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Mahathir - cronyism

CRONY-CAPITALISM JUST AN EXCUSE TO ATTACK REGIONAL ECONOMIES

KUALA LUMPUR, June 19 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad today said non-transparency, corruption and crony-capitalism, purportedly found in Southeast Asian countries, are only excuses to attack their economies and finances.

Dr Mahathir, who is also Umno president, said admittedly to some extent there was truth in these accusations.

"But the (currency) attackers cannot deny that their attack on the currencies resulted in lots of profits for them," he said in a presidential address opening the 52nd Umno general assembly at the Putra World Trade Centre here.

According to the prime minister, for fund or bank managers. currency trading was more attractive compared to giving out loans just to get interests.

Currently big banks the world over, he said, were increasingly focusing on currency trading which generated good returns, even though such trading would destroy other people's lives.

Dr Mahathir said such banks were making preparations towards this by expanding their financial capacities through mergers and buyouts, among other methods.

"Recently the merger of two giant banks resulted in their funds to increase to US\$653 billion. Compare this to Malaysia's reserve which totals about US\$20 billion," said Dr Mahathir.

Last April two United States corporate giants, Citicorp and Travelers Group, announced their merger to form the world's largest financial services company.

Dr Mahathir said if these giant banks were to sell the ringgit, for instance, Malaysia would lose all its dollar savings if the country tried to defend the ringgit.

"Because they know we are unable to defend the ringgit, they can do whatever the please," he said.

He also disclosed that the amount of funds owned by huge banks in the developed countries totalled about US\$28 trillion or 28 thousand billion and hedge funds, meanwhile, owned about US\$180 billion.

With this US\$180 billion, banks allowed the currency attackers to borrow 20 times the value of their funds, or US\$3.6 trillion, to trade in currency, he said.

Dr Mahathir said although Malaysia has not been under full control of foreign powers, they have begun to dominate the country's economy by devaluing the currency and shares causing local companies to become ill and no longer able to reap big profits.

As a result, the prime minister said, government taxes have been reduced and the government may not be able to pay towards its administrative costs, he said.

"This can cause chaos and pressure to topple the government. The needle they use is very fine and we may not even realise that we have been used," he said.

Dr Mahathir said control through currency trading was no less different from colonial control of land by military strength which was no longer acceptable by societies worldwide.

Dr Mahathir said even wealthy countries could also be colonised and impoverished in a short period of time without any of the colonising

soldiers getting killed or injured.

When a country is impoverished and its politics destabilised, the ensuing power struggle will see leaders changed until a candidate willing to submit to world power is found, he said.

Dr Mahathir said: "But believe me attacks will not cease until power is surrendered to foreigners, that is, until the country is again colonised.

"What is important to them is not a government which is democratic or transparent, etc. What is important to them is a government that is more willing to accept orders from certain powers," he added.

-- BERNAMA

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