

**World Bank loans: An unnecessary 'lie' by Dr M
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YOURSAY 'I am not defending Mahathir, and can accept that he lies routinely. To me, this World Bank issue is an unnecessary lie.'

PKR shows EPU prepared World Bank application

Milosevic: Taking concessionary loans from the World Bank is no big deal, provided the projects make sense. Dr Mahathir Mohamad's pivotal act, and here is where he distinguished himself, was really about rejecting the IMF (International Monetary Fund).

It was a brave step in challenging global financial orthodoxy, and the results were not as dire in its macro-economic implications as predicted by top economists.

Whether the rejection perpetuated the structural flaws of the Malaysian economy is another question altogether. Here Mahathir was thinking politically and he was not about to undermine the fundamental basis of his regime.

Was Anwar prepared to dismantle the NEP (New Economic Policy) and shrink the bureaucracy? Until he gives a clear answer, we need to suspend our judgment on Mahathir. If Anwar's main point is to claim that he is not a Western agent, well, who believes this anyway?

He might be against Mahathir cronyism but he needs to tell us if he is against racial preferences of any sort. If not, we shouldn't get too excited about this spat.

If Mahathir is lying, he is being silly, at least this time. Perhaps lying is second nature to him but in this case, I can't figure out what really is at stake.

As an old man, he may have forgotten all the separate dealings between IMF and the World Bank. Joseph Stiglitz was chief economist then at the World Bank and he has been very critical of the IMF.

China borrows from the World Bank but has rejected IMF pressure to revalue the yuan. In other words, pinning Anwar as an uncritical follower of the IMF is damaging.

Anwar's rebuttal linking Mahathir and the World Bank is not very damaging even to someone anti-Western, so I find it curious why Mahathir needs to distance himself so strongly from the World Bank.

Maybe he feels that he has to dismiss everything Anwar says; in turn, I believe Anwar is really engaging in a sideshow when more pressing issues are at stake.

But in the end, I am not defending Mahathir, and can accept that he lies routinely. To me, this is an unnecessary lie.

Baiyuensheng: The spat isn't (for me at least) about loans from World Bank. The thing is that Mahathir claimed he had not applied for it. He basically lied.

Proarte: The last loan was inked in March 1999 only a few months after Anwar was sacked. It would appear that most of the loans were taken under Anwar's watch when he was finance minister.

Logically, multi-million dollar loans would require prior detailed discussion and justification and this would have taken place a few months before, probably when Anwar was finance minister.

If Mahathir was having 'secret' loan deals with the World Bank and IMF, why were no loans taken after March 1999? Anwar fails to reveal this fact and he is yet again being duplicitous.

We must not forget that Mahathir was not always antagonistic towards the World Bank and IMF. This only surfaced during the 1997 world financial crisis during where he felt rich nations were in cahoots with the World Bank and IMF in attempting to ruin and enslave developing world economies.

Even Nobel prize winner Joseph Stiglitz credited Mahathir's policies after Anwar was sacked for saving the Malaysian economy.

Pants On Fire: Proarte, you can say all you want in any flowery language but the point is three loans were taken and inked after Anwar was sacked.

You mean to say the Finance Ministry signed the deal without Finance Minister Dr Mahathir Mohamad's knowledge?

Mahathir said he will swear on Quran that he did not write the letter. It's all semantics here. Of course, it's the EPU (Economic Planning Unit) which was under his control that did the writing and signing.

And the finance minister, which was him at the time, must have known of it.

Louis: You have to forgive him for his short memory. He even forgot where his ancestors came from.

Dr M again denies having sought World Bank funds

Onyourtoes: I cannot say for sure whether Mahathir knew about the World Bank loans given to Malaysia in 1998. But I can say for sure the loans existed.

Whether these loans were productively used is a separate matter. Put it this way, even if with conditions attached, lots of World Bank loans are very poorly supervised and monitored, due to corruption of the recipient countries as well as the World Bank itself. Please don't think the World Bank and the IMF are saints.

Jeremy Ng: Tun is getting sick and sickening by the days. His challenge to swear on the Quran reflects poorly on his understanding of Islam and his credibility as an elder statesman.

Does he means any criminal who swear on the Quran will not be guilty? Tun is sadly playing politics in the name of God.

Compass: Dr M, just say "I don't remember" like you did during the VK Lingam RCI (royal commission of inquiry) and you will be safe. Next time, just keep quiet. It's much more honourable.

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