

# FACE REALITY

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## PM: World must wake up to the threat of currency speculators

By SHAMSUL AKMAR and WAN HAMIDIHAMID

**KUALA LUMPUR:** Recent developments in Hong Kong and other countries, where speculators have mercilessly attacked currencies, prove more than ever the need to regulate currency trading.

Datuk Seri Dr Mahathir Mohamad said yesterday that as long as the world refused to admit that the region's economic woes were caused by currency speculators, the global economy would always be vulnerable to such threats.

The Prime Minister said those who had criticised his views on the need to regulate currency trading when he had raised the issue in Hong Kong last October, however, would still not admit the truth.

"It seems that the world does not want to recognise what I have said as true.

"Now, they are talking about the need to regulate currency trading. But they will never say they accept our views because they are very proud," he told reporters after attending the Federal Territory meet-the-people gathering here.

Dr Mahathir cited the example of the Mexican peso which had lost 40% of its value since January.

He said the world could not guarantee against such depreciation if currency trading was not regulated.

"It was said that the Mexican economy had recovered (from its crisis in the early 1990s) but now, the peso has fallen again," he said, adding that the Government was also trying to find ways to prevent further attacks.

On whether countries suffering from depreciating currencies should join forces to fend off further attacks,

### ■ HK warns currency manipulators - P11 Star Business

Dr Mahathir said such a move would only result in more attacks.

"They can reduce you to nothing. They can destroy you completely, they can chop you to pieces.

"They are very powerful people and, like all powerful people, they are corrupt," he said.

Earlier in his speech, the Prime Minister said that there had only been lukewarm reception to his proposal in Hong Kong for regulating currency trading.

He said he had made those remarks after currencies in this region had been attacked by currency speculators, but that Hong Kong, which had been relatively unaffected at that time, had blamed regional economies and governments for their financial

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crisis.

He said the economic crisis was not caused by governments, as was proven in South Africa and Russia, where the currencies had also been attacked by speculators.

Dr Mahathir said that foreigners, who had

proudly proclaimed Hong Kong's free market policy, had rejected his proposal on grounds that it was against the principles of free trade.

"But today, Hong Kong's currency and stock market have been attacked by currency traders to the extent that the (Hong Kong) government has to pre-

vent them from further attacks.

"It seems that (the government's intervention) is against the principle of free market," he added.

Dr Mahathir said Malaysia accepted a free market policy but it must be regulated because it could be abused by rogues.