

Many others eager to be like Soros

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FAMED currency trader, hedge funds founder and now a re-branded human rights and peace activist, George Soros' visit to Malaysia last week, and his subsequent meeting with former prime minister Tun Dr Mahathir Mohamad, reminded me of my encounter with him a few years ago.

It was August 1997, the early days of the regional financial crisis, and the attack on the ringgit had just begun. The currency then had lost some five per cent against the US dollar, while the Thai baht and the Philippine peso were effectively devalued. A few months later, the ringgit would take a turn for the worse, leading to capital control within a year.

I was then this newspaper's foreign correspondent based in New York. A call came from Soros' aide, who said the financier wanted to give me an interview over the phone. After the initial surprise, I told him "of course, I would talk to Soros" but how was I to know that it would be him at the other end of the line.

Soros then was Malaysia's public enemy number one, described by Dr Mahathir as a rogue speculator in the league of drug dealers. But he was also, to borrow Tom Wolfe's description of such Wall Street types in the high-octane world of international finance, the Master of the Universe.

My accidental scoop was the envy of many financial journalists in the city, who would

have loved to sit Soros down for an interview. For instance, at a World Bank/International Monetary Fund meet the same year in Washington, he was mobbed by reporters from all over the world asking him what he thought of the pound sterling, the peso, the dollar, the then German mark and French franc, etc. To each, he would answer like a sage, giving bits and pieces of fundamental market and economic theories.

Hungarian-born Soros, who founded many investment vehicles, earned his reputation as a genius and an influential man in the ways of the financial market when he made a killing of US\$1 billion on the infamous Black Wednesday in September 1992, by betting against the British pound.

I was sure it was not his knowledge of the currencies that people wanted insight to, but everyone was trying to guess where he would be putting his money next. The mob mentality of the forex market was playing "follow the leader", and Soros was like King Midas — what he touched turned to gold, or junk, depending on which way he was betting. He was the biggest of them all then, his word was gospel and he could have parted the sea if he had wanted to. That was how influential he was.

Anyway, a couple of hours later, I was at his impressive office at a penthouse overlooking Central Park. I remember

it was a hot summer day since I was itching under my suit and tie, and was slightly annoyed that the man appeared in his rolled-up sleeves, minus a tie.

He came in rather peeved, though. Despite his calm composure, he was obviously riled and angry. He had something to get off his chest, which were, one, he had done nothing to undermine the ringgit, and two, where did Dr Mahathir come from to pin the blame on him? All the publicity was not good for his image, his business and his investors, I assumed.

Soros said he was not in the habit of talking about his investment activities but he was making an exception in the wake of Dr Mahathir's charges, and wanted Malaysians to know his side of the story.

He produced a raft of computer printouts which, he said, were records of his transactions in foreign currencies. He claimed he did only US\$10 million in the baht, and nothing on the ringgit or any other currencies in the region.

I politely told him that there was no way I could verify the document, nor was I interested to do so. I was more interested in allegations that he had used his influence in the financial market to punish

Asean for ignoring his concerns about admitting Myanmar into the regional grouping. The regional currency troubles began just as Asean

was ready to admit Myanmar.

Apart from dabbling in the markets, Soros was also promoting democracy through his Open Society Institute and was not too happy that Asean chose to reward the military junta in Myanmar by admitting it into the grouping.

He, nevertheless, said any attempt to engage the financial market for political purposes would be greatly resented by his shareholders.

There was also a steady stream of complaints about Dr Mahathir, pleas of innocence and indignation that he could be responsible for the misfortunes of millions who suffered as a result of the acts of currency traders. Please bring evidence of his nefarious activities, he said.

In my mind, for a good part of the hour-long interview, I was thinking that the man was obviously very angry. The time he had with me could have netted him a few millions, if he had spent it tracking the markets instead.

Soros wanted a debate with Dr Mahathir, and from what I gathered, they had theirs — indirectly through third parties via the Press. The meeting last week was the first time they had met, I was told.

Thus, Soros finally got a chance to state his innocence before his once-arch-enemy. I am not sure if the former prime minister had absolved him of the blame, since Dr Mahathir said while he accepted Soros' explanation, the issue

of forgiveness did not arise. It was time to move on.

Perhaps, Soros really should not be singled out for what happened to the region in 1997. Perhaps, it was the region's fault, the go-go 1990s when money was overflowing and unbound optimism made us all ripe for the pickings. Maybe we were all to be blame for being too clouded by ambitions.

But we knew who the enemy was then, and they were the currency speculators. We needed a face for the enemy, and who better than Soros, the man whose exploits in 1992 earned him the dubious moniker as "the man who broke the Bank of England".

He may not have been directly involved, but I have yet to come to the point of absolving him. He was one of those

ruthless traders hiding behind strategies that took advantage of weaknesses in the international financial system, desensitised by blips on computer screens, ultimately creating havoc for untold millions to satisfy the portfolios of their investors.

As a champion of human rights, Soros must know that the actions by the likes of him wreak as much damage as war and natural calamities combined. He may, or may not, have mended his ways, but there are many others eager to be like him.

Money knows no enemies, and is a fair-weather friend, as we have unfortunately found out the hard way.

There will be others keen to take advantage of our weaknesses. We just need to be extra careful, that is all.