

Controls have proven successful in bringing about quick recovery

Dr. Mahathir's
World Analysis

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IT is now almost a year since Malaysia introduced selective capital controls. Initially we were worried over whether or not the controls would work. The criticisms levelled at us by the international media and foreign financial experts did not help to strengthen our confidence in the measures that we took to revive our economy. But our doubts soon disappeared as almost immediately we saw signs of economic recovery.

Currency controls as imposed by Malaysia is not generally understood by the international financial community. Their criticisms are therefore based more on their textbook models than on proper examination of what Malaysia has done.

To understand the measures we took it is necessary to look at the root cause of the financial turmoil that undermined the economy of the country.

The Malaysian economy and finances were very sound prior to the July 1997 attack on the ringgit.

We had good reserves and very little foreign debt either by the government or the private sector. There really was no reason why the currency should have become weak.

But the currency traders, in their quest for big profits, borrowed the ringgit and sold it down repeatedly, thus devaluing it greatly. This meant our wealth was halved in terms of purchasing imported goods. In-

When Malaysia introduced currency controls, the country was not turning its back to the world. Rather, the measures, writes DATUK SERI DR MAHATHIR MOHAMAD, were carefully crafted to protect the country as it continued to play a role in the global economy.

flation set in, and people found difficulty in making ends meet.

To make matters worse the foreign investors in the stock market began to dump their shares and to short-sell. They did this through the Singapore-operated Central Limit Order Book (CLOB), which traded in Malaysian shares without the approval of the Kuala Lumpur Stock Exchange (KLSE) or the Malaysian government.

By registering all shares held by thousands of investors under the name of a few nominee companies, trading through CLOB did not require registration with the KLSE.

The nominee companies were able to lend the shares to speculators who short-sell them and caused the prices to plunge. Through CLOB the Composite Index of the KLSE went down from 1,200 to 260 points.

Between the depreciation of the ringgit and the severe fall in share prices, the companies and the banks rapidly deteriorated and were bankrupted or became nearly so. The government, too, faced revenue shortfalls as businesses were unable to make

any profit and could pay no tax.

Clearly the country's economy would have collapsed completely if the currency had continued to depreciate and the share prices remained very low. To prevent this it was imperative for the government to regain control of the exchange rate of the ringgit and to stop CLOB from destroying the Malaysian share market any further.

To devalue the ringgit the traders had to borrow and sell it. Singapore offered high interest rates so as to lure the ringgit to Singapore where it was lent to the currency traders.

The Malaysian banks found themselves without money to lend. To stop this outflow of the currency, the government decreed that if within one month the offshore ringgit in whatever form was not repatriated to Malaysia it would not be allowed to be brought back at all. Effectively this rendered offshore ringgit worthless after one month.

This forced all offshore ringgit to be repatriated within one-month leaving nothing for the traders to borrow and manipulate.

Trading in ringgit ceased and the government was able to fix and stabilise the exchange rate at RM3.80 to US\$1.

As for CLOB and the short-selling activities, this was stopped by abolishing the right of nominee companies to hold the shares of their clients. Since all sales of shares must be registered with the KLSE in the name of the shareholders and sales outside the KLSE are not recognised, the business of CLOB stopped. Short-selling of borrowed shares held by the nominee companies could no longer be done and manipulation of share prices ceased.

The net result was stability of exchange rates and a rise in share prices on the KLSE. The forced repatriation of funds from Singapore resulted in more money being available for loans. It was therefore possible to lower the interest rates to stimulate consumption and business activities.

Many other measures were taken such as setting up an asset management company to deal with non-performing loans and the recapitalisation of banks through a recapitalisation fund.

Every aspect of the economy was studied by a National Economic Action Council (NEAC) set up to take counter measures if the economy were faced with any problems. For example, imports of non-essentials were reduced while exports were encouraged. The balance of payment

controls were being discussed.

Although he had favoured and implemented all the International Monetary Fund's solutions for dealing with the country's deteriorating economy and finances during the turmoil, he did not argue against the controls.

When the decision was finally made to impose the controls, he agreed with the decision. It was decided that Sept 1 was the date for the controls to be implemented. There is no particular reason for choosing this date except that we reached agreement in August 1998 and wanted to implement controls as soon as possible.

But, when the date was almost due, the governor of the Central Bank and his deputy tried to scuttle it by resigning. This was a heavy blow as the Central Bank was the principal implementing authority under the law. Immediately, the most senior officer of the Central Bank was given the responsibility of carrying out the various actions to make the Malaysian ringgit invalid outside the country and to require all shareholders of Malaysian companies to register their ownership directly with the Malaysian Stock Exchange, thus eliminating the nominee companies.

Currency controls mean different things to different people. To the textbook economists currency controls means cutting the country off from every kind of financial link with the rest of the world.

The Malaysian controls is not a simple turning your back to the world. Malaysia is a trading nation. Its economic growth and well-being depends largely

investments can be repatriated.

Clearly the movement of foreign funds in and out of the country is not affected by our selective currency controls. However, short-term investments in the stock-market are subject to some tolerable conditions.

The capital must stay in the country for at least a year and earlier repatriation would be subjected to an exit tax. Apparently these conditions have not stopped foreign short-term investors from coming in.

Today, Malaysia's economy is growing again. We believe it is due to the controls we have imposed. But our detractors disagree and point out that the economies of other East Asian countries are also recovering. They say that even without controls Malaysia would recover.

We believe that the recovery of other East Asian economies is due to the currency traders stopping their manipulation of the currencies. There are several reasons why they stopped.

When Malaysia imposed controls, there was a fear that the other countries might do the same if the attacks continued. Secondly at about this time the Long Term Capital Management Fund collapsed threatening to destabilise the financial system of the rich countries.

As a result, the banks stopped lending to the hedge funds, thus stopping them from attacking and devaluing the currencies of East Asia.

Freed of the threat posed by the currency traders the countries were able to ignore the IMF prescription for countering currency devaluation. They lowered

patriation of the ringgit from abroad enabled Malaysia to ignore the failure to raise funds from abroad. There were sufficient funds within the system.

At this stage Japan came to the rescue by making available substantial soft loans amounting to several billion US dollars. Japan was also prepared to guarantee any bond issue by the Malaysian government. And so despite Moody's and Standard and Poor's low ratings, when the government tested the US bond market in 1999, the issue was oversubscribed by three times.

The country is now in a sound financial position. The economy is growing and many predict that it will exceed the one per cent GDP growth estimated by the government.

The ringgit is still pegged at RM3.80 to US\$1 even though the currencies of the neighbouring countries have strengthened further against the dollar and therefore against the ringgit.

We do not want to change the exchange rate because this will upset the business transactions and profit forecasts. Besides, a weak ringgit makes us more competitive even if the cost of imports is higher. This high cost of imports can result in inflation of course. But Malaysia has always had low inflation rates.

We counter imported inflation by producing more for domestic consumption. Since food imports are the biggest item contributing to our high costs, we have encouraged local food production. This has been so successful that we can now export more food products, thus increasing our trade

As I mentioned the former deputy Prime Minister was still in the government when the decision was made to control exchange rates and short-term capital flows. He did not object to the decision in any way. So economic reasons are not involved in his removal from office.

He was removed purely for behaviour that is not acceptable for a member of the government. It was certainly not a good time to remove him. We were about to defy the world with a strategy that we could not be certain would work. We were in a state of recession and severe economic turmoil.

No one in his right mind would want to add political instability to the already difficult economic situation. If the removal of the deputy Prime Minister was planned a more propitious time would have been found. But his misbehaviour was such that his immediate removal was necessary. And so a political problem was added to the economic problem for the government to tackle.

Upon dismissal the former deputy Prime Minister was allowed to move around the country freely to hold rallies to whip up anti-government feelings. The government did not stop him. This apparently did not suit his purpose. He wanted to convince his followers and foreign observers that the Malaysian government, and in particular the Prime Minister, is dictatorial and violently oppressive. And so he organised demonstrations and rioting by his followers in Kuala Lumpur. The government was forced to arrest and detain him. With that his followers became

which had been in deficit for many years was reversed and huge surpluses achieved in the trade balance. This enabled the reserves to increase from US\$20 billion (RM76 billion) to US\$30 billion in the space of six months.

All other indicators show that the economy is now improving rapidly and it is expected that the target of

one per cent growth in the Gross Domestic Product for 1999 will be achieved easily. It is expected that the growth in year 2000 will be around five per cent.

The controls have apparently succeeded in bringing about the recovery of the Malaysian economy. Although many still condemn capital controls, others now say that controls can resolve the problems brought about by the rapid devaluation of the currency by currency traders.

Some even recommend that other countries open to attacks by currency speculators should adopt currency controls.

It is now easy to think that countries should at least try currency controls in order to solve the problem created by currency devaluation by unscrupulous traders.

But deciding on such controls is not easy. In the case of Malaysia, more than six months of intense debate preceded the decision by the executive committee of the NEAC to impose controls. One member of the executive committee brought up 32 reasons why currency controls would be bad for the country. But the arguments were demolished one by one.

Other members of the NEAC also found difficulty in supporting the proposal. The deputy governor of the Central Bank was invited to give his opinion and he too was not supported. He gave all the standard reasons why it would harm the country, its economy and its relations with the rest of the world.

The former deputy Prime Minister was still a member of the NEAC executive committee at the time the

on its commercial and financial links, including direct foreign investments with the rest of the world.

It is not like the United States, which can actually cut itself off from the rest of the world and still survive and even prosper. With only 22 million people and a relatively low per capita income there is no way for Malaysia to be totally independent economically and certainly no way for Malaysia to grow and prosper. Malaysia must maintain strong economic links with the rest of the world.

And so Malaysian currency controls had to be so crafted that it would prevent the currency from being manipulated by foreign currency traders while allowing normal business transactions to be carried out without hindrance. And that is precisely what was formulated and carried out.

Trade has therefore not been in any way affected and it has not only grown much bigger but the surplus has increased considerably. The foreign currency to pay for imports is thus readily available from the surplus.

Foreign long-term direct investments have not been affected either. The investments are flowing in because conversion to ringgit at a fixed rate within the country facilitates business budgeting.

At the same time the exchange rate is more favourable than when the ringgit was stronger. The money invested can be taken out without any difficulty if there is a need to liquidate and take the money in foreign currency elsewhere. Profits from such long-term

their interest rates and expanded their budgets. The big conglomerates which had been ordered to dismantle did not really do so.

And so the economies of South Korea and Thailand recovered. Even the Indonesian rupiah strengthened. But Malaysia's recovery is earlier and stronger. The business community, both local and foreign, is convinced that controls have benefited them.

The investing public returned to the stock exchange and helped push up the Composite Index by almost 200 per cent. With this the companies were freed from the need to meet margin calls by their banks and were able to do business again.

The Reserve of the Central Bank shot up by 50 per cent as the trade surpluses increased. All other indices indicate a positive recovery for the Malaysian economy.

Malaysia's currency control is made possible by its strong economic fundamentals. The Reserves stood at US\$20 billion when controls were imposed. There was hardly any foreign debt.

The financial system and the bankruptcy laws were already in place. The political climate was stable and the government was backed by a big majority. Inflation was low even when the currency was devalued. Reduction in imports and expanding exports had resulted in huge surpluses.

The initial attempt to raise funds through bond issues was frustrated by Moody's and Standard and Poor's downrating Malaysia's credit rating to almost junk-bond level. But the high savings rates of almost 40 per cent and the re-

surplus.

With the government in full control of the exchange rate we can easily enrich ourselves by strengthening the ringgit, even up to the pre-turmoil level of RM2.50 to US\$1.

But the downside to this is lesser competitiveness of our exports and therefore less foreign and domestic investments for export industries. The power to change exchange rates must be used judiciously or the economy may be damaged.

The recovery of the East Asian economies also owe a lot to the Chinese government's decision not to devalue the yuan. Had the yuan been made freely convertible there is no doubt that the currency traders would have attacked it and plunged China and East Asia in even worse turmoil and recession. As it is, they tried to attack Hong Kong instead in an effort to destabilise China. The Hong Kong government departed from its laissez-faire policy and defended the stock market strongly. The attack failed but Hong Kong's economy and its reputation have been damaged.

It is really not fair to expect China not to devalue the yuan forever. The devaluation of the currencies of East Asia has effectively revalued the yuan upwards, rendering China less competitive.

The yuan can actually be devalued a little without affecting the economies of East Asian countries. But I must thank the Chinese government for holding steadfastly to its promise not to devalue the yuan. China is a friend indeed, much more so than some other so-called friends.

truly incensed and violent. They started to demonstrate and to riot in Kuala Lumpur.

The foreign media seized on this to depict Malaysia as an undemocratic, unstable, potentially violent country. Day in and day out, pictures of rioting were shown by CNN, CNBC, BBC and others. This compounded the difficulties in reviving the economy. Investors and tourists avoided the country, and the hotels and other service industries suffered very badly.

But the demonstrations and riots petered out and try as the detractors might they could not keep up with the picture that Malaysia is a bad country. When the former deputy Prime Minister was found guilty after a much prolonged trial witnessed by foreign and local journalists, diplomats and sundry NGOs, there was another bout of rioting, but it did not last.

Today the Anwar affair is no longer relevant as far as the economic recovery is concerned.

In the meantime the economy is growing again. More and more experts are supporting currency controls, condemning the IMF and even indirectly the powerful and influential hedge funds and currency traders.

Even the Group of Eight is discussing regulating the activities of the hedge funds. It will be a long time before they will actually do something but at least they recognise the role of the currency traders in causing worldwide economic turmoil. If they do it again, the

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funds will certainly be dealt with appropriately.

The question that has been asked repeatedly is when will the controls be lifted. Many say that the objectives have been achieved and Malaysia should go back to the freely convertible currency. The ringgit should be allowed to cross the border freely.

We have said right from the beginning that the present international financial regime exposes newly emerging economies and middle-income countries to very destructive currency trading and manipulation by the hedge funds and other currency traders.

The only way this danger can be eliminated is by curbing the activities of these traders, by regulating currency trading, by making them accountable and transparent.

All these things can be done if the powerful economies of the world agree to do so and assert their authority over their own nationals. We have seen how a superpower can actually ignore international norms and arrest the leader of a foreign country to bring him to trial under the laws of the superpower.

If this can be done I don't see why currency traders who have in fact destroyed the economies of whole regions of the world, precipitating riots, looting and killing, cannot be curbed and their activities regulated. Free trade is not a religion that anything done in its name cannot be modified, regulated or banned altogether.

If and when currency trading is rendered less harmful to emerging economies, Malaysia will lift its selective capital controls. Until then the controls will remain in place and will be defended and kept effective by whatever means Malaysia has at its disposal. We are doing nobody any harm by our controls.

Indeed we are doing a lot of good to ourselves and I venture to say, to our trading partners, investors and even the world's economy. So I hope we will be left to administer our economy in our own way. No one should tell us when we should lift the controls.

On Sept 1, we will celebrate one year of defying convention. We would of

course make an assessment of the results. We think it is going to be good. Some will take the money they have invested in our share market out. That is alright. We will change their ringgit into whatever currency they wish so they can take it out. We will not bear any ill-feelings towards them. That is their right and in Malaysia we respect the rights of everyone including foreigners.

We are prepared to face challenges and we believe we can handle most of them. Whether we fail or succeed, we hope we have provided the world with an experience that will be useful for case studies in the management of a country's economy under stress.

I met Japanese Prime Minister Keizo Obuchi when I visited Japan in early June. He is a person who uses his advisers very well. Before giving an opinion or answering a question he would refer to his staff and colleagues first.

I believe he knows what he is talking about but is being very careful. A bad leader is somebody who doesn't know and doesn't ask for information or the opinion of others. I am sure that with Obuchi's leadership and knowledge, Japan can revive its economy.

Revival of the Asian economy is very much dependent on the economic recovery of Japan. It seems that Japan wants to do away with government/private sector co-operation, which has been dubbed "Japan Inc" by the West, to replace it with the "so-called" Western concept of separation between government and the private sector.

Close government/private sector co-operation was what helped Japan to recover from the wreckage of the Pacific War and go on to become the world's second-largest economy. Admittedly, there were abuses of the system, but Japan Inc worked very well.

Dropping it suddenly must cause economic turmoil as people, both from the government and the private sector, find themselves having to adopt a totally different way of doing work.

Matters are aggravated by officials and senior members of banks and companies being arrested

and charged with doing something that they had been doing for decades and even centuries.

Now neither government officials nor businessmen dare to do anything that may expose them to legal action and probably jailing. With this atmosphere of uncertainty businesses cannot succeed.

Admittedly abuses must be gotten rid off. But this must be done gradually so as to give time for adjustments to be made. If Japan Inc is to be replaced, time must also be given for both the government officers and businessmen to understand and familiarise themselves with the new system. Gradual adoption of the new way of doing business will result in less economic turmoil and disruption.

It must always be remembered that government has a share in all businesses in the country. When companies make profits, the government is entitled to a percentage of the profit in the form of corporate tax. If a company fails, the government will not get to collect the tax.

It is, therefore, important that the government ensures companies don't fail, and that, in fact, they make profits. A government under the Japan Inc concept helps companies make money and in the process helps itself. Since the government uses the tax for the good of society, helping the companies to make profits amounts to helping the people. If the government does not approve of such practices then it must accept frequent company failures, low profits and consequently diminished revenue.

Without Japan Inc, economic growth would have been stifled and Japan would not have recovered and prospered so quickly after the war. Abuses within the system are not inevitable. They can be reduced with proper methods and surveillance.

In Malaysia, corporate tax is 28 per cent. This actually means that the government has a 28 per cent share in the companies. Clearly we stand to gain by helping the private sector to succeed. But impartiality must be maintained because as far as the government is concerned, whichever company makes

the profit the government will still get its 28 per cent.

A company's failure is a national failure. When a company fails, governments get no money and employees suffer, as do consumers. So you cannot simply allow companies to fail, especially when it is due to no fault on their part, as in a recession.

Because we in Malaysia believe that helping businesses to succeed will help government revenue to increase, we adopted the Japan Inc concept and deliberately propagated what we call "Malaysia Incorporated". We regard all businessmen as our cronies and we will help them to succeed. When they do, government revenue is increased, the country's economy grows, people are gainfully employed and the country enjoys a lot of positive spin-off effects.

The devaluation of currencies and plunging share prices will put any company, even the most successful, into trouble. The attacks on the currencies and shares of the East Asian countries caused many good businesses to fail or lose money. To recover, they needed injections of new capital, as banks would not lend them money even for normal operations.

Foreign companies and banks of the rich countries thought that they could acquire these businesses and banks cheaply and then inject capital to revive them. This is unwise because the people will resent their companies being taken over by foreigners.

In the United States, foreigners can buy only 24 per cent of an airline. In Canada, a company that has always been identified with Canada's history was taken over 100 per cent by Americans. There was a lot of resentment. People cannot avoid feeling that the economy would be controlled by foreigners. My first overseas holiday was to Hong Kong in 1960 after I left government service. The next year, I went to Japan. I went to Europe in 1962. I had the opportunity to observe these three peoples. My first impression of Japan was that its post-war recovery was very rapid.

In 1945 Japan lost the war, and the whole country was destroyed. When I went to Japan there were

will help Japan to recover

still signs of bomb destruction in various Japanese cities. However, there was also a lot of economic activity.

I went to a factory in Osaka. It was a glass factory. I use a lot of bottles and thought this was a good business for Malaysia. I also passed the Matsushita factory that was in the middle of a rice field. It looked quite odd to me as factories in Malaysia were not allowed on rice fields. But I could feel that Japan was on the move at that time. Lots of construction was going on. They were preparing for the Olympics, building the highways over Nihonbashi, etc. Of course, everything was cheap at that time.

I could see that the Japanese people were very determined, focused on working and very polite to each other. For example, if one car hit another car, both of the drivers came out and bowed to each other. And they seemed to settle their problems immediately.

I was also impressed by the train system. It was very punctual. However, Tokyo was very polluted. There were big factories inside the city giving out a lot of smoke. As a result of what I observed in Japan, in 1981, after I was appointed Prime Minister of Malaysia, I introduced the Look East Policy. Because of race riots in 1969, the country adopted the New Economic Policy designed to reduce the economic gap between the indigenous Malays and the ethnic Chinese who dominated the business scene.

To make a success of this policy it was necessary to improve the capabilities of the people, the indigenous people in particular. Japan's rapid recovery and growth was due to the character of the Japanese people, their work ethics and their management methods. The Look East policy is not about cutting out the West and giving all contracts to the Japanese. It is about learning the Japanese work ethics and business practices.

The indigenous people must acquire these ethics and business practices if they are going to make a success of the New Economic Policy. Still it is not possible to change the culture of the people completely, nor is it desirable to do

so. But it is easier for the people of Malaysia to adopt Japanese ways then to emulate Western ethics and practices.

I have been to Japan more than 50 times and have seldom seen signs of poverty. But on my latest trip to Nagoya this year I saw a lot of makeshift huts of poor people under elevated highways and in parks in the city. I was told that some six million people are jobless in Japan. What strikes me is that these people seem to accept their situation.

In other countries, if the unemployment rate goes that high, people will march on the government and protest against its policies. In many cases there would be riots and violence. There was no such reaction in Japan. This self-restraint is remarkable. Riots and violence can only worsen the situation and make the cost of recovery higher.

I was told that these people chose to escape from their families rather than be a burden to them. Since they don't register as unemployed they don't get government aid. They have to eke out a living by collecting discarded things and selling them. I don't think that this is good. In Malaysia we have no unemployment benefit. We expect families to look after their unemployed members. Not wanting to be a burden to their families, these unemployed try to get employment as soon as possible.

Japanese are nationalistic and proud of their independence and skills. However, over the past five years or so, the Japanese seem to have lost some of their self-confidence and even national pride. It is right not to be militaristic, but it is not wrong to be nationalistic. Nationalism motivates and helps a country to overcome problems. Alliances with other countries should not result in total dependence. To be able to defend one's own country is not synonymous with aggressive militarism.

Japan has a good reason for rejecting militarism. It should be ready and willing to admit that it had done a lot of wrong in the past. But it should not be burdened by a permanent sense of guilt over actions committed more than half

a century ago. I don't see Germany being reminded of its Nazi past.

Nor is Germany required to go around apologising for Nazi atrocities during the war. But it would seem that every Japanese Prime Minister must apologise for deeds committed by people of two generations ago. Apologies are not needed, but undertaking not to be an aggressive military power is necessary if Japan wants to allay the fears of its neighbours.

The Self-Defence Forces are necessary but must not limit themselves to internal duties only. While they should not attack other countries, the forces should be prepared to help with the peacekeeping functions of the United Nations.

Japan feels a need to be allied to the United States. This is understandable if it is not directed against other nations. Unfortunately, the United States shows open hostility to some countries in Asia and the US-Japan alliance seems to be directed against these countries. This is not good because these countries would regard Japan as an enemy and there would always be tension in the region.

Malaysia does not want to have enemies. That is why we say we are against the presence of foreign forces in the region. War is no longer a way of solving international problems. If there is another world war, the whole world will be destroyed.

I believe that nuclear weapons should be abolished, although that is going to be very difficult if not impossible. No one knows what to do with nuclear warheads. But even so-called conventional weapons are getting more and more sophisticated and expensive.

A lot of money is now spent on the periodical testing of new weapons. There should be an international agreement to reduce research on new weapons. Then poor countries need not spend so much money in acquiring new weapons to match the ones acquired by neighbours. But unfortunately some countries refuse even to outlaw landmines. Why landmines should seem so necessary when missiles can reach any point on earth is some-

thing I cannot understand.

As much as Japan fears China, China must fear the US-Japan alliance. However the world must accept that China, with 1.3 billion very hard-working, intelligent people cannot help but be a powerful country eventually. We have to live with this eventuality. If we can live with the United States as the sole superpower, there is no reason why we cannot live with China as a world power. China has practically no history of conquering and colonising neighbours. European powers have.

I believe that all conflicts should be resolved around the table. That is why we should support the East Asia Economic Caucus (EAEC). Through the caucus we can resolve problems between us and discuss common problems facing the region. Europe has the European Union and North America has the North American Free Trade Agreement. We accept them. Why can't they accept the East Asia Economic Caucus. Japan should rethink the EAEC. It should not be led into believing that it is going to be a threat to countries outside the region.

East Asia needs the economic and financial strength of Japan. We welcomed Japan's 1997 proposal for a US\$100 billion Asian Monetary Fund. Unfortunately Japan dropped the proposal due to US opposition. Later the Japanese government introduced the US\$30 billion Miyazawa Plan. This has been very helpful for Asia's recovery. A newspaper reported that there was some opposition to the fund being made available to Malaysia. Fortunately the Japanese government stood firm and provided loans to Malaysia. I hope that the Japanese will always stand by its friends in times of need regardless of pressures from elsewhere. Asians' prosperity will help Japan to recover. In helping Asia, Japan will also be helping itself.

□ This is the seventh instalment of a monthly column of commentary and opinion by Malaysian Prime Minister Datuk Seri Dr Mahathir Mohamad which appeared in the *Mainichi Daily News* on Monday.