

Malaysia's Mahathir: Keep the crooks out!

Malaysian Prime Minister Dr. Mahathir Mohamad travelled to Cuba on Sept. 25, to Chile on Sept. 28, then to Uruguay, and to Argentina on Oct. 2-5. According to the Malaysian



*It's
nauseating to
read in some
Western
magazines the
obscene gloating
over what they*

*consider the fall of the Asian
Tigers.—Malaysian Prime Minister
Dr. Mahathir Mohamad*

press agency, Bernama, reporting from Santiago, Chile on Sept. 30, Mahathir briefed Chilean President Eduardo Frei on the need for developing countries to impose regulation upon currency trading. He explained that the bad impact of the manipulation of Asian currency markets could have an effect on other countries which were equally exposed.

"I stressed the need for developing countries to cooperate closely to protect themselves from such manipulation, and he [Frei] agreed with this, and that was why he said he was very supportive of Malaysia to seek some order in currency trading," Dr. Mahathir said at his press conference. He said he had not made any specific proposals, but had suggested some ideas for how this could be done.

Other international trading, such as that in shares and commodities, takes place in established, regulated markets, he said, unlike currency trading, which is "totally opaque, not open at all." Malaysia is not trying to impose controls on currency trading, he said, but it wants the means "to keep the crooks out."

In his speech at a state dinner given by President Frei on Sept. 29, Mahathir argued that developing countries must stand together to determine their own destiny. In the post-Cold War world there is a tendency for the powerful to dictate

the way the weak should govern themselves, he said, as evidenced in disastrous consequences wreaked by "rogue manipulators" upon Southeast Asia's currencies. The rich defend themselves by maintaining that what happened was nothing more than a reaction to market forces, which would come to pass anyway. "But we, the developing countries, are the ones who have to live with the consequences of such irresponsible actions," he said.

In an address to a conference on Pacific Basin development in Santiago, Mahathir compared efforts by the international press and the IMF to blame the current stock market and currency crisis in Southeast Asia on the respective governments, *not* speculators, to attempts to blame driver Henry Paul for the death of Princess Diana, not the "paparazzi" photographers in hot pursuit. Mahathir told his audience, "It's nauseating to read in some Western magazines the obscene gloating over what they consider the fall of the Asian Tigers."

Mahathir renewed his attacks on currency speculation, saying, "The activities of currency traders deny freedom to others, to peoples of many countries and to the countries themselves. . . . We therefore need to regulate or outlaw currency trading so free trade can flourish."

Ramos, Suharto call for 'common front'

Presidents Suharto of Indonesia and Fidel Ramos of the Philippines spoke on the evening of Sept. 30 about the crisis hitting regional currencies. President Ramos told reporters in Manila on Oct. 1, that the two Presidents discussed "putting up of a common front against speculative attacks on our national currencies. . . . And he, just like me, has been very concerned about this and we did agree . . . that indeed we put up a common front. Our finance ministers are carrying this out already because they already met in Hongkong last week."

Ramos said he hoped some sort of a regional reserve fund could be created to assist countries in dealing with such attacks on their currencies, to be used in times of crisis and which would have to be repaid. He added that he hoped the issue would be raised at the November Asia Pacific Economic Cooperation (APEC) summit and again at the ASEAN summit in December.

By then, he said, "we hope . . . that not only will speculative attacks stop and economies be brought back on a path of recovery and health, but also we would have some mechanisms to utilize to defend ourselves from future speculative attacks." The week before, Ramos set up a task force, including the secretaries of finance and trade, to monitor the domestic impact of this currency crisis.