

...WE ARE meeting this time after an election in which we scored the best-ever success since Umno was established and the country gained Independence.

If in 1955, while we were under British colonial rule, Umno won 34 out of the 35 seats it contested, this time, Umno won 83 of the 84 seats it contested.

Percentage-wise, in 1955 we won 97 per cent of the seats we contested but this year we won nearly 99 per cent of the seats we contested. At state-level too, we obtained an excellent victory.

We have a right to be proud of our success. But we should not be too proud of our personal success or be conceited or arrogant or so satisfied as to be careless in carrying out our responsibilities and forget how important it is for us to work harder, and provide better service to the people who have given us their trust.

Umno's success will increase the feelings of envy and anger amongst our enemies. They had made several predictions which in reality were based on their dreams and fantasies.

Apparently, Umno was facing a leadership crisis, was wrecked by factionalism and was very parochial. There were some who thought Umno was so rotten within, that it could not be cleansed anymore.

They also spread rumours to make the people and Umno members lose their trust in the party leadership. They claimed that certain leaders were involved in corruption, including siphoning off money from BMF.

They claimed that the Prime Minister of Malaysia was one of the richest in the world and that this was reported in *Fortune* magazine.

When nobody could confirm reading this article in the magazine, lies were spread that the magazine concerned was banned from sale in Malaysia or that the article was not in *Fortune* but in *Business Week* or *Forbes* magazine.

Even though all these stories were proved untrue, such lies still continue to be spread.

# Mahathir defends government policies

STAR 19 SEP 1986

**FULL text of Datuk Seri Dr Mahathir Mohamad's presidential address at the 37th Umno general assembly in Putra World Trade Centre yesterday.**

country, what is the position of the minority, the non-bumiputras?

In newly-independent nations, if bumiputras are the majority, they suppress the minority non-bumiputras. There are those who are forced to change their original names, those who are not allowed to trade in certain areas. There are also those who are not allowed to practise even a little of their cultures.

Does not this happen in advanced countries like in America and Europe? In Britain, citizens who are not white are second class citizens. While the whites can marry a foreigner and bring the foreign wife back, the non-whites are not allowed to bring in wives from overseas and are even required to obtain a visa when they leave the country.

Citizens of the Commonwealth who are white can enter and leave as they please. The Government's funds cannot be used for schools which do not use the English language. Only English schools are set up and funded by the Government.

In politics, although more than 10 per cent of British residents are those who originally came from India, Pakistan, Bangladesh, the

Chinese for the Malays. After arousing the emotions of the Chinese against the Malays and rejecting the concept of co-operation among the races as upheld by Barisan, Kit Siang seemingly wants racial polarisation reduced.

Does the DAP representation in Parliament reflect the position of the races in Malaysia? Who is the Malay DAP representative in Parliament?

DAP reminds us that 43 per cent of the people voted for the Opposition. Since there is not a single Malay DAP representative in Parliament, does this mean that for the DAP, there are no Malays in Malaysia?

If the DAP wants to talk about race, it is better for it to focus on PAS, with its emphasis on Malay chauvinism. Umno is prepared to work with non-Malays to the extent that even in areas with a Malay majority we are prepared to support and ensure the victory of a non-Malay candidate from a Barisan component party.

If today, there are Malays, Ibans, Kadazans and other bumiputras together with Chinese and Indians in government and in the Cabinet, the reason is because of the existence of the Barisan and because Umno is a member of the Barisan.

In other countries, racialisists, racists and chauvinists are criticised by foreign publications. In Malaysia, these same newspapers support racialist and racist parties like the DAP and PAS.

The Barisan Government will continue with this policy until its aims are achieved because this policy reflects our willingness to give-and-take and give priority to non-bumiputras.

No one should make the mistake of thinking that just because we are quiet when our rights are challenged, we are feeling guilty or are weak. The Malays did not struggle for Independence only to be the poorest group in their own country.

