

30 OCT 1997

Mahathir-vindication

M'SIA'S VIEW VINDICATED, SAYS MAHATHIR

KUALA LUMPUR, Oct 30 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad today said Malaysia's argument on the dangers posed by unscrupulous currency and stock market speculators holds stronger credence than ever now that more countries have been affected by the culprits.

He said when the government voiced strong concern over the irresponsible speculators, many countries chose not to acknowledge the problem.

In fact, they had instead blamed poor management of the Malaysian economy for causing the ringgit depreciation and the plunge at the Kuala Lumpur Stock Exchange (KLSE), he said.

"Even from the very outside I'm vindicated (by what he had said about the activities of currency speculators and manipulators) but others refuse to admit it.

"But now (after several countries also suffered currency and share market setbacks) the others too have to more or less admit it. The destroy us, they too get destroyed," he said.

The prime minister was speaking at a news conference at the Sultan Abdul Aziz Shah airport in Subang upon arrival from an official visit to Slovenia and after attending the Commonwealth Heads of Government Meeting in Edinburgh earlier. He was abroad since Oct 22.

Asked on his views now that there was truth in what he had said although he was earlier criticised for saying so, Dr Mahathir replied that critics of Malaysia should in turn suggest that countries facing similar predicament as Malaysia should also change their leaders.

"If earlier they had said Malaysia should change its leaders because we are a menace, then other countries with the same problem, should also do likewise," he said in apparent reference to remarks made by United States financier George Soros in Hong Kong recently that Dr Mahathir was a menace to his own country.

At the height of the country currency and stock market turmoil, the foreign media and foreign fund managers also echoed sentiments that Malaysia should change leaders as a way out of the problems.

Dr Mahathir said Malaysia was also criticised when the government allowed companies listed on the KLSE to buy back their own shares badly affected by the market plunge.

"When we decided to allow companies to buy back their shares, we were severely criticised by all parties, including those in the country, who maintained that it should not be done. But when the United States does that, nobody said anything," he said.

Dr Mahathir said it was obvious that even the US had emulated the Malaysian government's decision in allowing KLSE-listed companies to buy back their shares.

He said at the behest of the Clinton administration, several companies had bought back their shares to stabilise the New York Stock Exchange which suffered a sharp fall last Monday.

"IBM ( the office automation giant) initiated the buy-back by acquiring more than two billion dollars worth of its own shares," Dr Mahathir said.

On world's acceptance of Malaysia's suggestion for the introduction of rules to regulate currency trading in the light of global currency and stock market turmoil now, Dr Mahathir said there was discernible awareness for such need among leaders of most countries.

But the prime minister was still pessimistic that the Malaysian suggestion would ever get implemented.

"I spoke with British prime minister (Tony Blair) who appeared keen on getting into the details. But there are also other developed countries which believe that there is something that we've done wrong to cause the problem," Dr Mahathir said.

He said the notion that management of the economy caused the currency depreciation and share market plunge in several countries was only an excuse.

"Now the problem befalls them (countries disagreeing with Malaysia on the need for currency trading rules) because when they brought poverty to their markets (by impoverishing the importing nations through currency depreciation) these markets will not buy goods from them," Dr Mahathir added. -- BERNAMA

AH MNY rn