

Limited growth, the price of political stability

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KUALA LUMPUR Sun. — The New Economic Policy has led to restricted economic growth but this is the price Malaysians must pay for political stability, the Prime Minister said.

Datuk Seri Dr Mahathir Mohamad added that anything has a cost and political stability is no exception.

"We will admit restricted economic growth is one of the by-products or fallout from the NEP.

"But comparison should not be made with the growth if the policy is not in the way,

the effect of the policy on political stability," he said.

He pointed out that no investor would risk investing in a politically unstable country.

"Yet when we devise policies to ensure political stability, we conveniently forget how important political stability is to business and by extension, economic growth," he said.

Dr Mahathir said the price the country had to pay was a "slightly restricted growth" which was "far better than the kind of chaos we see today in other countries."

"Business cannot survive, much less prosper in a climate if there is chaos. We have to accept some restrictions in economic growth because the alternative is not greater growth but more likely no growth at all," he said.

The Prime Minister also said that the NEP was actually devised to bring about political and economic stability in the country.

He added that when the Government drew up certain principles and targets, it was for the common good and not the good of any particular group or race.

Dr Mahathir also said that while the Government

"dearly love" to stay within its principle function of maintaining law and order, it was the people who kept urging the Govern-

ment to get involved in other activities.

"We are forever being asked to raise or lower tariffs, to protect local industries, to regulate business practices, to formulate laws and rules to keep frauds at

bay and a host of other things.

"As a responsible Government, we have to accept the increasing role we are asked to play," he said.

As such, nationalisation and socialism emerged because businessmen failed to be fair and to exercise their rights with responsibility, he added.

Dr Mahathir said that the Government was forced to go into the private sector because failure to do so might lead to bad consequences for everyone including the businessmen.

"If there is inequity because of the failure of businessmen to exercise responsibility, the Government has to move to forestall disturbances that can destabilise the economy.

"The Government enterprises may not be efficient. But that cost is not as great as the cost of civil strife that can occur," he said.