We have no intention of taking away anybody's rights. But let not anyone try to take away our rights.

We see in other countries that the community which controls the economy and political power does not help those who are backward. In Malaysia, bumiputras control only political power. We do not have economic power but we still entertain the interests of others.

Don't just point at the Government when claiming that there is imbalance. Point, too, at the private sector where opportunities for bumiputras are limited to lower positions or positions which are good for image but with no responsibility.

The Government of which we are a part and which we lead is ready to correct the racial situation in government. The question is whether the private sector is ready to do the same.

If the private sector

though the Chinese in urban areas showed their chauvinism and rejected our hand of friendship in the recent election, we will not change our attitude.

We are prepared to work with all races for a more progressive Malaysia. We reject a racialism which is narrow whether it is from the Malays or from the Chinese or from the Indians.

We are aware of an attempt by a collection of political organisations, racial organisations and others to destroy the nation's stability.

When we have a campaign against corruption, they make wild accusations and allegations that the Government itself is involved in corruption.

They magnify the abuses in BMF not with the intention of correcting the situation or to get back the money that was lost but to damage the Government's name and to get political mileage.

If the Government wants to be popular, it could have easily made BMF a political issue. We could have just forgotten about the billions that were lost, and instead arrest and try people even though we have no power over crimes committed outside the country. By doing this, the Government would look firm.

But the Government did not view the issue through a political perspective. We feel responsible for the huge amount of money that disappeared. So, we gave priority to efforts to get

Just after the general election, the issue of sale of tin and Makuwasa was raised, as if once again certain government leaders were linked to abuse of government funds instead of working hard to save the economy and the nation's funds.

This was the propaganda of Umno's enemies and their supporters outside the country, including several magazines and newspapers owned by the Zionists, until they themselves believed what they were saying was true and that Umno would suffer a terrible defeat in the general election when it was held.

This self-delusion also occurred in a Opposition party. They praised their leader and thousands came from far to hear the champion created by them, wherever he spoke.

But the majority of these thousands were not locals and did not have the right to vote in these places. Actually, not many of the locals supported this party. Some of the locals who attended were those who were not committed to the Opposition party or were Umno members who had attended just to see for themselves.

We are thankful to God that even though we, too, were sometimes worried about the people's support for us, we generally knew the people's stand.

We admit that there are a group of educated bumiputras in the urban areas who do not support Umno. They think that they are more qualified to rule than the politicians but they are not prepared to involve themselves in the democratic process.

Those who are anti-establishment searched for reasons why the people would not support the ruling party. Similarly with the Opposition party mentioned above, they too believed their own propaganda and thought that the Barisan Nasional would lose many seats and would not be effective when it formed the Government.

When their predictions did not come true, they are now actively analysing the election results to prove that they were right and that the Barisan did not score the kind of victory reflected by the seats it won.

They have now adopted a different method of calculation. The result of their self-delusion is their contention that actually, 43 per cent of the people supported the Opposition and only 57 per cent supported the Barisan. There are some who say that the victories of the Barisan in certain areas was only by a small majority, as if a small majority does not mean a victory.

The Opposition, too, agreed and uses this calculation. The DAP says the Opposition obtained 43 per cent of the votes. What it has forgotten is that its 24 MPs did not obtain 43 per cent of the vote. Many among the 43 per cent supported other Opposition parties and Independent candidates not connected to the DAP at all.

On the other hand, the Barisan won 57 per cent of the votes and this percentage was obtained by the Barisan alone, without the support of any other party.

There are also those who say that without the support of the Chinese, Umno may not have won. They set aside the concept of co-operation among the races in the Barisan which is based on helping one another.

Other parties in the Barisan won because of the support of the Malays. They are disappointed because of the clearly seen chauvinism of the DAP, but Umno is not chauvinistic.

Actually, if Umno wanted to, it could have contested in more than half the parliamentary constituencies.

But Umno is prepared not only to accord a place to other Barisan component parties but even to ensure their victory.

