

Newspaper	NEW STRAITS TIMES
Date	31/08/2017

EX-MINISTRY OFFICIAL

'Dr M was indifferent when told of losses in 1993'

NST- 31/8/2017 M.12

PUTRAJAYA: Former prime minister Tun Dr Mahathir Mohamad seemed indifferent when he was told in 1993 that the foreign exchange (forex) trading losses suffered by Bank Negara Malaysia (BNM) were around RM30 billion.

Former Finance Ministry deputy secretary-general Tan Sri Clifford Francis Herbert said this when testifying at the Royal Commission of Inquiry (RCI) investigating BNM's forex losses in the 1980s and 1990s.

Herbert, 76, who was the 14th witness, said Dr Mahathir's reaction was quite normal when then finance minister Datuk Seri Anwar Ibrahim and himself briefed him about the losses.

When asked by conducting officer Julia Ibrahim on whether the RM30 billion amount was definite, Herbert answered that it could have been slightly higher than that.

He said he only came to know about the losses in late 1993 when he was "instructed" by Anwar.

"We briefed Dr Mahathir about the losses suffered by BNM, and he responded by saying sometimes we make profits and sometimes we make losses."

He testified that he did discuss the matter with Tan Sri Jaafar Hussein, who was then BNM governor, to prepare a note for Anwar to reply about the losses suffered in Parliament.

He said Jaafar told him that most central banks at that time made losses on forex transactions as the forex market was very volatile.

Herbert told the RCI that Anwar agreed that Tan Sri Nor Mohamed Yakcop, who was then BNM Banking Department adviser, should resign as he was, to their knowledge, the person responsible for the losses.

He said in late 1993 or early 1994, he met Tan Sri Lin See-Yan, then BNM deputy governor, and was told that BNM was basically insolvent largely due to the forex losses.

RCI proceedings will continue on Sept 6.