

THE CURRENCY CRISIS PAST AND PRESENT

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1. It is now more than 10 years since the currency crisis struck Malaysia. Much has been written about the crisis and the controls imposed by the Malaysian Government to stop the devaluation of the Ringgit.

2. A few of the articles tried to defend the Malaysian Government's action but mostly the blame for the crisis was attributed to the alleged failure of the financial and economic management of Malaysia. Practically no one has implicated the currency traders for the devaluation and the crisis. Even the writers who are friendly towards the Malaysian Government refuse to blame the currency traders.

3. Many are the reasons put forward by the writers to explain the crisis. It is alleged that the stock market boom contributed to the loss of confidence in the Malaysian economy and the Ringgit. Some blame the failure to rationalise and consolidate the banking systems. Others suggested that too much money had been channeled to the property sector. The other causes identified were the total loan-to-GDP ratio had increased; the rapid expansion of credit leading to deteriorating loan quality. Then the blame was put on companies assuming that the economy would forever be on the growth path. The two-tier regulatory system on banking introduced by Bank Negara and the failure to use the interest rate as a policy tool were also cited. Contagion i.e. infection from the financial disease which had affected Thailand was regarded as a major cause.

4. Some even blame a lack of democracy which triggered the financial crisis. And many more. But as mentioned above, no one placed the blame on the manipulation of the currency, by currency traders.

5. The fact that the chairman of the IMF, Michel Camdessus had enthusiastically praised Malaysia's management of its economy and finances, had praised the Central Bank (Bank Negara), for the healthy state of the Malaysian economy and finances just a few months before the crisis struck Malaysia which run counter to the negative remarks about Malaysia's economic management seem to be disregarded. The fact that after praising Malaysia for good management Michel Camdessus himself had about-faced and condemned Malaysia for bad management after the crisis occurred did not seem to strike these writers that the IMF was faulty in assessing the performance of a country's economy. And if the IMF is incapable than is it not likely that others too, including the rating agencies may not be capable of making good assessments and that they too are not the experts that they claim to be; and that in refusing to implicate the currency traders, these experts and the writers and analysts were themselves "in denial".

6. In the light of the meltdown and the collapse of the financial bubble which had struck the great democracies like the U.S., Britain, Germany and others, should not these analysts and writers realise how ridiculous it is to attribute the Asian Crisis to a lack of democracy.

7. The present crisis which is far more serious than the Asian crisis began in the great democracies of the world. One can almost say that it is democracy which caused the crisis and one can actually prove that elements of democracy are indeed to be blamed for the crisis.

8. This is because of the idea of less Government of Ronald Reagan and the advocacy of the

free market, meaning free of Government regulation and oversight, a part of the concept of liberal democracy, which precipitated the current crisis.

9. Malaysia's democracy does not accept that the absence of Government supervision in a free market is a part of democracy. It is therefore free from the effects of the sub-prime loans by banks which gave the first indication that the economies of the great democracies were not as healthy as they make it out to be.

10. Democracy, particularly liberal democracy must therefore be a cause of the present crisis, and not the lack of democracy. If further proof is needed that a lack of democracy was not the cause of the Asian crisis, one only has to look at China. It hardly suffered from the Asian crisis and today it is economically and financially much more healthy than all the democracies of the world.

11. There may be some weaknesses in the administration and policies of the East Asian countries which contributed to the crisis of 1997 - 1998. But it is time that the role of the currency traders be thoroughly exposed so as to understand the true causes of the devaluation of the currencies and the serious crisis which followed.

The Situation Prior To The Crisis

12. The whole world acknowledged that in the decade before the crisis, i.e. in the period between 1987 and 1997, East Asia was booming. Certainly Malaysia was doing extremely well growing at an average rate of 8% p.a. continuously during that ten year period.

13. The Malaysian growth was not accidental. It was a result of the policies of the Government and the management of the economy and finances. National savings at 40% plus was the highest in the world and the reserves could sustain 4½ months of retained imports. The Ringgit was strong and steady - being valued at about 2.5 to 1 USD for most of the time.

14. Foreign borrowings were insignificant and the deficits in the budget and the trading accounts were small and manageable.

15. There was political stability, a factor that was appreciated by foreign investors who came in droves.

16. As I said no less a person than the head of the IMF, Michel Camdessus publicly stated in a speech on 17th June 1997 that "Malaysia is a good example of a country where the authorities are well aware of the challenges of managing the pressures that result from high growth and of maintaining a sound financial system amidst substantial capital flows and the booming property market..... The Malaysian authorities have also emphasized maintaining high standards of bank soundness".

17. Although Paul Krugman had commented that Malaysia faced the possibility of the growth rate slowing down in the mid-90s, there was no mention of any possibility of currency devaluation or of a crisis in the offing. Neither did the great rating agencies.

18. The situation in Malaysia was certainly not like that in Thailand where foreign debts were incurred by the business community due to the low interest rates as compared to the Thai rates. There was much money expended on development of highrise buildings in Bangkok. A lot of new property development was taking place all over the country, financed by foreign loans.

The Thai Situation

19. The situation in Thailand could not but lead to a devaluation of the Thai baht. When it happened the Central Bank stepped in to shore up the exchange rate. But very quickly the bank found that it was unable to halt the decline in the value of the baht. It decided to stop intervention and to allow the baht to float. As soon as the baht was floated, speculators and those fearing devaluation sold the baht for USD. This caused the baht to devalue faster. As the baht continued to devalue foreign investors started to sell off their shares denominated in baht to avoid further devaluation. This caused another round of devaluation. It would seem that the devaluation of the baht would go on forever.

The Malaysian Situation

20. The Malaysian situation was not like that of Thailand. Growth in 1997 was still expected to remain high. There were few Malaysian borrowers of foreign currencies and there was no fear that servicing and repayment of the loans would require more Ringgit than was budgeted for.

21. Foreign direct investments were still coming in both for new industries and for the shares in the Kuala Lumpur Stock Exchange. All the other financial indicators remained healthy.

22. The Malaysian Government did not therefore anticipate any devaluation of the Ringgit. There was no reason why it should.

23. Then the press began to talk about contagion. It seems that the devaluation of the Baht would infect and drag down the Ringgit. This was worrisome as Thailand was a competitor in the export of various manufactured products. If a devalued Baht lowered the cost of production in Thailand, then to remain competitive, Malaysia may have to devalue the Ringgit.

24. But this was thought to be manageable. The Central Bank would go into the market to sell the Ringgit and keep its exchange rates down. The Malaysian industries would have to improve efficiency in order to remain competitive.

25. So confident was Malaysia that its finances would not be affected that it lent to Thailand one billion U.S. dollars to help it out. Even when the Ringgit started to depreciate a little Malaysia lent another billion U.S. dollars to Indonesia.

26. We believed that the financial problems of Thailand and Indonesia would be temporary. They would recover and there would be no problem for them to repay the loans.

The Financial Markets

27. The rich countries of the West had grown and prospered because of their industries i.e. the production of goods and the supply of services to their domestic market and to the world. Their cost was going up rapidly as the labour unions kept demanding for higher wages and expensive perks. But for as long as they remain the principal producers of the high-value goods and services, they could still sustain their production of goods and supply of services.

28. Then they discovered the poor countries with their cheap labour. Whenever they could

they transferred their industries to these low labour cost countries in order to reduce cost and compete with the newly industrializing countries of East Asia. If whole industries could not be moved because of protest from their labour unions they would invest in the low labour cost countries for the production of simple parts and components. This way the European and American countries could compete with Japan and Korea.

29. But then the Japanese also did the same and they were able to remain highly competitive producing the same manufactured goods that were once monopolized by the Western countries. It was clear that the Japanese were going to displace most of the American and European manufactured goods in the world market.

30. Famous brands of American and European goods disappeared from the market altogether. The British gave up manufacturing cars, cameras, radios and televisions and other modern consumer products.

31. In America (the U.S.) well-known car makes were also disappearing. Well-known makes of radios, television, cameras, motorcycles and a whole range of branded goods also disappeared from the shelves.

32. In their places, including in Europe and America, all kinds of Japanese goods had made their appearance. Initially the Japanese goods were considered of inferior quality but soon it became clear that the quality had improved so much that they were superior to those of European and American make. In fact they exceeded the standards set by the west.

33. Thus when Japan started to export cars to the US, the US Government insisted that repair shops be set up everywhere. To their surprise these repair shops had hardly any business as the Japanese cars very seldom broke down.

34. When Honda exhibited their motorcycles in England, the British engineers were shocked to find that Honda engines were like the precision motors of high quality Swiss watches.

35. When later the South Koreans got into the act and they practically monopolised the construction industry in the world, the West saw the writings on the wall. There was no way for them to compete in the manufacture of goods, or to bid for the huge construction projects worldwide.

36. The financial market which had started in the 60s and 70s were not very attractive at first. But gradually the potentials were recognized and developed. New products were invented which gave ever increasing returns on investments.

37. Beginning with the sale of shares in order to raise money for capital, the smart players discovered that the buying and selling of shares could yield a lot of profits. The value of the shares were initially based on the profitability of the business.

38. But it became clear that the value would appreciate if there was demand. From then on the value of the shares became decoupled from the profitability of the enterprise. Demand or lack of demand determined the value of shares irrespective of the performance of the enterprise.

39. This led to the smart ones moving the share prices up and down by buying and selling. From this a short step led to the big players developing short selling.

Short selling

40. The actual shares became irrelevant. Simply by offering to buy or to sell shares not in the possession of the party who offered was enough to move share prices. So large numbers of shares (non-existent) would be sold to depress the price. Then when the price reached a sufficiently low level, they would be bought at the low price to deliver to buyers who had bought earlier when the prices were higher. A tidy profit was sure to be made this way, now termed short selling.

41. It was realised that the bigger the funds available the easier it was to move prices up and down. Individuals would not have enough funds and they run the risk of being countered by those with bigger funds. Nor could individuals borrow much in order to be a substantial player in the market.

42. And so companies were formed to manage funds invested by individuals or companies. With funds running into hundreds of millions, there was a greater capacity to manipulate share price.

43. But to be even bigger the fund managers borrowed from the banks. This is called leveraging on the invested funds.

44. The banks agreed to lend as much as 20 to 30 times the funds held by the investment companies or hedge funds so that their capacity to play the market would be greater.

45. With this an investor would benefit from the 20-30 times bigger funds borrowed by the hedge funds. Besides the huge investments by the fund managers almost guaranteed that they would make profits through actually influencing the price of the shares.

46. The investments by the hedge funds and their leveraging (borrowings) are mysterious. It seems that they need not report to the Government on their activities. Besides, by operating from offshore tax-free havens, they needed to submit reports to no one. Investors in hedge funds were thus able to make huge profits.

47. Once the idea of leveraging became known, the fund managers began to look into other possibilities of investing the huge loans they had access to.

48. The currency traders designed their operations in the same way. Leveraging by between 20-30 times the investors' money held by them, they were able to invest and make huge profits. Again they need not report to anyone. Again, by operating out of tax havens they found themselves free from oversight of their operations by any Government.

Western Banking System and Practices

49. The banks were able to lend huge amounts of money for these operations simply because in the Western banking system, banks are allowed to lend more money than they have by way of capital and other assets and the deposits held by them. Normally they would be prudent and lend only certain multiples of the money held by them. But because Governments often bail out banks when there is a run by the depositors, the banks were emboldened to lend as much as 30 times their assets. This means that very much more money could be lent by the banks than they actually have. The banks are in fact creating money out of thin air to lend to the funds.

50. With huge loans available from the banks, billions of dollars could be lent for mergers and acquisitions. Consultants and experts appeared who were able to advise on mergers

and acquisitions, getting huge commissions from their services. Not having the billions of dollars to purchase the businesses was not a problem as banks could lend the money they had created.

51. Now mergers and acquisitions became a business in itself. Rumors of impending mergers or acquisitions were enough to push share prices up or down. No matter whether the shares appreciate or get devalued, speculators would make money. The actual businesses done by the companies involved were not important. The purchase price of the companies bear little reflection of their profitability.

52. Then a couple of crooks invented junk bonds. The shares of poorly performing companies were bought and all kinds of manipulations were made to make them look good. Mike Milken and Ivan Boesky were eventually jailed.

53. Another scheme was to buy up companies to dispose off their assets. Slater Walker Securities developed this scheme.

54. Given the power to literally create money out of thin air, the banks were on the lookout for more ways to lend money. The returns for the banks were based on prospects of a return on the loans given out. The bigger the loans, the better.

Banking Prudence Discarded

55. And so instead of prudently ensuring that the borrowers could pay the loans extended, the banks began to lend even to very high-risk people - the so-called sub-prime loans. The assumption was that even if a percentage of the loans turn bad, the earnings on the rest would cover the losses.

56. But in order to make sure, the banks insured the loans with insurance companies or sold them to secondary mortgage companies. The banks believed that they were well covered for the loans. The risks were being taken care of by the insurance and secondary mortgage companies. But when huge numbers of the loan became non-performing, the bubble burst.

57. Then came the credit cards. Devised in order to make spending money more convenient, the credit card industry grew tremendously. The cards very quickly displaced cash and cheques.

58. Individuals may carry numerous credit cards so that they would not know really whether they have enough in the banks to cover the cost of the purchases they make. This led to a consumer boom as more goods and services are paid with credit cards irrespective of the money in the banks owned by the consumers.

59. For the banks, any expenditure above what the customer had with the banks would be regarded as loans. Unlike ordinary loans, the interest rates are very high - as much as 18% to 20%.

60. Such are the calculated earnings of the banks from the credit card loans that even if a percentage of the loans became non-performing the banks were confident that the earnings from the rest of the credit cards would cover up the losses.

61. From all these activities, from hedge funds to mergers and acquisitions, sub-prime loans, financing insurance and secondary mortgages, credit card loans, currency trading, huge wealth seems to have been made. The Western countries appeared to be growing as

shown by their per capita incomes and GDP growth. It would seem that their abdication from the real business of producing goods and services had paid off rather handsomely. Certainly their people seem to be enjoying very high standards of living.

62. The failures in the financial market here and there were ignored or covered up. No one thought there was anything wrong with the systems and the financial products they had created.

63. Then came the sub-prime crisis. Apparently the non-performing loans to the housing sector were too many to be compensated by the successes. First the banks and then the insurance and mortgage companies were pulled down. The economy went into a state of crisis as bank failures affected the share markets. Share prices plunged and the hedge funds sustained huge losses. It should be remembered that just as the profits would be much bigger with the 20-30 times the investors' funds invested, the losses too would be that much greater. There was no way for the losses to be covered or the huge loans from the banks to be repaid. The hedge funds therefore collapsed, pulling down the lending banks with them.

64. Attempts by the Governments to bail out the financial institutions and companies have not really succeeded. If the economy was doing well then the banks and companies bailed out by the Government would be able to make some recovery. But it would take time because they would have to do prudent business and such business would be slow in giving a return. They can only recover quickly if they were allowed the abuses they had indulged in before. But obviously they shouldn't although there are some who believe they should be allowed to. As for the companies, the general contraction of the purchasing power of the people must reduce sales of their products and therefore their profits. Even if they recover they would not be as financially healthy as before.

65. The recent talk of recovery is therefore not based on reality. Actually it is to justify not doing anything with systems which in the past had been so lucrative. It would take another worldwide crisis before the west would consider dismantling their banking, monetary and financial systems.

66. The leaders of the West are still in a state of denial. What is more likely is that they are aware of how the financial market operations have brought about the crisis but are unwilling to do away with them because they have made so many of their investors rich and have contributed much to per capita and GDP growth in their countries.

67. And so we may see the crisis continue, albeit de-emphasised so as to sustain the financial market.

68. The real solution would be a return to real business i.e. the production of goods and services. But then the developed countries of the West would have to accept being somewhat poorer than the good old days.

150 Comments

By captain_red  on [February 5, 2010 4:50 PM](#)

sy cuma minta satu jer dr UMNO dan parti melayu lain..sebagai anak muda melayu kami dekat dgn islam..bila islam ape yg dekat ialah syariat islam..jika parti itu dapat bawa perundangan

islam,nescaya parti itu akan diredhai Allah dan manusia sekalian alam..kita semakin tewas dengan kaum2 lain kerana kita gagal bawa perundangan islam..lihat sahajalh pada zaman kesultanan melayu dahulu,bknkah melayu itu gagah kerana syariat islam dan bukannya kerna undang penjajah..lihat sahaja statistik yg makin meningkat, sikap anak muda skrg tidak ubah runtuh moralnya seperti di barat..itukah yg kita hendak lihat pada tahun 2020,seks bebas,bebas tukar jantina atau bebas meminum arak atau bebas beragama..

saya lebih senang melihat arab saudi dan brunei diperintah melalui sistem beraja kerana bila tiada pilihanraya,maka tiadalah puak yg gila kuasa..

ps~zaman skrg sanggup bunuh ,fitnah untuk dpat kuasa

tahrudin

pacific_blues@yahoo.com

x sanggup berjihad untuk melayu tapi sanggup untuk agama..

By TW79  on [February 5, 2010 3:20 PM](#)

"WengerjKhairy wrote:

Dear Tun,

Since we are on the subject, I have to lodge a complaint on the poor intellect of your supporters. Basically, why are most of your supporters the stupid type?

I am very surprised, for such a smart and well known leader like yourself to be saddled with bloggers like Parpukari, who pastes pictures of half naked men on his blogsite, as your No 1 supporter.

Maybe one day when you stop this charade, the smarter people in the country will support you. But alas, you would feel threatened, so perhaps its best that you continue to be well supported by those with a pea sized intellect like Parpukari"

Lol. Wow! I am surprised! For an "Intellectual" person such as yourself to stoop that low, it just made me wonder which level of intellect you currently stand at. If you ask me, you do not need to comment and focus too much on other people's unintelligence and brag bout yours. Allah swt stated in the Al-Qur'an that "even if you would combine all the knowledge in the world, it is only but a drop in the vast ocean". Hence, do you really need to state your intelligence and compare it to others whereas to Allah swt it doesnt matter?

Having said so, i am eager to hear what do you think of the non-muslim using "Allah" as to refer to their God? Awaiting your "intelligent" view on this.

By Furydose  on [February 5, 2010 11:20 AM](#)

To WJK,

Im a recent BBA graduate, not as magnificent as an MBA graduate I'm sure...but with just basic textbook economic education earns you the right to go against TUN? The one who lived through 97/98 crisis? I dont think so...

In my degree education, such things are least covered, or at least not covered to create competent people on the matter. If it did, we had less people like you. It took me all throughout my degree years to do my own study, to be confident to share it with my friends...just my freinds. But you sir, with only an MBA, took one class of economics you can easily shoot TUN?

History of Banking, <http://www.xat.org/xat/moneyhistory.html>

MEDIEVAL ENGLAND (1000 - 1100 A.D.)

Here we find goldsmith's offering to keep other people's gold and silver safe in their vaults, and in return people walking away with a receipt for what they have left there.

These paper receipts soon became popular for trade as they were less heavy to carry around than gold and silver coins.

After a while, the goldsmith's must have noticed that only a small percentage of their depositor's ever came in to demand their gold at any one time. So cleverly the goldsmith's made out some receipts for gold which didn't even exist, and then they loaned it out to earn interest.

A nod and a wink amongst themselves, they incorporated this practice into the banking system. They even gave it a name to make it seem more acceptable, christening the practice 'Fractional Reserve Banking' which translates to mean, lending out many times more money than you have assets on deposit.

Today banks are allowed to loan out at least ten times the amount they actually are holding, so while you wonder how they get rich charging you 11% interest, it's not 11% a year they make on that amount but actually 110%.

The text above says, "banks are allowed to loan out at least ten times the amount they actually are holding", AT LEAST! So, 30 times is not surprising...and this text was talking about something that happened in the middle ages yet the term, "Fractional Reserve Banking" still exist today. Do you know about this term?

We all have much to learn, the least you can do is to stop showing off how smart you are to your ignorant friends. Why don't you try debating with professionals of the industry?

By kay_rel_81  on [February 5, 2010 12:43 AM](#)

Salam Hormat Tun..

Saya warga Malaysia yang lahir pada tahun 1981, sewaktu Tun mula memegang jawatan Perdana Menteri. Apabila membaca artikel Tun berkiatan masalah matawang dan ekonomi yang bakal meruncing saya menjadi kecewa dan geram. Pada tahun 1999 berlaku krisis ekonomi, saya berumur 18 tahun ketika itu. Pada umur yang orang gelar baru aqil baligh itu saya dan rakan-rakan seusia terfikir kenapa kita perlu menghadapi masalah krisis kejatuhan matawang, padahal RM adalah milik kita dan kita bebas mengawal nilai tukarannya. Saat Tun mengikat nilai tukaran wang kita kepada RM 3.60 dan menolak tawaran IMF dan Bank Dunia, saya dan rakan-rakan dan seluruh rakyat Malaysia rasa amat gembira dan lega. Sedangkan saya dan rakan-rakan yang berumur 18 pada waktu itu dapat menilai sendiri baik dan buruknya sistem tukaran matawang kenapa pemimpin lain di negara jiran yang berpengalaman berpuluh tahun tidak dapat

melahirkan idea mudah seperti itu. Risikonya mengikat RM memang ada tetapi RM milik seluruh rakyat Malaysia dan sebagai pemiliknya wajib mempertahankannya. Idea Tun untuk menggunakan sistem matawang kita dan ASEAN Dinar Emas dahulu wajar dilaksanakan kerana ia akan memperkukuhkan ekonomi kita dan dunia, tapi sayang.. kini kita tiada pemimpin yang seberani dan secekal Tun dinegara kita setakat ini. Biar apa pun kenyataan yang dikeluarkan musuh-musuh Tun kepada Tun, saya harap Tun dapat bersabar.. Saya percaya, bukan hanya saya seorang dibelakang Tun, malah mungkin beribu atau berjuta lagi akan berada disisi Tun. Kami tidak akan membiarkan Tun bersendirian, sama seperti sewaktu Tun dipecat Tunku Abdul Rahman dari UMNO dahulu. Bukan saya seorang malah ramai lagi telah menjadikan Tun idola sewaktu dari kecil sehingga kini dan mungkin untuk selamanya. Jika tidak kerana kegawatan akibat krisis matawang 1998-2000 yang menyebabkan tumpuan dan pendapatan keluarga saya terjejas sewaktu saya di matrikulasi dahulu saya mungkin telah bergelar Dr. seperti Tun, dan saya tidak sanggup melihat anak-anak kita mengharungi masalah yang sama. Sesungguhnya semuanya telah ditetapkan, kini saya bergelar pendidik, insyaAllah saya akan terus membimbing anak-anak saya dan anak-anak Malaysia umumnya, untuk menjadi warga Malaysia secekal dan seunggul Tun. Terima kasih yang tidak terhingga pada Tun atas segala pengorbanan dan jasa baik Tun pada negara Malaysia selama ini, semoga Tun sekeluarga dan kita seluruh rakyat Malaysia dirahmati dan dilindungi Allah untuk selamanya... Sekian, terima kasih..

By karma  on [February 4, 2010 10:26 PM](#)

Dear Tun,

Currency crisis somehow exposed our government weakness in managing the economy. You turned to Petronas and EPF money for help.

Please explain the failures of Perwaja Steel, Bakun Dam, ringgit speculation flop and many others which summed up to billions dollars! Not forgetting all BN leaders huge money "collections" locally and overseas. This is rakyat perception on BN.

Poor Rakyat continues to suffer EVEN in a rich land of oil&gas, tin, rubber, palm oil, timber and others. Very sad. Allah help us.

Wassallam

By [Jumazli Dempolok](#)  on [February 4, 2010 4:02 PM](#)

Tun yang dikagumi dan disayangi..

Doa saya agar tun dilimpahi kesihatan, ketenangan hati dan kebahagiaan.

Semoga saya dikurniakan kebijaksanaan seperti tun. :-)

Saya menggunakan nama sebenar meninggalkan komen ini. Saya lahir pada tahun 1983. Jadi saya membesar dan belajar berdikari di dalam dukungan tun. Saya tidak meminati politik sama sekali. Hanya kewangan dan sedikit dunia perniagaan.

Terlebih awal saya memohon maaf kerana komen ini tidak kena dengan post tun. Jadi komen yang mengandungi pandangan dan aduan ini adalah dari kacamata seorang rakyat biasa. Rakyat yang hanya berkerja dan cintakan Malaysia sepenuh hati. Saya sayangkan sahabat handai Cina, India, Melayu, bumiputera Sabah dan Sarawak. Sedikit tidak ada bezanya mereka ini semua di hati saya.

Saya ke sini kerana tidak tahu kemana lagi untuk mengadu. Lazimnya saya tidak ambil pusing sangat hal-hal semasa yang berlaku. Asalkan ianya masih ditahap kewajaran dan kesukaran masalah yang sederhana. Tapi kebelakangan ini, saya seolah melihat Malaysia bakal menuju ke suatu arah yang tidak pasti.

Kebebasan bersuara - sudah melampaui batas. Saya cukup yakin tun memahami maksud saya. Ia sedang hangat diberitakan di sana sini. Mengenai isu itu dan ini. Seolah rasa hormat tentang kebanyakan perkara di antara satu sama lain itu sudah mulai pudar (ia terjaga rapi semasa pentadbiran tun). Hormat budaya, fahaman politik, agama dan lain-lain.

Generasi baru - iaitu yang selepas kami, kurang terapan kefahaman berkenaan apa itu masyarakat majmuk. Apa itu perlembagaan Malaysia dan apa itu budaya hormat menghormati. Saya sedih, risau, takut dan gerun sebenarnya.

Menyalahkan si polan atau sistem x di sana sini tidak mendatangkan kebaikan. Saya merasakan sesuatu perlu dilakukan. Sesuatu mesti dilaksanakan. Sesuatu mesti diubah. Saya bukan mahu bertanding dimana-mana kawasan. Saya hanya rindukan Malaysia dimana saya lahir dan membesar dahulu.

Terima kasih.

By Adam Langkawi  on [February 4, 2010 2:04 PM](#)

Dearest Tun,

Orang Malaysia ni banyak senang lupa. You are a great man and I thanked you from the bottom of my hearts for your great efforts to the country.

Ibrahim Hussein's painting, My Father & the Astronaut inspired me to write a poem for you.

My Father & the Astronauts (a tribute to Tun Mahathir)

A human journey to the Moon
A small step taken,
A giant leap for mankind ;
And of great victory in space exploration.

A lone journey to the Jungle ;
Returning with ripe hairy fruits in his hands ;
And of wounded hands and sore feet ;
Sweet rambutans for the savour of his beloved children.

TV images of the Apollo 13 landing on the Moon ;
Strange place with silver suits astronauts ;
Blaring the greatest achievement of mankind ;
A race to epitomize the glory of the human spirit.

Sweet nectar of the hairy fruits ;
Re-kindles memories of my dear Father ;
With so much sacrifice and untold miseries ;
To make all ends meets.

My Father's journey through life ;
In giving the best for his Country ;
Was far , a greater achievement ;
Than landing a man on the Moon.

and...

In the radiant warm of the morning Sun;
In the silhouette of the aesthetic Moon ;
Time shall not condemned ; Nor shall age confined ;
My beloved Father,
For I shall cherish to the end of my days..

Adam Langkawi

By ANWARISFREEMASON  on [February 4, 2010 1:22 PM](#)

assalamualaikum Tun, such a knowledgeable topic here.
SEMOGA PANJANG UMUR DAN MURAH REZEKI
SALAM

PS:oi Wanker J Khairy pi gi dah mabok
cakap pandai? proof yourself by doing 1st!
you yourself have your own skeleton
can you say ECM LIBRA???

By [kaizer3030](#)  on [February 4, 2010 11:20 AM](#)

Salam Tun. Saya membesar sewaktu Tun sebagai PM. Banyak manfaat yang saya perolehi.
Saya berasa sedih apabila ada segelintir masyarakat yang cuba menidak kan jasa Tun.