We admit that only 57 per cent of the people voted for the Barisan but it obtained four-fifths of the seats in the Dewan Rakyat.

But is this something strange in a democracy? What is the percentage of voters who support the ruling parties in the democratic countries of Europe and North America?

Do they know that in the United States, every state is given two seats in the Senate which is so powerful in that country?

For example, the five million people of New Jersey have two seats in the Senate while the 22 million people in California also have only two seats. This means that the people of New Jersey have four-and-a-half votes to every vote from California.

In the United States as well, the states which are rural and consist of mainly farmers whose numbers are small also have two seats in the Senate.

It is clear that even in the United States there is rural weightage. In reality, rural weightage is a universal practice in a democracy.

Even though the Barisan obtained 57 per cent of the votes and four-fifths of the seats in Parliament, this is a normal matter. A nation which gives priority to percentage of votes will face a problem if there are more than two parties contesting.

Malaysia will continue with its rural weightage system because this is the best system for political stability and balanced development.

Malaysia is a multiracial country. In a multiracial

Caribbean and Africa, they do not have a single representative in Parliament. Even if one of them is a Town Councillor, there is a fuss.

These non-English citizens of Britain are often assaulted, sometimes even killed. They have *Paki-Bashing*, beating British citizens who are of Pakistani descent.

Actually, Britain would be bankrupt today if not for the hard work and efforts of its citizens who are of Asian, African and Caribbean descent. But these people do not have a voice and are second-class citizens.

It is also the same in the United States where more than 20 per cent of its citizens are blacks and Hispanics. It is unlikely that these people will be able to hold high positions. The reason for this is racial discrimination. In countries without democracy, the practice of racial discrimination also occurs.

On the other hand, in Malaysia, the minority races descended from the immigrants who came to this country during British times are given better treatment than in other countries, whether newly independent or advanced.

There is evidence to show that in several countries, once immigrants became the majority they do not provide opportunities to the locals who had become the minority.

A similar trend can be seen in this country where these immigrants form the majority, like in certain towns. They reject the friendship of the locals and openly criticise them as if the locals have no rights at all.

Lim Kit Siang from the DAP recently urged that steps be taken to prevent racial polarisation. It is strange that this appeal comes from him since it is the DAP which opposes all efforts at unity.

DAP is an anti-Malay party whose popularity is based on issues that can arouse hatred among the

We wonder why? What is the connection between DAP and PAS with these foreign publications? Maybe, the DAP and PAS are considered as tools to destroy the country, a country in which Muslims are in power, which is democratic and stable.

Although Umno is disappointed with the chauvinistic trend among many Chinese in urban areas in the recent election, Umno will not react by becoming a Malay racialist (party).

Umno trusts in and supports co-operation among the various races in Malaysia. Because of this, although Chinese parties in the Barisan did not win as many seats as expected, the number of non-Malay Ministers and Chief Ministers was not reduced.

With Umno winning 83 of 84 seats it contested, it should have got more representation in the Cabinet. But this fact will not be mentioned by those outside Umno because they are worried that if they do so, this would mean that they recognise Umno's sincerity and generosity.

But Umno does not mind this. We do something not because we want praise or because we want others to be obliged to us. We do something because it is good and just.

We will continue with our policy of co-operation among the races despite the unpleasant words hurled against us. The Barisan Government headed by Umno will continue to ensure fairness among the races. The policy of balanced development of the various races will be continued.

The New Economic Policy (NEP) provides for bumiputras to own 30 per cent of the nation's wealth even though more than 50 per cent of the population are bumiputras.

This ratio shows that bumiputras will continue to be poorer than non-bumiputras even if the NEP is successful. We do not demand more even though we have a right to.

claims that bumiputras are not qualified or are incapable, then don't criticise the Government when it gives priority to bumiputras for education and training.

Umno is aware that Malaysia is a country with many races. We accept the importance of racial co-operation. If not, Umno would not be a member of the Barisan.

