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Mahathir-G7

M'SIA GLAD RICH NATIONS HAVE TAKEN POINT ON SPECULATION

By: Mohamad Rizal Razalli

KUALA LUMPUR, June 22 (Bernama) -- Malaysia is now glad that rich nations have finally subscribed to her conviction that financial speculation is to blame for the current global economic turmoil, said Prime Minister Datuk Seri Dr Mahathir Mohamad today.

He said they were now accepting Malaysia's proposal to regulate financial markets.

Dr Mahathir said that when he proposed currency controls to stem the speculators in 1997, "they said I was mad [and] that I do not understand finance and that I do not understand herd instinct."

"But right now, it seems that even others are equally mad," he said when approached by reporters on the Group of Seven (G7) and Russia's approval yesterday of a plan to halt financial speculation which they had also blamed for the turmoil.

Earlier, the prime minister presented certificates of competency in construction to 17 Orang Asli youths in Bukit Lanjan near here.

The G7, the world's richest nations' grouping approved the plan at their meeting in Cologne.

Dr Mahathir, however, said that "between accepting and doing something [about it], there is a wide gap."

He said he did not know whether these rich nations "are going the right way to do the right thing or whether they are going to regulate currency speculation."

He quipped: "Whether they are going to do what they did to us, that is to say we must be more transparent, translucent and what other trans have you.

"But they (foreign speculators) are still totally grump, totally opaque, you can't know what they are doing and do not know where they are."

Dr Mahathir said no one knew where they were operating from, adding: "They they do not pay any tax as far as we know, they rape our country, they have impoverished our people and yet we are blamed for it (the financial crisis)."

The prime minister expressed hope that the rich nations would endeavour to stop foreign speculators and make the world to be a safer and richer place.

He also commented on another G7 decision to provide debt relief amounting to US\$70 billion (about RM226 billion) to help 36 countries to move out from the grip of poverty.

Dr Mahathir said Malaysia was not included in the list.

"They are talking about the very poor countries to whom they lent money before and they (the 36 countries) have now found themselves unable to pay [back] their debts," he said.

For some countries, Dr Mahathir said 80 per cent of the national revenue went towards paying these debts, leaving only 20 per cent for themselves.

"So by borrowing money, they have actually become poorer," Dr Mahathir said.

He insisted that rich countries should have written off these debts long ago but they waited until these poor countries were almost "half dead" before they decided to do so.

As for Malaysia, he said, it did not borrow or receive aid from rich countries.

"What is ours is generated from this country," he added referring to the revenue generated.

-- BERNAMA

RIZ SHY RYN