Sy doa kan Tun dikurniakan kesihatan yg baik oleh Allah SWT. Teruskan mmberi nasihat,
teguran, bimbingan & kritikan membina kepada kepimpinan sekarang

percuma - pengurusan & perancangan harta pusaka islam
<http://kaizer3030.blogspot.com>
<http://www.wasiyyahshoppe.com.my>

By [samuraimelayu](#)  on [February 3, 2010 5:36 PM](#)

SALAM KASIH DAN SAYANG
AYAHANDA RAKYAT TUN
IZINKAN,

By rarunasalamAuthor Profile Page on January 30, 2010 6:14 AM

MR. RAVI SIR,

...

2/ THERE WERE OTHER CRITICAL CONSIDERATIONS TO THE PERKAPALAN ISSUE
THAN JUST 'BAILING' HIS SON AS PERCEIVED BY 'D.U.M.B.' HEAD AND ON THE

GOVERNOR OF BNM FATE, WE BELIEVED ANWAR IBRAHIM WUD BE IN BETTER POSITION TO ANSWER FOR ILL ADVICES GIVEN TO HIM...REMEMBER LOANS CLASSIFICATION FROM 6 TO 3 MTHS FOR NPL?

DEI MUTTAL,

3/ MOST OF US HERE AND OUT THERE ARE NOT ' KATAK BAWAH TEMPURUNG' BUT ARE GENERALLY GRATEFUL THAT MOST OF AYAHANDA TUN DEEDS HAVE BROUGHT US MORE GOOD DAN HARM IN PROSPERING THE RAKYAT DAN MADE US PROUD MALAYSIAN WHERE EVER WE ARE ON THIS PLANET...YOU FROM MALAYSIA?...MAHATHIR, THUMBS UP!

BUT WE DO AGREE TO YOUR REMARKS ON 'KATAK BAWAH TEMPURUNG' AND IT DOES EXIST IF YOU AND OTHER MAGICAL DONKEYS TALKING (COMMENTS) THRU THEIR ARSES ARE TO BE SAMPLED.

POITU WARREN, MACHA
WANAKKAM.

By Ir. Syahrizan  on [February 3, 2010 4:37 PM](#)

Dear Tun,

Excellent view on worldwide economics crisis past and present.

But you did miss out one topic; how about our own country's internal economic policy that allows cronism and bribery to occur at the god-like level?

End.

By prof_ridcully  on [February 3, 2010 4:32 PM](#)

Dengan izin Tun,

Ravi

Sorry I missed your comment, but does one trip and pious but empty pronouncements afterwards make a great leader?

You said, Tun Abdullah on the other hand while might not have beaten the drum and shouted out loud like Tun M, had the nations interest...

I've avoided passing remarks about Tun Abdullah because I think he's a nice man personally and because he is not relevant -- I say this in a nice way -- to this topic. But since you ask, perhaps as a leader, Tun Abdullah has nothing much to shout about or "beat the drum" for.

If you measure the greatness of a political leader by the size of his party's loss in elections, then yes, he's great.

Perhaps his "greatness" is why his party suffered the biggest defeat in the elections -- winning elections being the true measure of a capable leader -- since 1957; why his party lost in his own state; why he was forced to step down by his own party; why his opponents want him to stay in office; why his ministers bicker in public; why he didn't know what he negotiated for the country

as regards our borders with Brunei; why he sent a minister to apologise to China for a "ketuk ketampi" incident when a Malay girl was involved; why he was absent [but wasn't missed] from the handing over ceremony of the chairmanship of OIC; why his pet project, Islam Hadhari, was still-born; why he is now chairman of IKIM, an institution envisioned by Tun Mahathir, an not chairman of an institute dedicated for Islam Hadhari.

Why the cancer institute he mooted is not up still and why IJN, which Tun Mahathir mooted, was up an running in no time and is now a leading heart centre; why he only spent the last six months of his tenure opening so-called economic corridors; why heavyweight organisations, political, religious and others, don't ask for his opinion; and why people think his only contribution to the country was to make the civil service more colourful by making them wear batik on Thursdays [and no, I'm no civil servant].

It takes vision, application and the willingness to do the hardest part, thinking, that makes a great leader. Not outsourcing one's thinking, nodding off at briefings, or making supremely forgettable slogans [gemilang, cemerlang and...I forget].

By Mohd Peter Davis  on [February 3, 2010 11:21 AM](#)

"LISTEN CAREFLLY TO YOUR WISE OLD MEN"

Salam Dr Mahathir,

It is very appropriate that the views of 87 year old American economist Lyndon LaRouche are being presented on your important Currency Crisis posting by contributors Mike Billington (Jan 30, 3:10am) and Jamal (Feb1, 12:06am).

The ancient Greeks advised citizens everywhere to "Listen carefully to your wise old men". I have been listening to Dr Mahathir and admired him building the economy well before 1988 when I came from Australia to live and work in Malaysia. I have also listened carefully since 1972 to the economic forecast made by Lyndon LaRouche following the August 1971 destruction of the Bretton Woods agreement by President Nixon, but engineered by the British, that this suicidal act would cause the world economy to be turned into a giant gambling casino that would collapse the physical economy, the power and water supplies, the modern industries and agriculture, health services and education on which the world population depends for survival. I have witnessed the collapse of the world economy over the last 38 years and learnt to respect the wise words of Lyndon LaRouche. He must think quite differently than the vast number of professional economists who never saw the collapse coming. LaRouche gave the following insight into his 50 years of highly successful economic forecasting in an international webcast on 30 January.

Quote: Now, the point is, those who forecast on the basis of statistical trends in recorded transactions, are idiots! Because, in economy, financial values attributed by the accountants, are usually far distant from any reality. And everyone is, even more so these days, is cheating; they're lying. They are showing transactions as book transactions in dollar amounts, and there's nothing to back it up, except the assumption that some sucker is going to buy this thing out at a higher price, with an also worthless kind of payment. So, in this simple sense, the worst thing you can do as a forecaster, is to believe in financial

forecasting, so-called financial market forecasting. Only an idiot believes in it. But as long as there are idiots who believe in it more than somebody else, the somebody else who can swindle a more stupid person into buying into it, does so. And therefore, you build up a gigantic bubble of absolutely worthless paper. What this means is, that you're coming down, that your apparent growth is a result of your collapse. What you appear to claim as growth, is a basis, is actually a product of the fact that you are collapsing....

You've got to create productive jobs! You have to control the ratio of manufacturing, which must be sufficiently high, and must be sufficiently technologically progressive to sustain the market as a whole. If you're creating jobs, without creating productive jobs, you're buying into doom. If you don't understand that technological progress is necessary, if you don't understand that the existence of the economy depends upon the fact that as the economy grows, and as we use up the richest concentration of natural resources, the economy is going to collapse, unless we increase the capital intensity of investment in production and advance in technology. If you're going to windmills, windmill as a source of electrical power, is a loser. That is, if you take the cost of the construction and the operation of windmill and cost of pulling it down when it wears out, the total income from a windmill in terms of electrical power, is a loser. Whereas, if you take the same amount of money, and invest in that for that amount of power, in nuclear power, you'll profit; and your productivity zooms. The productivity, therefore, depends upon the increase of the capital intensity and technology, technological progress of investment. It also depends upon the ratio of the number of people in the labor force who are productive as such, that is producers, who represent an improved technology at a higher capital intense level...

So therefore, technological, scientific, technological, and cultural progress in developing the minds and bodies and physical powers of human beings is the only source of keeping even level in terms of the productive powers of labor. So therefore, otherwise, you're suffering from attrition; same same as that. And also, remember this little more complicated thing, but it's an essential consideration. We look at the world from the standpoint of V.I. Vernadsky, the famous academician. Now, for Vernadsky, the universe is composed of three different types of material; the universe we deal with on Earth. One, we deal with what's called the lithosphere. This is a section of a stratum of the planet which the living processes

come into contact in one way or the other, and this is made of things of not-living matter. Not a product of living processes. We have a second category of plant and animal life, and pre-plant and animal life, but life as such. A third, quite different, is human. Now, plants and animals do progress; that is, they have evolution of species. New species, new varieties develop; new combinations occur. A higher form of life on the average, of life itself, occurs. It doesn't occur by anybody's will. Animals breed, but they don't think about it, they just do it. They may sniff each other in certain parts of the body, but that doesn't mean that they're thinking. They're selecting, they're not thinking. And you get no creativity, living creativity obviously, in non-living materials. You're supposed to get it in human beings, and now therefore, the potential population density of a particular type of non-living material in the first category, or living material, living species, tends to be fixed in a systemic way, and human beings don't.

Let's take the comparison of the world population of monkeys and gorillas. Gorillas is very small, very small population, as compared with human beings. Animals have a -- mammals for example -- have a fixed potential as an aggregate of the biosphere species. Human beings have no limits on the human population, except those set by scientific and technological progress, such as going to Mars, such as visiting various other parts of the galaxy, where we might find planets which are much more agreeable for us than Mars. Humanity has no such limitation. Humanity, and only humanity, is creative. Man is not an animal. Animals would like to be man, but they're not. So therefore, we have to consider the fact that we, as human beings, live in economy by utilizing to a very large degree, the dead bodies of plants and animals which are now embodied in the biosphere. And as we do this, we obviously select those resources of these types of dead bodies which are more accessible and more concentrated. In other words, we take the richest ores, not the poorest. So, as we use up the richest ores, we are compelled to use less-rich ores. How do we do this? We change our practice to use forms of power which are of a higher rank in energy flux density. The measure of the power to do work by a calorie of input is dependent upon the energy flux density in which that calorie is expressed. Today, it is impossible to maintain the present population of civilization as a whole without nuclear and thermonuclear fusion power. You can't do it. If you want eliminate thermonuclear fusion and nuclear fission; die! Because you will! You want to live on windmills? You're doomed... The area where human life is going to occur, is (Russia, China, South Asia) where the

thermonuclear fusion and nuclear fission are most highly concentrated for the future. And the dead areas are the green (technology) ones (Europe, parts of South America and other anti-nuclear nations) And therefore, these factors, these trends and the common features, measurable features of the results of these combined trends, define the way the economy works....

Most of the income of the world today is based on financial aggregate, which is absolutely worthless from a physical economic standpoint. The amount of the financial aggregate which is useful, because it goes through the economy, the physical economy, has been shrinking since 2007. Actually, this has been a trend which was established in 1966-67. Since the beginning of the first year of U.S. Indochina war, the U.S. economy has been dying. The death rate has accelerated. Since 1987, it has gone into a plunge. Since the collapse of the Soviet Union, when there was no longer any investment in advancement in technology to speak of, the world economy has collapsed. We now have the goal, established by the British empire of destroying technology, and the spread in what area? Where is the green? Where is the brown? It's in the area where stupid jerks say they want windmills and they want solar collectors. Solar collectors are a waste of money! They're worse than a waste of money. They're destroying the potential for humanity, because a calorie of sunlight impinging upon a solar collector is a waste of money, whereas a calorie of sunlight impinging upon a green plant, through the action of chlorophyll, converts that calorie into a higher energy flux density in a certain way, which results in the proliferation of trees and crops, where otherwise you get desert. The more solar collectors you have, the more desert you're creating, where they should be green. The less solar collectors you have and the more reliance upon plant life, green plant life, the better of you are. So tear up and destroy the solar collectors. Get the plants back. We love the plants! Green plants! If you want higher energy flux density, let the living processes of plant life help you. Let them give you trees. With a green field, you get one to two percent yield with solar radiation. With a good forest, you get ten percent... So the green policy is a criminal policy, and thus we have the effects of attrition, which are destroying the population potential of the planet as a whole--as a result of green policies. Green is the color of death! So these are the kinds of factors you have to consider. Physical process factors, and the evolutionary processes. And one must understand a little bit more about the great Albert Einstein, as well as Vernadsky, two followers of Bernhard Riemann whose studies are absolutely crucial. On these studies, all of my achievements in economy and

forecasting have been based, on this point of view. How do you think about the other person? What is really a scientific attitude? Anybody who believes in solar collectors is really not a scientist, he's a fool.

The full text of Lyndon LaRouche's 30 January international webcast and the questions and answers following his speech are posted on www.larouhepac.com
Other scientific and economic material from a Malaysian perspective inspired by LaRouche's work is featured on my Biosphere Technology website www.mohdpeterdavis.com

By musato  on [February 3, 2010 10:12 AM](#)

Assalamualaikum Tun.

Saya mengaku bahawasanya ada ketika selepas saya melayari blog,saya tak lena tido malam.Saya terfikir adakah betul apa yang saya komen?Betul ke apa yang saya tulis?

Satu keje yang payah untuk menulis kat dalam blog ni.Tapi masyarakat masih lagi menganggap melayari blog sebagai joking.Satu keje yang tidak berfaedah,melepaskan geram dan merencanakan fitnah dan huru-hara dalam masyarakat.

Asas Islam meletakkan hati dan niat selalu kena jaga.Tak kira di mana kita berada,alam maya ke...alam tak maya ke..bukan mencaturkan hal politik yang bukan-bukan dengan memfitnah dan melaga-lagakan antara manusia.Macam penasihat blog Tok Guru.Penasihat Tok Guru yang penuh dengan keilmuan politik.

Saya terkejut bila baca paper hari ni.Pengawai Khas PM letak jawatan sebab dikatakan tersilap dengan apa yang dikatakan perkauman di satu seminar 1Malaysia Melaka semalam?!

Mungkin 1Malaysia tersalah masuk simpang.

Terima kasih Tun.

By al-Jaffri  on [February 3, 2010 8:38 AM](#)

Salam kasih dan salam hormat Ayahanda Tun.

Saya sempat melihat serba sedikit daripada Suratcara Pemberian Hak-Hak Kuasa Dan Kebebasan Berkenaan Dengan Petroliaam Kepada PETRONAS Oleh Kerajaan Negeri Kelantan (banyak di internet). Perjanjian ini adalah diantara Petronas (yang telah diwakili oleh Tengku Razaleigh selaku Presiden Eksekutif) dan juga Menteri Besar Kelantan yang telah diwakili oleh YAB Datuk Haji Mohamad Nasir telah dimeterai pada Mei 1975. Mana-mana peguam (ataupun input daripada mana-mana individu berpendidikan bidang keguaman) yang telah mendrafkan perjanjian ini bukanlah secalang peguam! Hebat sekali intipati perjanjian tersebut. Kalau tak silap saya, YB Tengku Razaleigh juga pernah suatu ketika dahulu menjejakkan kaki beliau ke Lincoln's Inn England. Sebuah institusi pendidikan undang-undang yang tersohor dan berprestij di England. Bagi saya, sudut pandangan saya adalah untuk mencari iktibar dan mengingatkan diri sendiri supaya dalam setiap tanggungjawab yang dipikul kita mestilah memberikan yang terbaik mampu. Selepas memberi yang terbaik, kita juga hanya perlu berlawan dengan tahap kompetensi diri sendiri sahaja sebagai aras penanda terbaik untuk kita terus menjadi terbaik. Disini izinkan saya untuk lencong keluar sedikit dari rentak komen saya ini: kebanyakan peguam kini (terutama Syarie) perlu belajar dari sikap peguam yang telah mendrafkan Suratcara

yang tersebut diatas. Sebabnya hari ini, ada sesetengah peguam yang kabur skop kerja mereka. Ada yang nak jadi kaunselor kepada anak guam, ada yang nak jadi hakim pada anak guam, ada yang nak jadi pekerja khidmat masyarakat kepada anak guam. Ini sikap yang mungkin salah. Jika anda peguam, maka anda adalah peguam kepada anak guam anda. Jangan cuba jadi yang lain, berikan khidmat dan intelek 200% kepada anak guam. Sepertimana peguam PETRONAS diatas, nampaknya beliau (sesiapa pun) telah memberikan khidmat 200% dan hingga ke hari, perjanjian diatas agak mustahil dapat dirungkaikan. Boleh dirungkaikan tetapi agak mustahil, cuma peguam asal yang telah mendrafkan perjanjian sahaja yang tahu dimana tersorok kelemahan untuk dirungkaikan. Bagi saya, tak kira apa kerja kita (saya catering) kita mesti memberi tumpuan minda dan focus 200% kepada kerja kita. Bak kata pepatah barat biar "Bullet proof". Namun dalam kes ini, saya merasakan elok ditukar istilah "Wang Ikhsan" dan kemudian dibawa mengadap kebawah DYMM Sultan Kelantan untuk nasihat dan rujukkan Baginda. Tidak salah kita minta nasihat dari orang yang lebih tua dan berpengalaman apatah lagi dari Raja-Raja Melayu kita sendiri. Saya juga merasakan, mungkin peguam yang telah mendrafkan Suratcara Pemberian Hak-Hak Kuasa Dan Kebebasan Berkenaan Dengan Petroliaam Kepada PETRONAS Oleh Kerajaan Negeri Kelantan pada tahun 1975 dahulu telah kini berubah pendirian dan cuba merungkaikan sesuatu yang beliau anggap "tidak betul" dan mencuba untuk "memperbetulkan" nya hari ini. Apapun, betul/salah itu kedua. Pertama adalah perjanjian yang tidak ada cacat tetapi dipertikaikan hari ini dan dipolitikkan oleh PAS dan mungkin tidak akan ada lengkapnya selagi tidak mendapat input pihak ketiga yang sebenarnya telah lebih lama menapak di Kelantan berbanding dengan MALAYSIA/BN/UMNO/PAS/PETRONAS – ataupun apa-apa perjanjian/suratcara juga. Ini hanya pendapat saya. Jelas sekali, jika kita memberikan fokus terbaik pada kerja maka keberhasilannya juga akan padat dan rapi dan akan menjadi susah untuk dirungkaikan semula walaupun oleh diri kita sendiri setelah masa dan impian merubah kita dan membuatkan kita "berubah haluan/objektif" dalam arus kehidupan ini. Hanya pendapat saya yang tiada sangat apapun pengetahuan undang-undang ini Tun. Terima kasih jika mendapat perhatian Tun.

By makanomics.com on [February 3, 2010 5:09 AM](#)

Very well illustrated, Tun.

I enjoy reading your articles, you are truly a man of wisdom.

Kind regards,
www.makanomics.com

By FXSpec on [February 3, 2010 1:39 AM](#)

Dear Tun,

Now may I just deal with Jamal....TQ,

Thanks for trying to help me appreciate the role speculators played in the British pound debacle of 1992 (to be more precise). But I asked for an "intellectually honest" answer. I doubt yours is. Sounded much too emotional to me: your use of the emotionally loaded words eg. "ATTACK"; "OPPORTUNISTS"; "VULTURE"; "VICTIMS"; "KILLINGS".....etc.

You failed!

Let me ask another question: What if there was no speculators or speculations not allowed...Soros did not exist....what would have happened then - would the pound sterling stay as it was (no devaluation) despite all the political miscalculations etc - and no "killings" were made and the British people wouldn't have lost GBP3.4b? An intellectually honest answer (if you are actually capable of one) will enlighten you on what role speculators play in the "real" economy.

Now, mind you "speculation" is different from "manipulation" and also different from "gambling". If you analyse a situation the best you can and conclude that a "trade" is worth the risk, its speculation. If you ganged up with other traders and try to corner the market, its manipulation. And if despite the heavy probabilities against you (as in a casino) you still do the "trade", its gambling. Its as simple as I can put it. But people keep mixing them up, hence the imprecise understanding of whats actually going on and how to counter mischiefs. Wonder why speculation is legal, manipulation is not and gambling is for fools only?

Anyway, its the system bro - its bad and time for a change. If we cannot change it, we work within the system making sure we don't become a victim. But what we do instead: we keep blaming everybody for our own shortcomings. We condemn stuff we do not understand instead of trying to understand them and use them to our advantage - within the system.

Tun did otherwise when he was in power. He changed the system/the rules of the game/the goalposts....whatever you want to call it. But first he tried to understand what its all about, or get somebody who does before he tried to do anything. His solution is now a historical wonder.

What he does now (without power) is to continuously campaign for a change of the system, which to me although most desirable is almost impossible so long as the western hegemonic powers keep a firm grasp on the global economics levers, so long as we Muslims remained subservient and refuse/fail to unite.

So whats our real choice here? An intellectually honest answer, please!

By geng916  on [February 3, 2010 1:23 AM](#)

assalamualaikum tun dan para pembaca sekalian...

beberapa soalan nak ditanya kenapa kita tidak kembali kepada sistem matawang islam?..kenapa kita mesti bergantung kepada sistem matawang kertas yakni wang fiat?kalaupun kita mengamalkan sistem perbankan islam..kenapa masih ada riba didalamnya?

tidak yakinkah para pembaca kepada sistem matawang islam...

apa komen Tun?dulu tun pernah cadangkan penggunaan matawang islam diantara negara-2 OIC....tetapi kenapa masih dikekalkan sistem wang kertas dalam negara sendiri? kita ada hadis yang menyatakan penggunaan dinar dan dirham...kenapa kita orang islam tak yakin kepada hadis ini?

Abu Bakar Ibn Abi Maryam melaporkan bahawa beliau mendengar Rasulullah SAW telah bersabda "Akan tiba suatu zaman di mana tiada apa yang bernilai dan boleh digunakan oleh umat manusia. Maka simpanlah dinar dan dirham (untuk digunakan).

Musnad Imam Ahmad Ibn Hanbal.

apa pandangan TUN?

By mcfoo  on [February 3, 2010 1:19 AM](#)

A politician can use all sort of ways to achieve his/her mandate.

To me, regardless of how many benefits does our leader bring to the country. As long as he/she has committed a crime to achieve his/her own agenda/mandate, he/she is not a leader that we should respect.

A person in power if misused his/her own power given by the people to allow corruptions, to cause a family to be broken, to cause innocent kids to have lost the love that they ought to get from their parents, a happy family, to kill someone & etc...He/She should not gain respect from the people.

There are so many dramas happening around for each & everyone' own agendas in politics, as just an ordinary people, we might not know the real truth. But all these people do need to answer all their sins to their respective god one day when they are gone.

We can lie to our parents, our spouse, our kids, our colleagues, our friends, and many many more. But we can never lie to god. He is watching us.

I used to admire a leader since very small, so much so that I told myself when I've grown up one day I want to be like him.

But as I grow older & older, as I started to learn what is right & what is wrong, as I start to learn to think logically with all facts...I started to get confused. The feeling is like a beautiful dreams broken into pieces. I don't know if you have a moment like this in your entire life, or perhaps you will never understand the feeling.

By Anak Perantau  on [February 2, 2010 10:38 PM](#)

Dear Wenger J Khairy,

Your economics and finances understanding is too shallow. You just hide behind too many assumptions and overused jargons. Pity you.... just spare some money that you make at the expense of honest workers to go 're-study'.

By anakbudu3  on [February 2, 2010 8:59 PM](#)

Assalamualaikum Ayahnda Tun & Bonda,

please allow me,

i dont know why this wenger jk & his aliases are sooo..against all the clear explanations by Tun & other scholars in economy, too. You may have listed people who had spotted the crisis but did they do anything comprehensive to overcome the problem? or you,too? you have also quoted many western economists & their thoughts & notions but we know they never gave a nod to our way or appreciated our struggle to fight the downturn or safeguard our country's well-being. it's because our government turned down aall the deals with them: WB/IMF & so on. Tun had done a good job combatting the turmoil, helping the neighbours in hard times & is still advocating people with his brilliant & far-sighted views. see how people welcome him abroad every time he addressed them. but some of us are really ignorant & too proud to admit it.

i dont know about others who have stepped down from their high-ranking posts, be it ex-ministers, ex-mp's, other ex-pm's,ex-dpm's and many other ex-politicians whether they had/have managed to deliver more after their resignation or pension, to continue giving their valuable insights into bigger things. some had even failed to secure their own family lives or their own reputations with all the not-so-good endings...

my spouse once told me that his friends & supporters of opposition parties told him that they always respect Tun for his wisdoms, clear thoughts and stand which show his integrity. some even said that Tun does not need to wear a robe or turban to show piety but all his sincerity is shown whenever he talks & concerns about this country & its people. enough.

i'm teaching my students to be aware of people like you who only know how to criticise others but do nothing else except polishing apples for your so-called superiors by condemning the honourable Tun & other great thinkers here because that's the only thing you know how to. young people should be taught to honour great thinking, not superficial things like blindly criticising or slandering all the times. the 'halal' & 'haram' will always be the boundary.

May Allah SWT bless both Ayahnda Tun & Bonda here and after...

Wassalam.

just my brain wave...

By LeeCampwin  on [February 2, 2010 8:52 PM](#)

Fire in the sky: Heavy metal display at Singapore Airshow 2010

<http://www.cnngo.com/singapore/play/highlights-singapore-airshow-2010-333765>

All developed nations with high tech airplanes are biased against Malaysia. That are the reasons why we only can see local airplane in LIMA. The world are feeling very proud of Singapore. Why Singapore Airshow are much more better than LIMA?

By [Wenger J Khairy](#)  on [February 2, 2010 8:30 PM](#)

Dear Tun and all readers,

My last and final comment on this matter

First I will concede 2 points.

Point 1 refers to my points on the use of the term "assets".

Having re-read Tun's comments it can be interpreted that Tun was referring to only liquid cash assets held on a bank's balance sheet as its constituent of capital. This money could come from deposits or it could even come from new share sales, or profits not distributed to share holders.

I was blinded by my hatred towards Tun on this matter; I took the narrow definition that Tun was referring to the entire asset book of a bank, which thus makes it illogical to state that a bank could lend 30x its book.

To those who claim I do not know what I am talking about on money creation via reserve banking I refer you to the following posting on the Rembau Times :-

http://wengerkhairy.blogspot.com/2009/10/malay-agenda-and-balance-of-payments_19.html

Point 2 refers to the discrepancy between the Balance of Payment account and the stats tracked by Miti. On further examination, the divergence in 1999 was because the MITI stats published by Bank Negara had the Manufacturing sector dating back to 1999 but the Natural resources sector only was trended in 2000. A extrapolation of the raw material exports back to 1999 would yield a comparable result.

It is with the most heavy heart, as that I have to concede these points.

I do this and am making this public so that any response by Tun does not pick on these issues.

My first and foremost comment on Tun's blog is to question his perpetual blame on speculators for the crisis in 1997.

Point # 1 - Money was created out of thin in air here too.

Tun blames speculators for creating money out of thin air. If that were the case, what about the stock market bubble in 1997 where the KLSE market capitalization was approximately RM 1 trillion yet the Malaysian GDP approximately RM 300 billion.

Wasn't the same aspect of market speculation present in the KLSE in 1997? Wasn't money being created out of thin air when stock prices in the KLSE did not at all reflect the fundamentals? After all, after the miraculous intervention of capital controls that served as the bedrock of our future national economic policy, why has growth been sluggish? Is the Chinese equity market worth 3x its GDP eventhough China is recognized as the next engine of growth?

Point #2 - Why was the banking system under Pak Lah so resilient?

For 2 years, Tun has been attacking Pak Lah relentlessly. However, when we compare Pak Lah's performance against Tun on purely financial matters, Pak Lah stands out because the banking system was so strong that it could handle not only a drop in the stock market as well as a foreign capital flight of more than RM 100 billion without even any of us being aware.

This is the key point. Because Pak Lah had engineered such a stable system, we need not have this discussion on the role of speculators and all of that. So Pak Lah's foresight saved us having this debate.

Contrast this with the amounts that flowed out of the country in 1997 - 1998, a mere RM 12 billion in 1997 and RM 20 billion in 1998 was sufficient to put enormous pressure on the Ringgit.

(Data from <http://www.bnm.gov.my/files/publication/msb/2009/12/xls/7.1.xls>)

That is my point, if Pak Lah was so bad, surely a capital flight of RM 100 billion would have destroyed the Ringgit.

Point #3 - The role of mega projects & actions against the minority stock holders.

Did the actions of using one of the blue chip companies internal cash reserve to purchase the Chairman's share holding contribute in any way to the short term decline in the KLSE which further sapped investor confidence?

