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Soros' support not impressive: Dr M (HL)

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PRIME Minister Datuk Seri Dr Mahathir Mohamad yesterday described George Soros' support for currency controls as "not very impressive", saying that the US\$2 billion (US\$1 = RM3.42) he lost in the market last week cannot be compared to the misery he had caused onto others.

"... not very impressive because he lost, according to the report, US\$2 billion," Dr Mahathir told reporters at the venue of the G-15 Summit in Kuala Lumpur yesterday.

Making a comparison, Dr Mahathir said because of the devaluation of the ringgit due to currency manipulation "we are now 30 per cent poorer. If our per capita income was US\$5,000 then, (less 30 per cent) leaves us with US\$3,500.

"So we have lost US\$1,500 in terms of per capita income.

"Our population is 20 million ... that means (losing) US\$30 billion ... (this) by Malaysia alone."

Besides Malaysia, other countries in the region such as Indonesia, Philippines, Thailand and Taiwan were also hit by the depression in the global financial market.

Soros told BBC radio over the weekend that Quantum hedge fund lost US\$2 billion or 10 per cent of its value on the markets early last week.

He also said that "the markets need to be kept under some sort of control" to avert wild fluctuations - ideally "an international authority dealing with supervision."

The Prime Minister has, in the recent months, been calling for transparency in currency trading to curb the activities of currency manipulators.

The stability of the financial system in several countries, independent of their strong economic fundamentals, has come under serious pressures due to manipulation of their currencies.

"Soros had said before that the market was not perfect but he had gained from an imperfect market. Then he did not complain. Now, he loses a little.

"I hope (now) he realises that he is profiting from the misery of other people.

"If he has a conscience, he should stop (manipulating the currency).

"They (the currency manipulators) have made a lot of money.

"All the trouble that they have caused the world ... disruption of the economy and growth in order to make a profit.

"There are already very few people that are already rich (from currency manipulation) ... that makes me unhappy," he said.

Dr Mahathir also questioned the source of Soros' income.

"In the first place, where did he get US\$2 billion? He said that is only one-tenth of his money.

"That means he has US\$20 billion.

"I can understand Bill Gates (Microsoft chairman) having a lot of money but I don't know where Soros makes his money," Dr Mahathir said.

Asked on the International Monetary Fund managing director Michel Camdessus' briefing for Asean and Asian finance ministers in Kuala Lumpur next month, Dr Mahathir said: "It would seem that they now realise that there must be some order ... market forces that must be governed by rules and regulations and laws.

"As I said before, as much as you expect to have the rules of law

followed by governments, everybody must follow."

Dr Mahathir also said that Malaysia will share with the other G-15 countries its experience due to the financial turmoil.

"We will explain our situation ... some of the Latin American countries have also experienced it before."

In fact, the Latin American members are now becoming a choice pick for investors.

The Prime Minister said it does not make a difference to him as to whether people accept or not his statements on the issue.

"I am saying what I think is right. Whether they accept or not makes no difference.

"I don't know if people listen to me or not. That is not important ... we have a problem to tackle."

When asked if the G-15 summit will issue a separate statement on the currency issue, Dr Mahathir said the grouping must also consider the currency problem. "If they (the other leaders) see fit, there should be a separate statement."

The leaders are expected to issue a statement on recent developments in the international financial and capital markets, underscoring the importance of strengthening regional and international cooperation in managing such crises in the future.

Foreign Minister Datuk Seri Abdullah Ahmad Badawi, commenting on Soros' support for currency controls, said:

"We now know that the Prime Minister is right ... from the beginning.

"Some of Prime Minister's arguments with regards to the currency attack are now shared by many people."

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