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Proposal to set up specific market for currency trade

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KUALA LUMPUR, Wed. - Malaysia, which has been given the responsibility to submit proposals to regulate currency trading, will propose to the International Monetary Fund and the World Bank that a specific market be established for currency trading.

Prime Minister Datuk Seri Dr Mahathir Mohamad, who said this today, added that the market should be similar to the stock and commodity markets, aimed at preventing hidden trading of currencies.

Dr Mahathir said at the moment, currency traders acted discreetly, and it was impossible to identify who was behind such activities.

"We know that all other trading activities have their respective trading markets. If we want to sell shares, there is the share market and if we want to trade commodity, there is the commodity market. But in currency trading, we don't have a specific market and we don't know who is doing the trading," he told reporters at the Parliament Lobby.

The Prime Minister had earlier answered several questions raised by MPs in the House.

"In the Business Times today, a currency trader was quoted as saying proudly that currency traders could not be identified because their activities are hidden. What kind of business is this, if you are allowed to do it in hiding?

"We have heard (George) Soros saying repeatedly that he is campaigning for an open society, but then again, he is engaged in a business which is totally hidden.

"This is double standards. Others must practise openness while he can do things in hiding," he said.

Dr Mahathir said under the proposal, each currency trader must be registered and given a specific chair in the money market to carry out trading.

"Then, we will know who is trading, where his funds are from and how much credit he has obtained from the banks. We should be able to know all these details, in order to trade with them. We cannot trade with phantom traders who can simply disappear."

Dr Mahathir said the Government's resolve to fight currency manipulation had been boosted by the move by IMF and World Bank to ask Malaysia to seek possible measures to regulate currency trading.

On the support expressed by many quarters for his leadership and his fight against currency manipulation, Dr Mahathir said he appreciated the support.

"This is a national problem. What happened has affected us all. Not only the Government or the ruling party is affected. Everyone, including the Opposition members have become 25 per cent poorer.

"So it is better if we consider this a national problem. We are united to fight this problem and appreciate the support given by all parties, including those of the Opposition," he said.

Dr Mahathir said if only Government parties supported him, the foreign media and currency traders would accuse him of having orchestrated support.

"We know it is not easy for the opposition parties in Malaysia to support the Government or the Prime Minister. However, in this matter, we are all united to face the problem as a free nation.

"In other issues, we can take opposing views or fight with each other,

but this is a national problem. People have stolen 25 per cent of our wealth, nothing less than that. We should, therefore, be united in this campaign."

The Prime Minister said the Cabinet, at its weekly meeting, discussed ways to overcome problems resulting from the depreciation of the ringgit.

"One way is to practise more self-discipline. If we deliberately take advantage to raise prices of goods and make fast profits, the economic situation will worsen and we will face bigger problems."

Dr Mahathir said the Government would continue to fight currency manipulation as it caused hardship to many developing countries.

"We will continue to fight for justice. They attack currencies of poor countries and each time they do that, they make billions. What kind of business is this if you attack the poor?" he asked.

Dr Mahathir said these currency traders held on to the creed "Greed is Great".

On possible sanctions against Petronas by the US for investing in Iran, Dr Mahathir said this was extra-territorial laws imposed by the US.

"Might is right. The US could do anything because it has the power to do so."

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