By [imahadi](#)  on [February 2, 2010 6:44 PM](#)

SALAM TUN DAN MALAYSIA,

SERONOK TENGOK CHARACTER2 KUMPULAN NASHA...MEREKA TAK RAMAI TAPI PENGKRITIK KETEGAR YANG TETAP DI BLOG TUN.....ADA YG DAH TUKAR NAMA TAPI RENTAK MASIH SAMA.....

RAVI RARUNASALAM, WENGER J KHAIRY, PAKPANDIR08, ZAQ25,

By [al-Jaffri](#) on [February 2, 2010 5:44 PM](#)

Salam kasih serta salam hormat Ayahanda Tun. Kalau saya boleh kembali semula ke masa yang Tun catatkan disini (1997-1998) sudah pastinya saya akan tetap bersyukur dan berterima kasih kepada Tun. Walaupun saya tak pandai hal ekonomi, saya jelas sekali tahu bahawa currency pegging Tun telah menyelamatkan ramai dan juga negara ini dari muflis di tangan Anwar Ibrahim dan IMF. Entahlah Tun, cara Tun buat kerja lain dari semua PM yang telah Malaysia dapat. Saya harap DSN juga akan berani bertindak seperti mana Tun sewaktu menjadi PM dahulu. Tak ada gunanya kita teragak-agak jika bertindak untuk kebaikkkan, sebab jika jatuh tetap diludah mereka juga. Semasa ada ruang dan kuasa, guna sebaik nya demi kepentingan negara ini. Selamatkan Malaysia daripada agenda Pakatan Rakyat dan permainan politik bahaya PAS. Mungkin Tun berminat dengan petikan dibawah. Artikel ini sepatutnya ditulis oleh PAS dalam Bahasa Melayu untuk pembaca Melayu. Tapi mungkin juga pembaca bukan Melayu boleh ambil iktibar untuk hari esok mereka dan anak cucu mereka di Malaysia jika ditadbir oleh kerajaan PAS.

“PAS to open up fully to non-Muslims in 5 years

KUALA LUMPUR, Feb 1: PAS has set itself a five-year target to fully open its doors to members of all races and religions so long as they are Malaysians and are determined to champion the party's Islamic cause.

“Definitely, PAS will stay an Islamic party,” Mujahid Ysof Rawa, chairman of the PAS National Unity Committee, told Harakahdaily.

“But we recognize we are also a multiracial country. So we hope within five years' time, we will be able to iron out all the kinks and invite all the races and religions to be PAS members so long as they understand and fully support our cause.”

Last year, PAS endorsed separate constitution allowing its Supporters Club - its longstanding non-Muslim wing - to become a Supporters Congress. The upgrade is significant because it gives greater rights to the non-Muslims, including additional platforms for them to play a more active role in party activities.

According to Mujahid, the Congress's steering committee held its first meeting last week. The party plans an official launch in April. Vice-president Salahuddin Ayub has already been named its adviser.

“Mind you, the Congress is already officially a wing in the party. The constitution has been accepted by the PAS central committee and it is all systems go,” said Mujahid.

“What is going to happen in April is just a launch to make it known that our Club has been upgraded to a full-fledged Congress and if all goes well, in five years' time, the non-Muslim wing can be fully assimilated into the party proper.”

PAS for All

Members of the Supporters Congress will be able to participate at the party's muktamar or annual meetings as special representatives. Congress leaders will be elected at the federal, state and district levels but these will be ineligible to either stand for or elect the supreme leadership in PAS.

The Congress will also be formed at the national, state, and district levels but will not extend to individual branches. It will be headed by a leader, who will in turn be aided by a deputy; five vice-leaders; a secretary; an assistant secretary; a treasurer; and a committee of 18. It will also incorporate its own Youth and Women's wings.

PAS fielded non-Muslim candidates at the 2008 general election. Its Supporters Club was formed in 2004 and has over 20,000 members comprising various races including Indians, Chinese, Siamese, and Iban.

"The politics of communalism and racism are not only outdated but they are wrong in principle and against the teachings of Islam," said Mujahid.

"We have to evolve a new model whether all stakeholders in the country can participate in PAS but without PAS losing its Islamic backbone and focus. Can it be done? Certainly, we believe so. Look at our Supporters Club. That is already a reality and has been very successful, so much so we have upgraded it to a Congress. Now we want the Congress to get going while we prepare for the final step. I am sure we can do it, PAS can be for all."

http://www.harakahdaily.net/v2/index.php?option=com_content&view=article&id=24659:pas-to-open-up-fully-to-non-muslims-in-5-years&catid=105:english&Itemid=148

By Capt.Jag2020  on [February 2, 2010 5:38 PM](#)

Assalamu'alaikum Dear Tun and to all chedet fans,

Sir, I believe, InsyaAllah the victory is just around the corner....Let us all pray to Allah S.W.T that He

may grant us the undisputed and great triumph...!

May Allah bless you with a great health and grant us the great victory. Wassalam

p/s By the way Sir, my mom was so excited to have met you the other day in the National Library...She has got a good grip, hasn't she....

By [al-Din](#)  on [February 2, 2010 3:42 PM](#)

By the way, another no less of a figure under WJK's category of the biggest problem in Malaysia, "people who are not qualified are promoted to positions of responsibility" is none other than the Si-Lunchai dengan Labunya!

His sense of economics is not only horrendous but also a wolf in a sheep's skin. He is a thorn in the neck.

By jebat007  on [February 2, 2010 3:28 PM](#)

Dear Beloved Tun & bloggers

Please refer article below :-

THE FINANCIAL CRISIS OF 1997 - 1998

By Nor Mohamed Yakcop

A moment comes, which rarely comes in a lifetime, when a particular event redefines a person's life and changes the course permanently. For me, the meeting with Dr. Mahathir Mohamad in Buenos Aires (Argentina) on the evening of October 3, 1997 was such an event. It enabled me to devote the next 6 years of my life working for Dr. Mahathir Mohamad, meeting him almost daily. In the process, it enabled me to see, at very close range, the abilities of this great man. The combination of many noble qualities in one person is rare, and it is this unique combination that has enabled Dr. Mahathir Mohamad to transform Malaysia from an otherwise typical third world country into a thriving and vibrant nation, well on the way to become a developed nation. It is also this combination of qualities that enabled Dr. Mahathir Mohamad to save Malaysia from becoming another IMF nation during the financial crisis of 1997 - 1998.

I am often asked about my involvement in the recovery plan implemented on September 1, 1998. It began on September 29, 1997, when I received a telephone call from the office of Dr Mahathir Mohamad informing me that the Prime Minister wanted to see me. The PM was in Cuba at that time, and I asked (in jest) if I was to meet the Prime Minister in Cuba !

I was told (not in jest) that he will be arriving in Buenos Aires on October 3, 1997 and I was to make sure I was in Buenos Aires at least a day before he arrived. I packed my bags and left for Buenos Aires, and arrived in Buenos Aires on October 2.

The PM arrived the following day at 5 pm and we met immediately at his suite. He informed me that he had asked many people to explain to him what was causing the financial crisis but no one was able to give him a satisfactory reply. He asked me whether I could explain to him what exactly was happening.

I asked him how much time he had, and he said two hours. I explained to him how the forex market works, about short positions and long positions, about hedging and how currencies are borrowed and sold, the difference between "bid" and "offer" and how funds can be transferred from one country to another at the click of a button. I also explained how the equity market works and the relationship between the forex market and the equity market. Dr. Mahathir hardly said anything, asked one or two questions, and listened intently.

After two hours, he had to end the meeting to get ready to go for an official dinner. He asked me about my plans for the night and I said I had been invited for the same dinner. Dr. Mahathir said to me: You go back to your room and write down all that you have been telling me for the last two hours, and see me at 7 am tomorrow. I went back to my room, skipped dinner, and wrote it all down, finishing at about 6 am.

I saw him the next morning at 7 am and gave him the report. He asked me to take a rest and come back again at 2 pm. When I returned, he told me that he had read the report and that he now understands what was happening in the financial markets. We started discussing various methods of overcoming the crisis, and our discussions continued when we returned to Malaysia.

I met him almost daily for discussion, sometimes at his house and sometimes at his office. We tried a few mechanisms to overcome the crisis, some of which worked initially, but the hedge funds were so strong that it was difficult to proceed successfully with these mechanisms.

In early 1998, Dr. Mahathir Mohamad asked me to explore the idea of imposing an exchange control regime to overcome the crisis. I remember preparing voluminous notes on this subject. Dr. Mahathir went through the notes carefully, and kept asking for more and more details. We went through many rounds of discussion, until he was finally convinced both with the concept as well as the proposed mechanism. The rest, I guess, is history.

Dr. Mahathir also asked me to prepare a paper on how to put an end to Malaysian shares traded in CLOB (Central Limit Order Book) in Singapore. Dr. Mahathir was of the view that an important reason for the falling stock market was the short-selling of Malaysian stocks in CLOB. I prepared the report and Dr. Mahathir understood, for the first time, how exactly CLOB operates. The report, which was also implemented on September 1, 1998, put to an end the trading of Malaysian shares in CLOB.

I should add that the exchange control measures were crafted in such a way as to minimize the control aspects and maximize the outcome. The Prime Minister went through the proposed mechanism many times to make sure that the control elements were as few as possible, but adequate enough to ensure a positive outcome. There were no bureaucratic elements in these measures, such as requiring importers to obtain Bank Negara's permission to import. The Ringgit was also pegged at a level where it was not overvalued. In almost every other country, which imposes exchange control measures and pegs its currency, there would, almost by definition, be numerous bureaucratic controls, and the currency would also be pegged at an overvalued rate.

It is often assumed that the system of exchange control (including fixed exchange rate) that we implemented on September 1, 1998 saved the country. The measures of September 1, 1998 were undoubtedly a necessary condition, but it was not a sufficient condition to overcome the crisis. Malaysia was saved, not by exchange control measures per se, but by Dr. Mahathir Mohamad. Let me explain. Any other developing country, facing a similar crisis, if it had introduced the measures that we introduced in September 1998, the measures would probably have failed. The fact that in Malaysia these measures succeeded is due to the ability and character of Dr. Mahathir Mohamad. The economy and the financial system, under Dr. Mahathir's leadership, was in a very healthy state—healthy enough for the exchange control measures to be implemented without negative consequences. Moreover, the Prime Minister's hands-on management style enabled quick and timely decisions to be made, which was vital under the new exchange control regime. Dr. Mahathir, as Prime Minister, had ensured that the Malaysian economy was fundamentally strong. Ringgit was strong and stable. On the back of the currency stability (at RM2.50 against the US dollar) Malaysia was doing very well. At the end of 1996, real Gross Domestic Product (GDP) grew at almost 8.5 per cent and the growth was expected to continue for many more years. The government was enjoying a fiscal surplus. The external debt was low, at 40 per cent of the Gross National Product (GNP). The current account of the balance of payments had narrowed from a deficit of 10 per cent to 5 per cent of GNP, and was expected to improve further. Inflation was at its lowest at 2.1 percent. We had steady growth of over 8 per cent for a major part of that period. And this fundamental strength of Malaysia was a critical factor that enabled the exchange control measures to succeed.

For a period of more than a year after the measures of September 1, 1998 were implemented, the Prime Minister met with a small group of us everyday - 6 days a week - for at least 2 hours to go

through various economic data, including data on loan growth, exports, imports, property overhang etc. This enabled the Prime Minister to take quick actions, whenever required. I remember one morning when we were going through the property figures, he looked at me and directed that I should organize a property fair to clear the overhang of properties. I did, and property worth more than RM 3 billion was sold. Even after the crisis was over, Dr. Mahathir continued to meet with the group regularly, though no longer on a daily basis. And Dr. Mahathir continued to go through all the economic data with a sharp pencil.

No other Prime Minister in the world, either in developed or developing countries, employs such a hands-on approach in managing the economy. We can see, therefore, that it was not the exchange control measures per se that saved the country but the man — Dr. Mahathir Mohamad — himself.

The period 1997 - 1998 was, to paraphrase Charles Dickens, the worst of times, but it was also the best of times. The worst conditions brought out the best in Dr. Mahathir Mohamad. There is a saying that a good leader is like good tea - you only know the true quality when he is in hot water !

Throughout the crisis, the Prime Minister was focussed on resolving the crisis. Day and night, he thought of nothing else but the crisis. He read all he could on finance; he kept asking me to prepare notes on various technical issues. Sometimes he was sick with bad flu and cough, but he did not take time off to rest. He was convinced that he had to understand the issues before he could work out the solutions. His native intelligence and ability to focus on core issues were there throughout the crisis. He did not show any sign of fear even at the worst of time, only concern at the fast deteriorating state of the economy. He was, at all times, confident that he would prevail in the end.

I would like to add two additional points related to the financial crisis. The first is that, in implementing the measures of September 1, 1998, Dr. Mahathir not only saved Malaysia but the neighbouring countries as well. Let me explain. When Malaysia imposed its exchange control measures on September 1, 1998, the currency speculators realised that the other affected countries (Thailand, Indonesia and South Korea) could also impose similar controls, and they, therefore, stopped their activities in its track. The speculators backed off. They bought back the currencies that they had sold. This resulted in the regional currencies appreciating. Moreover, the International Monetary Fund (IMF) was not happy with what Malaysia had done, particularly since, after implementing the measures, we did exactly the opposite of what the IMF wanted us to do, i.e. we lowered our interest rates and injected liquidity into the system. The IMF, therefore, started relaxing conditions in other countries and allowed them to lower their interest rates and allowed them to inject liquidity to stimulate their economies so that Malaysia would not outperform the IMF countries. Therefore, it is no exaggeration to say that Dr. Mahathir Mohamad not only saved Malaysia, but the other affected countries in the region as well - Thailand, Indonesia and South Korea.

My second point is regarding what would have happened if the exchange control measures were not implemented. If the measures were not implemented, many of corporations in Malaysia would have gone under, due to the high interest rates. When the corporations fall like dominos, banks would have faced severe liquidity and solvency problems due to the ballooning NPLs. The problems of the banks would have resulted in a credit squeeze, which would have led to another round of corporate failures. The Government's revenue would have fallen drastically as fewer firms would be paying corporate taxes, thereby reducing the Government's ability to stimulate the economy through fiscal policy measures. As a result of the problems faced by corporations

and banks, unemployment would have increased substantially, leading to a second round of problems. This is the classic vicious cycle, which could have, in the end, destroyed the social and political stability of the country. This was a scenario that was waiting to happen. It did not happen because of the decisiveness and guts of Dr. Mahathir Mohamad, who decided to take the path less travelled.

We owe Dr. Mahathir much gratitude for what he has done for Malaysia over the last 22 years. Solving the financial crisis of 1997 - 1998 was just one, albeit perhaps the most important, of Dr. Mahathir Mohamad's many contributions to the nation.

On a personal note, over the last 6 years, I have come to admire this great man for his abilities, his high moral values and, most of all, for his sincerity. Certainly, a man like Dr. Mahathir Mohamad is not born everyday.

(23rd. October, 2003)

Tun, may ALLAH always bless you, protect you.

By azhaab  on [February 2, 2010 3:13 PM](#)

Salam Ayahanda Tun

Im very impressed
very knowledgeable yet simple and easy to understand
this is one of yr special talent
easy to understand and convincing explanation

my suggestion Tun published a book regarding this issue

tq

By prof_ridcully  on [February 2, 2010 3:11 PM](#)

Dengan izin Tun,

Wenger J Khairy

Calm down. You seem to be unduly agitated.

No need to argue with me. I just stated in my earlier comments that the professors at LSE couldn't give a good answer to the Queen's question from the top of their heads. I was quoting reports from newspapers, the LSE and the final report to the Queen from the British Academy. So again, Khairy, no need argue with me; argue with the British Academy.

Yes, I'm sure that there were economists -- like geologists with the Asian tsunami and the Haitian earthquake -- who predicted the current crisis. Some had good reason to say so, I would think; some just remind me of the guy in a sack carrying a placard reading "The End of the World is Near." One category have good grounds to say what they say; the other is just predicting something that was bound to happen, it's just a matter of timing.

I fail to see out the relevance of the races -- let's be frank -- of the experts you cited and the current crisis.

If you're using them as examples of the US's attitudes towards who teaches in US universities, yes, I agree with you. Certainly US universities employ the best teachers they can get, when they can.

The reason I say "when they can" is because I also know that the liberal, free, and democratic US barred Tarik Ramadan, professor of Islamic studies at Oxford -- the Oxford in the the UK, Khairy, not Canada -- and [a host of other prominent academics](#) from *entering* the country. Forget about getting tenure in US universities.

You said, *Maybe if we got smart teachers to teach our students, our universities would produce graduates like yourself who are in perpetual ignorance.*

Well, I may be ignorant -- I don't deny I'm ignorant about a lot of things. I'm sure you feel the same, but unlike you, I do try to write about things I do know about. Indeed, the need to reduce my ignorance and to be sure of my facts on Economics led me to read this article on the [Wharton School](#) website some time ago. Interestingly it's titled *Why Economists Failed to Predict the Financial Crisis*

Here are some snippets:

Although many economists did spot the housing bubble, they failed to fully understand the implications, says Richard J. Herring, professor of international banking at Wharton.

and this:

Prior to the latest crisis, there were two well-known occasions when exotic bets, leverage and inadequate modeling combined to create crises, the paper's authors say, arguing that economists should therefore have known what could happen. The first case, the stock market crash of 1987, began with a small drop in prices which triggered an avalanche of sell orders in computerized trading programs, causing a further price decline that triggered more automatic sales.

Yes, I support Tun. And that's because he's extremely well-informed, talks sense, knows history, is not easily awed, is able to work out basic principles of a problem without being side-tracked by the "noise," knows what he wants, says what he means, and means what he says. Unlike a certain "Distinguished Visiting Fellow, School of Advanced International Studies, Johns Hopkins University" who's now climbed downgraded from "Asian of the Year 1998" [Newsweek] to just "Chameleon" [the Economist]

By [Wenger J Khairy](#)  on [February 2, 2010 2:28 PM](#)

To Objective Q,

I believe 30x leverage exists, heck LTCM was about 100x leveraged to THEIR EQUITY CAPITAL.

Tun said 30x their **assets**. One professor even went so far to consider deposits in a bank as "assets." I always thought this was a liability, maybe I have to attend accounting in Kolej Jerlun to get this right.

This shows to me that basically, all the collective wali-wali cannot even understand a basic bank balance sheet. How then to even begin to understand the more insidious items like derivatives, hedges and repos, and forward contracts?

Stop putting words in my mouth and do not bring the designation into this equation. As a candidate I have to uphold the Code of Ethics and I cannot claim superior knowledge due to the my participation in the course.

But I can claim common sense and being specific and accurate about what I say. This is because of who I am as a person, in the sense, that before I put a single word down, I am fully aware of the consequences and can back it up.

I learnt this from Tun.

And the only reason I am here is because some of those "aligned" to Tun has attacked some luminaries very viciously. Tun's blogger friends can attest that at the end of 2009, I laid down my arms in the spirit of goodwill even to the extent of locking myself out of my pride and joy the Rembau Times (<http://wengerkhairy.blogspot.com>).

I let this hard work, taking years of my time idle to be consumed by the sands of time. I did not want to provoke any more wars within the BN.

But this act was repaid with a vicious act from **ParpuKari**. And so I am here, I could keep quiet and let Tun's supporters continue with their own version of truth.

But as Tun himself has said many times, he is a great respect-er of facts. And so I have to oblige.

By checker  on [February 2, 2010 1:44 PM](#)

Salam Tun & CheDet's fellow bloggers,

Dengan izin, I wish to again to remind Wenger J Khairy on February 1, 2010 rebutting to prof_ridcully comment. (I may also be labelled as "uninformed" supporter of Tun). Why not wake-up to the reality and please look at the truth as said by Pembela on February 2, 2010

" Selagi ekonomi dunia berkiblatkan BARAT dan dikuasai YAHUDI maka selama itulah dunia akan dipaksa mengamalkan sistem kewangan RIBA.

Negara miskin akan terus ditipu dan ditindas manakala negara maju dan kaya akan bertambah kaya dan terus menindas. "

and what University intake policy got to do with this case? Malaysia is a unique country, if you care to accept that fact and therefore we cannot simply apply similar solutions to all problems.

Why not also include your "study" to include Islamic scholars? I bet you have no idea who they were, do you? so not surprising for your narrow view.

Please differentiate between " information" and "knowledge" and for us as Muslim (I am not sure about YOU being Wenger as your first name) to study Quran & Hadith in order to get the truth. Any other studies written by professors & the like will only be classified as information

based on personal view of the writers. The problem arises when ones try to apply these information as knowledge when other factors/information (political, cultural and religion) will influence those views. it is not right or wrong but what are the best ways/approaches to suit the prevailing situation. I and many others including Tun are concerned and critical about the "world views" led by western powers with many hidden agenda. Unfortunately, many Malaysians glorify the western views without much qualification.

May Allah bless us all.

By [Wenger J Khairy](#)  on [February 2, 2010 1:39 PM](#)

Dear all Tun fans,

First my utmost respect and gratitude to YAB Tun for allowing me this opportunity to rebut the nonsense sprouted by a lot of commentators.

In this regard I respect Tun, he has shown the example of not being afraid to allow critics space and time on his blog, and example I hope would be emulated by some of those professing to support him.

eanisazman,

There is no point to respond to your comment.

checker and all others,

I have no interest in discussing the states. It is a US 12 trillion economy. I have tremendous interest in discussing Malaysia's economy. If we cannot understand the fundamentals behind a USD 200 billion economy, how can we understand the fundamentals behind a USD 12 trillion economy?

There is nothing paper about what I said. Its all there, just check the facts. But the facts have a strange habit of not being discussed here, more of it is fiction.

It is a fact that in 1997, our stock market had the highest market cap to GDP ratio.

It is a fact that means a huge bubble is on our doorstep. It is a fact that the Government was completely oblivious to this, hence the crisis.

It is a fact that people took money and deposited it in Singapore banks which allowed for speculation.

It is a fact that shares were liberally pledged as collateral for loans.

It is a fact that one of those highly connected businessmen used company funds to buy his share holding at a price much higher than the public market, which led to the collapse in the market sentiment with the KLSE tanking by more than 20% over the following couple of days.

It is a fact that in December 1997, the Banking System had RM 271 billion outstanding loans with RM 38 billion in equity and reserves. If you include the total assets at that time it was RM 480 billion giving a leverage ratio of 12.2 to 1.

This is much lower than the 30 to 1 cited by Tun. 12 is ok, 30 not ok?

It is a fact to those who are still ignorant that you no bank on earth lends 30x their assets. That is my point - it is a fundamental difference lending 30x your capital and 30x your assets. Tun was confused between the two.

I quote:

"49. The banks were able to lend huge amounts of money for these operations simply because in the Western banking system, banks are allowed to lend more money than they have by way of capital and other assets and the deposits held by them. Normally they would be prudent and lend only certain multiples of the money held by them. But because Governments often bail out banks when there is a run by the depositors, the banks were emboldened **to lend as much as 30 times their assets**. This means that very much more money could be lent by the banks than they actually have. The banks are in fact creating money out of thin air to lend to the funds."

You can easily prove me wrong by telling me which bank on the face of this earth lends 30x their assets?

Remember, Tun has an international following.

It is a fact that the Government in 1997 could not handle the subsequent capital flight when the foreign investors began to sell down their positions in an overinflated market and convert the proceeds to Ringgit. The market cap was RM 1,000. Lets say they sold 10% of the market to net RM 100 billion (I know its sort an ugly approximation but bare with me). They proceed to convert RM 100 billion into US dollar. How much US dollar was required at an exchange rate of 2.5 : 1.

It works to USD 40 billion. What was the Reserve position of BNM prior to the crisis? RM 60+ billion in foreign exchange, which is about USD 26.8 billion.

So foreign investors want to cash out but we don't have the dollars.
Its as clear as mud.

My point is simple. In 1997 we could not sustain a capital flight because of a weak set of controls. How much capital flight did it take for the country to go down on its knees (we blame speculators).

In 2008-2009, because, Pak Lah, built a house as strong as the Rock of Gibraltar, we could sustain approximately RM 100 billion (actually its greater) capital flight. The Ringgit did not fall to 5 or 6 to the US dollar.

That is my point. I waited 2 years to say this, but now I say it.

Argue me on the facts.

Not on the rhetoric.

By JJJ  on [February 2, 2010 12:07 PM](#)

salam Tun,

TO ALL RESPONSIBLE CHEDET COMMENTATORS,

There will always be people with ILL INTENTIONS who will go to great lengths to belittle Tun.

People like Wenger Khairy (you are an insult to your nickname sake, Wenger I mean not Khairy) and Ravi litter this blog like unwanted trash.

You act like Don Quixote tilting at windmills. Keep up the good work guys! LOL!

Wassallam

Jeng3

By wajaperak  on [February 2, 2010 11:29 AM](#)

Assallammualaikumwarahmatullahi wabarokatuh..

[[Wenger J Khairy

No wonder the general consensus is that the supporters of Tun are quite "unintelligent."]]

I agrees..I am of Tun supporters which IQ is 70. Tun is harsh man sometimes. You cannot learn from him any trick on adverse learning. He twisted here and there which my common IQ and mind cannot comprehends..So..the **compassionate and the very intelligent "Dr" Wenger J Khairy of numerous PHD proportioned..Would you care spends some of your valuable time teaching me anything that is worth teaching?..I am thanking you in advance for your kindly taught and action...:)**

[[Since we are on the subject, I have to lodge a complaint on the poor intellect of your supporters. Basically, why are most of your supporters the stupid type?]]

For I don't have the teacher like you..See..I am Tun tutelage products..and this is what you will ever gets...:)

[[Maybe one day when you stop this charade, the smarter people in the country will support you. But alas, you would feel threatened, so perhaps its best that you continue to be well supported by those with a pea sized intellect like Parpukari]]

Very much agrees Wenger J Khairy sir..So..How do I learns about upgrading my intellect and IQ?..And how long do I take to be able to attain doctorate of multiple and various disclipline like you sir?...:)

*Ps..I trembled..brrr..at your intelligent writing and compassion sir..brrr

Yours Sincerely

wajaperak of rotting and corroded metal...:(

Ribuan terima kasih Tun..

By eanisazman  on [February 2, 2010 9:26 AM](#)

Salam Ayahanda Tun,

Minta izin join forum.

I am an Accountant by training and profession. I am very impressed with the way Ayahanda Tun map his thinking about the financial market. I too myself was exposed so much on this topic ever

since I graduated in the subject. To be concise, it is a system created to cater financial objective which often sometime open for abuses. I like the Islamic way better than what I've learnt (conventional). I was even very fond of the idea of Dinar Emas by Ayahanda Tun. Seem such a great leader was actually being empowered by a simple thing, knowledge..

Thank you Tun for such a great article. To me it is more like the truth about our financial system....

P/s: Khairy Wenger said: It just requires the right Malay as opposed to the wrong one. I say: Dam right it is but DEFINITELY not you and KJ or that sleepy head too... What do you know about finance anyway????

By sabri  on [February 2, 2010 2:20 AM](#)

Dear respected Tun,
I do concur wholeheartedly with Amin Tan's statement:

By amin tan on January 30, 2010 6:49 AM

"I salute you for such clear and concise explanation of the Modern Economics. I believe you are second to none in the clear understanding of the modern Economics. I am of the opinion that the explanation of yours should be a compulsory reading for all Economics students of the world. It should definitely be published into a book to be used as text by all Economics students, no joke."

You did an excellent job elucidating on the corruptness of the Western Banking system.

Now we can only appreciate even more the wisdom in Islam as to why Al-Riba is haram .

May Allah bless and protect you always, dearest Tun
Sabri

By [Pembela](#)  on [February 2, 2010 12:29 AM](#)

Assalammualaikum Tok Det,

FORMULA 3M = MONEY MAKE MONEY

1. Tak payah nak susah-susah fikir bangunkan produk.
2. Tak payah penat-penat nak bertani dan menternak.
3. Tak payah susah-susah buat kilang keluarkan produk.
4. Tak payah bertungkus-lumus cari duit.
5. Guna sahaja duit buat duit! - MONEY MAKE MONEY
5. Bon, pinjaman, bla..bla..bla pun "produk" juga.
6. Kad hutang a.k.a Along Plastik pun "produk" juga = "Produk" RIBA

SIAPA TAK MAU CEPAT KAYA DUDUK KERJA DI OFIS GOYANG KAKI?

