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Dr M rallies tirelessly against rogue speculators

Kamarul Yunus in Buenos Aires

BUENOS AIRES, Sun: Prime Minister Datuk Seri Dr Mahathir Mohamad ended his visit to four Latin American countries today after paving the way for closer ties with Cuba, Chile, Uruguay and Argentina.

While the primary aim of the visit was to enhance trade cooperation and people-to-people ties, many had expected the meetings between the Prime Minister and leaders of the four nations to also touch on the financial crisis faced by Malaysia and other dynamic economies of South-East Asia.

This is because as developing countries, Cuba, Chile, Uruguay and even Argentina, which has one foot on the developed platform, are also susceptible to the same problems now facing the South East Asian "Tigers".

Indeed, the leaders did discuss the situation in Malaysia and its neighbours. Leaders of the four Latin American countries expressed horror at the spectre of currency speculation, and even backed Malaysia's proposal that a mechanism be created to safeguard the interests of emerging economies with regard to their financial services liberalisation efforts.

Thus, the visit by Dr Mahathir to these countries not only succeeded in enhancing bilateral ties but also sent a clear message to the international community that Malaysia is not alone in wanting the activities of the rogue currency speculators checked.

It also sent a message to some Malaysians who, unfortunately, are starting to believe that Dr Mahathir was the cause of the ringgit's continued depreciation. Some foreign news coverage had said that whenever the Prime Minister opens his mouth (and attack currency speculators), the ringgit falls further.

The message from Dr Mahathir is he will not bow to pressure in addressing this issue. He reiterated his stand on the problem in almost every speech he delivered at the functions he attended or officiated at during his visit to the four countries.

One of the more important events he attended must be the 12th Pacific Economic Cooperation Council (Pecc) general meeting in Santiago, Chile, where in his keynote address, he pleaded to the international community to cooperate to make the world of business a safer world, free from manipulators and the highway robbers.

"I am aware that the Pecc and many other Pacific organisations have members from the developed North as well as the developing South. The idea of cooperation is great. Cooperation implies mutual help and mutual benefits - a win-win mindset," he had said, adding that turbulence in the currency market and the impoverishment of the countries of the Pacific Rim will not be of help to businesses or the countries they are doing business in or with.

"Business needs predictable and good prosperous markets. The fund managers, despite their denial, are largely to be blamed for the present turmoil and the slowdown in the economy of the East Asian countries.

"They and their unethical activities are not good for anyone. We will not lose anything if they are not around," he said, when suggesting that the world does away with trade in currency as a commodity.

What the international community needs, Dr Mahathir suggested, is a standard for comparing the value of different currencies and a standard which is less volatile.

His views were not well-received by certain quarters, who have kept on

putting pressure to depreciate the value of ringgit every time Dr Mahathir speaks up against currency speculation. But from the developing countries, the support is still audible, even if not many leaders had the guts to openly express their support for him.

Dr Mahathir did not seem to be discouraged by this fact. The poor countries could not do anything since their arms are being "twisted" by the so-called "powerful" and "rich" people, he added.

At a press conference to Malaysian journalists at the end of his two-day visit to Uruguay, Dr Mahathir had said although these developing and poor countries support his views regarding the rogue currency speculators and manipulators, they are not strong enough to retaliate and had kept in silence towards the crisis because their "arms are being twisted".

"We cannot blame them or get angry with them because they are poor. They are in debt to the rich and their arms are being twisted. So they cannot say that they support us," Dr Mahathir said.

But at least Dr Mahathir knows that there are friends who sympathise with the difficulties faced by the country as well as other nations in East Asia.

For example, Chile President Eduardo Frei Ruiz-Tagle supports Malaysia's call for some form of mechanism to govern currency trading so that such activity do not inflict damage on the economies of some countries.

Frei had echoed Dr Mahathir's opinion that such mechanism will not be out of the ordinary as there are already international treaties and agreements governing international trade of goods and services.

"Such an agreement can be in line with international treaties like the World Trade Organisation or its predecessor the General Agreement on Tariffs and Trade," Frei had said. Chile, one of the fastest growing open economies in Latin America, fit the criteria of countries whose currencies are susceptible to manipulations by foreign exchange traders. It registered its 13th year of uninterrupted growth at more than 7 per cent a year.

Taking Chile as for example, Dr Mahathir reminded other developing nations of the possible attack by the rogue speculators in the currency trading, adding that they are potential prey to such unhealthy activities of these irresponsible persons.

Discussing such issues in international forums may or may not be an effective way to address the currency issues. And if the forums are not effective, Dr Mahathir said it would not be surprising that all the developing nations will be thrashed by these irresponsible speculators, especially when the currency of the respective countries appreciate a little bit. Therefore, the developing countries need to sit down and cooperate to fight against those who are out to destroy their economies.

While the international community have been asked to cooperate, Malaysians should also play their role in assisting the Government solve the currency problem and not panic. Undue alarm will only serve to aggravate matters.

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