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Malaysia's views gaining support, says PM

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MALAYSIA'S lone struggle for a more transparent and regulated currency trading is beginning to receive favourable support from the international community.

Prime Minister Datuk Seri Dr Mahathir Mohamad said other countries which are affected by the current regional currency crisis have begun to show support for Malaysia's initiatives.

"But what is more encouraging is that the International Monetary Fund (IMF) and the World Bank have asked us to manage efforts to introduce regulations on currency trading," he told reporters at the Parliament lobby yesterday.

Last month, Deputy Prime Minister and Finance Minister Datuk Seri Anwar Ibrahim had, at the IMF-World Bank annual meeting in Hong Kong, proposed that currency trading be regulated and its practices made transparent.

Last Monday, Anwar said the IMF would discuss Malaysia's proposal to regulate hedge fund activities in Washington this week. Anwar said the IMF has "accepted in principle" Malaysia's proposal aimed at protecting developing nations from excessive manipulation and financial abuses in the global market.

To a question on what form of regulations Malaysia is looking at, Dr Mahathir said the Government has a few ideas.

"The Finance Minister will work out the proposals," he added.

Dr Mahathir said one of the proposals would be to have a specific market, where dealers are registered and given a "seat" to partake in currency trading.

"This way we will know who they are, where they come from and how much credit they are getting from the banks (to support their speculative activities).

"All these we should know. What we do now is trading with strangers who vanish in thin air like ghosts."

Dr Mahathir said all trading activities have their designated markets, like for stocks or commodities.

"If we want to sell anything, there must be a market, and the traders or dealers must be registered. But what we have in the area of currency trading is that we do not know who are doing the business," he added.

The Prime Minister also cited a report in Business Times yesterday about a currency trader boasting that dealers cannot be traced because they operate discreetly.

"What sort of business is this? It's all hidden, yet George Soros claims that he is championing an open society. What open society when he himself is involved in this hidden business?

"It is completely hidden, so much so that nobody sees or knows anybody. It is double standards here. For other people it must be transparent, while for them it is closed," he added.

The American financier Soros had been accused by Dr Mahathir as the main culprit behind the currency crisis in the region which began in July. It started with the depreciation of the Thai baht, followed by the Philippine peso, ringgit and the Indonesian rupiah.

The ringgit has lost about 25 per cent of its value against the US dollar in the past three months. As a result, the country's per capita income has been pushed back by 10 years.

On the support shown by all political parties, including the Opposition,

for the Government's efforts to remedy the currency situation, Dr Mahathir said he was glad the matter is recognised a national problem.

"What is happening affects everybody. It does not only hit the Government or the Government parties. Everyone, regardless of whether they support or oppose the Government, is now poorer by 25 per cent.

"I appreciate this support from all parties including the Opposition," he added.

Dr Mahathir said he is aware that if the support had only come from the Government, the foreign media and currency traders would have a field day in alleging that the support was orchestrated.

"We know it is not easy to get the Opposition to agree on anything that the Government does. But on this particular issue, we are united and willing to face it together as an independent country," he added.

He acknowledged that the support is indeed a good sign as it shows that Malaysians are able to unite in overcoming a national crisis.

"In other areas, we may disagree ... but this is a national crisis. People have stolen our money. That is a fact, nothing less than that. They stole our money by 25 per cent."

In view of the national support, Malaysia will continue to fight for "justice" in the currency markets, Dr Mahathir said.

"I have discovered that too many developing countries have been attacked by these people. It seems like there is a war because they are attacking (us) instead of doing business.

"What sort of business is this when you attack other people, other currencies. We know each time they do, they make billions in profit... they buy properties everywhere.

"Wherever we go, we can find these people who are so rich because they make other people poor. They hold on to the creed that greed is great," he added.

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