SIAPA TAK MAU CEPAT KAYA TANPA PERLU MEMBANTING TULANG DI LADANG?

SIAPA TAK MAU CEPAT KAYA TANPA PERLU BEKERJA KERAS?

SIAPA TAK MAU CEPAT KAYA TANPA PERLU PENAT BERUSAHA?

TAK PERCAYA? CUBA TANYA TOKEY BANK DI MALAYSIA...

TAK PERCAYA? TANYA TUN DAIM YANG TENGAH BUAT BISNES BANK SEKARANG...

Selagi ekonomi dunia berkiblatkan BARAT dan dikuasai YAHUDI maka selama itulah dunia akan dipaksa mengamalkan sistem kewangan RIBA.

Negara miskin akan terus ditipu dan ditindas manakala negara maju dan kaya akan bertambah kaya dan terus menindas.

Sebab kalau guna sistem kewangan Islam LAMBAT KAYA!!!!

PEMBELA

<http://pembelamelayu2009.wordpress.com/>

By [kitchenaid parts](#) on [February 1, 2010 8:00 PM](#)

salam hormat tun. saya sangat berbangga dengan tun. Walaupn sudah tidak lagi bergelar perdana menteri, tapi tun masih lagi menyumbang bakti keada negara.

By [Wenger J Khairy](#) on [February 1, 2010 6:57 PM](#)

prof_ridcully,

Yet another "uninformed" supporter of Tun. List of people who spotted this crisis.

(1) Nouriel Roubini, Turkish-American Professor of Economics at NYU

(2) Robert J. Shiller, White American, Professor of Economics at Yale

(3) William Ackerman, White American, Hedge Fund Manager of Pershing Square Capital Management (made a couple billion US)

(4) James Chanos, White American (of Greek descent), Hedge Fund Manager of Kynikos Capital

(5) Meredith Whitney, Financial Analyst at Oppenheimer & Co., White American.

Surprisingly, the Americans are OK about having non White Americans, even allowing Turks, teach in their most prestigious universities. I do not know whether this is the same principles held by Tun who to my best recollection is leery of *kaum lain lain* to teach in Malaysian universities. Maybe if we got smart teachers to teach our students, our universities would produce graduates like yourself who are in perpetual ignorance.

By checker on [February 1, 2010 6:53 PM](#)

Salam Tun & fellow CheDet's bloggers,

Dengan izin, I wish to counter Wenger J Khairy's comment on January 29, 2010.

I too am an engineer but in mechanical field. I took my MBA and included was the study of economics. With sincerity, economics is common sense and many of its theories are based on ASSUMPTIONS. "supply & demand", "free market", "money" as medium of exchange etc are all established in ideal situation where the people are honest and sincere. (do you believe that?). Therefore, the "simplistic model" that used by Tun was infact the right one. Your study (knowledge) of enonomics to rebutt the "lies" is nothing but only theories. Tun needed something more reliable economics fundamentals to really manage the country economics. And I support comments by khairi ali on January 31, 2010 that

"Most economic historians will see that what you've said is not only true, but will send the signals to the economic wizards that they should not only see the formulas and theories.

This line of understanding is important for the future of a nation. This should be the guiding principles and not just basis of economic theorem." You should take note and look beyond the theories.

The "smart western power" especially US is the culprit in this matter. They can utilise the "assumptions" to create "perceptions" so that they blind the world in effort to achieve their real objective i.e. to rule & control the world through economic, military and political power. My statement is not without basis. They are endless but we can look at some that perhaps will open your minds if not you eyes. Please look around what are happening in the present global all round scenerio.

1 Economy -

- US is already a bankrupt country but the perception given, the world are infact trapped to continue to support them. China as example still continue to buy US bonds etc, give loans etc in order to save US economy, for obvious reason: to have and most importantly to maintain the large US consumer market which is critical to China's continuous domestic industrial growth. This is despite US confrontal views on China on many issues.

- The vast Middle East petrol dollar already invested in US through many kinds (some are bogus type) of monetary & investment mechanisms, are being controlled by US. The Arab countries are trapped and force to continue to support US economy in order to protect their "investment" despite receiving US administration's disrespects of the Arabs in relation to the Israel-Palestine issue.

Should I go on ? Therefore please not to try to show your shallow paper knowledge to belittle Tun's previous actions during his administration. In fact, you should be thankful being Malaysian under his leadership. I for one cannot imagine where Malaysia be if Tun did not make the most difficult decision during the financial crisis. I am not apple polishing but one should be given credit when is due. In conclusion, eventhough Tun is not expert in economics as many experts accused him off, he managed to prove all them wrong, don't you agree for once? and as Malaysians we should be proud, not only that he outdone the so called world experts but most importantly he did HIS WAY and saved Malaysia for another day.

May Allah bless us all

By [Tony Ryan](#)  on [February 1, 2010 3:48 PM](#)

Dear Tun

Malaysians have been fortunate indeed to have benefited from your clear thinking, foresight, and comprehension of geopolitics and real economics. But most importantly, may I say, your integrity.

In Australia, we have not seen integrity in politics since 1945, and since the death of Chifely our politicians have routinely betrayed us to the Zionist policies of UK, US, and the WB/IMF.

The reason I write today is to let your countrymen know that major political parties in Australia have so damaged their credibility in the electorate that the emergence of a new political paradigm is a distinct possibility in the next couple of years, thanks to the Internet as an alternative source of information to the Rupert Murdoch dominated media.

The UN's One World Governance shadow agenda of the Copenhagen ETS Treaty has failed to capture Australia and 80% of the people are now aware of Prime Minister Kevin Rudd's attempted betrayal. But there is no confidence in the opposition party, hence our affiliation-based invasion of the political arena.

When Malaysians read that tariff restoration is the primary target of Government you will know that we succeeded. There will be no melodramatic coup, d'etat or bloodless, but this new policy will herald a warm and closer relationship with Malaysia; should you wish to accommodate us.

In the meantime, we welcome queries about future policies, domestic or foreign.

Terima Kasih

By [saatcham](#)  on [February 1, 2010 10:56 AM](#)

salam Tun

sy harap PM dapat menjejaki cara pemerintahan Tun di mana rakyat diutamakan. walaupun Tun memerintah tanpa slogan tetapi dasar Tun banyak mengutamakan rakyat...Kenaikan petrol 3 sen....

Sekarang ekonomi negara belum sukses,jenayah melimpah ruah,ragut sana sini...

Tun ,sila berikan tips valuable kpd PM agar rakyat dapat hidup aman dan berbahagia dgn limpahan rezeki...

Miss u too much!

bravo Tun!

By [prof_ridcully](#)  on [February 1, 2010 10:42 AM](#)

Salam Tun,

Let me see if I can explain how speculation works and rebut **Wenger J Khairy**.

Like Khairy, I'm no economist myself and I'm just getting my head round this subject of speculation and its relation to financial collapse. But that's no shame because like I said before in a [previous comment](#), even the professors at the LSE had problems explaining financial crises.

This is how George Soros and his Quantum Fund broke the Bank of England in 1992:

In a nutshell, Soros shorted the British pound (Sterling) and took long positions on the German deutschemark.

This is the longer version how it came about: The UK joined the European Exchange Rate Mechanism (ERM), a Franco-German initiative, with a view to reduce inflation, stabilise exchange rates, and prepare for European monetary integration. Different member countries had different national exchange rates; when they joined the ERM, their *currencies were pegged to the German mark*, the strongest at that time.

Problems arose when Germany re-unified. German spending increased, forcing the German government to print more money. This resulted in inflation which then necessitated the German central bank to increase interest rates [interest rate increase is the usual device used to control inflation as it helps to reduce the amount of money in circulation -- so I've learned]. Increased interest rates then resulted in upward pressure on the mark ie the mark appreciated in value.

When this happened, the other countries in the ERM had to increase their rates as well -- in order to maintain the peg with the mark. Britain was not in a position to maintain this for long because of its weak economy.

Soros [and others] saw this weakness and bet that because the situation was unsustainable for the UK, sterling (pound) was going to depreciate either because the UK had to reduce interest rates or leave the ERM altogether [a more or less similar dilemma is plaguing Greece and the Euro at the moment].

Soros established short positions in pounds and long positions in marks by borrowing pounds and investing in mark-denominated assets. [It was reported](#) that he borrowed the pound heavily and committed 6.5 billion sterling to this stance. To put things in perspective, 6.5 billion pounds is bigger than the GDPs of many countries. Even at present exchange rates [many African countries](#) have smaller amounts to spend: 6.5 billion sterling is about *ten times* the GDP of Comoros.

Looking at the precarious position of the pound, currency traders started selling the pound [thereby devaluing it vis-a-vis other currencies]. Traders kept selling pounds in huge volumes, and the Bank of England kept buying them. But this position was untenable however, and eventually the UK had to leave the ERM, in the process bringing the interest rate of the pound lower compared to the mark and US dollar -- in effect making the pound cheaper when compared to the mark and the dollar.

Soros unwound his positions and within a month, his Quantum Fund made approximately USD \$2 billion by selling the now more expensive mark and buying back the now cheaper pound.

The speculators are very clever people. They don't operate alone and it is hard to argue that what they're doing is criminally wrong.

But the fact remains that they would not have been able to do what they're doing without being able to borrow very, very large amounts of money based on what little money (relatively speaking) that they held; in other words, their loans were heavily leveraged.

You said, "*Tun also mentioned that banks can lend up to 30x their assets...*" and you go on to question this statement by Tun.

My dear Khairy, that is how banks work: Somebody deposits 10 ringgit into a bank and the bank loans out that 10 ringgit that it now holds (so-called assets) to 10 other people. The banks don't have 100 ringgit to lend 10 ringgit each to 10 different people -- just the 10 ringgit. Banks induce people to make financial transactions and, in the process make money for themselves (the banks) through those transactions, by dangling a wonderful carrot called "interest" which always favours the lender ie the banks.

Their greatest fear is when depositors ask them for their deposits back all at the same time; and that's because they, the banks, simply don't have the depositors' money. It has all been loaned out. It's called a bank rush. Ask any honest banker. Ask [John Kenneth Galbraith](#)

That Tun's "heretical" action of imposing capital controls was supported by two Nobel laureates in Economics is well-known. Joseph Stiglitz and Paul Krugman both supported the actions taken by Tun in 1998. This is what [Krugman wrote](#) about his experience when he came to Malaysia in 1999 or thereabouts:

"I arrived at a moment of celebration. When the controls were put on, many Western analysts predicted disaster: a collapse of the economy, hyperinflation, rampant black markets. It didn't happen. Two days before I arrived, the latest statistics had confirmed that Malaysia was in fact experiencing a fairly strong economic recovery. "

Please note Khairy, that Krugman wasn't a great fan of Tun when he wrote the article, certainly not when it came to Tun's politics.

It is also well-known that Anwar Ibrahim was on a first-name basis with "Michel" (Camdessus) who, as Tun rightly pointed out, immediately made an about-turn after Anwar was relieved of his duties. Before being relieved, Anwar, for reasons best known to him, had tracked IMF policy with regards interest rates and reluctance to save big "failed" companies, and almost brought the country to its knees.

We need honest people to advise us on economics and the state of the world; sincere people to advise the World Bank and run the IMF. Despite the obvious differences in outlook to Tun's, politically at least, Krugman, an economics professor then, didn't change his opinion on the economics. And neither did Stiglitz, chief economist of the World Bank. But Camdessus, MD of the IMF, did.

By [Wenger J Khairy](#)  on [February 1, 2010 10:37 AM](#)

Dear FXSpec,

I am not at all related to the Pak Lah administration, but I do rate him highly. He was a decent man but unfortunately, he was "too nice" to handle the tactics Tun Dr. Mahathir employed on him.

And to all who think otherwise, I did not take a single cent from the Government. My education in finance was staying up late, attending evening school and waking up early to read and digest all the books and course material.

You mention that the oil money somehow cushioned the blow. Yes and No.

And surprising Tun is still harping on the RM 200 billion. I thought as an ex-Minister of Finance, let alone a Prime Minister, he would be able to read the state of the Government finances.

Let me make it clear. Before a single sen can be spent on "mega projects", the following obligations need to be met.

Salaries to Civil Service: RM 40 billion

Pensions : RM 8 billion

Interest on debt : RM 15 billion

Subsidy: RM 24 billion

Use of Assets : RM 10 billion

(Another form of asset backed borrowing by the Govt I suspect)

That's a cool RM 97 billion that the Government needs to spend every year. So if you multiply that by 5, that's about RM 400 billion.

That's where the money went really. It's not rocket science, the facts are all there, but as Tun himself said many times, Malaysians do not bother to read.

Now why you are right somewhat. Petronas earnings are dollar denominated. We could spend all that money to build a railway to China, with a really an uncertain economic benefit as it is very clear that there is ample supply of cargo ships and tankers (in fact there is an oversupply) but that would involve using all these precious US Dollars. We cannot use Ringgit per se to buy the Caterpillar bulldozers, hire the smart engineers from China and India, the project managers from Germany and the electrification and SCADA equipment because the manufacturers of such equipment deal in US dollar.

I have explained this clearly over here:

<http://wengerkhairy.blogspot.com/2009/10/balance-of-payments-and-malay-agenda.html>

Sic

By GongPauh  on [February 1, 2010 10:23 AM](#)

Salam TUN M,

Disamping membaca tulisan bernas Tun, kami juga dapat menganalisa komen yang di beri juga menarik mewakili rakyat malaysia yang kita ingin pupuk satu Malaysia. Nampak nya perjalanan satu malaysia masih jauh kerana hanya satu tangan saja bertepuk. Ade komen mengatakan Malaysia is part of S'pore, kerana dia malu. Sesungguhnya nya kita tak mahu jadi pak kadok - menang sorak kampung tergadai. Apa nak kita banggakan sangat kalau ade sepuluh bandaraya cities sebesar S'pore di merata Malaysia kalau semua dimonopoly oleh satu kaum. Biar lah kita moving at our own pace, mengikut kadar keupayaan kita tapi dengan kekuatan bangsa melayu kita sendiri. Hanya bangsa atau kaum yang asal saja sanggup berkorban dan tidak malu tempat tumpah darah kelahiran nya.

Gongpauh

By mgpunya  on [February 1, 2010 10:20 AM](#)

YABhg Tun,

Earth provides enough to satisfy ever man's needs but not every man's greed - Mahatma Ghandi

By musato  on [February 1, 2010 9:55 AM](#)

Assalamualaikum Tun.

Panjangnya Tun tulis kali ni.Satu circle yang ringkas dan mudah untuk difahami pasal ekonomi global.

Anyway,saya sedikit terkilan dengan beberapa berita yang tersiar baru-baru ni.

Pasal Ku Li.Saya tak tahu kat mana hebat Ku Li ni.Maklumlah saya ni budak hingusan lagi.Apa yang saya tahu,dulu Ku Li mencabar Tun untuk jawatan Perdana Menteri sampai Tun hampir-hampir kalah.Walau nak kalah,tapi kira menang jugaklah.

Ku Li takde kena-mengena pun dengan saya,tapi saya rasa diri saya dikhianati.Apatah lagi Ku Li mencabar Dato' Najib tahun lepas.Tapi itu saya tak kisah sebab atas dasar kepentingan negara.

Tapi bila meletakkan kepentingan diri dan negeri sendiri melebihi negara saya akan kisah sedikit sebanyak.

Mungkin saya terpengaruh dengan cerita lisan nenek saya bahawa Tok Kenali pun sendiri mempunyai hubungan dengan kami.

Terima kasih Tun.

By [HAZLIZA](#)  on [February 1, 2010 9:51 AM](#)

Salam Tun,

The intellectual idea and explanation. Keep it up.

rgds,
HAZLIZA

By [Wenger J Khairy](#)  on [February 1, 2010 9:39 AM](#)

Dear Amin Tan,

You wrote:

" if Pak Lah is so good, how come BN lost 5 states under his watch?"

My point is about economics and finance, your point is about finance. No wonder the general consensus is that the supporters of Tun are quite **"unintelligent."**

Dear Tun,

Since we are on the subject, I have to lodge a complaint on the poor intellect of your supporters. Basically, why are most of your supporters the stupid type?

I am very surprised, for such a smart and well known leader like yourself to be saddled with bloggers like Parpukari, who pastes pictures of half naked men on his blogsite, as your No 1 supporter.

Maybe one day when you stop this charade, the smarter people in the country will support you. But alas, you would feel threatened, so perhaps its best that you continue to be well supported by those with a pea sized intellect like Parpukari.

Yours Sincerely

Wenger J. Khairy

By sitinur  on [February 1, 2010 8:34 AM](#)

Asalamualaikum...

paper pun org nak hasad n buruk2kan bapak bagi saya bapak totap pujaan hati....terima kasih yg tak terucap utk bapak yg bertungkus lumus memerah fikiran n bersengkang mata semasa krisis 97....

jasa2 bapak tak dapat saya balas di dunia akhirat hanya Allah yg dapat membalasNya....tukar topik ckit bapak....

huuiiiyooooo.....bapak nampak segak menawan dlm baju pink (utusan semlm)..he he he...terima kasih sbb bapak menyuarakan aper yg saya rasa dlm paper....sayangggggggg bapak....he he he...

By Dr Syed Iskandar Syed Jaafar Al Mahdzar  on [February 1, 2010 5:20 AM](#)

Assalamualaikum wbt Yg Bhg Tun, our beloved 4th Malaysian Prime Minister,

Good Morning Yg Bhg Tun as now is 410 am monday early morning of 16 Safar 1431 Hijrah (1/2/2010). Well Tun, congrats for fasting forward our peninsular Malaysia time by half an our when you first became the PM back then I was still in Form 2 at Sekolah Menengah Putra, Kangar, Perlis. You have started with energetic spirit to wake the Malaysian up to achieve your Vision 2020 that was introduced later after your Malaysian The Way Forward speech.

The Currency subject is a heavy one Yg Bhg Tun. In fact the word currency replace money after President Richard Nixon without the approval of Congress has decided to disengage the direct tied up between gold and US Dollar. President Nixon did that as everyone already knew it later that way back in early 70's when I was only 4 years old in Island Glades Church Kindergarten in Penang, way back then the United States was already in the state of almost becoming bankrupt when trading nations demanded gold as payment instead of US Dollar from the US. Well, I suppose he did a national service for his great country at the expense of the world financial system later.

Anyway, with your kind permission- to go astray a bit before I proceed further Yg Bhg Tun, the fact that as 4 year old boy and was sent to a Church Kindergarten doesnt exactly change anything, I am still a Muslim and later on when I went on to study at St Xaviers Institution, Penang between 1975-1979-still my religion remains intact-a Muslim.

Thus, President Nixon practically downgraded the US Dollars to become currency instead of money. Currency derive from the root words 'current' and the unlimited amount of printing the USD therefore created a wave of current that we are now know as currency.

Federal reserve in US that print money that everyone thought is a government own entity is actually a private entity. Wah lau, aiesey man, how nice to own a central bank and not subjected to US government strict monitoring for so many years till President Obama came and attempted to regulate Federal Reserve-- a good effort though a high risk one if one were to study on why few of the former US Presidents were assassinated including Lincoln i.e. coz of fighting the banks. (Please refer to many interesting videos on the issue posted on my blog late last year)

So Yg Bhg Tun, the subject is a risky one but anyhow as long as we are talking facts, nobody should be angry with us as these countries are supposedly the promoter of the original democracy and yet have few of their own Presidents assassinated merely for fighting the banking institutions.

Yg Bhg Tun, a solution was long ago already given by you during OIC 2003-- establish gold dinar--at least amongst OIC nations but as usual OIC has become Oooh I see....

If i am not mistaken, only Iran answer to your call to have Gold Dinar as medium of exchange amongst OIC Countries.

Well, it is understandable since rich Saudi Arabia are very much depended on US on everything even as you said once, ..even to pilot the fighter jets they have to employ the US pilots then what will happen if there is a war wage by the nearby enemies? What will these US Pilots do while handling the Saudi but US made fighter plane?

No one can print gold out of thin air. It is either you have it or not. But as it is , the global legal framework relating to the financial systems only treated gold as commodities instead of as medium of exchange. Nevertheless, there is no harm if amongst consenting OIC trading nations, if they are willing to use Gold Dinar.

If you could recall Yg Bhg Tun, I met you after your launching of the last Perdana series and spoke to you personally about a book that was given to your staff a week earlier at PWTC criminalize war conference by Prof Dr Mahmood M Sanusi, Inceif , Bank Negara owned university. The book is entitled Critical Issues on Islamic Banking, Finance & Takaful and written by Prof Dr Mahmood M Sanusi himself where in the first chapter-Article 1- is directly relevant with the currency issues that you have raised here Tun.

('Gold Dinar, Paper Currency And Monetary Stability: An Islamic View')

The same Prof delivered the paper on the same subject when you launched the IIUM Gold Dinar Conference at PWTC when you was still the Prime Minister many years ago. The same Prof was also invited to speak at Harvard few years ago and last year in Cambridge.

Therefore, it is highly recommended as your source of reference to further add to your wealth of knowledge on the subject.

Next, let me touch briefly on Islamic banking as we have today. Yes it is a good effort but frankly there are many possible loopholes that may result that we are no different with the conventional banking system. For examples, our Islamic banking system are still based on paper money. Further, our legal system professionals and judges are not fully trained to grasp the true

Islamic banking(I need few hours to orally explain with evidences)

Next, there is only one Islamic banking and there is no such thing as Islamic banking ala Malaysia (well again, i need hours to explain supporting with complete court judgments etc).

Also Yg Bhg Tun prior to the latest amendments of relevant laws, few Shariah Advisors that are sitting the regulatory bodies

such as BNM & SC have promoted their personal views and convince the rest to accept it as official simply because of self interest as these Shariah Advisors have set up consultancies, training institutions etc that give advice directly in conflict with their appointed roles. (well, these also need explanation and evidences)

Yg Bhg Tun few years ago, I was invited to present paper at Arab Asian Financial Summit that was broadcasted in CNBC Arabia.

After presenting the paper and during lunch i was later invited to sit with CEOs, MDs of top Arab banks and many issues were raised during that long lunches and the conclusion is that in reality they didnt recognize us as the global hub of Islamic banking even though via our marketing effort many come to Malaysia to study Islamic banking. (This also requires more details explanation)

The danger with us is that we try to have all type of financial products that conventional have speedily by simply altering the terms in the conventional legal documentations. These will happen when originally lawyers that have no idea at all about what Islamic banking is all about suddenly turning themselves to become expert simply because they are amongst the oldest law firms in town.

Islamic banking is not about copy and paste nor it is about giving any liberal views on whatever Shariah issues.

Shariah experts should really be expert and while we try to develop our own Shariah experts, few saw an opportunity to take advantage of the mass ignorance and become extremely wealthy in the process. (well Tun, this too need details explanation)

Therefore Yg Bhg Tun, we can InsyaAllah become a truely global hub for Islamic banking but we must set ourselves on the right footing as many might want to reply to me later, InsyaAllah i will response accordingly with more relevant details of course with your kind permission Yg Bhg Tun. Some of the evidences I have physically discussed and proven it to 34 nationwide Shariah Court judges in May last year when I was invited to give a 2 session talks to these judges that normally deals with Munakahat (family matters) rather than Muamalat (Commercial/Business matters).

Last but not least i still can recall Tan Sri Sanusi Junid told a pack PWTC late last year during your criminalize war conference that --lucky that gold dinar as medium of exchange didnt materialize for if not.....(i will not complete this sentence la Tun just for those that were there la Tun). I got shocked for a while but thinking what they did to their own Presidents, everything is possible in the name of protecting their capitalism system. InsyaAllah, we all look forward to see that your great idea on Gold Dinar be speedily implemented at least amongst consenting OIC trading nations,InsyaAllah Tun.

16 Safar 1431 Hijrah (1/2/2010) 535 am ,Salam Solat Subuh Yg Bhg Tun & family & happy FT day today.

Dr Syed Iskandar Syed Jaafar Al Mahdzar
Kuala Lumpur

drsyediskandarislamicbankingfinance.blogspot.com or
isikcorpadv@gmail.com

By jaromire  on [February 1, 2010 3:11 AM](#)

Dear Tun, sometime some weirdo pretend that they are smart for example like this guy:-

Wenger J Khairy January 31, 2010 2:16 AM

To all the readers,

Points 40 - 48 is pure nonsense.

Let me explain to you how currency speculation works.

Dude, Tun is talking about share market not about currency speculations. Terms that you have to learn:-

1. Short Selling

2. Cornering the market

And then another mistake done by this CFA wannabe with his comment:-

"Tun also mentioned that banks can lend up to 30x their assets. Even with securitization this is hard to believe. Which bank lends 30x their assets? If Citigroup who has USD 2 trillion in assets, lent 30x their assets, then they would have lent USD 60t or basically lent out the entire worlds GDP."

Term that you have to learn:-

1. Liquidity

Or even better try to study what really happened in the States during the economic turmoil. Learn your basic before commenting.

By [takretibodek](#)  on [February 1, 2010 3:01 AM](#)

Salam Dear Tun yg dikasihi...

Doesn't matter wht ppl said abt the crisis at tht time..(I wuz in form 3) we org kpg were still can survive and never felt any difficulty or any rising price of important goods such as sugar or whtsoever..my parent never complaint abt the situations even to raised up their 7 kids only worried if the bad situation really happened...

Bravo to Tun..!! handled the situations in such a smart, brilliant & excellent consideration of all angles to overcome the bad situations...is there anyway for u to gv some outstanding formulaes to current government Tun? so ppl not continuously suffer..but listening to only 1 Malaysia shouting..can't help much Tun...only make us deeply..deeply sick...we are united and will always as we know our country will go bad if we fight each others.

I notice tht current government busy racing implementing 'something' which is firstly created by DAP & the assoc. in order to win ppl heart (smthing like 'malaysia malaysian') but honestly we dun like tht and not help at all the current economics situations..believe me Tun, Malays are the majority, if governmnt look after the majority better for sure the minority will prosperous too..by shouting 1 Malaysia it's not help us at all..pls dun make org kpg not going out for voting fr the next election the current government must do 'smthing' to put the 'thing' back in the right track. tq for listening org kpg like us..May Tun & wife always dirahmati Allah..sayang Malaysia.

By [al-Din](#) on [February 1, 2010 2:56 AM](#)

Tun, please allow me.

A digression: Salam and apologies to PenyuMenagis.

I jumped into chedet's blog only several months ago. So I must admit that I am slow (to blogging) although very familiar with internet. Before that my wife used to recount to me what she had read in the blog occasionally. Then I was preoccupied, daily in filling in several bibliographic works, editing books and sweat it out in the farm afterwards.

My daughter helped to set the blog for me. It is only this week I am spending time to recourse to the earlier postings in chedet's blog. Sorry Tun. The reason is I am grounded after hospitalisation.

It is while doing copy and paste of the earlier postings that I come across the many lengthy, informative discourse on religion, science, and life by PenyuMenagis and the vigorous discussion followed suit by bloggers.

Rightly he could retain the non de plume to differentiate the book (poems) by JM Aziz titled 'Penyu Menangis' (1996) which I quoted in one of my earlier postings. My acknowledgement was wrong because I should quote the author rather than the title.

Such a gross error would have caused some confusion and mar the image of PenyuMenagis. My humble apologies to PenyuMenagis. Wassalam.

