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PM: GOVT WILL STUDY POSSIBLE MEASURES TO BE TAKEN ON RINGGIT

PETALING JAYA, July 22 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad said the government would have to study the possible measures to be taken in tackling speculative activity against the ringgit.

"I will find out from Datuk Seri Anwar Ibrahim, who now reverts back to becoming the deputy prime minister and finance minister. If I can think of any move, I will air my views.

"If I can't, I will just follow (what is to be decided)," he said on his return from his two-month holiday from abroad. During Dr Mahathir's absence, Anwar was acting prime minister.

Besides the recent speculative attacks on the ringgit, such activities had also affected the Thai baht, Indonesian rupiah and Philippine peso, and these moves had resulted the ringgit in falling to a current three-year low of 2.62 from 2.50 to the US dollar two weeks ago.

At 5 p.m. today, the ringgit stabilised at the local forex market at 2.6200/20 to the US dollar when US funds took profit on the US dollar but this level was still lower when compared with yesterday's close of 2.6150/00.

When asked whether all Asean countries will work together to stave off foreign currency speculators, Dr Mahathir replied that he felt uneasy about these people.

"Freedom of speculation had become a political weapon which has given power to a rich person who had forced independent nations to bow to him.

"We like free trade but if freedom here is misused until the poor becomes poorer because this person wants to have a crusade for charity, this means that he robs from the poor to show that he is charitable," he said.

On Bank Negara's foreign reserves, which had fallen to RM61.898 billion on July 15, 1997 from RM70.705 billion at the end of June 1997 in view of the central bank's action in supporting the ringgit, Dr Mahathir said he would have to be briefed on the details first.

"One does not take action based on one factor alone," he added. --

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