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Good to put a stop to short-selling once and for all

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SINCE the misdeeds of foreign speculators surfaced, Prime Minister Datuk Seri Dr Mahathir Mohamad has been speaking out against short-selling.

CLOB International was a centre for short-selling. The Singapore authorities allowed this to take place. The market players short-sold many Malaysian shares on CLOB while attacking the ringgit.

The result was that our markets deteriorated very quickly and badly. This had a terrible effect on our banks. There was a rise in non-performing loans and the economy entered a downturn. Businesses, like mine, started to suffer. They all wanted us to go to foreign lending bodies. Like our neighbours, we should have taken the medicine of the International Monetary Fund. Push interest rates up. Smoke out the bad firms. Allow them to be sold at bargain prices. And open our markets because only foreign corporations would be able to afford to buy, including cash-rich Singapore firms.

We should stop short-selling once and for all. Good that CLOB is no more. If we want to register CLOB shares, then fine the holders.