By [Riza Ahmad](#) on [February 1, 2010 2:10 AM](#)

Dear Tun And Readers,

for those who believes in the western or u.s. economic theory, Wenger J Khairy is the champion. believe me, the western economic is falling down as what tun already explained. berlin wall fell down, so did the wtc. we need alternative vehicle and way of doing things. go back to basic. let us prepare ourselves before it's too late. for those who already have many zeros in their bank account, most of them never thought that they will die one day... and they thought everything has a price tag. we can never trade wisdom... only a fool can be tricked. TQ

By [S..Tan](#) on [February 1, 2010 1:28 AM](#)

Dear Tun, salam mesra harap sihat. Kiriman ini untuk seri tajuk ini sementara yg lain itu kena kurung. Dgn izin...

.....TUG OF WAR

Remember there were two personalities in the currency crisis of 97. The finance minister was using international practice to cool the economy (warning signal Baht crisis Aug 97), but the PM wanted full steam ahead. Anwar's austerity measures saved billions and many companies from further indebtedness. He was removed in Aug 98 before he could implement turnaround policies after the initial austerity controls.

The PM's 'mengamuk' diplomacy (moron trader) against the financial system made us more predictable to bet against. The more the ranting, the more foreign investors were frightened a maverick, heretic is on the loose and they left quickly making things worse. The FM was the 'sobre' image and did damage control. You can be on the right path but the wrong approach will get you derailed.

.....DEMI NEGARA

Early 98, MTEN formed and Anwar was there till Aug 98 to ensure austerity, control the cronies and families. But Anwar was expendable not the cronies and families.

After all austerity measures in place and effective, it was time to restore the economy, which Tun did remarkably (albeit unorthodox). Both men did their job to save the nation with the right policy for the right time.

.....VINDICATION

Tun's views on global financial system is vindicated by the current Davos meeting. The heretic is right, the moron is still in business, the maverick lives on.

.....MAJORITY RULES

Majority will protect their interest first. The bigger funds (majority) will use the rules to their advantage first. It is up to the smaller funds to beware. The rule is don't wear a hat too big for your head.

To draw a parallel, refer Tun's reason for Malay supremacy. There is no M'sian supremacy (bangsa M'sia) without Malay supremacy (ketuanan Melayu). So the majority funds are telling you there is no 'fair market' without their supremacy. Don't rail against the bigger funds when you want the same for yourself as the bigger majority.

By Jamal  on [February 1, 2010 1:25 AM](#)

Dear Tun,

Allow me to help FXspec appreciate the role of the Foreign Exchange Traders (FXTraders) in improvising the British people in the early 1990s.

He asks, "Oh yes, talking about speculation, let me ask a question: Was the pound sterling's steep devaluation in 1990 caused by the highly-leveraged speculative short sellings undertaken by the likes of Soros & co. or was it the other way around ie. Soros & co. speculated (after due analysis) that the pound was on the brink of a steep devaluation, immediately undertook highly-leveraged short sellings of it and thus profited handsomely when the sterling eventually collapsed as (correctly) predicted? An intellectually honest answer very much welcome from all who cares to do so. Hopefully, it will improve further our understanding of what actually are financial speculations, manipulations and out and out gamblings?

Whatever....the short cut is to just invoke the catch-all "self-fulfilling prophecy" thesis."

Lets not go into too much detail as how the situation came to be. There were a lot of political decisions by the British Government in relation with the GBP and the ERM (European Exchange Rate Mechanism).

What then followed and happened from the decisions was that the GBP was a prime candidate for an all out ATTACK by the FXTraders. They were like vultures circling over their dying victims - to be fed upon.

These FXTraders, and I believe you are one, are nothing BUT OPPORTUNITIST looking for a killing...it does not matter whom you kill just as long as you get a killing and line your pockets (in Soros case he made US\$ 1 Billion).

But the British Public lost GBP3.4 Billion (at that time maybe US\$6 Billion).

It just does not add up does it. But that's the reality.

In the casino at least the loser loses \$1 and the casino operator wins \$1..But with the FXTraders its 1 to 6....

These FXTraders are forever waiting for the next victim to attack. What value does this "Traders" give to the real economy???

Hope that clarifies.

By mushashi  on [February 1, 2010 1:23 AM](#)

is there any possibilities to make those speculative bubbles end?

or should wait for another meltdown?

why need to jump into the same hole twice?

or it's hard to settle it down because it's involve infinite of virtual money?

never heard anything about bubbles from those financial expert during world crisis...unexpected or has been swept under carpet?

should people study anything else that we could find under the carpet?

just wonder...

By zaki_77  on [February 1, 2010 1:16 AM](#)

The West is reaping what it has sown. Kudos to you Tun for having the vision and foresight not to allow Malaysia to be held ransom by these Western despots. If it was up to Anwar during the crisis, he would have sold Malaysia and today, Malaysians would be aliens in their own land!

By faizalmz  on [February 1, 2010 1:11 AM](#)

Salam Tun Mahathir,

I know that you met Muhammad Rafeeq of United Kingdom for advice. I know that if Malaysian Government took the IMF so called assistance, the country would have been sold to the devils. I salute you for the decision you made for the interest of Malaysian people. I salute you for being

brave to face and fight the criminals of human kind. I salute you for taking bold move to say no to IMF.

So, I would like to share with you and the rest of your readers this video lecture which covered a presentation given by Dr. John Coleman about the Committee of 300. He is a historian in intelligence community, who researched in full scope the sinister forces behind the Global Elite movement. This video lecture represents a culmination of his findings about secret societies which form this global movement and how it came into existence. This Committee of 300 is controlling the world today. Please go to <http://wideeyecinema.com/?p=269> to watch the video lecture.

Also to see more videos, please go to <http://wideeyecinema.com> for uncovering the truth behind Government conspiracies, Mind Control, Secret Societies, Destructive Corporatism, 9/11, Unreported Health Issues and Covert Military Operations then Wide Eye Cinema has the videos you need to see. Watch full length documentaries and Cinema online for free.

I pray you be in good health always.

Wassalam.

By [faresz](#) on [February 1, 2010 12:54 AM](#)

salam kepada Tun dan semua pembaca blog nie...

saya menyokong semua agenda Tun demi kesejahteraan rakyat....Saya berbesar hati supaya Tun dan pembaca sekalian membaca dan membuka blog nie :

<http://mistisfiles.blogspot.com/>

Ada banyak artikel yang akan menguntungkan rakyat yang ingin mengambil iktibar dan sedikit pedoman daripada blog tu...

Dan di bawah ini adalah blog saya...saya budak baru belajar 'memblog-blog'...hehe

<http://hijabulcrewz.blogspot.com/>

By [mushashi](#) on [February 1, 2010 12:47 AM](#)

it's the best conclusion on the "systemic bubble burst"...

west should now realize that asia's country start to show their capability to counter those so called 'system'...

By [Objective Q](#) on [February 1, 2010 12:34 AM](#)

Alsalmu Alaykum Dear Tun Dr. Mahathir,

Tun's Summary of The Currency Crisis was absolutely perfect. As usual, Tun is light years ahead of many.

I will dedicate the rest of my comments to the Intellectual Dwarf and the Pavlovian Sage known as Wenger J Khairy (WJK).

Dear WJK,

Please try to share your comments with any financial savvy person, (Savvy as in have the experience and his own money) not some "Pavlovian Sage" who was mindlessly trained to respond to certain questions with certain mindless answers, but some one who is really a financial mind and a true investor.

Should you ever find someone of that caliber, and if by some miracle, they agree to meet with you, please proceed to tell them your hypothesis that you have mindlessly postulated and poorly articulated.

Once that financial expert stops laughing at your childish rationale and immature logic, he might actually offer you a job with his firm, not as a trader or analyst but as the court's Clown.

YOU CAN NOT believe that 30 Times Leverage exist!!

IS that because it is not true, or is it because you are just an uneducated "Blow-Hard" who is more interested in hearing himself talk, since i doubt anyone else would listen to your nonsense, well maybe your poor pet, which i assume you must have due to the lack of more intellectually qualified company that could stomach your rants.

Well, allow me to discuss the first part: Is 30 Times Leverage Possible? Does it Exist?

Lehman Brothers, 31.7 Times Leverage (Q1 2008) (Check their SEC Filings)

Bear Sterns, 325.5 Times Leverage (Check their SEC Filings) (11.1 Billion in cash, supported 395 Billion in Assets) Do the math

Fannie Mae, 55 Times Leverage

.....etc

Before you start criticizing someone of the caliber of Tun, at least do your homework and learn the difference between Capital Ratio, Reserve Ratio and Leverage Ratio along with how to read an OFF balance Sheet Statement and Off Ballance Sheet Derivative Liability that affects also your leverage and how your financials are presented to regulators. Learn about negative Gearing while your at i, before you open your mouth next time. Just because you can not grasp the concept of leverage or understand it, that does not change the facts. DO YOUR HOMEWORK.

But, on second thought, please dont stop writing and sending in your comments!

Really, we all need a laugh!! (Nothing was funnier than your currency trading example, I could tell it was like a virgin discussing the Kama Sutra, Clueless but funny!) Dont stop the Jokes (WJK)

God Bless Tun and Family

God Bless Malaysia

By Objective Q  on [February 1, 2010 12:33 AM](#)

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God Bless Tun and Family
God Bless Malaysia

By S..Tan  on [February 1, 2010 12:24 AM](#)

Dear YAB Tun, salam mesra harap sihat sejahtera. Kiriman saya untuk seri tajuk ini setelah diubah suai dgn izin.....

.....SALAH SIAPA?

Currency speculators are not blamed for the run on ringgit, just as our police are not blamed for rising crime. It is the victims inviting trouble walking in dark areas, wearing jewellery, being careless, stupid!

Currency speculators will tell you if your fundamentals are right it is impossible to attack you. Police here also tell us if you protect yourself you will not get harmed. If police are armchair advisors, speculators are regulators!

.....DEMOCRACY

Lack of democracy referred to is cronyism, nepotism and favoritism not voting and elections only. Western democracy is open tender, arm length transaction, equality. But western model failed to regulate the length of the arm.

.....SUB-PRIME AND PRIBUMI

Sub prime loans are far different from pribumi loans (read crony). The supremacist loans are sponsored by citizens, the sub prime loans are created for citizens.

.....ABOUT-FACE OR NEW FACE

When Michael Camdessus praised M'sia, Anwar was the finance minister. He already began IMF without IMF policies to reign in the economy(mega projects), reduce budget deficits, high borrowings, stock market boom, asset bubble, transparency or democracy issues (cronyism, nepotism, favoritism)

Camdessus criticism came after Anwar sacking.

.....RESUME

This article looks like resume for Finance Minister or Special Advisor. Best wishes then.

.

By Jamal  on [February 1, 2010 12:06 AM](#)

Dear Tun,

One of your contributor here is a Mike Billington or Michael O Billington. He is associated with the "LaRouche Movement" which publishes the "Executive Intelligence Review". Below is an excerpt of an article taken from it.

This article appears in the January 29, 2010 issue of Executive Intelligence Review.

Time To Stop Lying and Get It Right!
by John Hoefle

Jan. 22—Watching Barack Obama rail against the banks brings to mind an indulgent parent who, after giving in to his children's every demand, spoiling them rotten, suddenly decides to talk tough when the kids' actions prove embarrassing. The parent knows he's bluffing, and more importantly, so do the kids. For all the posturing, nothing will change, and the kids will still run the show.

This is Obama's third foray into anti-bank posturing. In mid-December, he railed against the "fat cats" and called the heads of the major banks into the White House for a scolding. That didn't work out so well. Several of the bankers didn't even bother to show up.

A month later, still plunging in the polls, President Mustache tried it again, doing his effete, Harvard-educated best to sound like one of the common folk.

"My commitment is to recover every single dime the American people are owed.... We want our money back, and we're going to get it," Obama promised on Jan. 14.

That blustering assertion was amplified by an e-mail, sent out under Vice President Joe Biden's name, claiming that Obama's proposed Financial Crisis Responsibility Fee would "recover every penny loaned to Wall Street during the financial crisis and stop the reckless abuses and excesses that nearly caused the collapse of our financial system." The powerful bankers are fighting back, Biden continued, but "Barack and I aren't backing down. But to win, we'll need the American people to add their voice right away."

Do these clowns really expect us to believe, after their bending over constantly to the bankers, after their collapsing the physical economy even further costing more jobs, more foreclosures, more misery for the nation, that the Obama Administration is now going to "recover every penny"? Do they think we are so dumb that we don't realize that the financial system remains on a Federal life support system, which continues to turn private debts into government debts in the mortgage and mortgage-securities markets? That claiming to be taking the money back, while still shoveling it into the markets, is not the height of hypocrisy? Do they even think, or are they so impressed with their ability to spin, that they believe reality is whatever they claim it to be?

The "LaRouche Movement" is based on a commitment to "a just new world economic order," specifically "the urgency of affording what have been sometimes termed 'Third World nations,' their full rights to perfect national sovereignty, and to access to the improvement of their

educational systems and economies through employment of the most advanced science and technology."

The LaRouche movement has attracted devoted followers and developed some specific and elaborate policy initiatives, but has also been referred to variously as Marxist, fascist, anti-Semitic, a political cult, a personality cult, and a criminal enterprise. In 1984, LaRouche's research staff was described by Norman Bailey, a former senior staffer of the National Security Council, as "one of the best private intelligence services in the world".

(Taken from Wikipedia)

By Mag58  on [January 31, 2010 9:13 PM](#)

Achtung, Wenger J Khairy

Indeed it is very true and solvent that we really requires the right Malay as opposed to the wrong one as what was claimed by you but one thing for sure bro.....it is not some ego-maniac who have those sickening characteristics like you.

Hence, go back to your lab and do what you used to do and don't come mingling into our Malaysian economy when you have a 'baby bamboo shoot' experience. so, Beat it Bro.

By al-Din  on [January 31, 2010 8:48 PM](#)

WJK

You hit the nail right: "That is the biggest problem in Malaysia, people are not qualified are promoted to positions of responsibility."

Pak Lah is one of the extreme example who pretend to be smart but nothing inside fit to be a leader. Apart from other things his economics and financial sense is horrendous. What happened to the RM270 billion Petronas money spent in 5 years?

Then the case arise of the evil problem of highly qualified financial advisors juggling figures in the wrong place! Or are they?

By jalil7  on [January 31, 2010 8:02 PM](#)

Salam Tun,

Regarding the current article itself, and also in the context of your articles "THE WEALTH OF NATIONS", there are many who believe that money is the main driving force behind economies. The government has poured billions into 'activating the economy' but it perhaps is simply not working.

68. The real solution would be a return to real business i.e. the production of goods and services. But then the developed countries of the West would have to accept being somewhat poorer than the good old days.

The local problem is that money is seen as the main driver to a better economy, not merely just

another form of capital and a symbolic one. if this is indeed so, then it is quite easy for the government, any government, to solve...just print a lot more of it.

Thus the other and perhaps more important forms of capital such as skills, tools, environmental advantages, community cooperation and teamwork are ignored. there are exceptions to the rule of course.

But i am talking of the rule.

It would help, in continuing our efforts to produce good and services, if those who have with them large sums of money capital at their disposal realize that skills and ideas are extremely valuable intangible assets that a human being has, in the midst of a crisis, such as a financial crisis. The financial crisis is that these non existent money you talked about simply vapourized into thin air. They went back to where they belong, the ether world.

We are in danger of this exposure as well, because of our focus on money. The billions spent on so called 'mlm' or multi level marketing is testimony to this. I think 'marketing' is already bad enough without it being multi level.

It saddens me deeply to witness those in possession of large sums of money and wealth seek to make more wealth by way of profitable short term deals only, ignoring basic human and especially local efforts and talents (the genuine ones).

There is then perhaps plenty of 'money' floating around within our borders, but the guardians of these money, whether private or public, do not seem realize that in order to progress we need to overcome fear of losing and we need to look at the knowledge gained from such activities.

The reason very little is given to research and development is simply because they do not see the results. And that is because they equate results with increase in the numbers their books, preferably with more zeros. Hence they are quite blind to knowledge and skill as an asset. Everything has to be 'commercialized'.

Lastly, i wish to end with a quote form a book on technology history i once read which goes something like this.

" If all the wealth of the British Empire was given to Marconi to invent radio, he could not have invented it. It took an in depth understanding of the electrical formula and it's implication which gave him the realization that such a thing called 'radio' is possible. "

The above quote is directed at those who have large sums of money and think they can 'purchase' creativity and knowledge. Unfortunately this is not the case.

Salam and Thank You Tun.

By theunsunghero  on [January 31, 2010 7:57 PM](#)

Wenger J (whoever you are) and those ardent supporters of him

Once again prove that he's not really updated with the market (how old are you in 1999? who are you in 1999? I don't know you) despite he claims that he has the so-called 'influence' in the world of currency and stock market.

First of all, you mentioned 40-48 is pure nonsense. A good debator would always put in what is wrong with 40 up to what is wrong with 48 - not simply generalize it as 'CURRENCY SPECULATION'

So, this is an IQ of a smart guy :

"You have RM 100 million ringgit. The current exchange rate is USD 1 = RM 2.

You sell RM 100 million to get USD 50 million. If there is a lack of buyers of Ringgit on the market, the ringgit moves down to USD 1 = RM 2.5.

But to get the next movement, you must sell again another bunch of RM 100 million, now you will get USD 40 million. Once again if there is no equal buyers of Ringgit on the other side, the Ringgit moves down to USD 1 = RM 3.

So the point to note is that you can only sell what you have. Speculators made this possible by offering high interest rates to Ringgit deposits in their banks."

Where the bloody hell did you get this method from? You're telling people HOW YOU do speculation. Thank you very much..now I know who is actually trying to destroy the Malaysian economy.

Tun is talking about how complex the whole market has become because of unknown tampering hands like you..who thinks that the world is in your hands. You; like Anwar Ibrahim; like Soros; loves to put your unknown hand in and disturb the country's economical performance. When Tun gets his headache. You run away from the market..giggling/laughing "Padan muka" - laughing among you with that very evil look. And you still doing it? Where are you now? Still in Eastin? Still in Carcosa? Still travelling to the EU, still meeting Anwar?

No one came forward during that time to assist Tun Dr. Mahathir not even his 'best friends' that you've mentioned. (These so-called best friends of Tun is just like you - stab his back)

But instead, you (just like his so-called best friends) 'kill his reputation' by letting him do whatever he wanted (because you wait for him to make one single mistake (to you it's a mistake, to Tun, it's NOT) and you'll start attacking). It is people like you who have manipulated your knowledge in Finance, Banking, Economy and Stock Market (which is related to one another) even Politics - yes, to beef up ICT security, you need hackers to fight hackers...but you're different, you use your knowledge to find faults and kill the market - you find satisfaction in killing the market - hence killing the reputation of Tun.

MITI is NOT the only line for information on electronics, oil, palm oil and rubber. You forget to mention MIDA; the agency MUCH MORE OLDER than MITI...

You're downgrading BNM by saying they couldn't explain how the money reentered to country - YOU HYPOTHESIZE that overseas ringgit returning to Malaysia.

Hey, ask BNM again on Balance of Payments in 1999 and the so-called hypotheses of yours before banging in saying that BNM couldn't explain...check your facts first. They HAVE records (one BNM 'big timer' is now behind bars - I sure hope BNM will sue this guy!

I always here excuses about whenever 'dirty money' coming in, the dirty money guys saying to all of us in a veto manner and trying to show off pathetically who you really are (powerful man..konon) "This is Dr. Mahathir's wish"...selling his name to justify

Why do you ask the question when you already know the answer. You don't mention known banks...Tun is mentioning UNKNOWN BANKS...ask your Carribean/Bahamas/Nassau friends 'lah'.....you have friends over there do you?

You even dare to downgrade Tun Mahathir on politics as well.

You are ONE UNGRATEFUL PERSON. Tun is explaining to us what is the REAL TRUTH not THEORIES on what is REALLY HAPPENING in the market during that time and you still come in like a school kid graduate from Oxford with a bunch of hypotheses that has even murdered the US market as I speak.

By [rarunasalam](#)  on [January 31, 2010 7:48 PM](#)

Prof-Ridicully

nice to see you think Tun M. rode his "white horse" shouting Hiyo Silver and saved the day.

Also note your lack of understanding the contributions of our former PM Tun Abdullah, and to assume he would not have been effective in managing Malaysia during the Asian Financial Crisis.

I would suggest looking not only at the pegging of the currency but overall impact of the Economy with Tun M's management during the period.

Prof...if you also look at Tun M's idea of progress - build huge development. Who cares if it's actually profitable or provides sustainable environment. We just want the big buildings and lets sink our hand into debt.

Tun Abdullah on the other hand while might not have beaten the drum and shouted out loud like Tun M, had the nations interest...

if you care to ask for facts...pls really go back and look at examples such as this "minor" news ...

<http://thestaronline.com/news/story.asp?file=/2005/3/4/nation/10324768&sec=nation>

There's more of such news if you only care to open your eyes and understand the different leaders for who the REALLY are!

(Ravi)

By [al Jaffri](#) on [January 31, 2010 5:06 PM](#)

Salam kasih dan salam hormat Ayahanda Tun.

Perlaksanaan program Klinik 1 Malaysia ini perlu dilakukan dengan bersungguh-sungguh demi untuk mencapai objektif sebenar penubuhan. Masa menunggu perlu dikurangkan dan ubat-ubatan yang diberikan juga mestilah benar-benar mampu mengubati pesakit dan bukan hanya sebagai membeli masa untuk rujukkan pesakit ke Hospital Besar. Adalah diharap PM akan memantau keberkesanan projek ini secara peribadi dan bukannya diserahkan kepada Menteri Kesihatan yang kini terlalu sibuk berpolitik dalaman parti politik beliau. Segala kegagalan atau input negatif Klinik 1 Malaysia ini akan akhirnya membebankan pengasasnya sendiri iaitu YAB PM. Namun kita perlu mengucapkan tahniah kepada YAB PM atas inovasi beliau ini. Cuma pastikan kualiti terus terjamin (al maklum budaya Malaysia).

GST perlu diketepikan sementara waktu dan kerajaan mestilah memberikan penekanan yang lebih khusus kepada NKRA dan juga pelan tindakan kerajaan untuk mengurangkan kesan balas daripada cadangan rombakan subsidi minyak negara yang bakal menjelma. Tidak ada seseorang menteri pun yang boleh menafikan bahawa tidak akan ada kesan balas seperti kenaikan harga barangan dan servis sekiranya cadangan rombakan subsidi ini diteruskan oleh kerajaan. Himpitan kos sara hidup akan memusnahkan kepercayaan rakyat kepada kerajaan.

Penekanan kepada bebanan pendidikan sekolah di Malaysia yang ditanggung oleh rata-rata ibubapa perlu diselesaikan oleh kerajaan dengan segera. Memang benar kerajaan telah memberikan sekim pinjaman buku teks secara percuma kepada semua pelajar di Malaysia, akan tetapi YB Menteri Pelajaran juga perlu mengambil tahu bahawa rata-rata kini pihak sekolah TIDAK SANGAT memakai buku-buku teks lagi. Rata-rata kami menerima keluhan yang ibubapa kini dibebani dengan beban kewangan membeli buku-buku modul/latihan untuk anak-anak mereka. Kos pembelian buku-buku ini adalah boleh dikatakan mahal daripada RM6 hingga ada sampai RM20 bagi setiap mata pelajaran dan juga bagi sesetengah mata pelajaran terdapat sehingga dua tiga buku modul yang perlu dibeli oleh ibubapa.

PERSOALAN KETELUSAN SISTEM INI: Jika dilihat daripada rata rungutan yang telah kami terima, rata-rata pihak ibubapa terpaksa membeli buku-buku modul/latihan ini seperti mana yang telah disarankan oleh pihak sekolah dan diantara sekolah-sekolah, tidak terdapat persamaan dalam edisi buku modul latihan ini. Bermakna bahawa terpulang pada pihak sekolah untuk menentukan buku apa perlu dibeli pelajar. Jika tidak membeli, pelajar akan ketinggalan kerana guru akan banyak menggunakan buku modul ini untuk latihan dan buku latihan pelajaran boleh dilihat kosong sahaja. Buku teks juga jarang digunapakai lagi. Maka apa gunanya bagi bantuan buku teks? Bukankah ini boleh mengundang rasuah? Ibubapa juga dibebankan dengan “Yuran Khas” dimana pihak sekolah atas arahan/kebenaran Jabatan Pendidikan negeri/daerah telah mengutip yuran khas sejumlah diantara RM60 hingga RM90 untuk tujuan “Khas”. Mana ketelusan? Sebenarnya, yuran ini digunakan untuk membayar penceramah undangan/pakar motivasi. Siapa kah yang memilih calon pakar motivasi ini? Bukan kah ini sekali lagi ruang untuk penyalahgunaan kuasa dan rasuah wang? Contohnya, ambil mudah sahaja: 100 sekolah dan setiap sekolah kita Cuma ambil 100 murid yang membayar RM90 untuk yuran khas ini. Maka $RM90 \times 100 \text{ murid} = RM9000$ untuk satu sekolah. Kemudiannya kita darabkan RM9000 ini dengan jumlah kasar 100 sekolah dalam kawasan negeri/daerah tersebut, dan kita akan dapat jumlah RM900,000. (RM-Sembilan-Ratus-Ribu). Bukankah ini jumlah yang besar? Tidak

wajarkah sedikit ketelusan diberikan dalam penyaluran dana ini? Adakah kini silabus pendidikan negara bergantung juga kepada penceramah jemputan/pakar motivasi luar? Bukan kah mereka ini hanya ahli perniagaan yang pandai bercakap? Dimanakah piawaian mutu kualiti dan prestasi mereka? Harap Menteri Pelajaran dapat menjawab masalah/dilemma baru ini.

Terima kasih Tun.

By sikenit  on [January 31, 2010 4:52 PM](#)

Salam Tun dan pembaca budiman semua,

1. Terima kasih Tun kerana penerangan panjang lebar yang hanya ada dalam kepala dan ingatan Tun. Such a view could only come from you as you were in **THAT** chair then.

2. Of course, pada yang kurang arif berbahasa inggeris, penerangan Tun tak akan dapat mereka fahami secara mendalam. Mungkin Tun boleh terjemahkan ke dalam Bahasa Melayu tak lama lagi. Bukannya apa Tun, isi kandungan penerangan Tun ni, perlu difahami terutamanya oleh anak-anak di menara gading yang terlalu ghairah dengan pihak-pihak LAIN sehingga lupa betapa besar jasa Tun kepada negara yang sedang mereka nikmati kemakmurannya hari ini.

3. Before I pen-off, I have one suggestion as to why Camdessus made that about-turn criticism against Malaysian financial management after he gave such heart-warming praises just months earlier....

sapa yang jadi Menteri Kewangan masa tu Tun??????????????????

Masa ekonomi elok, KAWAN tu la baguih...

Bila ekonomi tak elok, TUN la tak baguih.....

-nugde, nudge, wink, wink-

Kalau saya bersalah kerana mengata kepada **yang seorang itu**, ini ialah kerana saya dah tak tahan dengan apa yang sedang dia buat kepada negara saya dan agama saya di negara ini. Semoga ALLAH SWT ampunkan saya dan kita semua. Jaga diri jaga solat Tun berdua dan rakan pembaca semua.

sikenit

By [al Jaffri](#)  on [January 31, 2010 1:12 PM](#)

Salam kasih dan salam hormat Ayahanda Tun.

Gesaan Exco Pemuda UMNO Malaysia supaya Saudara Khairy Jamalludin letak jawatan.

KUALA LUMPUR, 30 Jan: Mesyuarat Exco Pergerakan Pemuda Umno malam kelmarin kecoh ekoran terdapat desakan supaya ketuanya, Khairy Jamaluddin berundur untuk menyelamatkan pergerakan itu.

Harakahdaily difahamkan, punca utama desakan beberapa anggota Exco pergerakan itu kerana Khairy dilihat gagal menterjemahkan hala tuju Pemuda Umno Malaysia selari dengan kepimpinan Presiden parti yang juga Perdana Menteri, Datuk Seri Najib Razak.

Seorang Exconya, Mohd Hishamuddin Yahaya dilaporkan membentangkan beberapa bukti yang menunjukkan kepimpinan pergerakan yang diterajui Khairy itu tidak berminat untuk membantu parti dan kerajaan menarik sokongan sebaliknya mengugut agar diberi jawatan.

