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Stop the rogues or quit, PM tells govts (HL)

Hardev Kaur in Davos

DAVOS, Fri: Governments which harbour currency traders and claim that they cannot control them should resign or be removed, Prime Minister Datuk Seri Dr Mahathir Mohamad says.

In a hard-hitting luncheon address, entitled "Malaysia: Bouncing back from the brink", the Prime Minister said if the currency traders cannot be done away with, their activities should at least be regulated.

He reminded participants of the World Economic Forum that he had two years ago in Hong Kong blamed the currency traders for the problems faced by Malaysia and much of the rest of the region.

"I have no reason to change my mind... the world can do without their destructive cattle-like behaviour," Dr Mahathir said.

Currency trading serves no good purpose as far as the world economy is concerned. While it may enrich a few capitalists in developed countries, it is done at the expense of poor countries and their people, he stressed. Today millions in East Asia are starving, cannot afford to buy milk for their children or to pay for medical treatment. "You may want to blame the governments for this catastrophe but before the currency devaluation these things did not happen," Dr Mahathir said.

The International Monetary Fund (IMF), the media and the rating agencies are culpable, although the currency traders are the true culprits who have caused the destruction of the economies of East Asia, Latin America, Russia and of the world.

Malaysia appealed to the IMF and the World Bank to curb activities of the currency traders. "But Mr (Michel) Camdessus (IMF Managing Director) merely wrote to say that the currency trading is so huge, and involved the great banks of the West, that nothing could be done.

"We could not understand it," Dr Mahathir said.

"To us it was obvious that currency trading is at the root of the financial turmoil. With hundreds of billions in terms of purchasing power of East Asia lost, world trade and the world economy must suffer. But it seems the rights of the currency traders are more important than the global economy."

It appears that these currency traders who are out to enrich themselves at all cost must not be frustrated, he added.

Malaysia, the Prime Minister said, is small. Whether it is destroyed does not matter; whether its people go hungry or riot and self-destruct is of no concern. Its economy is not important to the world.

In the face of this attitude, Malaysia would be wasting its time hoping for the world community to restructure the international financial system.

"We Malaysians had to take independent action to protect our interests," he said, referring to the selective capital controls introduced last September.

The new millennium will hopefully be better than the one drawing to a close. The Prime Minister said in the 20th century the world saw the invention of ever more destructive weapons of war, including "financial and economic weapons... and they are no less destructive, no less lethal than the rockets and bombs."

"If the world truly believes in peace, in democracy, in justice for all, destroy or curb currency trading. Then and only then will we see a revival of the world's economy and an equitable distribution of wealth."

More than 1,200 delegates from around the world including heads of

government, chief executives of the world's leading companies and political leaders are attending the annual conference at the snowbound convention centre in the Swiss Alps.

Among the participants this year are South African President Nelson Mandela, UN Secretary General Kofi Annan, German Finance Minister Oskar Lafontaine, British Chancellor of the Exchequer Gordon Brown, US Vice President Al Gore and Singapore's Senior Minister Lee Kuan Yew.

This conference theme is "Responsible Globality: Managing the Impact of Globalisation".

The organisers note that following the meltdown in Russia, the focus has shifted from the Asian crisis to the overall health of the world economy. The situation in Brazil also highlights how quickly trouble in one country can spread to another halfway round the globe.

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