

Dr M: If 'no crisis', why is Putrajaya crying 'saboteurs'?

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Former prime minister Dr Mahathir Mohamad has poured cold water on front-page reports in government-linked newspapers that the country is not heading into a financial crisis.

"Eight prominent people, including the prime minister, tell us everything is fine.

"Now, if everything is fine, why is there a need to arrest people for sabotaging the banking and financial system of the country?

"If they sabotage, surely the banking and finance of Malaysia would not be fine. They would be dysfunctional," Mahathir said in a blog posting this evening.

He was referring to the detention of his former political secretary Matthias Chang and former Batu Kawan Umno division vice-chief Khairuddin Abu Hassan, who have been charged with 'sabotaging' the country's banking sector.

This was after Khairuddin, accompanied by Chang as his lawyer, lodged police reports in several countries on allegations of misappropriation of 1MDB funds.

Loss of confidence in government

Mahathir wrote: "There is a loss of confidence in the government, precipitated by the 1MDB scandal, the inability to service debts, disappearance of money, cash in the private accounts of the prime minister, its subsequent disappearance...

"...2016 Budget of monetary gifts, shrinking national resources, questionable use of Employee's Provident Fund and Retirement Fund Incorporated (KWAP) funds, poor financial direct investment, etc."

As such, Mahathir said, all cannot be well.

"Who is responsible? Cannot be some non-entity. It must be the people who manage the economy, manage the country, the people with power and influence, whose words and deeds can affect the economy.

"In many countries, leaders resign when they fail; when their policies fail, when their cures fail. They also resign when some catastrophe assails their country e.g. Australia and Romania. Of course, they resign when they do badly in elections.

"But not in Malaysia. Find other reasons. Find scapegoats. Blame the climate or whatever. Poor Malaysia. No honour. No accountability. No pride. Just self-preservation," he said.

Mahathir added that while the financial system may appear to be fine at a glance, there are indicators that the real situation is otherwise.

This, he said, included the ringgit now standing at RM4.30 to one US dollar, which will affect import businesses and loans denominated in the US dollar.

He pointed out that the stock market has also suffered big loss in market capitalisation.

"The economic growth is lagging behind those of Indonesia and the Philippines. This is not normal. We used to leave them far behind us.

"Everyone complains of increases in cost of living – toll rates up, rice prices up, GST, cost of production and services, transport, wages for servants, unemployment of graduates, etc. etc, are all high, reducing the purchasing power of everyone.

"But is it true that everything is hunky-dory; everything is fine? It can't be," Mahathir said.