Difahamkan, Hishamuddin mencadangkan dua usul sama ada Khairy meletakkan jawatan dan membenarkan Ketua Pemuda dipangku oleh Datuk Razali Ibrahim atau keseluruhan Exco meletakkan jawatan bagi membolehkan satu pemilihan baru dibuat secepat mungkin.

Sungguhpun mendapat sokongan tetapi tiada undian atau keputusan dicapai tetapi difahamkan dua pertiga Exco Pemuda bersedia meletakkan jawatan untuk pemilihan semula pergerakan itu jika selari dengan kehendak perlembagaan parti.

Mengikut Perkara 5.7 Perlembagaan Pergerakan Pemuda Umno, jika dua pertiga atau lebih bilangan Ahli-ahli Jawatankuasa Pemuda berhenti, maka jawatankuasa itu dianggap telah bubar dan Majlis Tertinggi bolehlah mengadakan Perhimpunan Khas Pemuda Umno Malaysia bagi menubuhkan semula Jawatankuasa Pemuda dan Majlis Tertinggi berkuasa menentukan tempoh perkhidmatan jawatankuasa yang baru dipilih itu.

Selain isu kemelut yang melanda beberapa Pemuda Umno negeri yang gagal ditangani oleh Khairy, beliau juga dianggap gagal apabila kursus Perdana Pemuda di Janda Baik hujung tahun lalu hanya dihadiri tidak sampai separuh ketua-ketua pemuda bahagian.

Kursus yang sepatutnya menjadi medan menunjukkan kekuatan kepimpinan Khairy untuk mendesak Perdana Menteri memberi jawatan kabinet akhirnya menjadi masalah besar kepadanya apabila hanya separuh jemputan sahaja yang hadir.

Pada mesyuarat malam kelmarin juga, beberapa Exco Pemuda turut mempersoalkan kegagalan Khairy menjadi suara pemuda dan menggerakkan jentera pemuda dalam banyak isu nasional yang sepatutnya dipergunakan bagi mengenakan tekanan ke atas Pakatan Rakyat.

Ada di kalangan mereka yang membangkitkan jika dahulu Khairy yang juga Ahli Parlimen Rembau berjanji mengorbankan harta benda untuk pergerakan Pemuda jika menang, tetapi setelah menang lain pula alasannya.

By khairi ali  on [January 31, 2010 9:13 AM](#)

Assalamualaikum Tun,

Most economic historians will see that what you've said is not only true, but will send the signals to the economic wizards that they should not only see the formulas and theories.

This line of understanding is important for the future of a nation. This should be the guiding principles and not just basis of economic theorem.

By [ilyasthegreat](#)  on [January 31, 2010 8:57 AM](#)

dear beloved tun,

the long entry has sufficiently enlighten me of certain issues on economics mechanism applied by the west and why they chose to go the way they did.
it was the worthiest 20 minutes that i spent this week!

just ignore wenger j. khairy because his points doesn't stand as strongly or as logical as yours tun. any malaysian would appreciate the developments of bakun, putrajaya and etc. and hey, i'm working in cyberjaya!

kudos to this blog entry about economies. god bless

By [Riza Ahmad](#)  on [January 31, 2010 2:31 AM](#)

Salam Tun,

Need to go back to the real and basic business. How? just go back to basic and we start it on our own soil. Work and earn the honest way, not by cheating or manipulating...

By [Wenger J Khairy](#)  on [January 31, 2010 2:16 AM](#)

To all the readers,

Points 40 - 48 is pure nonsense.

Let me explain to you how currency speculation works.

You have RM 100 million ringgit. The current exchange rate is USD 1 = RM 2.

You sell RM 100 million to get USD 50 million. If there is a lack of buyers of Ringgit on the market, the ringgit moves down to USD 1 = RM 2.5.

But to get the next movement, you must sell again another bunch of RM 100 million, now you will get USD 40 million. Once again if there is no equal buyers of Ringgit on the other side, the Ringgit moves down to USD 1 = RM 3.

So the point to note is that you can only sell what you have. Speculators made this possible by offering high interest rates to Ringgit deposits in their banks.

So it takes 2 hands to clap.

Who were these people who placed the Ringgit deposits in the foreign banks? Ask Tun, some of them maybe his best friends.

To prove it is so simple. Bank Negara publishes something called the Balance of Payments which tracks money flows into and out of the country. All Central Banks must do this.

The first line item is called the Export of Goods and Services. It shows how money enters the country via the sale of things such as electronics, oil, palm oil and rubber. MITI, publishes a similar stat, that breaks down this number into the industries. Usually these numbers agree with a small % difference. In 1999, the difference was huge - RM 50 billion. What it meant was that Bank Negara could not explain how this money re-entered the country (via export). I can only hypothesize that it was the overseas ringgit which had been placed there by Malaysians returning to the country.

Tun also mentioned that banks can lend up to 30x their assets. Even with securitization this is hard to believe. Which bank lends 30x their assets? If Citigroup who has USD 2 trillion in assets, lent 30x their assets, then they would have lent USD 60t or basically lent out the entire worlds GDP.

He is probably meaning lending 30x their equity which has 0 to do with their deposit and asset base.

A lot of basic errors shown by Tun Dr Mahathir in his understanding of finance, which is made even more surprising since he was Minister of Finance. That is the biggest problem in Malaysia, people are not qualified are promoted to positions of responsibility.

Tun should stick to writing on his views on racial and religious politics. I will not comment there because Tun's politics is essentially a 0 sum game and Tun has proven to be one of the best in the world at playing this.

By kaziaq  on [January 31, 2010 12:17 AM](#)

Salam Tun,

Mungkin yg nie terkeluar topik sikit.

Apa dah jadi dgn pengumuman Tun utk menyenaraikan Felda dalam BSKL pada bajet 2004. Lepas Tun bersara Pak Lah kata nak buat kajian sebab ada rungutan. Sekarang dah 6 thn tak da berita pun. Tak pasti samada suka2 cakap kaji atau tak jadi listing.

Harap tun boleh ulas dah blog tun

By [DAYAK THINKER](#)  on [January 30, 2010 8:43 PM](#)

I have always admired you Tun. Everyday I wish you would be able to do something on the current government. I enjoyed your time when you were still in charge because you knew that if you increased the oil price, everything would collapse. You were being very thoughtful. I wish you were back.

<http://englishonlineforyou.blogspot.com>

<http://borneotruewonders.blogspot.com>

By prof_ridcully  on [January 30, 2010 6:24 PM](#)

Salam Tun,

Thank you so very much for this write-up. I sincerely admire your clarity of thought and your ability to distill complex issues into "bite-sized" parts so that lesser mortals like me can come to grips with what is essentially a problem that is already difficult to understand by itself, without having this difficulty compounded by "opinions" and "advice" from "financial experts" writing in the financial press and in the form of TV talking-heads, etc that obscure rather than inform.

I am grateful that you were PM during the Asian financial crisis. I shudder to think what would have happened if your narcoleptic successor had been in charge during that crisis.

It makes me smile when well-groomed, fast-talking, usually young, female or male "financial" correspondents, no, experts, analyse the current crisis on CNN or MSNBC and spout their, presumed to be well-thought out -- by their hard-core viewers, anyway -- but usually completely nonsensical, verdict on the causes and effects of the present crisis.

Because, it seems to me, even the distinguished academics at the London School of Economics had problems explaining the genesis of the crisis.

It was reported by several UK newspapers including the [Guardian](#) that on her visit to the LSE, the Queen took the opportunity to ask the august assembly of economists and financial experts teaching at the LSE why no one had foreseen the present crisis.

Apparently it took the professors, one of whom serves as a member of the Bank of England monetary policy committee *six months* to come up with an answer for Her Majesty, and not before organising a seminar addressing the the Queen's question at the British Academy.

In their [letter](#) to the Queen the participants of the seminar, some 33 strong, according to an [LSE article](#), said, *"most were convinced that banks knew what they were doing and believed that the financial wizards had found new and clever ways of managing risks...It is difficult to recall a greater example of wishful thinking combined with hubris."....."Nobody wanted to believe that their judgement could be faulty or that they were unable competently to scrutinise the risks in the organisations that they managed. A generation of bankers and financiers deceived themselves and those who thought that they were the pace-making engineers of advanced economies."*

Further they add, *"This, combined with the psychology of herding and the mantra of financial and policy gurus, lead to a dangerous recipe. Individual risks may rightly have been viewed as small, but the risk to the system as a whole was vast."*

Not very complimentary to bankers and financiers of all stripes, this report.

I am not sure what the Queen said to her private banker, but it seems that this report supports your contention, Tun, that governments have a very important role to play in regulating the actions of bankers and financiers. Leveraging by hedge funds, lending to people with very poor credit risk ratings, banks' balance sheet hocus-pocus, the veracity of credit rating agencies, the rotating door policy of appointing ex-bankers/ex-financiers to government posts such as Secretary of the Treasury, etc, all ought to be regulated, watched or avoided.

Another important lesson [outside the ambit of the British Academy report], but perhaps relevant to those who like to watch the financial news, especially the American ones, on TV, switch channels -- the opinions of presenters are no better than that of astrologers.

By bersia-sia  on [January 30, 2010 5:50 PM](#)

Tun, I agree that Western bankers have abused the banking and monetary systems, but the West still has industries like arms and weapons development, aircraft and ship building, architectural know-how (who did you hire to lead the design of the Petronas towers?), advanced chemicals and metallurgy, advanced electronics, computer software development, couture fashion, luxury foods and wine, research into cell and molecular biology, space and aeronautical research and development, entertainment (Hollywood, TV, music, etc), pharmaceuticals, tourism and tertiary education. They might export some of the labour required for these industries to other countries but the patents, ideas, copyrights and large share of profit is still owned by them.

Sure, China, South Korea and India are catching up, but how long will it take for them to be the leaders? Even Japan hasn't fully caught up with America, the major contributing reason being the dominance of the English language and Western culture. Perhaps one day we will see Western nations gobbling Japanese fastfood, watching Indian movies and TV and using their software,

employing Korean architects and engineers, sending their kids to Chinese universities and copying weapons and electronics designs from Taiwan. Perhaps...

By azlan95  on [January 30, 2010 5:27 PM](#)

I'd do it again - Blair on Iraq

Why would Mr. Blair even care? Afterall it is Iraq, not Britain.

Azlan
KL

By [faisal admar](#)  on [January 30, 2010 5:06 PM](#)

"National savings at 40% plus was the highest in the world and the reserves could sustain 4½ months of retained imports. The Ringgit was strong and steady - being valued at about... 2.5 to 1 USD for most of the time."

Suppose our current RM won't be weaker like now :(Can we still dream that we'll be a well-developed country in 2020?

By ca_lead  on [January 30, 2010 2:30 PM](#)

Ybgh Tun,
Terima kasih dan teramat dihargai. Akan senantiasa menghargai dan mengenang perkhidmatan cemerlang Tun.

("Diakui dengan pembatalan projek itu oleh Kerajaan Persekutuan, rakyat Negeri Selangor akan rugi, tapi tidak pada Kerajaan Negeri, kerana tanah tersebut boleh dibangunkan dengan projek lain")

Ini pun satu bentuk pertumbuhan ekonomi.

Mendoakan senantiasa kesejahteraan Tun sekeluarga.

By [samuraimelayu](#)  on [January 30, 2010 12:45 PM](#)

SALAM KASIH DAN SAYANG
AYAHANDA RAKYAT TUN
IZINKAN,

By Wenger J KhairyAuthor Profile Page on January 29, 2010 1:34 PM

Dear Tun Dr Mahathir,

Finally you talk about the crisis. Great.

FYI I am a Chemical Engineer by training but due to the "simplistic model" your administration sprouted on the economy, I had to study economics to rebutt and destroy all this lies you are saying.

...BENEATH THE 'LIES' LIES THE FOUNDATION FOR AN INTELLIGENT BUT 'D.U.M.B'
(DERANGED UNGRATEFUL MUDDLED BRAINS) WENGER J KHAIRY OF THE

OPPORTUNITIES TO BE A CHEMICAL ENGINEER AND STUDY ECONOMICS AT THE SAME TIME.

AND ALL OF US(G.SOROS INCLUDED) HAD TO ACKNOWLEDGE THAT AYAHANDA TUN'S 'LIES' HAVE SUCCESSFULLY 'PEGGED' THE CURRENCY TRADERS FROM DEVALUATING THE RINGGIT ANY FURTHER.

PERHAPS, WE CUD SEEK THE 'DUMB' CHEMICAL EXPERTISE TO PRODUCE 'C4' AND HIS KNOWLEDGE IN ECONOMICS TO FACILITATE THE CURRENCY TRADERS...???

KITA DIPERSIMPANGAN DUA DARJAT...NAFSU DAN IMAN YANG MANA SATU NAK DIUTAMAKAN?...FIKIRKAN LAH.

BERHEMAH LAH BILA BERTUTUR DENGAN NEGARAWAN ULUNG YANG TELAH BERJAYA MERENTAS GELOMBANG HIDUP NYA DAN KEPIMPINAN NYA YANG TELAH MENGANGKATKAN MARUAH BANGSA DAN NEGARA KE SATU TAHAP YANG DIHORMATI DUNIA.

HANYA KEPADA ALLAH SWT KAMI MEMOHON LIMPAHAN ZAT SINARAN KASIH DAN SAYANG KEPADA AYAHANDA SEKELUARGA DAN SELURUH RAKYAT MALAYSIA.

ALFATIHAH, AMIN.

By Alan  on [January 30, 2010 12:31 PM](#)

To mok9929, I think you hve rocks in yr head. This thread is on international finance and you are talking abt 'ketuanan' politics. So irrelevant!! And out of context!!

Wld you wear a pyjamas to a cocktail dinner???? And you didn't use yr real name either! Stop being a pot calling the kettle black!! And this forum site is for relevant discussion too. Stay in context!

Tun, I found yr capital control in 97 stifling but it worked. Yes, there were many who criticised you but yr action worked! These critical measures were meant for critical times. Like ISA, many had criticised but so did these Western countries enacted their Patriotic Act and etc.

By Alan  on [January 30, 2010 10:50 AM](#)

Tun, thank you for the contribution. It was very noteworthy and informative.

Tun, you were well respected by many Asians before the 1977 crisis and was able to speak out against the major leaders with logic and valid reasoning. LKY only has vision for Singapore but you had both vision and feistyness.

It back-fired when you insistingly accused Soros of manipulating our currency ringgit. As a matter of fact, Soros had a hand in it. I was working as an intern then, in Hong Kong when Soros and his entourage came in. As soon as they arrived, red flags were put up to watch his whereabouts, his contacts and predict his intentions. HK's Central Bank were also put on notice or high alert and GS capacity were lowered to protect the HK's dollar. With lower leverage, Soros and his 'bandidos' were limited to such an extent tht they were able to play the FX but not

enough to influence and decimate the HK currency. GS was like with a gun without enough ammunitions and cld not totally influence the currency.

Question here is, why weren't the staff in Bank Negara told preventive action to limit our exposure? I analogise this way Tun. If a terrorist disguised himself as a tourist, were to come into Malaysia, I am sure the Special Branch wld have this tourist followed and watched over. Currency manipulation is valid and legal, otherwise GS wld be in jail. Am I right? Therefore by the fact tht he was given the freedom to manipulate our currency and decimated our economy, whether knowingly or unknowingly, it is definitely not the fault of GS but ourselves. It's like having yr house doors totally open when no one is at home. It is, again, no one's fault but our own.

Now, to blame GS again and again and not have taken pre-emptive action is our own making. FX is GS's profession and is also legal. By shouting this time and time again across whole of Asia, everyone else (apart from uneducated persons) thought you have lost your marbles and therefore lost your support, outside of Malaysia.

I like your feisty-ness Tun. But carry out with facts and reasoning and most important smartly. You could have made a difference by making a stand against the Western powers. By playing yr cards right Tun, you may even and could have replaced Ban Ki Moon and lead the UN and change the world, even for Palestine. So pls stop harping on old tunes and make a difference for mankind by speaking sensibly!!

By amin tan  on [January 30, 2010 6:49 AM](#)

Dear Tun,

I salute you for such clear and concise explanation of the Modern Economics. I believe you are second to none in the clear understanding of the modern Economics. I am of the opinion that the explanation of yours should be a compulsory reading for all Economics students of the world. It should definitely be published into a book to be used as text by all Economics students, no joke.

To fellow commenter, Wenger J Khairy, if Pak Lah is so good, how come BN lost 5 states under his watch? He raised oil price and toll almost double 2 months before election and gave salary increase and huge subsidies after election. See how smart he is. People hate the government for the hardship of oil and toll increase not because the government is corrupt or the voters loved the Opposition. They hated the stupidity and insensitivity of unreasonable oil and toll increases. I suppose Pak Lah tried to accumulate huge fund to finance his empty corridors. He was obsessed with corridors copied from Multi Media Super Corridor. An islamic studies graduate became Minister of Finance. He wanted to balance budget all the time. He thought national finance is the same as individual budget. He didnt understand jobs creation. But Pak lah is such a nice man.

amin tan

By [rarunasalam](#)  on [January 30, 2010 6:14 AM](#)

Tun. M et al

1/ care to have a read of this article republished by Time Asia in 2003...It was originally published in June 15, 1998

<http://www.time.com/time/asia/2003/mahathir/mahathir980615.html>

Tun. M - what are your comments in reference to how leading Asian personalities have commented about your strategies (note, not Western, nor European, but our very own Asian ...)

2/ Also, you did not reply what influence you had into Petronas acquiring Perkapalan stake in what you termed as a fair "buy". Did you call it fair because it was what you felt needed to be done to help your son?

Is this why you replaced the Governor of Bank Negara following his advise against it?

3/ All those calling out for facts about Tun M. - for crying out loud...open your eyes...it's there for all to see.

You can keep chanting your Mantra that Tun M. saved the day - that's your right to be "katak bawah tempurung"...

(Ravi)

By zemmy_azli  on [January 30, 2010 4:26 AM](#)

Assalamualaikum,

Ke hadapan tun dr mahathir mohamad.

Saya amat hormat dengan cara bagaimana tun menangani krisis ringgit pada 1997. Tindakan tun ketika itu menunjukkan dengan jelas ke'hero'an tun, syabas dan terima kasih.

Majoriti sebenarnya masih tidak faham dan mengerti apakah sebenarnya kejadian di sebalik semua itu, cuma, ia la, kesannya masih dirasai sehingga ke hari ini di mana anak anak remaja pada hari ini tidak dapat lagi membeli seluar jeans levi's atau kasut sukan nike semurah tahun 1996 dulu. Tapi takpe la, yang penting negara masih bermaruah, itu yang paling penting dan amat penting sekali, apa ertinya hidup kalau negara tergadai kan, biar putih tulang, jangan putih mata.

Sekian untuk kali ini, terima kasih sekali lagi tun.

By Mike Billington  on [January 30, 2010 3:10 AM](#)

Excellent review of the crisis situation -- the recovery talk is indeed a total fantasy to cover for the continuing criminal and hyperinflationary bailout of the global gambling casino known as derivatives. I would make one correction to your report -- you have chosen to leave out the one source from 1997-98 who emphatically DID place the blame on the British imperial speculators, and George Soros in particular -- Lyndon LaRouche. You yourself made this clear in your Jan. 22 1999 interview in Executive Intelligence Review, conducted by my wife Gail Billington, and, as you recall, the Asian Wall Street Journal chose to report on their front page, on the day of your famous speech to the IMF in Hongkong in September 1998, that EIR's report on George Soros seemed to be in everyone's hands in Malaysia. This is especially important in the current crisis, because LaRouche was also the only political figure to warn that the Paulson/Geithner bail

out of the banks would destroy the United States and the world economy - a fact that is finally being recognized. There is no solution to this collapse other than the immediate implementation of bankruptcy reorganization of the banking system as a whole, as FDR did in 1933, and reinstituting the fixed exchange rate policies of the original Bretton Woods System - a proposal which you also endorsed in your interview with EIR. This would immediately dump the derivatives and the hedge funds, along with most of Wall Street, into well-deserved oblivion, and allow the world to return to productive investments in industry, agriculture and infrastructure. You note in your blog that "It would take another worldwide crisis before the west would consider dismantling their banking, monetary and financial system." In fact, the current crisis is expanding rapidly, and will not end until a new creditary system comes into being. Be assured that the crimes of Geithner, Bernanke and Summers are now exposed to the public, and, if and when we can force their ouster (perhaps British puppet Obama with them), that there are leading economists cooperating with LaRouche who are ready to take over and implement the required emergency measures. It will go one way or the other, to hell or to a renaissance, in the immediate weeks ahead.

By Onlooker  on [January 30, 2010 2:10 AM](#)

Tun,

The truth is that business cyclical changes are the effect of market correction in response to economic excesses. Lee Kuan Yew of Singapore and several former heads of Central Bank of mainland China know very well about this truth. Therefore both Singapore and mainland China rely on macro-economic control instruments such as controlling the interest rate and controlling the currency exchange rate in order to monitor the overheating of economic activities in the economy. Of course, if a policy maker wants to regulate the market in order to prevent economic excesses, he must make sure that he has got at his disposal the proper ways and means which are sufficient to sustain the economic growth even after the introduction of a new measure with his change of policy. That is probably the main reason why Singapore and mainland China keeps amassing a huge sum of international reserves even during a time when there are a lot of foreign hot cash flowing into their economy.

On 29 Jan 2010, The Malaysian Insider had this news: The White House hailed report of 5.7% economic growth in the fourth quarter of 2009 as "the most positive news to date on the economy" and said the Obama administration's focus must remain on job creation. This news is encouraging because it shows that the U.S. economy is still a highly resilient economy. Therefore American economic excesses can be corrected within the foreseeable future.

Perhaps some economists may have held the opinion that merging the markets of several nations under a common currency, such as the example of Euro, may be the solution to prevent over-excessive speculation activity on the currency trade. However, I am of the opinion that European Common Market is still not lack of danger of a possible speculative attack on Euro currencies, simply because too many cooks will tend to spoil the soup. Spain, Greece and Italy are three nations of big worry due to the high borrowing and the mis-management of economy by their respective government.

Most economic activities, except for fortune telling business, revolve around confidence. If the market has confidence in the prospective economic performance of a nation, then the foreign direct investment will quite likely come in to seek for the lucrative money-making opportunity. As for Malaysia at the moment, what is most imperative now is for the Prime Minister Najib to

focus on job creation in order to boost up the market confidence. PM Najib should not waste too much of his time in playing politics with the Opposition by the attempt to cede state ruling power from Pakatan Rakyat in Perak and Selangor. This is because the score of Najib's Key Performance Indicator will very much depend on how well he can manage to curb the unemployment rate at a minimal level.

By pppz  on [January 30, 2010 1:57 AM](#)

Salam YAB Tun,

Penerangan yang amat menarik dan berguna kepada semua yang masih kurang faham tentang krisis kewangan yang telah melanda yang melibatkan pelbagai pihak termasuk kita semua.

Sistem perbankan dunia yang sedia ada sekarang ini boleh diumpamakan sebagai sebuah pokok yang besar tetapi hanya menghasilkan buah yang tidak baik.

Pedagang-pedagang matawang hanya merupakan sebahagian daripada dahan-dahan atau daun-daunnya sahaja. Begitu juga beberapa produk-produk baru yang telah dicipta oleh institusi kewangan seperti kad kredit, buku cek, saham, dsn.

Pokok besar ini telah terbukti beberapa kali dalam sejarah memudaratkan kita semua maka wajar ditebang terus bukan hanya dicantas dahan-dahan atau daun-daunnya sahaja.

Walaupun pokok tersebut besar dan rendang, ia terpaksa dimusnahkan sebab kita amat kuwatir sebab ramai yang berlindung dibawahnya akan terpesong akidah mereka kerana akan mula menyembah dan memujanya kerana mabuk buahnya.

Wassalam.

By Nothing But Wind  on [January 30, 2010 1:26 AM](#)

Dear Tun Dr M,

Currency and Economic crisis seem to be seasonally emerging for us to face. No matter all the countries around the globe need to face it and need to withstand its intense fury. However, the rich countries usually survive the crisis. It is the poor countries that get severely whacked and succumb to the attack. Surprisingly I notice that there is a pattern in the above crisis i.e. it takes place at an interval of 10 years and in the year ending around 7. If we could remember the recent years we could notice it took place in the years 1987,1997& 2007.

What seem to be the cause of today's Currency and Economic crisis. Many give so many probable reasons for it. However, we could simplify all those reasons into 3 i.e. Greed, selfishness and Power crazy of the rich and the rich nations.

By razak  on [January 30, 2010 1:17 AM](#)

Assalamualaikum w.b.t Ayahanda Tun dan isteri serta famili. Semoga dilimpahkan rahmat oleh ALLAH S.W.T

Wall Street was named after a wall that kept animals from wandering away from settlement at the tip of Manhattan. The farming legacy lives on the language of traders. 4 animals term was normally used in Wall Street- bull, bear, hog and sheep. Bull make money, bear makes money but hog get slaughtered. The Bull is a buyer - who buy stock at low price and then sell at higher

price, the different of price times by how many lots he buy, that is his profit. He bets in the uprising market. The bear is a seller - a person who bets on a decline and profits from a fall in prices, this guy bets on. Hog is a trader who is greedy in trading, normally get slaughtered when their buy or sell position bigger than the capital they have. Sheep is a follower of trends, tips or gurus. This is how they started all well known type of trading such as forex, futures, commodities, stock market, hedge fund and many more.

I saw the big problem will occur when ordinary Malaysian people start to trading in forex or other market overseas. By using internet, our money easily flow to overseas when we open account by internet. In trading, if u win or lose, the money still flow through investment company commission and slippage. Is there any means by Bank Negara to protect our money from this trade? I'm not argue about investment bank doing trading in forex because they have done thorough research and professional team, big capital and risk/reward carefully analyse, but by individual which like "timun and durian, digelek luka, menggelek pun luka". Wassalam.

By FXSpec  on [January 30, 2010 12:45 AM](#)

Dear Tun

So, finally Pak, sorry Tun Lah (TL) finally came out of hiding to take pot shots at you with an almost equally lengthy comment as your posting above via his proxy who went by the moniker Wenger J Khairy (?!). According to WJK: "[F]or example in 2008, we could sustain a capital flight of approximately RM 80 - 100 billion without a single bank having any problem what so ever".....Huh? That was at least a 7 on the richter-scale earthquake equivalent if you ask me.

But hey, this is a stunning admission from TL.....now we know where part of the RM270billion Petronas money - that Tun (M) had been asking umpteenth times - went to.....to finance the capital flight of RM80-100billion. No wonder we never realised what was happening then....the impact was amply cushioned by the thick wads of RMs.

Was that a great achievement on the part of TL as WJK claimed??? Or was TL just lucky that Petronas was around with that kind of money to quietly bail him out? Weren't we all lucky too? We could all have been suddenly impoverished, you know! Except that we (I mean us laymen) never knew there's that much oil money sloshing around and we never get to spend them for greater and sustained growth of the economy.

Now, where's the balance of say RM170-190billion (after deducting 80 - 100b from 270b)? TL not explaining. For that reason alone I'm afraid we were taken to the cleaners - so quietly we never did realise it and still wondering what's the hell happened....to the money - or am I just speculating here?

Oh yes, talking about speculation, let me ask a question: Was the pound sterling's steep devaluation in 1990 caused by the highly-leveraged speculative short sellings undertaken by the likes of Soros & co. or was it the other way around ie. Soros & co. speculated (after due analysis) that the pound was on the brink of a steep devaluation, immediately undertook highly-leveraged short sellings of it and thus profited handsomely when the sterling eventually collapsed as (correctly) predicted? An intellectually honest answer very much welcome from all who cares to do so. Hopefully, it will improve further our understanding of what actually are financial speculations, manipulations and out and out gamblings?

Whatever....the short cut is to just invoke the catch-all "self-fulfilling prophecy" thesis.

