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Mahathir-Crisis

MALAYSIA TO PLAY MAJOR ROLE IN PROPOSAL ON CURRENCY TRADING

By: Salmy Hashim

VANCOUVER, Nov 26 (Bernama) -- Malaysia will play a significant role in drawing up an Apec proposal on currency trading to be forwarded to the International Monetary Fund for consideration at the interim World Bank/IMF meetings in Washington early next year, Datuk Seri Dr. Mahathir Mohamad said here Tuesday.

The Prime Minister, speaking upon completion of the Fifth Apec Leaders Summit, said Malaysia would inject a lot of ideas in the proposal which would include regulation of currency trading.

"There should be a supervisory body to regulate currency trading and traders should be registered and required to pay membership dues," he told a packed room of reporters and photographers at the Vancouver Trade Centre.

Dr Mahathir said Kuala Lumpur would host three meetings on Dec 1-3 to discuss the Asian financial problems, which would begin with the Asean Finance Ministers meeting, followed by the Asean plus six (South Korea, Japan, the United States, Hong Kong, China and Australia), and the Group of 15 developing countries (G-15) finance ministers meeting.

IMF Managing Director Michel Camdessus has been invited to attend the first two meetings.

"Ways must be found to levy tax on currency traders "who have impoverished countries by millions of dollars. If we get a few hundred dollars in tax, I'm sure they would not grudge that," he said.

He said that the proposal would call for more transparency in currency trading.

Dr Mahathir said that he was very satisfied with the two-day Apec (Asia-Pacific Economic Cooperation) Summit where the focus was on the financial turmoils affecting Asian economies which have seen historic-low devaluations of regional currencies and sharp declines in stock markets.

"I was given a major opportunity and ample time to put forward Malaysia's viewpoint on the decline in currencies and I found that almost all Asean countries supported our stand and were keen for a review of the role of currency trading in the economies of developing countries," he said.

"In fact, they also supported measures taken by the IMF to review the problems faced by developing countries following the attack by currency traders," he said.

He said most of the Asean leaders gave their views on the financial crisis and on how it had affected their countries. At least three hours of the seven-hour leaders retreat at the University of British Columbia's Museum of Anthropology was devoted to the financial crisis.

"I am not a lone voice. Every country in Southeast Asia called for the need to oversee and to study how currency trading can be regulated ... I was not alone and I did not feel lonely either," he said in answer to a question.

He said his Apec colleagues all supported the ongoing IMF study on how currency trading had destructive effects on countries.

He said he was pleased that the United States and host Canada did not dismiss his views at the summit.

Asked if the worst was over for Malaysia, Dr Mahathir reiterated, "I can't say that the worst is over ... you may recover, but they (currency traders) will come back and leave a trail of shattered economies ... It took Malaysia two decades to build its per capita income from US\$3,000 to

US\$5,000 ... it may take a longer time to build up to that level again."

"But I pray to God that we (Malaysia) would not require the IMF" for any bail-out.

Thailand, Indonesia and South Korea have asked for billions of dollars in bail-out from the IMF to stabilise their financial markets.

Dr Mahathir said the situation in East Asia was not similar to Mexico, where the US readily went to the rescue. The US and Mexico are members of the North American Free Trade Agreement (Nafta).

"We're very far away. Out of sight, out of mind perhaps," he said.

But, he said, the US as a powerful economy could take action to help the East Asians out their crisis.

"If they decide to act I'm quite sure a lot of good results will come out of it provided they act in the right direction as far as Malaysia is concerned. If they act in the wrong direction, of course we'll be in trouble."

On the upcoming global conference on climate change in Kyoto, Dr Mahathir said developing countries should not be forced to make a drastic commitment to reduce gas emissions that could impede the country's growth.

He said Malaysia should strive to lower gas emission because if left unchecked it could lead to a rise in global temperature.

However, if Malaysia was asked to choose between fuel oil and hydroelectric power, then the country would choose the latter as it was cleaner, he added.

Dr Mahathir would leave for Tokyo on Wednesday for a working visit where he would speak at a conference for captains of Japanese industries.

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