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Mahathir-Currency

COMMON ASIAN CURRENCY DIFFICULT TO IMPLEMENT, SAYS PM

By: Michael Raj

TOKYO, June 4 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad said today the idea of a common Asian currency for trading as a way out of the economic crisis is difficult to implement.

Although regional economies had been severely hit by currency volatility, it was not something that could be easily implemented, he said in response to a question on whether there is a need for a common Asian currency like the Euro to help regional economies recover.

"There will be a lot of pros and cons about the idea. It can take quite a long time before it can materialise but there are other means for Asian countries to trade without having to resort to a common currency," he said in a question-and-answer session at the Nikkei International conference themed "The Future of Asia" here.

To another question, on how currency traders could be controlled from causing damage to economies through their speculative activities, he said the countries in which they live should somewhat agree to restrict or regulate them even if they were operating offshore.

Dr Mahathir, with a touch of sarcasm, said: "In the new world economic order, people with the most amount of money must not be obstructed in any way even if they cause revolutions....(If) millions are made jobless, that is alright.

"This is the right of free trade and if that is the philosophy of the world and is accepted by everybody, then we are going to have economic turmoil and currency volatility forever," he said.

Dr Mahathir, who is on a five-day working visit to Japan, also said that Japan stood to gain from accelerating investments into Malaysia for it could partly help Toyko recover from its own economic slump.

The prime minister said Japanese investments, whether in productive capacities or in financing infrastructure development projects, could help Malaysia recover from the currency crisis.

"A Malaysia which prospers from such investments, will in turn become a very good market for Japanese exports, which indirectly will help Japan to recover," he said.

He however lamented over Japan's backing off from a rescue scheme to help troubled Southeast Asian economies affected by the currency crisis after it showed keen enthusiasm initially.

Though it was ready to give US\$50 billion, he said, Japan succumbed to pressure from certain quarters which claimed that Tokyo's help would negate the effectiveness of aid provided by the International Monetary Fund (IMF).

Dr Mahathir also touched on the Multimedia Super Corridor (MSC), saying that Malaysia was taking steps to increase its human resource capabilities in engineering for high technology development.

He said the number of engineers available currently in the country was inadequate and "we have initiated programmes to produce about 7,000 engineers per year."

"No country in the world has adequate engineers, be it in multimedia or information technology but the good news is that we have opened up the country to foreign engineers who can work without any restrictions in the MSC, unlike in other sectors."

Dr Mahathir said: "We expect to attract quite a lot of foreign engineers who will practically be working in an environment similar to home while we begin to produce more and more engineers."

On the likelihood of censorship in the MSC, he said there was no such thing as censoring the Internet "because anybody can put any rubbish in the web".

"There are no means of stopping them...any attempts will be ineffective. For example, what would happen if we don't like sex on the web...you create a software which will exclude the word sex from the Internet. (Then) all English districts like Middlesex and Sussex won't be reported in the Internet," he said as he drew laughter from the more than 200 participants at the symposium.

However, he said Malaysia would continue to practise press freedom based on its ability to safeguard its social, economic and political stability, particularly against the context of a multi-racial society.

Despite arguments to the contrary, he said there was no such thing as a free press for there was censorship all the time.

"I myself am a victim of that censorship and anything I say will be used against me," he said.

To another question, on the dangers of excess productive capacity in Asean countries involved in similar economic activities such as the iron and steel as well as car manufacturing industries and whether this could lead to another crisis, he said: "Yes, indeed it would lead to another crisis, but the proportion will not be very big as a few people will go down but there won't be any harm on others but it will teach people a lesson.

"But the bigger danger is if there were only few large steel companies in the world and upon the collapse of any of them from not agreeing to control production, their closure would have disastrous effects."

A similar predicament awaited large-scale banks such as one with assets in excess of US\$600 million, which could trigger a worldwide run if it were to fail and might not recover, he said, likening it to the story of "Humpty Dumpty" and when it fell "all the king's men couldn't put it together again."

"In my country, we have seen a lot of bankruptcies but because the companies were small, they did not result in the whole country going bankrupt," he said.

"We have to be careful about becoming too big," he added.

-- BERNAMA

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