If Malaysia is to progress, all the races must have a place. And Umno will work with its friends in the Barisan to ensure that all get their rightful share. All

back this money. If no action was taken against criminals, it was because the laws of this country cannot be enforced in Hong Kong where the crimes were committed.

Even the Hong Kong authorities could not act immediately because the process of collecting evidence takes time. It is estimated that the legal process will take at least five years before a verdict is reached. And when a verdict is handed down, we still will not

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# PM: Many have benefited from the NEP

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get back the money that was lost.

Now the tin issue is being raised. The Government admits that it tried to save the tin industry by entering the tin market and buying tin.

It is true that the Government cannot enter the tin market but the massive cheating in the London Metal Exchange (LME) at that time cost us the losses.

At that time, a group of LME members deliberately pushed down the tin price by entering into forward contracts, that is tin to be supplied at a lower price in the future. They did not own even a pound of tin.

They hoped that by their actions, current sales would be reduced causing a fall in prices. Once the tin price dropped, they would buy the tin and supply it to their customers when the contract matured.

To stabilise the price, the Government — through a broker registered with the LME (no Malaysian can buy or sell tin in the LME) — bought these forward contracts for tin to maintain a high price in the market.

Through this, when the time came for the tin to be delivered to the buyers, the choice facing these LME members gambling in the tin market would be to either buy tin at a high price from us to supply those customers they had contracted to in their forward contracts or break their promise and face action for breach of contract.

But the LME cheated by changing the rules of buying and selling tin when the time came for its members to make good their promises.

They said that these promises need not be fulfilled. With that, their members were saved and the tin price went crashing.

Because of the LME's actions, the Government lost out in this operation which was approved by the Cabinet in 1980.

But we planned to recoup these losses by selling the tin we had to the Government, through a specific business to be undertaken by a company owned 100

per cent by the Government, which was named Makuwasa.

The truth is that the shares transferred by the Employees Provident Fund to Makuwasa were not owned by EPF. These shares were those that were reserved for bumiputras and whose price was lower than the market price.

The EPF was not allocated any shares to be held in reserve for bumiputras because it is not a recognised bumiputra body. But the allocation was made to the EPF to enable the shares to be transferred to Makuwasa and with the profits to go to the Government.

Was there anyone in government who profited from this operation? It is clear that no one obtained anything for himself. What was done by the Government was aimed at saving the tin industry.

Many of the miners who would have gone bankrupt much earlier were saved because of this operation by the Government. And the Government managed to collect higher revenues because, for a time, the tin price remained high.

If not for the cheating by the LME in changing the rules to protect its members, the Government would not have lost and the question of the Government's involvement in maintaining the tin price would not have been raised at all.

I am aware that the DAP wants to make this issue another scandal. If the DAP has any proof that government leaders or officers are involved in corruption, please make a report. If the report is baseless, please be prepared to accept the reaction.

There is no need to talk about a Commission of Inquiry. We know that once such a commission is set up, a campaign will be held to ensure that the commission dances to the tune of certain quarters.

The members of the commission will be so enamoured with publicity and their hopes of becoming a hero that they cannot act impartially or objectively.

All kinds of awards will be given to the members of the commission while they are carrying out their task to ensure that their actions are biased in favour of certain quarters.

If we do not like arbitrators who are pro-government, we should also not like arbitrators who are anti-government. In this lies justice.

While BMF and Makuwasa are turned into issues and scandals, the actions of several Malaysian bankers — not from Bank Bumiputra — who misused the money of two banks in Hong Kong have not been given any attention.

Because of them, the image of Malaysians has been tarnished among bankers and financiers outside the country.

It was the same with the Carrian incident. Almost 100 other banks lost their money, including a big bank with branches in Malaysia. But everyone is silent about these banks, whether in Hong Kong or in Malaysia.

Why is there a fuss only about Bank Bumiputra? Because of a scandal or because it is bumiputra? Because (they) don't want to see bumiputras succeed? Because (they) enjoy seeing the failures of bumiputras?

