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Events in HK confirm Dr M's currency stand

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WHEN Prime Minister Datuk Seri Dr Mahathir Mohamad said that unfettered and unregulated speculation and manipulation in international currency trading was unnecessary, unproductive and immoral because such actions impoverished the people of the country whose currency was under attack, as experienced by the Filipinos, Thais, Indonesians and Malaysians, he was chided for talking nonsense.

He was told not to blame the international currency speculators but himself for not having managed Malaysia's economy properly. Even George Soros, the currency speculator, who has become a notoriety for breaking the Bank of England, castigated Dr Mahathir as a menace in his own country.

Ultimately, the brutal truth prevails in Dr Mahathir's favour.

The run on the Hong Kong dollar and the free-fall of its stock market in the third week of October has vindicated Dr Mahathir's position. Hong Kong had a fiscal reserve of US\$50 billion (RM170 billion) and a foreign exchange reserve of US\$85 billion, the third largest in the world, and yet its currency and stock market were attacked.

The two events in Hong Kong are facts which produce irreversible and irrefutable proof that Dr Mahathir's hypothesis is correct and that it is a legitimate theory.

Dr Mahathir must be accorded due recognition for being the greatest economic thinker in the second half of the 20th century for ensuring justice and fair play in international trade and finance.

Malaysians have recognised him. The British Commonwealth of Nations at its meeting recently in Edinburgh, Scotland, has done so.

It is to be hoped that the so-called civilised countries of the West will recognise Dr Mahathir strictly for his original thinking and scholarship alone and that they will not deny him of such recognition because he is a non-white.