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`Set up Asian fund to protect economies'

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AN Asian Fund using the Japanese yen and Chinese yuan should be set up to safeguard the Asian economies, the Dewan Negara was told yesterday.

Senator Datuk Abdul Aziz Abdul Rahman said the fund could adopt the Euro currency concept which would further enhance trade in this region.

"The move is in tandem with the fact that the Euro currency which is recognised by 11 European nations, will be a big force aside from the US dollar come Jan 1 next year.

"In addition, barter trade can be another alternative to counter the adverse effect of globalisation and free market," he said when debating the Bill to amend the Futures Industry Act 1993.

The Bill was tabled by Deputy Finance Minister Datuk Dr Affifuddin Omar.

Earlier, Abdul Aziz reiterated his call for the managing director of the International Monetary Fund Michel Camdessus to resign following the fund's failure to improve the Indonesian and South Korean economies.

"Indonesia and South Korea which have yet to show any sign of recovery are now being left to languish as IMF has swiftly diverted its attention to Russia and most recently, Brazil offering a similar financial aid package."

He also denied that Malaysia's capital control measures were intended to impoverish her neighbours.

"Our policy is to prosper-thy-neighbour ... what we actually want is to monitor closely the trading of our futures and shares by preventing the establishment of a separate market.

"The composite index is meant for us, and those wanting to invest in our futures and shares should bring their money and trade in the Kuala Lumpur Stock Exchange or the Kuala Lumpur Options and Financial Futures Exchange."

Abdul Aziz also urged the authorities to stage roadshows to promote the KLSE, KLOFFE and Malaysian Monetary Exchange locally before spreading their wings abroad.

"We must find out whether major unit trust players like the Employees Provident Fund, Social Security Organisation, Tabung Haji, Khazanah Holdings Bhd, Amanah Saham Nasional and Amanah Saham Bumiputera have taken the opportunity to invest in the futures market.

"The Treasury should also make use of our newly-appointed financial adviser Salomon Smith Barney to train our youngsters by giving them exposure to stock exchanges in New York, Chicago and London," he added.

Senator Datuk Mohd Zuki Kamaluddin said the amendments were necessary as futures trading was also a form of speculation.

"When you ascertain the price of a certain commodity months in advance, it can give rise to the element of gambling.

"For example, the importers of our crude palm oil will start looking for alternatives if the prices quoted for the months ahead is much higher than the present rates," he said.

Mohd Zuki also asked Affifuddin to explain whether the amendments contradicted the Syariah laws in any way.

"I am also puzzled as to why the amendments give so much power to the minister. How are we going to ensure there will be no abuse if the minister is given all the power," he said.

Pas' Senator Hunaizah Mohd Noor in supporting the amendments said the amendments would ensure there was an equal distribution of wealth.

"As the proposed changes is to check speculation, I am sure the wealth generated from the activities on the commodity bourse or in futures trading would be shared equally," she said.

Senator Yim Chee Chong said local journalists should counter negative reports made by the foreign media on Malaysia.

"The foreign media have bad intentions. It is my hope that the local media will continue to counter all false allegations against us so that Malaysians will not be confused," he said.

Yim said the controllers of the foreign media disliked Prime Minister Datuk Seri Dr Mahathir Mohamad because he criticised certain policies of the West.

"Dr Mahathir has been a member of Umno for the past 50 years and during those years he has not only fought for the rights of Umno and Barisan Nasional, but of Third World countries as well," he said.

Yim said although Dr Mahathir was a trained doctor, his ability to improvise the economy showed that he was an expert in economy-related matters.

He said the capital control and exchange control measures introduced by Bank Negara on Sept 1 were laudable as it had managed to curb speculative activities.

"For speculators, the game is as good as over," he said, adding that the new provisions would help consolidate the industry.

Yim said he was also suprised to see the sacked Deputy Prime Minister Datuk Seri Anwar Ibrahim with a black eye when he was produced in court on Tuesday.

"I am a lawyer and have handled many criminal cases. It is an offence for the police to manhandle detainees under the Criminal Procedure Code," he said, welcoming the decision by the authorities to set up a committee to investigate the matter.

Senator Datuk Zainudin Maidin said these amendments would be effective only if all parties accepted them wholeheartedly.

"When our country first faced the economic problems several months ago, there was no uniformity in whatever measures that were proposed by Dr Mahathir.

"I am concerned whether the officers at the Finance Ministry, who were previously under another minister, would now accept the changes," he said.

Zainudin said it was pointless to make changes to the law if the people entrusted to carry out its enforcement were not "orientated" to do so.

"The First Finance Minister, Second Finance Minister, the two deputy finance ministers and other bodies such as Bank Negara must have a common approach and must be in agreement when proposing changes.

"It is not like previously where we gave and received signals from Washington on the do's and don'ts on running our financial system," he said, adding that a common approach was important to consolidate the capital and stock market.

Zainudin also criticised those sceptical of Dr Mahathir when he proposed several measures to revitalise the economy.

He was also of the opinion that not all journalists in the foreign media were actually out to put Malaysia in bad light.

"I have read articles in the International Herald Tribune where journalists expressed their support for Malaysia's capital and exchange control measures as they understood our predicament," he said.

He also criticised Singapore Prime Minister Goh Chok Tong who had questioned Malaysia's economic measures while in Washington.

"Malaysia has always propagated the 'Prosper Thy Neighbour' policy but I don't think the Singaporean leader thinks likewise.

"The Singapore government must understand why we are doing this before

they go around questioning our motives."

Senator Tee Thiong Hock said the new measures would further strengthen the KLOFFE, KLCE and the MME.

"It is high time we did away with manipulative and speculative activities," he said.

Citing an example, he said many people who became oil palm smallholders in mid-1980s had suffered losses due to the futures trading then.

"As such trading involves high risks, it is necessary that new measures to curb speculation be introduced," he said.

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