Bank Bumiputra lost \$2 billion. But the Pan-Electric scandal caused the loss of \$16 billion — not the Government's money, not all of it the money of towkays but mainly money of small investors most of whom are Malaysian Chinese.

The question of who is wrong need not be discussed by us. But, because of Pan-EI, the Malaysian stock exchange was closed for three days for the first time in its history.

Because of Pan-EI, all share prices came down. Because of Pan-EI, many businessmen and companies went bankrupt. Because of Pan-EI, bank loans could not be repaid by borrowers and banks suffered losses.

Because of Pan-EI the prices of buildings, property and shares fell below the levels to which they had been pledged to banks. Because of Pan-EI the nation's

economy was affected.

But the reaction to the Pan-EI case was not the same as the reaction to BMF. Why was it not raised by the sandal mongers from the Opposition parties? Could it be because it was not committed by bumiputras? In my view, it is not the loss of money which is important to them. What moves them and encourages their criticism is chauvinism, a very racial feeling.

Similarly with the commodities market where the prices of palm oil were manipulated until the market was destroyed. And now co-operatives. Hundreds of millions of the people's money was pocketed by certain people who controlled these co-operatives.

The result of all this is that the nation's economy went into recession and the faith of foreigners in this country has been threatened.

Small and big traders do not have customers any more. There is no capital for investment. Buildings which have been put up have no tenants.

Who caused all this? Kampung people? The New Economic Policy? Or people in towns — people who so easily criticise the Government, people who always blame the Government and people who are so angry as to see the Barisan lose.

Malaysia needs peace and stability so that people can live happily, so that people can move about and earn a living safe from any threat, so that the economy can recover and benefit traders and businessmen, provide jobs for the hundreds of thousands who leave the schools and institutions of higher learning every year and so that the Government can collect revenues and taxes to pay salaries, administer and develop the nation.

Malaysia needs peace and stability so that investors and foreign businessmen can invest their money safely and reap the proper profits along with helping the nation's economy expand and create employment opportunities for our people.

Foreign investors are very sensitive and they have a wide choice because many other countries are also inviting them in.

Foreign investors do not depend solely on government promises or the removal of conditions for investment but take into account all other aspects of the investment climate.

They send commercial experts to study, question and analyse any incident, newspaper report, coffee-shop talk and rumours.

Because the Government feels responsible for the happiness of the people and country, it has tried its best not to say anything that can be misunderstood or which could give a picture of there being elements of instability or tension in the country.

I personally have not made any comments or given my personal views if these comments can be misconstrued and give a picture of instability or tension in the country.

But it seems that the importance given by the Government, and we in Umno, to stability has been viewed by certain quarters as an opportunity for them to threaten the Government's position, Malays and bumiputras and as an opportunity for them to demand this and that.

For some time now, non-Malay political parties have deliberately made statements and threats which obstruct the Government's efforts to save the people. While we remain silent, they highlight racial issues.

They criticise the NEP and its implementation. They present a picture which is inaccurate about the effects of the NEP. They repeatedly claim that racial co-operation in Malaysia is not very good and can explode at any time.

They try to present a picture of the Government as one that is weak, as a government which does not have the people's support and a government which is

corrupt and can fall at any time.

Helped by Zionist-owned foreign newspapers, they have succeeded a little in making foreign investors lose their trust in the stability of this nation.

To wipe out allegations that the Government does not have the people's support and that its policies were not accepted by the people, the Government held an election.

The election results show that the support for the Government has not eroded although the style has changed. But efforts to reduce faith in Malaysia continue to be carried out so that the economy will continue to be affected.

Just after the election, several quarters claimed that their analysis showed that several aspects of the election results were caused by the implementation of the NEP.

It seems that the NEP is good but its implementation is not correct and that it has only succeeded in creating a few Malay millionaires.

Is this allegation true? Does the NEP mean only allocation of shares or employment opportunities? Is its implementation not correct? What is really happening?

