

## QUOTE

**BUSINESS** does not thrive on riots. Business thrives on peace and stability. The NEP is therefore good for business even if it imposes all kinds of restrictions.

It is far better to put up with these restrictions than to have instability. The choice is between half a loaf and no bread. Surely the wise businessmen will choose half a loaf.

— By *Datuk Seri Dr. Mahathir*

# Mahathir: Why the NEP is good for business



**Datuk Seri Dr. Mahathir with Bank Pertanian chairman and managing director Dr. Agoes Salim at the seminar.**

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**KUALA LUMPUR, Mon.** — Deputy Prime Minister **(Datuk Seri Dr. Mahathir Mohamad)** spoke today of a lingering campaign to frustrate the New Economic Policy and he advised those concerned to give it up.

"You are not doing any good for yourself or the country. The Government has shown its willingness to modify and adjust the approach and the means, but it will not be deflected from its objective of eradicating poverty and restructuring society," he said.

The Government, he added, was determined to achieve these objectives because it was the only way to ensure stability, harmony and growth in Malaysia.

He was speaking at the opening of a one-day seminar here on *The*

*New Economic Policy — the Financial, Corporate and Tax Implications of Corporate Restructuring to meet the Requirements of the NEP.*

**Datuk Seri Dr. Mahathir** urged those taking part in the seminar to examine how they could adjust to the policy rather than to clamour for the policy to be adjusted to their needs.

### An example

Explaining the broad politics of the NEP, he said although governments should interfere as little as possible with the activities of society, a modern government could not avoid having "a finger in almost every pie."

"Unfortunately, society has become more complex in its structure and activities and society itself demands that the Government be involved and accept re-

sponsibility for more and more of the affairs of society."

The NEP in Malaysia was an example of political or governmental interference in what was basically an economic affair, but this was not unique to Malaysia, said **Datuk Seri Dr. Mahathir**.

Every country had its NEP and every one of these policies had been roundly criticised by irritated businessmen.

"But like it or not, they have to accept the policy and put up with the inevitable restrictions that follow.

"There is really no country where businessmen are absolutely free to do what they like.

"Even in America, the land of opportunity and free enterprise, American dealers of Japanese cars and television who would like to have unrestricted im-

ports, while the locals got only the dregs, but they put up with it because it was a policy.

"Business did not come to a standstill. Business went on despite the importation of young green expats to supervise experienced chief clerks and compradors," he said.

**Datuk Seri Dr. Mahathir** pointed out that wherever businessmen operated, they would be subjected to Government policies which by nature must be restrictive.

Businessmen, he said, must accept the need to submit to the policies of the countries in which they operated.

"The multi-nationals who operate in different countries know this fully well and they know too that whatever advantage they may get in the country of their choice will be marginal.

thrives on peace and stability. The NEP is therefore good for business even if it imposes all kinds of restrictions.

"It is far better to put up with these restrictions than to have instability. The choice is between half a loaf and no bread. Surely the wise businessmen will choose half a loaf."

He said the Government formulated and applied the NEP not with pleasure but because it was necessary to create peace and stability in the country.

"Peace and stability is good for business. But peace and stability is also good for the Government. A Government that is able to bring this about is more likely to remain in power," he added.

portation of the Japanese products, are not allowed to do so because the economy of the U.S. would be hurt.

"Similarly American businessmen would like to hire and fire whom they like but there are restrictions and laws against this. The powerful business houses would like to monopolise certain businesses, but the anti-trust laws prevent them.

"In other countries, the restrictions are even more numerous and more rigid. Indeed, by comparison, Malaysia is very free."

Datuk Seri Dr. Mahathir noted that even during British rule there was a policy "but Malaysians accepted it because they could not say or do anything about it."

The policy then was to favour British business houses and British prod-

### No escape

"There is no escaping from policies and restrictions. What is important is that you are allowed to do business. A good businessman will adjust and will make the best of the situation," he said.

Datuk Seri Dr. Mahathir also pointed out that three-fourths of all the business activities in Malaysia today — "certainly three-fourths of the buildings constructed in K.L." — were started after the 1969 incidents and the formulation of the NEP.

This should argue that the NEP is good for business," he said.

The NEP was meant to reduce the kind of disparities that led to tensions between races in Malaysia and possibly the recurrence of the 1969 riots.

"Business does not thrive on riots. Business

### Past ideas

Datuk Seri Dr. Mahathir said he had explained this in length, with the purpose of getting businessmen to reconcile themselves to the NEP.

"Psychologically, this is very important. Once a person is reconciled to the inevitable, he ceases to struggle uselessly against it. Instead he tries to work with it.

"And invariably, he finds that it is easy and profitable and that it is really his past ideas that were misconceived."

He assured businessmen that this would be their experience once the reconciliation came about.

Foreign companies had done so and were already benefitting by it and some had turned the restrictive conditions into assets which helped them towards greater success, he said.

"The local businessmen can do the same, unless they are truly inferior and quite incapable of doing what foreign businessmen can do."