By [Rimba Emas](#) on [January 29, 2010 11:49 PM](#)

SALAM BUAT TUN BERDUA MOGA DIRAHMATI ALLAH S.W.T.

1) SEBAB ITULAH ALLAH S.W.T MENGHARAMKAN RIBA KERANA IA MELIBATKAN BUNGA. KALAU KITA KATA KENAIKAN GAJI BERASASKAN PRODUKTIVITI MAKA UNTUK MENAIKKAN BUNGA KENALAH ADA PENAMBAHAN KEPADA ORANG YANG DIKENAKAN BUNGA ITU.

2) DALAM BAHASA YANG LEBIH MUDAH, BUNGA TIDAK BOLEH BERGANDAAN DARI SATU BENDA YANG DIMILIKI SI PEMBELI. SATU BUNGA KEPADA SATU BARANG. DUA KALI BUNGA MESTILAH DUA BARANG KEPADA PEMBELI.

3) DALAM KES SUP-PRIMA SEKARANG, ADA PENIPUAN TERHADAP PELANGGAN DENGAN MEMBERI KAEDAH MUDAH SEBALIKNYA TIADA PENGGURANGAN BUNGA. CONTOHNYA KADAR BUNGA TINGGI 12% DIKENAKAN PADA BULAN KEEMPAT, WALAUPUN PADA AWALNYA DIBERI TIGA BULAN TAMPA BUNGA DIKENAKAN.

4) NABI MUHAMMAD S.A.W MENGGAJAR KITA SEPERTI YANG TERTULIS DALAM AL-QURAN BAHAWA ALLAH S.W.T MENGALAKKAN KITA LEBIH BERAT KEPADA SIFAT BERSEDEKAH DAN JIKA INGIN MENGENAKAN UPAH, PATUTLAH BERSEDERHANA DAN ADA KEADILAN ANTARA PEMBELI DAN PENJUAL.

5) UNTUK MEMBANTU ORANG MISKIN MAMPU MEMBELI ADALAH DENGAN MEMUDAHKAN CARA DAN DIKUTI DENGAN KADAR BUNGA YANG TERENDAH SEKALI IAITU ATAS SEDIKIT DARI PERCUMA SEPERTI YANG DIBERI OLEH ALLAH S.W.T KEPADA SEMUA MAKHLUKNYA.

6) BEGITU JUGA DENGAN MASAALH EKONOMI YANG TERDAHULU IAITU MATA WANG. KETIDAK SERAGAMAN MATA WANG ANTARA SATU SAMA LAIN AKAN MENYEBABKAN KETIDAK ADILAN DALAM NILAI PEMBAHAGIAN BARANGAN DAN PERTUKARAN WANG.

7) BERBAGAI CARA TAKTIK PENIPUAN AKAN DILAKUKAN SECARA RAHSIA UNTUK MEMBERI TEKANAN DALAM URUSAN JUAL BELI BARANGAN DAN TUKARAN WANG BILA TIADA KESEIMBANGAN NILAI MATA WANG DALAM URUSAN JUAL BELI ITU.

6) BAYANGKAN JIKALAU SEMUA MANUSIA INI TAKUT KEPADA ALLAH S.W.T DARI MENGINKARI ARAHAN SUPAYA HANYA KEUNTUNGAN 1% SAHAJA DAN YANG MELANGGARNYA TERUS DIHUMBAN KEDALAM NERAKA. ADAKAH BOLEH TERKAWAL SEDIKIT?

7) NAMUN MANUSIA SESUNGGUHNYA DEGIL DAN MEMANG BETUL MENGIKUT NAFSU SEHINGGA NABI MUHAMMAD S.A.W PERNAH MENGGAMBARCAN DALAM PERISTIWA ISRAK MIHRAZ AKAN KEADAAN MANUSIA YANG DI DALAM NERAKA.

8) KALAU BEGINILAH CARANYA MANUSIA SETIAP ZAMAN SENTIASA AKAN MENGHADAPI PUTARAN MASALAH EKONOMI SEPERTI JUGA BUMI YANG TERTIP BERPUTAR SEHINGGALAH KEHENDAK ALLAH S.W.T YANG AKAN MEMBERHENTIKAN PUTARAN UNTUK MENGADILI SEMUA MAKHLUK DI BUMI INI.

WALLAHU'ALAM

By andrewtay  on [January 29, 2010 11:13 PM](#)

Salam Mr Mahathir

To Wenger J Khairy, that was a great article i have to say. Unfortunately Mr. Wok didnt like it. Maybe its hard for his simplistic mind to comprehend. Dont worry Wok, we dont blame you.

I am particularly interested when Wenger J Khairy mentioned about the inflation rate in Malaysia. I have heard it from relatives and friends back home in Malaysia that the government has claimed that the Malaysian inflation rate is low and it is carefully monitored. But ordinary Malaysians are complaining about the prices of essential goods like sugar, rice, wheat and what not. But still, the Government denies this absurdity.

If you have been away from home for 3 years, you know Malaysians are poor comparatively to other countries. Malaysian GDP(nominal) per capita, which gives a good picture of our standard of living, is about USD 8000 while Singapore has a GDP per capita of USD 39,000. Australia has a GDP per capita of USD 46,000. Why are we so proud of where we stand? Megaprojects which Mr.Mahathir built did not exactly help to yield a justifiable income for the economy.

Inflation in Australia and Singapore are moderate. They get high paying wages (regardless the exchange rate to RM) and raw food items in supermarkets are cheaper than what Malaysians are paying. It shows that RM lacks the purchasing power. To illustrate on the problem, a liter of gas in my suburb is around AUD 1.25 while an average full time adult pay in Australia is about AUD 23 PER HOUR (about RM70 ringgit per hour). A litre of gas in Malaysia is around RM 2 (please correct me if im wrong), and i dont think an average pay in Malaysia is even RM 20 per hour.

If you think living in Malaysia is all about Malay supremacy, land title, NEP and Islam, you are wrong. Its the globalised era, its international competition. Its, "if you dont do a good job, your boss may replace you with an Indian migrant" era. Only in a competitive environment, that your success is revered and respected. Spoon feeding will only last as long as there is a person feeding you. Take a way that person, you may never find out how to use a knife.

If you think Dr. Mahathir has helped to promote Malaysia at the international stage by megaprojects and what not, it isnt working. I have met more Australians who know what is Singapore as opposed to Malaysia. Sometimes i have to lie to them by saying Malaysia is a part of Singapore to get out of the awkward situation especially when teenagers are asking. And the Malay race remains virtually unknown and alien to the Western countries. They know more of Singaporeans, Koreans, Chinese, Japanese and Indians. You think im lying?? Go to any Western

countries and find out. Realise the major void in your life. Experience labour rights, civil rights and high tax rates haha.

Maybe one day, we will be known as Malaysians but beforehand, we have to forget about our stupid history and racial conflict and be united under one flag, the Malaysian flag.

By [al-Din](#) on [January 29, 2010 11:08 PM](#)

Globalisation, free market, free world, democracy and communism are examples of grandiose schemes underscored by theories full of assumptions. Given the world conditions thus imperfect and forever changing, the stipulations cannot be met to the liking.

To the so called free world communism is a justification for sanction. Hence, embargo becomes a WMD. The after effects are debilitating and communism kneels to 'democracy'. Democracy becomes the pillar of humanity! What stop the proponents from hijacking democracy as they seem fit to their advantage?

The practice of so called free market has become intractable to the proponent themselves. Hence, when the sub-prime bubble burst, the proponents must insist to the world that the problem is being overcome, the economy is strong and the dollar is stable.

To get out of the financial abyss and trillions of debt:

- i) control the oil flow of Saudi, Kuwait, Iraq;
- ii) destabilise the world and sell more weaponry;
- iii) invade Iraq, Iran and control their oil;
- iv) play threatening big brother to China, Japan, South Korea;
- v) play protective big brother to Israel for Jew money;
- vi) crusade and subjugate the Muslims;
- vii) manipulate UN, IAEA, IMF, World Bank, NATO to their whims and fancies.

These are but part of the broadly apparent strategies affecting countries like us. The hidden strategies are yet to moul if ever.

By [hannibalceno](#) on [January 29, 2010 10:33 PM](#)

salam tun...

bagi saya, bukti paling mudah ubat tun kasi tu mujarab untuk krisis ekonomi masa tu ialah rakyat tak mengeluh macam sekarang...

memang ada barang naik tapi semua boleh terima...

memang duit jatuh.. tapi kakitangan kerajaan tetap ada bonus...

memang gawat...tapi rakyat tak takut sebab tau ada ubat mujarab...

orang yang kritik tu memang pendengki sebesar dengki....

kalau pandai sangat ambik la ilmu dari tun...

tambah la dengan apa yang anda belajar...

cuba ubah ekonomi sekarang...

sayangnya ilmu di 'u' sekarang banyak asal dari western/yahudi..

jadi memang akan menguntungkan depa ja...

jangan asyik bangkang saja...

kalu dok bangkang saja bila nak abis bicara da...
bila nak maju da...

yang kutuk tun tu, baru belajar sikit dah terasa bongkak....
tolong la ingat...
ilmu ALLAH ni bukan datang dari buku semata-mata...
bukan dari universiti semata-mata...
sayang univeristi sekarang dah malu nak mengaku ilmu boleh dapat di mana-mana...
ni sebab ada yang masuk "u" dah bongkak, riak....
berlapang dadalah...
tunjukkan sikap anda setinggi ilmu anda(itupun kalau tinggi ilmu la)..

mereka ni (orang dengki ni)memang macam cerita pembesar singapura yang dengki kat hang nadim tu...

semoga apa yang tun buat mendapat ganjaran yang besar dari ALLAH...
sekian...
jaga diri tun...

By orang kampung  on [January 29, 2010 10:04 PM](#)

Salam Tun yang di hormati,

1. Krisis akan timbul bila perancangan yang di buat tak menjadi, bila ada halangan yang tak dapat di atasi, bila ada kesilapan tak di perbetulkan, lama-lama tak boleh tahan dan akhirnya meletup.
2. Memang kita rasa marah dan bengang bila perancangan kita tak menjadi, bila ada halangan yang tak dapat kita atasi, bila kesilapan di buat oleh anak-anak sendiri, nak marah sayang sekali, akhirnya kita semua yang rugi.
3. Jadi, cam mana kita nak buat.
4. Kita salahkan semua orang kecuali diri sendiri, kecuali anak-anak sendiri, kecuali sanak saudara sendiri, kecuali sahabat-sahabat sendiri.
5. Kita juga marah bila orang lain tak ikut cara kita, orang lain tak setuju cara kita, orang lain ikut cara dia.
6. Kita juga akan meradang jika orang tak puji kita, tak sanjung apa yang kita buat dan kata, tak terima kasih apa yang kita dah laksana selama ini.
7. Kita juga akan kata orang selalu lupa diri, tak tau nak kenang budi, tak tau nak hargai apa yang di beri.
8. Siapa lah kita ini.
9. Perlu kah kita di puji, perlu kah kita di sanjung, perlu kah kita di hargai.
10. Walhal semua itu adalah tanggungjawab kita sendiri.

By Rainbow Warrior  on [January 29, 2010 9:36 PM](#)

Apologise for my oversight. Beta is covariance of changes in stock price to changes in market index divided by variance of the market. All praises to God that does not sleep and does not forget!

By Rainbow Warrior  on [January 29, 2010 8:17 PM](#)

Salaam Tun,

I really don't know what all the fuss was about. I am glad that you stuck with your Vision for 22 years - how to achieve if you keep changing CEOs? And you also stuck with us and only handed over towards end 2003 when it was clear that Malaysia would come out of moderately indebted to less indebted as per World Bank classifications (as it did in 2004). A heartfelt THANK YOU from a humble citizen of Malaysia.

As far as I recall, when exchange controls were implemented in Malaysia, George Soros wrote in his book Open Society: The Crisis of Global Capitalism (1998) that Malaysia had embarked on a "Beggar Thy Neighbour" policy. Don't know why - after all USA had done the same thing in 1965, and one wonders whether IMF's policies worked in Indonesia - e.g. District Autonomy - how would one go about creating a national transshipment hub without Federal policy? And how would one fund projects backed by District's resources rather than sovereign guarantee? Imagine Sumatra with not enough and logistically distributed domestic market ...

However, Soros was gracious enough to revise his opinions in the 2000 revision of the book and finally gave Malaysia a pat on the back.

You know Tun, hope you don't mind me saying so, when you called for regulation of international settlement system way back then, if I am not mistaken Soros had recommended it in his book Alchemy of Finance (1994) where he was experimenting with various markets - stocks, debt, commodities, property, forex and showing its results to prove his Theory of Reflexivity i.e. that the market has Herd Mentality. I suppose Sterling bore the brunt of his experiments!

It's probably true depending on the mix between institutional and individual investors. One would have hoped that institutional investors having better access to information and analysis would have balanced the market as opposed to the speculating individuals (albeit some individual investors do have long term portfolios of investments). Getting rich quick is not the answer - although Australian superannuation funds tended not to outperform the market because they were the market (Markowitz showed that no added diversification can lower the portfolio's risk for a given return expectation - and this is with around 25-30 stock portfolios) - reasonable and reliable profit is more stable for everyone than the gains and losses of speculation. God did tell us not to gamble with arrows! (technical analysis as opposed to fundamentals?)

It is unfortunate when institutional investors are involved in speculation, wonder whether they were in the 2008 oil crisis - crude oil rose to around USD147/bbl in July and fell to around USD34/bbl in December - ironically World Energy Outlook 2007 had predicted oil prices going up to USD100/bbl only in 2030!

Wonder what future financial crisis can be avoided if beta (correlation of stock prices to market index movements) for equity valuations were based on longer-term historicals than they are now - given most governments' 5-year plans, there are bound to be 10-year economic cycles - during bull run we go by gung-ho catch-up growth plan, the economy overheats with current account

deficits, then correction in "cangkul" year (X7) followed by recovery plan in the Mid-Term Review of the "second-half-of-the-decade" plan. Maybe we could fix it if we set all the limits up-front for longer horizons (time value for money discount factors tend to insignificance after 25-30 years)! And perhaps we could do with longer-term (25-30 year) government benchmark securities - so that banks would be more comfortable to lend longer-term. Was(n't?) Disneyland Paris funded by century bond?

Knowledge and wisdom comes from God. All service is to God and thus may I always STRIVE TO EXCEL - God forbid that I submit any sub-standard service!

Wassalaam

By [Wok](#) on [January 29, 2010 8:03 PM](#)

Tun,

Tumpang lalu:

To: Wenger J Khairy,

1. If you did not even have the gall to use your OWN MALAY NAME, ko jangan lar naq mengado-ngado keq sine, jang ooi! Ekau poie jer lar balik Rombau ko tu jang! Mano ko tau kalo-kalo keq sano ado sanaq sedaro ko yang naq dongar celoteh ko tu...sebab keq blog ni, takdo sape yang naq dongar ko deh!!!

2. I believe no one here is interested in you or your opinion too! LOL!!!

Tq, Tun, and as always, I pray that Allah s.w.t. continues to bless you and Tun Dr Siti Hasmah with good health and wisdom always, Insyallah.

By [jong52yuara](#) on [January 29, 2010 7:52 PM](#)

Assalamualaikum Tun,

life is never fair, those who are powerful will always ensure their citizens being obedient and be a loyal workers. heres what the illustrated capitalist should look like and its always been like this

<http://img687.imageshack.us/img687/3536/pyramidofcapitalistsyst.jpg>

maybe if leaders like you want less people to suffer, watch this movie and try to make it into reality

<http://www.imdb.com/title/tt0182789/>

Regards

By [HBT](#) on [January 29, 2010 7:49 PM](#)

Ayahanda Tun,

After reading the comment By Wenger J Khairy on January 29, 2010 1:34 PM, now I am beginning to understand the rational why Dr Mahathir Mohamad took another dig at Malays in the country saying that their mentality has not changed.

"If they want to be rich, they will find the easiest way. If they can sell the country, they will, if they cannot, they will sell sand," he said in his trademark sarcasm.

Ayahanda Tun, this Wenger JK, A Chemical Engineer by training but due to the "simplistic model" Dr M's administration sprouted on the economy, he had to study economics to rebutt and destroy all this lies Tun Dr M is saying. His simplistic model is base on 9-11 is so simple that we do not have to use our brain to understand. Melayu Mudah Kaya because Ketuanan Melayu, and according to Dr M, the N9's late Sultan Jafaar did not settle US\$1 million on landmark to Standard Chartered Bank Bhd until now.

After reading Wenger JK's comment, I think he will send Malay soldiers to engage war just like what W. Bush has done to USA soldiers just to make him look more Malay, hot, smart and patriotic to Malay.

He claimed "Who said Malays cannot be great leaders. It just requires the right Malay as opposed to the wrong one." Ayahanda Tun, the Malays did not learn from history and their mentality is still the same after reading this comment.

Can Malay lead if the previledge of Ketuanan Melayu is demolished? And the house which Pak Lah built has destroyed this previledge, and this is happening..... Is YB Rais Yatim from N9?

Good night Ayahanda Tun.

By [Cucu-cicit Datuk Maharaja Lela](#)  on [January 29, 2010 7:43 PM](#)

Assalamauualikum warahmatullahi wabarakatuh dan salam sejahtera,
Salam hormat kepada Ayahanda Tun Mahathir and readers,

"THE GREATEST MALAY LEADER"

(Ref: By Dr. Mahathir Mohamad on January 29, 2010 9:45 AM

1. THE CURRENCY CRISIS PAST AND PRESENT

1.1 The Situation Prior To The Crisis

1.2 The Thai Situation

1.3 The Malaysian Situation

2. The Financial Markets

3. Short selling

4. Western Banking System and Practices

5. Banking Prudence Discarded

We want to thank you from the deepest of our hearts for this declarations.

We are very proud to read this statement of educations and it came from a Malay Leader who dare to make such daring statements.

We are so proud for this superb declarations, a genuine statements from The Malay Leaders.

We were so honored to have you.

We're so grateful to you and filled with gratitude for what you have done for us.

P.s: To Wenger J Khairy:

Yes, keep on writing, the more you write, the better the facts to this Malay Greatest Leader would be. 'take the good one, throw away the bad one', dan telah berfirman Allah SWT maksudnya;

"maka beruntunglah bagi yang mensucikannya, dan merugilah bagi yang mengotorinya" (Al-Quran, Surah Ash-Shams)

Allah Subhanahu Wata'ala berfirman melalui perantaraan kalam, Al-Quran disampaikan melalui malaikat Jibril kepada Nabi Muhammad Rasullallah (Saww), Nabi Isa A.S telah memperakui akan kesahihan kemunculan Nabi Muhammad Saww selepasnya,

(Ref: By Wenger J Khairy on January 29, 2010 1:34 PM

"Who said Malays cannot be great leaders.

It just requires the right Malay as opposed to the wrong one.")

(ref: <http://waziboy.blogspot.com/> -waziboy?)

Wenger J Khairy,

Yes, the greatest malays are here. They are here since the birth of Proton Saga and the rise of Penang Bridge,

and now, they are working at PETRONAS Twin Tower.

P.s: To mock,

By mok9929 on January 29, 2010 3:07 PM

"Don't argue with fools"

Yes,

"We don't argue with fools"

(because it will make you look foolish)

We are the great Malays. We live together with others.

P.s:

To Mr Chan Chew Kit,

(By chan chew kit on January 29, 2010 12:29 PM)

The best alternative or a turnaround from CREDIT CARDS to DEBIT CARD is, to Buy GOLD, (Dinar), put it in the bank, keep it in the bank, wait until the gold is matured (good price) and there it goes, The great DEBIT CARD with GOLD Savings.

DEBIT Card = GOLD, Dinar, ref: Tun Dr. Mahathir.

Thank you Mr Chan, and thanks everyone,

Salam hormat.

By skaizer  on [January 29, 2010 7:33 PM](#)

Sudah tiba masanya kerajaan membawa masuk tun dan juga rakan-rakan tun seperti tun daim sebagai penasihat ekonomi negara, malah cakap-cakap ini 70% ada kebenarannya, semua orang bercakap benda yang sama; bahawa kerajaan akan membawa masuk tun sebagai penasihat cuma tunggu masa yang sesuai sahaja. Jika kita ingin mencipta model ekonomi baru yang progresif dan mempunyai banyak fdi inilah masanya tun dibawa masuk. Ini sahaja cara untuk ekonomi kita kembali pulih.

By Hajar  on [January 29, 2010 7:00 PM](#)

Dearest YAB Tun,

Tun's explanation is very COMPLETE. I doubt there's another WORLD LEADER who can write as well as Tun about this topic. I'm always amazed with Tun's wide knowledge in almost anything. BRAVO Tun!

Thank you so much for being our PM for 22 years, and also for the free lessons. Tun is an EXCELLENT educator.

*** May Allah SWT bless Tun & family ***

By [samuraimelayu](#)  on [January 29, 2010 6:54 PM](#)

SALAM KASIH DAN SAYANG
AYAHANDA RAKYAT TUN
IZINKAN,

By anak2DrMAuthor Profile Page on January 29, 2010 4:13 PM

Dear Tun,

I was born with the Vision 2020 in mind. I believed that you have put a great effort to came out with this blue print. Can you comment how will this blue print will help us in the current situation and achieving it? It just 10 years from now....

IT SIMPLY MEANS TO BRING THE RAKYAT AND MALAYSIA TO A NEW HEIGHT AS A DEVELOPED NATION BOTH PHYSICAL AND SPRITUAL, WORKING AS ONE 'RAKYAT BERSATU' IN A MORE CULTURED AND HARMONIOUS SOCIETY AND TO

FORM THE PLATFORM FOR A BETTER QUALITY OF LIFE FOR OUR FUTURE GENERATIONS TO WALK TALL UNDER ONE BANNER...BANGSA MALAYSIA!

ITS ONLY OUR 2 SEN WORTH OF UNDERSTANDING.

WAWASAN 2020 BUKAN TITIK PENYUDAH BAGI JENERASI MENDATANG IA BERMULA

ALFATIAH, AMIN.

ps. But alas, it will be a difficult climb up the peak of 'BANGSA MALAYSIA' if the children of the future are still GROWING UP under different types of roofs (schools)

By CintaNegaraKu  on [January 29, 2010 6:49 PM](#)

What have we learnt from all these turmoils?

In Malaysia, we witnessed the consolidation of banks into 10 Core Banking Groups further withered down to 8 supposedly strong Banks to compete against the heavy weights in the Global Market.

But all these had since been reversed with the mushrooming of Islamic Banks and opening of new foreign controlled banks operating in Malaysia. Wht is the "Right Size" of banks for Malaysia?

With bigger Capital base banks are pressured to perform with yet higher profits and return to shareholders driven by spectacular compounded annual loans growth with more exotic banking products and funded by HYBRID CAPITAL which are ESSENTIALLY BANKS' BORROWINGS in USD!

What will happen when such HYBRID CAPITAL is found to be not capital and need to be repaid as they are USD Loans when the bankers/shareholders have amply enriched themselves with rich dividends and share prices!

TQ.

By shahrul  on [January 29, 2010 6:44 PM](#)

would malaysia able to avoid the next financial crisis for year 2017/8/9..?

By JawahirK  on [January 29, 2010 4:45 PM](#)

Salam Tun,

I was trying to understand the current crisis and you have explained it so clearly and so detailed(takes a few more readings to fully grasp the whole scenario though!).

I agree with Lady G above..none of the other Ministers can even begin to explain things the way you do!! Proud of you and hope you can continue to guide Malaysia. Right now , Malaysia still seems lost...and in dire need of directions...

Take care of yourself!!

Jawahir

By anak2DrM  on [January 29, 2010 4:13 PM](#)

Dear Tun,

I was born with the Vision 2020 in mind. I believed that you have put a great effort to come out with this blue print. Can you comment how will this blue print will help us in the current situation and achieving it? It just 10 years from now. So short..and I believed it will be a self accomplishment for you if we can witness it. I'm seeing countries that adopted your vision is fast forward while we still looking for solution.

Thank you.

anak2DrM

By ekompute  on [January 29, 2010 4:11 PM](#)

"Practically no one has implicated the currency traders for the devaluation and the crisis. Even the writers who are friendly towards the Malaysian Government refuse to blame the currency traders."

Well, I suppose some countries did successfully fend off the currency traders while others had failed. Can the police blame robbers for their competence?

By checker  on [January 29, 2010 4:02 PM](#)

Salam Tun & Fellow bloggers,

The truth can be found in Quran & Hadith, if one care to study them:-

- despite many are hoping for, "today is worst than yesterday and tomorrow will be worst than today".
- We all should remember to be humble that all those bad things, said or done, are by us - human being, and those goods are only from Allah.
- Still many of us will never be thankful for what we have but keep on looking for what we don't have.

Allah Almighty have sent us many signal to show HIS great power through earthquake, floods, forest fire, sunami, typhoons, land slides (the famous quote from Samy Vellu) etc but all are natural disasters. All seem to blame NATURE (who or what is nature actually?)but not human being themselves. So when the financial crisis strike, who then they want to blame? Nature again? Such an arrogant lots who think only of their great power & greed. As Allah says, "they never learnt except by those "yang beriman". The people who have great wisdom are who always those remember death.

So fellow bloggers, all the answers (soalan bocor)can be found in the quran if we care to study them but most of us don't. That's why we say "history always repeat itself".

May Allah bless us all.

By lowsir  on [January 29, 2010 3:59 PM](#)

Tun,

Agree with item 1- 67, for item 68 perhaps the solution is to regulate & monitor those so called "non-existent" product, so that it is not too far and too easily became decoupled from the profitability of the enterprise. I am "impressed" that the current accounting system which provide those financial report can allows this to happen so easily !

By ct  on [January 29, 2010 3:59 PM](#)

Ingin Menjemput Tun Dr Siti Hasmah untuk Merasmikan Pelancaran Akaun Simpanan Kanak2 Al-Mumtaz - EONCAP Islamic Bank

Salam Tun,

Pertama sekali, saya ingin menyatakan bahawa saya meminati blog Tun. Segala isu/pandangan/kupasan yang Tun utarakan amat menarik sekali yang datangnya dari seorang yang ternyata bijaksana. Apatah lagi, bahasa dan ayat2 yang digunakan amat mudah untuk difahami bagi seorang rakyat biasa seperti saya.

Saya selalu menceritakan balik ulasan2 Tun kepada anak2 saya dan keluarga saya malah menggalakkan mereka untuk melayari sendiri blog Tun. Saya percaya ramai rakyat Malaysia telah dan akan mendapat pengetahuan dan manfaat dari blog Tun.

Saya mendoakan agar Tun diberi kekuatan fizikal dan mental bagi meneruskan ulasan/kupasan di blog Tun untuk beberapa banyak tahun lagi.

Keduanya, dengan hormat dimaklumkan bahawa EONCAP Islamic Bank sedang merancang satu majlis pelancaran akaun simpanan kanak2 bernama Al-Mumtaz dan amat berbesar hati jika Tun Dr. Siti Hasmah yang amat dikasihi sudi melapangkan masa sebagai tetamu kehormat dan selanjutnya merasmikan majlis pelancaran tersebut pada akhir bulan Februari atau awal bulan Mac 2010. Tarikh dan masa akan disesuaikan mengikut kelapangan Tun Dr. Siti Hasmah sendiri.

Lanjutan dari itu, saya ingin memohon agar maklumat berkaitan tatacara rasmi termasuk alamat bagi urusan jemputan itu diberikan kepada saya untuk tindakan saya selanjutnya.

Saya mohon maaf jika cara saya ini kurang tepat tetapi percayalah saya akan mengikut tatacara rasmi tersebut satu persatu apabila saya dapatinya kelak.

Saya menunggu jawapan dari pihak Tun dengan penuh harapan.

Terima kasih & Wassalam untuk kedua2 Tun Dr Mahathir & Tun Dr Siti Hasmah yang disanjung oleh rakyat Malaysia.

