

# PM: Have one currency for all

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to pay a global levy.

TOKYO: Datuk Seri Dr Mahathir Mohamad proposed yesterday the creation of an international currency to stop the dominance of rich nations and help poorer countries in a globalised world.

The Prime Minister said the international currency would belong to no one and rates of exchange should be based on this one currency which could be used for payment of all international trade.

"Earnings in this currency must be immediately deposited with a nation's central bank, and local currency issued for local transactions.

"The reserves must be held in this international currency only and not a basket of currencies.

"Currencies must never be traded as commodities. Should there be a need to devalue against the international currency, a panel of central banks and the International Bank should determine the proper exchange rate.

"No country should dominate international finance and commerce," he said when delivering his keynote address at the 7th International Conference on the Future of Asia-Nikkei here.

Dr Mahathir said the financial system of a globalised world was now confined to a free flow of capital, adding that those who profited from such flows must be prepared

"The levy should be based on the GDP of nations. The levy should be for statutory aid for building infrastructure such as roads, canals, railroads, ports, power and water to stimulate growth in poor countries.

"The levy should be administered by an international agency including the construction of the infrastructure by international constructors. Sub-contracts and supplies should come from the locals.

"Altogether the levy would be a win-win formula. No one will lose. The poor countries will be less poor and will truly become a part of the globalised world," he added.

During the question-and-answer session, Dr Mahathir said Malaysia would study very carefully Singapore's bilateral free trade agreements with other countries because the republic might be used as a backdoor for export products to Asean countries.

He said if this happened, countries like Malaysia would suffer because its products would not be able to compete with those of countries which had signed such an agreement with Singapore, enabling them to export products to the island republic duty-free.

"We do believe in having a free trade agreement with all Asean countries but competition must be fair."