

Dr. Mahathir said that well-known authorities had told him big currency traders had between them some \$180 billion, which they could leverage into \$3.6 trillion. "No country in the world has access to such funds. . . . How can we defend our currency against people who have trillions of dollars to play with? Such is the strength of these people that they can bring down any currency by 10% immediately if you don't behave yourself."

From Dr. Mahathir's Nov. 28 interview with Kiyoshi Hasegawa, chief editor of Nihon Keizei Shimbun, and Emiko Taguchi of TV Tokyo Channel 12, in Tokyo (from The Star Online, Nov. 29):

Asked about talk that Malaysia might need IMF assistance, Dr. Mahathir said, "The pressure on us is very great. . . . We cannot discount it totally, but we will resist as much as possible."

During the one-hour interview, he said that the problem was not so much the IMF as three major conditions the Fund demands in return for assistance: opening up financial markets leads to powerful foreign banks buying up local ones; raising interest rates stifles business growth; and increasing taxes raises the burden on a population already suffering from depreciated currency.

"All these conditions are designed to enable the countries to pay back their debts to foreign banks and institutions, so that they will get back their money, but the people will suffer."

On the need for control of currency trading: "Our proposal for such regulations is to ensure stable global world trade for everyone, including developed countries." Unless currency traders are regulated, "We will never hit bottom."

On a proposed Asian fund to deal with the current crisis, Dr. Mahathir once again insisted it be separate from the IMF, so that it would be less restrictive. If not separate, it "does not achieve any purpose."

As a former practicing physician, Dr. Mahathir advised a "strong hand and a clear mind" in addressing the economic and financial crisis: "It doesn't matter what you do, as long as you don't have changes of mind and weaknesses in carrying out the cure. . . . But if you're not allowed to give any medicine, you [will] just watch and the patient will die."

At the ASEAN finance ministers' meeting, Kuala Lumpur, on liberalizing economies and currency trading (from the Washington Post, Dec. 2):

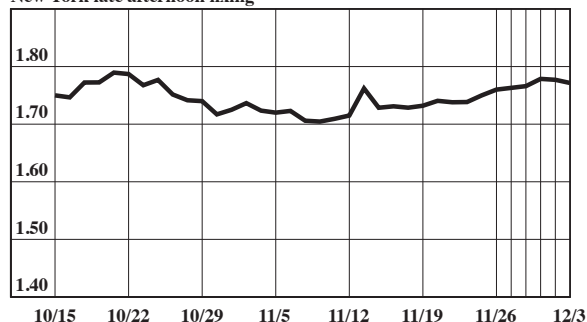
Dr. Mahathir: "They want our countries to be opened to their powerful companies and banks so that local companies . . . can be taken over. Then we will be like slaves again, working for foreigners and making profits for them to be rich."

IMF Managing Director Michel Camdessus: "You are in the midst of a crisis and you will feel invisible hands are out to strangle you. Let us exorcise these devils. . . . Openness will benefit everybody."

Currency Rates

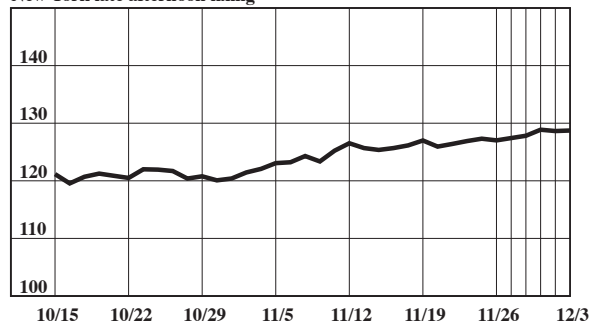
The dollar in deutschemarks

New York late afternoon fixing



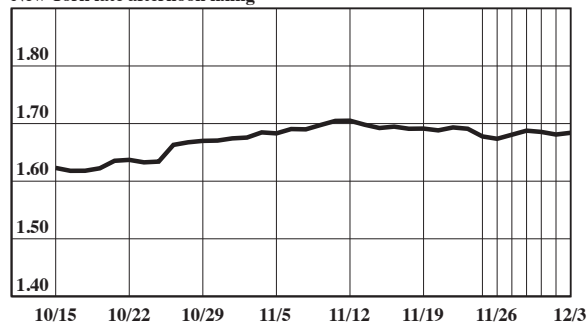
The dollar in yen

New York late afternoon fixing



The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing

