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Dr M makes his point by looking at world headlines of a year ago

KUALA LUMPUR, Thurs. - The Prime Minister today quoted extensively headlines in the international Press and comments by experts on the economic crisis, in a speech one year after the selective currency controls were imposed.

"I certainly am surprised how merely reading today the headlines of a year ago provides eloquent testimony to the dire economic and financial and monetary uncertainties of this time last year," Datuk Seri Dr Mahathir Mohamad told a symposium on the first anniversary of capital controls.

He went on to cite, for instance, how currency trader George Soros called the capital controls "outrageous" and how Milton Friedman thought the move was the "worst possible choice."

Business Week labelled Malaysia as a "renegade economy". New York Times quoted a senior Clinton administration official as saying the measures would be a "spectacular failure".

The International Herald Tribune proclaimed that "Malaysia last week shut the door on the global economy, which Dr Mahathir said, was "pretty strong stuff."

The Prime Minister said while he could understand abuse from the likes of foreign currency speculators and manipulators, "the abuse from the English-language world Press is a little puzzling."

Dr Mahathir said the latest line of arguments now that Malaysia's accomplishments were clear, were that the IMF-assisted economies have done as well as Malaysia without having to resort to currency controls.

The Prime Minister quoted Michael Dee, managing director of Morgan Stanley Dean Witter's Asian debt capital markets who said Malaysia should be proud of its achievements for staying away from IMF measures.

And, Margaret Kelly, senior adviser in IMF's Asia-Pacific Department said Malaysia had wisely used "the breathing space provided by the controls."

Praise also came from IMF managing director Michel Camdessus for the way Malaysia was able to adopt a "soft system of controls."

At the outset of the speech, the Prime Minister mentioned how Malaysia was least liked by certain quarters for some reasons which he did not understand.

He also alluded to how Moody's downgraded Malaysia's sovereign debt rating to just above junk bond status a day after the National Economic Recovery Plan was unveiled.

"The very next day. Standard & Poor's did the same. It was no surprise that the Kuala Lumpur Stock Exchange plummeted to a nine-year low. The ringgit came under heavy pressure. The bond exercise, was, of course, aborted," he said.

To a question related to double standards by the international media at a Press conference later, the Prime Minister said that was why he repeated all the headlines.

"According to them, today we would be in terrible state," he said.

"That the whole region would be destroyed and they have been proven wrong.

"But people forget that they said these things, they said there is no light at the end of the tunnel ... now they say, well the recovery is too fast," he said.

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