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**G Thomas**

I see "I am not defending Mahathir" Milosevic ("World Bank loans: an unnecessary lie by Dr M" - 20/12/2011, Malaysiakini) declaring that "the results were not as dire in its macro-economic implications..."

Let me explain. That was a private sector crisis. The worst hit in Malaysia were Mahathir's son and cronies. True? The government did not need help. If it had gone to the IMF, it would have been to help the child and the cronies.

But the government did not have to go to the IMF because the Treasury was in rude financial health then.

That was thanks to a certain sacked finance minister who had during his term accelerated loan repayments and produced surplus budgets, something we have not seen for more than a decade.

That comfortable state of affairs made it possible for Mahathir to "distinguish himself" to his acolytes.

State funds salvaged the face and pant-seats of the child and cronies.

I am not sure if these had dire macro-economic implications, but high government budget deficits are still there today and Malaysia has been sold in bits and pieces a' la foreign direct investments.

In other words, the issue is not the IMF, but what the caretakers have done with the wealth of the state, or how private losses have been nationalised.

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