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US says speculators not behind currency fluctuations

THE United States reiterated its belief yesterday that speculators had played no role in causing the recent sharp fluctuations in the currencies of the region.

"We absolutely don't believe that the currency fluctuations were caused by speculators..certainly not by one," said US Under Secretary of State for Economic, Business and Agricultural Affairs, Stuart E. Eizenstat.

He said studies of the European currency fluctuations in 1992 and the Peso crisis in Mexico had shown that speculators were not responsible for those events.

Eizenstat was speaking at the joint Press conference at the end of the Post Ministerial Conferences of the Asean Ministerial Meeting.

He was asked by a foreign journalist to comment on Prime Minister Datuk Seri Dr Mahathir Mohamad's statement that American financier George Soros was behind the recent speculative attacks on Asian currencies.

Eizenstat said the US commended countries in the region which had made quick policy reforms to deal with exchange rate pressures, tighten guidelines for financial provision and improve economic fundamentals.

"And it is in the interest of the US and other countries to see economies in the region strong," he said, "and it will be foolhardy to try consciously to destabilise these economies."

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