

DR M: WE ONLY WANT TO PROTECT RINGGIT

KUALA LUMPUR, Mon. — Datuk Seri Dr Mahathir Mohamad said today the move by Bank Negara to sell a large amount of pound sterling in the foreign exchange market recently was aimed at stabilising the ringgit.

"We are only trying to protect our currency. Previously, we lost a lot of money when the yen was revalued as we had borrowed in yen. We also lost a lot of money when they (the British) devalued their currency.

"So what is wrong with us protecting our own interest? Why is it that they can protect theirs and we cannot? I do not understand this," he told reporters after delivering the keynote address at the opening of the 17th Asian Advertising Congress.

The Prime Minister was commenting on reports of a possible diplomatic row between Malaysia and Britain over Bank Negara's aggressive currency dealings.

The British newspaper *Independent on Sunday* reported that Bank Negara was the main spur to London banks setting up an effective cartel in the

foreign exchange market which is now under investigation by the British Office of Fair Trading.

It said the investigation would determine whether an agreement by 10 banks on terms for trading sterling against the US dollar violated the Restrictive Trade Practices Act.

The newspaper said banks met late last month after the pound sterling plummeted four US cents (10.76 sen) from US\$1.88 (\$5.06) to US\$1.84 (\$4.95).

It said currency traders familiar with the foreign exchange market had attributed the drop in the value of the sterling against the US dollar to a massive sale of pound sterling by Bank Negara.