

26/08/1998

World starting to see threat posed by speculators: PM

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THE international community is beginning to see the validity of Malaysia's warning about the dangers posed by unregulated currency trading.

Prime Minister Datuk Seri Dr Mahathir Mohamad said he warned the international community of the threat in Hong Kong last year but his words of caution went unheeded.

"They laughed and said the troubles were due to the weaknesses of the Malaysian Government," he told a gathering at the Shah Alam stadium in Selangor yesterday.

Leaders of several countries had insisted then that there was nothing wrong with currency speculation, and American financier George Soros even lashed out that the Malaysian Prime Minister was "a menace to his own country".

One year into the crisis that has ravaged most of Asia's previously vibrant economies, and now showing definite signs of spreading elsewhere, the world is now criticising rogue currency speculators for their unethical conduct, Dr Mahathir said.

Even the foreign media, which used to ridicule him for suggesting regulation of currency trading, are now condemning excessive speculation, he added.

The Times of London, for example, had even published an article some five days ago with the headline "Kick speculators over the hedge", the Prime Minister said.

"This is said by someone working at the Times of London... When I said this last year, the world said Dr Mahathir does not understand the global financial mechanism.

"Well now, these people too do not understand what global financial mechanism is all about because they now share my opinion."

Dr Mahathir said only when their countries are attacked by dangerous currency traders like Soros, do they start to recognise the threat that these people pose to their economies.

Some quarters had even gone to the extent of blaming the region's present economic and currency difficulties on the countries' leaders, he said, when it is obviously not their doing but that of the rogue speculators.

Dr Mahathir said if the Malaysian Government does not know how to manage its economy, the country would have turned to of the International Monetary Fund (IMF) for assistance a long time ago, like the Philippines, Indonesia, Thailand and South Korea.

"We are not yet in that position because we can still manage our economy. This is because the rakyat knows how important an independent nation is to them," he added.

With the support of the rakyat, Dr Mahathir said, the Government intends to restore the economy on its own.

"It is important for the rakyat to remain united during this present economic turmoil and support measures initiated by the Government," he added.

Dr Mahathir said some sacrifices will be required of the rakyat, "they are very small compared to those demanded of IMF-assisted nations."

The truth is the people of these countries have suffered more than what is portrayed by the foreign media.

Certain quarters also appear to be bent on preventing Malaysia from

overcoming its economic problems.

"When we established Pengurusan Danaharta Nasional Bhd to assist local banks, they downgraded our sovereign ratings, hence killing our efforts to bring capital into the country," he said.

They know that a downgrading would mean higher interest rates for loans sought by Malaysia, Dr Mahathir said.

"We will not force them. If they are not confident to extend loans to us, it is no problem. We will do it on our own to restore the economy."

The Prime Minister said this is in line with the theme of this year's Merdeka Day celebrations - Our Nation Our Responsibility.

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