Firstly, the NEP is not only the allocation of shares or contracts. The NEP covers all economic and social activities. Before the NEP, the number of Malay and bumiputra children with higher education was very small.

Since the NEP, many children of kampung people, skilled and unskilled workers and poor parents have obtained higher education and are now professionals.

Regrettably, sometimes they themselves are not aware that they are the products of the NEP programmes. They hurl accusations that the NEP only increases the disparity between bumiputras. Critics of the NEP from Oppo-

sition parties are happy with this.

If not for the NEP can we see so many Malay and bumiputra students in local and foreign universities? If they are all children of rich parents, then the NEP has succeeded in making many bumiputras rich and not just in creating a handful of Malay millionaires. But we know that many of them are the children of poor people and this means that the NEP benefits poor bumiputras.

The question of bumiputra millionaires! How many of them are there? We notice them because they are newly rich and like to show off their wealth. They use *Rolls-Royce*, *Pierre Cardin* coats, have big houses and fly first-class with their designer briefcases.

But let's ask first, how many non-bumiputra millionaires are there? We don't know, until even a person who wears a singlet is kidnapped and millions of dollars were paid as ransom for his release. Only then did we know that the person is a millionaire.

And we know that there are many who are known as millionaires, whether old or new. For every bumiputra millionaire, there are probably at least 10 non-bumiputra millionaires. So why is there a fuss and claims that the NEP only creates bumiputra millionaires?

Is it wrong for a bumiputra to be a millionaire? We are not socialists. We practise the free enterprise system. Whoever has expertise and initiative can become rich. Cannot a bumiputra become rich among 10, maybe 100, rich non-bumiputras?

Do we want to see bumiputras remain poor or only in the middle-class? As long as we are not socialists or communists, there will be rich people in our society. Must they all be non-bumiputras only?

True, many bumiputras become a little rich because of help or contracts from the Government. Why? Be-

cause bumiputra contractors cannot hope to get contracts from businessmen or rich traders who are non-bumiputras.

While the non-bumiputra contractor can get contracts from bumiputras, the bumiputra contractor is never given contracts by non-bumiputras. Seemingly, this is because (the bumiputra contractor) is not qualified or not capable. When can he be capable? When can he be qualified if he is not given any opportunity to work?

Are non-bumiputra contractors not given any contract at all by the Government, could not become millionaires by not supplying and building this or that for the Government? Is the NEP providing benefits only for bumiputras?

Please check the loans to banks. Please check the number of professionals who are bumiputras. Compare the number of bumiputra lawyers with the bumiputra population.

If, as claimed, focus on one race or followers of one religion has caused an imbalance among the races in all fields apart from politics, what is the ratio that will be obtained if the NEP is implemented according to the wishes of the critics who so loudly attack the NEP and its implementation?

Umno has had enough of being told not to raise issues which can affect the nation's stability. I personally have remained silent so that the investment climate will not be threatened.

We try to entertain all kinds of demands. We amended the Industrial Coordination Act. We allowed lion dances. We hold dialogues with selected businessmen and are patient when they criticise the Government.

We remain silent when unpleasant words are used in the newspapers, when chauvinists speak as though Malays have no rights in this country, as if this is not

a Malay country but a part of a foreign country.

We are silent when they say they don't like the word bumiputra, don't want to hear the NEP being mentioned and don't want any programmes to decide the future of bumiputras and Malays after the NEP.

They know that the NEP objectives cannot be achieved when the target date is reached. They know that in reality, their achievement is higher than 40 per cent even before the NEP period ends.

According to projections, by 1990 a portion of the bumiputra quota and the quota for foreigners will be in the hands of non-bumiputras.

But already they are threatening that there will be tension if there are any efforts to achieve the NEP aims after 1990.

The NEP was based on an annual growth rate of seven per cent to eight per cent. Now, there is no growth and with this, the target for bumiputras is unlikely to be met.

