the value of the ringgit, as a commodity, has also increased.

As much as we detest the activities of people like Soros, we must also realise that their activities are not illegal. They may be morally questionable, but they have also become common market practice.

It may be that the traditional approach of selling the US dollar to defend local currencies has outlived its effectiveness. In fact, the wisdom of spending valuable foreign exchange reserves to defend local currencies is being challenged.

While the stability of the currency is important, we must recognise that the economy as a whole is more important.

(END)