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Dr M: Don't use US\$ in domestic dealings

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PRIME Minister Datuk Seri Dr Mahathir Mohamad yesterday said the Government discourages wide use of the US dollar in domestic business transactions as this will further weaken the ringgit.

"If one is going abroad and needs US dollars, he can change the ringgit. But if it's in the country, there is no reason to use the US dollar," he said after visiting HVD Entertainment's new studios in Kuala Lumpur yesterday.

Dr Mahathir was asked to comment on the preference of some local suppliers for present business transactions to be conducted in US dollars rather than the ringgit.

"If they do this, the ringgit will depreciate more in value. In the end, the ringgit will not be used at all and will be replaced by foreign currencies. Then, we will have a bigger problem," he added.

Dr Mahathir said he failed to see why suppliers do not want to accept the ringgit at current forex rates in their business transactions.

"The legal tender in this country is the ringgit ... we do not want people to use the US dollar too widely," he stressed.

To a question on some quarters exerting pressure on political leaders in the region, Dr Mahathir said, "I have said quite sometime ago that from economic pressure they will move to political pressure.

"That is a danger that countries in the South-East Asian region have to face now. Every country must produce leaders approved by them," he added.

Asked what the Government can do to overcome the pressure, Dr Mahathir said, "nothing because we have no power now. Slowly our rights to make our own choices are being taken away. Of course when I say this, I risk another attack on the ringgit."

On the Malaysian proposal to the International Monetary Fund to regulate currency trading, Dr Mahathir said it is still being studied and it is possible it will take a long time.

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