Yang benar,
Siti Fadilah Ismail - siti.fadilah@eonbank.com.my
Warga EONCAP Islamic Bank
Januari 29, 2010

By [samuraimelayu](#)  on [January 29, 2010 3:38 PM](#)

SALAM KASIH DAN SAYANG
AYAHANDA RAKYAT TUN
IZINKAN,

THANK YOU FOR THIS LENGHTY BUT COMPREHENSIBLE ARTICLE AND WE REMEMBERED WHAT PROF CHUNG (IF NOT MISTAKEN, HE WAS THE ADVISOR TO HYUNDAI IN THE EARLY '80s) ONCE SAID TO US. QUOTE: ' YOU'RE VERY LUCKY TO HAVE DR. MAHATHIR AS YOUR PRIME MINISTER...A VERY GREAT MAN' UNQUOTE... WITH HIS THUMB UP!

THERE WERE MANY PEOPLE LIKE THE PROFESSOR WHO LOOKED UP AND THINK HIGHLY OF OUR AYAHANDA TUN BUT HERE IN MALAYSIA, THEN AND NOW, THERE ARE STILL MANY 'D.U.M.B.' CRITICS AND DETRACTORS (FIT FOR THE DUMPS) 'IN DENIAL' OF HIS CONTRIBUTIONS AND ACHIEVEMENTS WHICH HAD PROSPERED THE RAKYAT AND DEVELOPED THE COUNTRY AND RECOGNISED BY FRIENDS AND FOES WORLD OVER.

AYAHANDA TUN ONCE SAID. QUOTE: 'IF THE ARABS CAN BE PROUD OF THEIR OIL THAN WE SHOULD BE PROUD OF OUR WATER'..UNQUOTE.

WAWASAN 2020 BUKAN TITIK PENYUDAH BAGI JENERASI MENDATANG IA BERMULA

ALFATIAH, AMIN.

By Jamal  on [January 29, 2010 3:38 PM](#)

Dear Tun,

Wow! Thank you for taking the time and effort from your busy schedule to present to all and sundry in as simple a way as possible what actually is the MOST probable reason the the Global Ecomonic Crisis befalling us.

But the conclusion is not very encouraging. Seem we are doomed to go through the same problem going into the future.

With this dim probability for our financial future (of the world) - what chance do we have to tackle our environmental problems (GREEN HOUSE EFFECT), Nuclear Prolification, Uranium waste disposal from all the Nuclear Power stations, Eradicating Poverty, eliminating terrorism, armed conflicts and WAR mongering, to name a few main problems of this WORLD.

Its time we challange the leadership of this world that we have defaulted to the WEST.

We MUST hold them accountable for the mess we are in under their (WEST) self implanted Leadership.

The product and service we need are no more the monopoly of the WEST. We can get it from the EAST. We are no MORE DEPENDENT to the WEST for our service, products and technologies we need...Lets LOOK EAST.

Let us ALL CITIZENS OF THE WORLD look for a shared leadership equal amongst the nations.

The WEST had their chance and have blew it.

Its time we take the bull by the HORN and lead ourselves the way we think fit for ALL the nations of this civilised World.

The EAST has the WEALTH and REAL Economic foundation to do it.

Well Done TUN.

We LOVE you.

By BANJARMESIR  on [January 29, 2010 3:38 PM](#)

Assalamualaikum...

Tun Dr M...

You are indeed a great person with great mind. Thanks for shaping Malaysia during your premiership and another thank for continuous contribution.

As I grew up under your leadership I have to thank you for all your good deeds. I wish also to seek forgiveness for all my wrong doing to Ayahanda. As a citizen I must have over criticised you.

Sincerely do forgive me. Moga ALLAH panjangkan umur Tun dalam Iman, Amal dan Takwa.

By tauugis  on [January 29, 2010 3:13 PM](#)

Salam hormat Tun.

Saya baca atikel ini dengan khusuk. Malam ni akan baca ulang sebab banyak point yang belum dikunyah dan disebatikan.

Konklusi Tun dipara 68 amat realistik. Namun mengenali tindak tanduk US rasanya ada kemungkinan besar mereka akan menutupi kegawatan ekonomi mereka dengan menganjurkan perang baru. Macam konspirasi teori dalam 9/11. Bahkan mungkin ketika ini mereka sudah pun merancang suatu teori baru serupa 9/11 untuk menghalalkan tindakan perang mereka. Kesimpulannya, perang besar akan tercetus bila-bila masa saja ketika ini. Target awal mungkin Iran. Wallahualam.

By mok9929  on [January 29, 2010 3:07 PM](#)

Dear Tun.

I think this is your LONGEST article/thread ever! Nevertheless, what we can sum from this (and this is not new) is that many of us Malaysian especially the "writers" are HOPELESS.

Recently in a local newspaper in Sarawak, a columnist dare to voice his opinion on the Malay rights which in my opinion, if published in West Malaysian news will surely put himself in trouble.

But he goes on writing on racism, descrimination and unfairness of the government (including yourself Tun) towards the "immigrant". And to top his "ungrateful and stubborn act" he did not even have the balls to put his name on the article!

I've said it before and will say it again, to those who think you are being mistreated, please leave this unfair country and RETURN to your mother country where you belong (if they still want to accept you)

By HBT  on [January 29, 2010 2:57 PM](#)

Good afternoon Ayahanda Tun,

Why and how BN lost more than 2/3 in PRU12.....

CAUSE WHY BN LOST 2/3 Majority:

It is now more than 10 years since the currency crisis struck Malaysia. Much has been written about the crisis and the controls imposed by the Malaysian Government to stop the devaluation of the Ringgit.

HOW BN LOST 2/3 MAJORITY:

A few of the articles tried to defend the Malaysian Government's action but mostly the blame for the crisis was attributed to the alleged failure of the financial and economic management of Malaysia. Practically no one has implicated the currency traders for the devaluation and the crisis. Even the writers who are friendly towards the Malaysian Government refuse to blame the currency traders. Many are the reasons put forward by the writers to explain the crisis. It is alleged that the stock market boom contributed to the loss of confidence in the Malaysian economy and the Ringgit. Some blame the failure to rationalise and consolidate the banking systems. Others suggested that too much money had been channeled to the property sector. The other causes identified were the total loan-to-GDP ratio had increased; the rapid expansion of credit leading to deteriorating loan quality. Then the blame was put on companies assuming that the economy would forever be on the growth path. The two-tier regulatory system on banking introduced by Bank Negara and the failure to use the interest rate as a policy tool were also cited. Contagion i.e. infection from the financial disease which had affected Thailand was regarded as a major cause. Some even blame a lack of democracy which triggered the financial crisis. And many more. But as mentioned above, no one placed the blame on the manipulation of the currency, by currency traders.

SOLUTION FOR BN TO WIN MAJORITY VOTES IN PRU 13:

The real solution would be a return to real business i.e. the production of goods and services. But then the developed States of the West would have to accept being somewhat poorer than the good old days. If they don't, BN will lost in PRU 13 and they will never recover the cost that they have invested.

Have a nice weekend and enjoy yourself, Ayahanda Tun and this cycle will be continued infinity.....

By Oneng  on [January 29, 2010 2:50 PM](#)

Salam,

I was working with a Finance company when the 1997 Financial Downturn happened - mainly due to Money Speculators. As the result, we were taken over by a bank and I was given VSS that is not enough to buy be a new Proton Wira.

Last year another Finacial Downturn happened again.

Tun,

Is it true that the world need a new financial system to replace existing system ? that make world largest debtor - USA - to be a financial giant !!!

By n.ajis  on [January 29, 2010 2:47 PM](#)

Salam Tun,

i admire you so much because u r brilliant!

By anakbudu3  on [January 29, 2010 2:47 PM](#)

Assalamualaikum Ayahnda Tun n Bonda,

Well said, dearest Ayahnda Tun! learn the facts & researches put into this. i find it hard to believe those who still think that you hadnt done enough for this country. The comparisons & contrasts laid here highlight paramount details of complicated issues throughout those days & at present but you have written it in a very clear manner and have hit the nail on the head!!! (or on those hardheaded people who can never do what you had achieved but only talk bigger than their pea-sized head!)

Again, you've proven: they were & are still wrong...

May Allah bless both Ayahnda & Bonda.

Wassalam.

just my brain wave

By Ponce de Leon  on [January 29, 2010 2:39 PM](#)

Salam Tun,

I really enjoyed reading your article. Simple and concise.

Most people still cannot comprehend what really happened and what really caused the crisis that the world went through. You managed to do it with ease and in the most simplistic form.

Pray that you and Tun Dr Hasmah in the best of health always.

By TimeSlip  on [January 29, 2010 2:13 PM](#)

Dear Tun,

I am happy and sad after read your blog. I am happy that we have had a leader like you who possess such thorough and deep knowledge on the world economy, not only that but you take appropriate decisions and actions by considering every single factors you know of, to make the most benefits for our country.

I am sad that i cannot see any other leader that could come close to your ability and the effort you put into running this country.

Tun, thank you for still caring and sharing with us!

马哈迪之后再不会有马哈迪。。。

By Oumono  on [January 29, 2010 2:07 PM](#)

You should write a book on this Tun. It was fulfilling! Really excited when reading this. These are no mere-fiction. These are the truth and nothing but the truth. Accept it or go thru the crisis again.

By nazrimalik  on [January 29, 2010 1:48 PM](#)

Like Tun said recently, 'someone is not telling the truth.' Also, like Tun has wrote here, 'the crisis will continue' and I am a believer.

But I think the west agree with Tun but they are too arrogant to say publicly.

I wonder who the actual arrogance, the master of all problems to mankind, the west or the jew...?

nm

By [Wenger J Khairy](#)  on [January 29, 2010 1:34 PM](#)

Dear Tun Dr Mahathir,

Finally you talk about the crisis. Great.

FYI I am a Chemical Engineer by training but due to the "simplistic model" your administration sprouted on the economy, I had to study economics to rebutt and destroy all this lies you are saying.

Lets look at your argument step by step.

In point 5, you seem to justify all the policies you had instituted prior to the start of the crisis, by citing the opinions of one Michel Camdessus in June 1997. Well of all people, I thought you as the one who is ever suspicious of the Jews and the Western powers, should take any opinion by a white man with a lot of salt. Why is it that the opinions of brown or yellow or black economists and financiers who could have pointed the following mistakes clearly prior to the crisis are ignored? I don't know, but I see this as reflective of the inferiority complex suffered by many in the administration, this deferral to the white man when it suits them and this Jew conspiracy when it does not.

Lets go and examine why the crisis happened in the first place.

The formation of asset bubbles and its eventual implosion is not something new. It has been happening countless of times, from the Tulip mania in the 1600 to the Great Depression, etc. Prior to the crisis, the stocks in Malaysia had the highest market capitalization to GDP ratio in the entire world. If this did not setup an alarm bell that a huge asset bubble was being created, its because the Government was "unintelligent", "reactive" and "unable to anticipate", to put it politely.

Now stock market bubbles happen over the course of time, there is nothing inherently bad or evil about it. But when banks engage in lending to selected businessmen, who may or may not be related to the ruling family, one would say, "there is an element of systematic risk present". Systematic risk means is like putting dynamite under your bed and smoking at the same time.

Until today, I do not know what was the bank exposure in this regard. What this means, if that these loans were collateralized in terms of an inflated stock, and if the stock price were to fall beyond a certain threshold, these loans become bad and the banking system becomes insolvent. Perhaps you need to understand what is meant by Fractional Reserve Banking. You can have assets of RM 100 billion, but if your reserve ratio is only 5%, all it takes RM 10 billion of loans to go sour for your bank to be deemed insolvent.

That's what happened to the US in 2007 and Malaysia in 1997 in a sentence.

Until today, we do not know what loans were made, what the concentration of risk in the sector was and who was responsible.

If that was not enough, there was this propensity to have mega projects. What are mega projects? To me its huge capital infrastructure projects, with project costs in excess of \$1-2 billion US dollars a piece with a long payback period. I want to focus on the following - the development of the LRT, the Bakun Dam, KLIA, Commonwealth Games Village, Putrajaya, Cyberjaya on these.

How much did these involve?

I believe that you had tried to put forth the theory that the investment of RM 700 million in Putrajaya resulted in a huge capital gains because right now Putra Jaya is worth RM 130 psf. I think in the history of capitalism, this would be one of the most successful projects ever undertaken (according to your definition of costs and return) and I am very surprised they did not award you the Nobel Prize in Economics/Finance for this. As to the other projects, we know that the Government was forced to assume the liabilities of the transport providers, the economic rationale of Bakun is still being thought of and the accounts for the Commonwealth Games Village has yet to be finalized.

CyberJaya is also a major success. Right now, all the new software such as Windows 7, Oracle 11g and others are being developed in a place that used to be a palm oil estates in the middle of Sepang. Malaysia is known as the software capital of the region, if not the world. Thats why I am very surprised that Steve Jobs chose to launch the iPad in San Francisco. Maybe Apple is too small for the MSC.

The end result right now is the banking system has risk in terms of loans collateralized by stocks and loans to mega project. To make matters even nicer, especially in the case of mega projects, a lot of machinery needs to be imported from the evil West and good Japan, putting an added pressure on the supply and demand of US dollars vis-a-vis the Ringgit.

But that's not good enough. Lets add another factor called the Malaysian rate of inflation. I did a back of the envelope calculation a year back and was proud to find out that officially according to Bank Negara, our average inflation rate for the last 30 odd years was less than 4%, making it comparable to the great United States. Wow! The USA, whose economy can produce the worlds most technologically advanced goods, and whose Federal Reserve viciously attacks inflation is just on par with Malaysia.

To those who do not understand this point, let me explain it in clear terms. Theory states that currencies adjust to the inflation differential between two economies. So in theory, Ringgit should have consistently strengthened against the US. But the question to me is how is inflation measured in the US and how is inflation measured in Malaysia. In the US, it is very transparent

and very well developed. In Malaysia, I do not know. I know that subsidized commodities enter into the calculation which is ridiculous as the number is artificially kept low and cannot be used as a basis of comparison against another free market economy. I have neither idea nor the desire to know the basket of goods used in Malaysia's calculation of inflation as compared to the 80,000 items polled and the well developed methodology developed by the Federal Reserve. Part of this know how was later used to develop the CGI effects behind the 9-11 attack on the World Trade Centre.

So now we have set the stage to tell the real story behind the crisis. The stock market was inflated, certain people in power, demanded that banks lend money to "certain businessman" collateralized with the common equity of their firm. What it means, is that the loans will become toxic if the KLSE falls below a certain number. This method of Financial Management should be studied under the module "Crisis Creation 101". Banks were also forced to lend to support mega projects which are extremely risky and require consumption of US Dollars to import the capital goods to develop these projects. And we also have a measure of inflation which cannot be used as a basis to value the Ringgit and is not comparable against the major economies of the world. And when the storm blew, the house that Dato Seri Dr. Mahathir built fell like a deck of cards.

It was started when capital began to flow out resulting in the stock market collapsing. This put stress in the banking system as the loans collateralized by stocks required additional margin top up whom those favored businessmen had no money to put forth. Not only did those loans look toxic, the loans to the mega project builders looked horrible as well. The currency began to wobble. Some of your friends sensing this began to liquidate their portfolio and convert Ringgit into US dollar further cause additional pressure on the Ringgit. This can be easily proved by looking at the comparison between the Export value of Goods and Services published by Bank Negara and the stats published by MITI. Usually there is some small discrepancy, however in 1999, this discrepancy was RM 50 billion, which is much higher than any year since. This proves that once capital controls was instituted, your friends was forced to bring back the currency into the country hence the discrepancy. Perhaps your son or your faithful follower called ParpuKari can help explain this.

Speculators merely gave an additional reason for the ringgit to be depressed by offering high interest rates to all your friends for them to place ringgit deposits offshore. They exploited these weaknesses which is plainly obvious to anybody who has a sound knowledge of finance.

Unfortunately they worked for the major investment banks in the world and was denied the opportunity to work for the Government. Even if a couple managed to creep in, this dictatorial style of leadership, where the boss is always right would have resulted in the more vocal ones being shunted to some position of little influence, I think a process you refer to as "Cold Storage"

You claim that the KLSE was made lower in value due to the actions of the speculator. Perhaps your unaware of the concept of the common stock. It is the most riskiest investment offered by a corporate and that's why developed markets make sure company CEOs don't mess around with the common shareholder by engaging in transactions that purposely discriminate against them. In Malaysia however, at the peak of the crisis, one of your friends went and forced a major public company of which he was CEO of to use the company money to buy his shareholding at a price

much higher than quoted in the public markets. This also increased Malaysia's reputation as one of the most transparent markets in the world. The market responded in kind and over the next couple of days tanked by 20%, an index drop never since seen. The investors who had doe fully "trusted" you were richly rewarded.

So that's the crisis in a nutshell. I believe your comments condemning the speculators also helped in strengthening the ringgit at that time.

Now let's look at the Capital Controls you introduced. The good point is that it made all the offshore ringgit worthless, but really that is a problem "Buatan Dalam Malaysia". After that, you created something called Danaharta to buy off the toxic loans in the banks. Until today we do not know who benefitted and who paid the cost. I think as Finance Minister you may be better informed, but I believe according to your theory, Malaysians do not deserve to know this because by and large we are stupid and require fairy tales and bedtime stories.

The end result is that foreign investment post crisis dropped precipitously. Without this foreign investment, how can the companies and factories in Malaysia upgrade their equipment and knowhow? I refer you to the articles here , here and here .

The new technologies are developed in the West and not in Iran, and are quoted in the US Dollar as opposed to the Malaysian Ringgit. As the Americans will never let us print the US dollar, we have to go to the International markets to buy this. We can also engage in speculation but and get ourselves burnt, but rest assured, it is a learning curve for those responsible and they can even later on become Finance Ministers in your Government.

Contrast this flimsy risky model to the sound management of Pak Lah whereby the banking system was as strong as the Rock of Gibraltar. For example in 2008, we could sustain a capital flight of approximately RM 80 - 100 billion without a single bank having any problem what so ever. The ringgit moved down a bit, but nothing major. It later recovered.

Nobody even knew that this was happening. That was the house Pak Lah built.

Who said Malays cannot be great leaders.

It just requires the right Malay as opposed to the wrong one.

By qiqi  on [January 29, 2010 1:13 PM](#)

Assalamualaikum Yang Sangat di Kasihi Tun Dr Mahathir

I have been intrigued by the ups and downs of an Economy, recession, depression, hyper inflation, run-away-inflation, market crashes, civil wars, uprising, revolution and world wars (since we suffered our crash in 1997-1998).

It appears from historical facts that these are all engineered by the "unseen hands", from the napoleon wars, the civil wars in america to the world wars, the various depressions & stock market crashes. It is all done for a profit!!!!

These "incidents" are all planned very carefully.

But as you rightly mentioned, their Newspapers always cover it up with twisted stories and theories. This is because they also own the major league broadcasting companies from Reuters to Associated Press.

A good historical insight may be found from:

1 SYNAGOGUE OF SATAN by Andrew Carrington Hitchcock
2 speech by Dr John Coleman and his book "committe of 300"
3 speech by Benjamin Freedman

Wassalam

By JJJ  on [January 29, 2010 12:33 PM](#)

salam Tun,

there will always be people out to humiliate you at any costs but you have PROVIDED PROOF that you are an outstanding and incomparable leader.

When we talk of dictators,it seems very clear now that the Penang CM is a good example!

EXCERPTS FROM NST 29 JAN 2010;

"GEORGE TOWN: Parti Keadilan Rakyat (PKR) is heading into another storm in Penang with the possibility of at least one of its members of parliament quitting in the near future. A senior state PKR leader, who is a close associate of party supremo Datuk Seri Anwar Ibrahim, is widely expected to lead the possible exodus following a fallout with Chief Minister Lim Guan Eng.

It was reliably understood that the grassroots leader was increasingly disenchanted with Lim's style of administration and also with PKR's subservient attitude to DAP.

Sources from within the party who confirmed the possible 'implosion' in the DAP-led Penang state government, also did not rule out the possibility of several PKR state assemblyman leaving the party if the situation was not rectified.

"Many party leaders and members are unhappy with the way DAP leaders are dictating every little thing in Penang. Many are upset with the PKR leadership but have so far refrained from speaking up openly. This is why all the talk of defections among PKR MPs in Penang has surfaced.

"What is the use of being in a situation where we have to virtually give up everything (to the DAP)...we cannot even give views as everything is dominated by one person," the source said."

SEKALUNG TAHNIAH BUAT RAKYAT PULAU PINANG YANG BERJAYA MELANTIK KETUA MENTERI DIKTATOR!

Wassallam

Jeng3

By chan chew kit  on [January 29, 2010 12:29 PM](#)

Dear Dr.Mahathir,

Most working Malaysians have credit cards. I believe some carrying outstanding balances beyond the ability to repay within short term period. Bank Negara should revisit the minimum

requirement in applying credit cards. In the same time, banks in Malaysia should encourage the use of Debit Card. More spending promotions should be in Debit Card rather than in Credit Card.

By [Charles E. Jannuzi](#) on [January 29, 2010 12:16 PM](#)

Wow, students of macroeconomics could get more real-world lessons from reading this relatively short piece than they could the entire library of most MBA programs.

However, I must say it is sad to note that Dr. Mahathir is one of the few leaders of the past 30 years who can give such detailed information about how a government and a political economy function.

What does that tell us about most other 'world leaders'?

By sasa on [January 29, 2010 12:08 PM](#)

aslkmwrwb tun, semoga tun sekeluarga sentiasa dalam lindungan Allah s.w.t sehat walafiat. saya amat bangga dan kagum dengan pemerintahan tun ketika tun menjadi perdana menteri Malaysia. tun adalah idola bagi saya dan keluarga saya. semoga akan ada lagi tun Mahathir yang dua ehehehehe

By takkecekbyk on [January 29, 2010 11:54 AM](#)

YABhg Tun Yang DiKasihi,

Apa dah jadi daaaa dengan kawan you anak raja (kalau le kawan) yg sorang ni. Dlm Utusan hari ni dia naik pentas PAS (parti ajaran sesat). Nak jadi jago konon.....

Zaman dulu (50an or 60an), boleh le jadi org politik, krn zaman tu ramai melayu tak sekolah. Kalau zaman la ni, dia tak layak jadi ketua cawangan pun.

By milshah on [January 29, 2010 11:44 AM](#)

Assalamualaikum Tun,

It goes to show that there is no such thing as easy money. To put it bluntly, speculators are just gamblers but their gambling habit has an affect on the real economy. We know the west has not learned anything about the sub prime crisis or is it they choose not to do anything for fear of loosing their current rich lifestyle? Therefore we can expect another crisis is bound to happen in the future. Until the problem with greed and speculative activites are curbed, one crisis after another will continue to occur. So what is Malaysia doing about it knowing before hand that there will be future crisis? One thing we should do is to ensure that the speculative affects don't reach our shores. Gold reserves would need to be increased in the event paper money has no value in the future. Becoming more self reliant, in terms of food, important products and services. Our exports should always be more than our imports. Curbing speculating activites in Bursa. The policy should be we welcome only genuine investors, be they external or local, to invest in real products and services. Gamblers are not welcome. Banks and domestic business must make a priority to manage risk on international trade. The rakyat must be made to be aware to save more. In essence, we must prepare ourselves in the eventual coming of another financial meltdown.

By ir.miringila on [January 29, 2010 11:42 AM](#)

Assalamualaikum Tun.

Saya sering membaca apa yang Tun tulis di blog Tun. Buat pertama kali rasanya ini yang terpanjang. Semuanya benar. Tapi Barat tetap tak akan mengaku kesilapan mereka. Mereka angkuh. Mereka berkuasa atas nama demokrasi, KONONNYA. Saya tak rasa yang dunia boleh di tadbir dengan baik melalui demokrasi, inilah padahnya... Dunia pelukan seorang diktator yang baik dan bagus...

By Tahir Jumat  on [January 29, 2010 11:28 AM](#)

Salam TUN.

MashaAllah, Tun is giving us all a free lesson on financial management and economics.

I dont think there's any other world leaders who would spend time to educate the mass about running a country and managing its economics.

68 points is no small thing in trying to explain to the public about what happens when and how and who did it too in as simple terms.

In other words Tun is trying to tell us how the west had been cheating the rest of the world by their manipulation of the finance

with so called new "invention" scheme after scheme making money out of thin air and so on.

Thanks TUN for an indepth knowledge sharing.

Only Tun will do such thing.

Looks like the only and best alternative is Islamic Banking and Finance as has been Tun's agenda for a long time, starting with the Gold Dinar.

May ALLAH Bless you Tun and Family.

By asi  on [January 29, 2010 11:12 AM](#)

Dear Tun,

Exceptionally brilliant run-in and excellent proposition by you sir, on the global financial debacles which time and again affecting our livelihood. I believe you have many other micro issues relating to Malaysian economy, to tell and share with us. Thank you Tun.

By Gravity  on [January 29, 2010 11:02 AM](#)

YABhg Tun'

THERE ARE NO OTHER WORD THAN WHAT WE CUD ONLY SAY THAT WE OWE YOU SO MUCH OF THE EFFORTS MADE TO CURTAIL THOSE UGLY PAINFUL SITUATIONS.

THIS COULD NOT POSSIBLY BE WHAT WE ARE TILL TODAY SO MUCH SO THAT THE BAD ECONOMIC EVENTS TOOK PLACE DURING YOUR ADMINISTRATION. AND IF IT WERE TO BE THE CLOWN FROM PTG PAUH TO BE IN YOUR SEAT THEN WE WOULD BE TWINNING TO MOGADISHU. AND THE BEST PART YOU DONT HAVE TO RAISE PRICES ON PETROL FLOUR AND SUGAR TO DEAL WITH IT.

SALAM KASIH FOR TUN HASMAH TOO.

By Hafiz Azmi  on [January 29, 2010 10:54 AM](#)

Assalammualaikum Ayahanda Tun,

Sungguh panjang lebar Ayahanda Tun bercerita mengenai krisis ekonomi yang melanda negara suatu ketika dahulu dan bagaimana kerajaan mentanganinya dan di kritik hebat oleh sesetengah media antarabangsa.

Bagi pendapat saya, apa yang Ayahanda Tun buat untuk tangani krisis ekonomi ketika itu adalah betul dan wajib bagi seorang pemimpin yang bertanggung jawab keatas negara dan rakyatnya.

Saya antara berjuta rakyat yang menyokong cara negara menyelesaikan krisis ekonomi ketika itu.

<http://kedahkekl.blogspot.com>

By [katun66](#)  on [January 29, 2010 10:46 AM](#)

Salam for Tun yang dikasihi,

I still alive until today to see all slamdunk, comment and appreciation from all over the world about your action before the crisis, during the crisis and after the crisis. I still remembered how hard Rose to humiliate you in his interview in New York television prime time, and also after that during hard talk. And I am proud of it, because you passed through all of that with sincerity.

Terima Kasih

Mazelan Abas

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By M.Najib  on [January 29, 2010 10:38 AM](#)

Really, this is the longest so far... It take some time before I can comment more, but, well done, Tun, you will always be my mentor...

By [LadyG](#)  on [January 29, 2010 10:32 AM](#)

Dearest Tun Dr. M and all readers,

I am so proud to have an ex-Prime Minister like you.

I believe that Tun A would'nt know how to even think and write like you do except may be Dato' Najib but never at the same level like you, Tun Dr. M.

Please contribute whenever you can and think about us who love you and do not think about the ungrateful and bad people around you. They have no contributions except finding fault with other people. Let them be....they are losers of the highest order.

We love you, Tun Dr. M.

By [Solo Bear](#)  on [January 29, 2010 10:13 AM](#)

Hello Dr M

I am from Singapore but I follow your blog quite closely. IMO, if you ask me to pick one country that is most culpable for this global financial mess, I would pick the US.

Here are two articles I put up on America's Financial Policies

[US in Deep Doodoo](#)

More American Hubris

Source : <http://chedet.co.cc/chedetblog/2010/01/the-currency-crisis-past-and-p.html>