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Leaders agree with Dr Mahathir

PRIME Minister Datuk Seri Dr Mahathir Mohamad said practically all European leaders at the Second Asia-Europe Meeting agreed that there was a need to discipline national and international financial practices.

They have acknowledged that "currency speculations had induced the financial instability in Asia" and was not necessarily triggered by indiscipline, corruption and crony-capitalism allegedly practised by Asian Governments.

Dr Mahathir's remarks came as the 25 leaders adopted a separate statement on the Financial and Economic Situation which called for improvement in transparency of the financial and capital markets and to monitor capital flows.

This is the first international support for Dr Mahathir's proposal that currency trading be regulated to ensure transparency.

Dr Mahathir had said on several occasions that there was a need for greater transparency and regulation in currency trading.

He had said that currency traders who had the power to impoverish even nations, often carried out their activities in secrecy.

Speaking at the end of the two-day meeting, Dr Mahathir said the leaders had directed their Foreign and Economic Ministers to define the kind of government practices which were considered right and at the same time try to formulate methods of making the international financial system more stable.

He said there was no doubt that the rapid and sharp fall in the values of Asian currencies had caused tremendous social, political and economic damage.

"This is unwarranted, even if there are Governments who are considered corrupt, given to crony-capitalism and are not transparent. Punishing the whole nation by making it poor is not really fair.

"Therefore, there must be some way of making sure that the movements of currencies are less drastic and not cause the kind of damage we see now."

To a question by a foreign journalist on whether it was true that he had to stop making further attacks on speculators as he did not want the situation to worsen, Dr Mahathir said:

"Well, I keep the peace, so to speak. I have held myself back and have not said anything. But I am quite sure that even currency speculators do not want to act as dictators and prevent free speech. So, off and on I make very mild remarks. I hope I don't hurt anybody and they will not depress the value of the ringgit."

On what he thinks of American financier George Soros, Dr Mahathir said in a lighter note: "I don't know. I think he has been influenced by me and has changed his mind. He now thinks there should be some regulation but as long as there is no regulation, he is going to take advantage of it."

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