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Canada-Mahathir

CANADA CONFIDENT ASIAN ECONOMIES WILL BOUNCE BACK

By: Salmy Hashim

VANCOUVER, Nov 25 (Bernama) -- Canadian Prime Minister Jean Chretien has expressed confidence that Asian economies have the energy to bounce back from the currency and stock market problems after an impressive and miraculous growth over the past 20 years.

He said he did not see any long-term effects from the currency turbulence and was confident that the International Monetary Fund (IMF) was still capable of rescuing economies in trouble.

He said this during bilateral talks with Prime Minister Datuk Seri Dr Mahathir Mohamad Monday, a Canadian official told reporters after the meeting.

The Canadian premier had also told Dr Mahathir he agreed that transparency of financial institutions was very important.

The official said the Canadian premier was also sympathetic to the Asian economies suffering from the currency problems, but felt regulating currency trading was "impossible" to implement.

"It is practically impossible to regulate a system that works," he was quoted as saying.

Dr Mahathir told a packed Apec CEO Summit dinner Sunday night that currency trading, which dominated 95 per cent of world trade, should be more transparent, regulated and taxable.

He took to task the World Trade Organisation (WTO) for not doing enough to regulate such trading and suggested that Apec leaders reach an agreement on regulation of currency trading.

Malaysia, which lost US\$30 billion (RM102 billion) from its GDP following the currency slide, did not make a single sen in terms of taxes from currency traders who made immense amount of money from trading the ringgit, Dr Mahathir had said.

The 18 leaders from Apec economies, gathered here for the fifth leaders summit, are scheduled to read out their declaration at the conclusion of the annual meet.

They are expected to endorse the Manila initiative designed to speedily assist Asian economies in trouble.

A news report said the draft Apec declaration includes a sentence that said the group supports efforts to better understand whether international capital markets need to be regulated, an issue which has come specifically because of Malaysia's previous calls to control currency trading.

"We also look forward to the conclusions of the IMF study underway on the role of market participants in the recent crises," said the draft.

So far, Thailand, the Philippines, Indonesia and South Korea had asked for bail-outs from the IMF and other countries.

Daniel Tarullo, Special Economic Adviser to President Bill Clinton, told Bernama that Dr Mahathir did mention his proposal at the Clinton-Asean breakfast meeting Monday morning, but the leaders mainly talked about the Manila framework.

He said that nothing too specific was discussed on Dr Mahathir's proposal and therefore the US had "nothing to respond to."

The breakfast meeting was also attended by Prime Minister Chuan Leekpai of Thailand, Prime Minister Goh Chok Tong of Singapore, President Fidel Ramos of the Philippines and Sultan Hasanal Bolkiah of Brunei.

President Suharto of Indonesia was not present at the breakfast meeting but had a bilateral meeting with Clinton right after that.

US Secretary of State Madeleine Albright said the Apec meeting was held amidst predictions that the "Asia miracle" will be succeeded by an "Asia meltdown."

She said at the Apec CEO Summit here the fact that the region's economic leaders were able to agree on the Manila framework was encouraging and it validated the underlying promise of Apec "which is that we will all do better when we each do better. Stability, like turbulence, is contagious."

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