What is highlighted is the target date and not the NEP objective of correcting the imbalance in the economy among the various races.

We all know that the NEP was formulated because of the stark differences in the allocation of wealth among the various races.

When the NEP was formulated, economic growth was high and according to the calculations of the planners in 1970, we only needed 20 years to achieve the target of 30 per cent for bumiputras, who form 52 per cent of the population.

We accepted this ratio because we are not greedy. The planners in 1970 did not foresee that the economy would deteriorate and that the NEP target would not be achieved in 20 years.

It is clear that the NEP emphasises not the time period but the imbalances in wealth among the various races.

We did not want to stress on or discuss this issue before because we don't want it to seem that the various races in Malaysia are not united.

We believe that if there are problems among ourselves, it is best that we discuss it in the family especially in the Barisan.

We do not like to engage in public debate because this will increase tension and frighten off investors, whether local or foreign ones.

We do not want economic growth affected because of quarrels among ourselves, among the various races in Malaysia. Wherever we go, we talk about the stability and peace in Malaysia as an asset to attract tourists and investors.

We are aware that there are problems in the implementation of the NEP. Maybe there are over-zealous officers. But all this can be discussed without a public fuss and can be put right.

Unfortunately, however, our attitude has been characterised as that of a guilty person, a weak person. Because of that, open threats are made. They deliberate-

ly threaten the stability and harmony in the nation to force (us) not to implement the NEP and no effort is made to achieve its objective.

They deliberately provide wrong interpretations to foreigners and foreign investors to affect the growth of the economy.

We want harmony. We want stability. We want economic growth. We are aware that economic growth is vital for our and the nation's prosperity.

But, NOT AT ANY COST. We will not mortgage our dignity. We will not trade away our respect until our grandchildren cannot hold their heads high. We will not simply agree to everything because of our attraction to material wealth.

We have sacrificed a lot already. We accept that we are now one of the races in a multiracial country. It looks like the Malay race has been lost. What is left is a Malay Malaysian.

We agree that other races have a right to protect their identity. We do not protest when we see that a lot of the nation's wealth is owned by others. We do not protest being discriminated against in the private sector.

On the other hand, we are prepared to suppress our Malay-ness in politics. To be friendly with the other races in this country, we fight to the finish extremists within our community. In areas where we have an absolute majority, we are prepared to contest as one so that our victory or defeat depends on voters from a different race.

We accept candidates who are not from our community in areas where we are many and we make sure that they win.

All this we do because we have faith in co-operation among the races and in the sharing of power among the races.

And we still believe in this concept. We still want to see this country stable and peaceful. We are ready to extend our hand in friendship to other races. But don't take us for granted. Our patience is not unlimited.

Umno is still the backbone of the Barisan and the Government. This means that Umno has to be the pioneer and must set an example in all fields.

Now, we are facing the problem of an economy in decline. We cannot expect others to help overcome this problem. We cannot also depend on the Government.

The prices of rubber, palm oil, crude oil, pepper and timber will not go up even if the Government passes laws that they should go up.

The prices of these goods are decided by the world market and we have no power in the world market. We also cannot take on the rich countries which provide subsidies to lower the prices of their goods to make them competitive with ours.

We have only one way to overcome the decline in the economy caused by the fall

in our exports. That is by lowering production costs so that our exports will be cheaper than that produced by others and through this, our goods can be easily sold.

What is our role in lowering costs? Is it by taking a cut in our salaries? For executives, this is one way. Salary here means not only wages but all the allowances and perks. Since the total sum of all salaries, perks and allowances of executives, whose number is not that many, is not much, it cannot be an excuse why it cannot be reduced.

In difficult times all quarters must share the burden so that it will be lightened. And now we are facing an economy in decline.

The salary of Ministers has been cut by 10 per cent since 1982. I know that the cynics will say that Ministers can afford this cut in salaries because they are corrupt, especially the Prime Minister.

Those who say this are liars. If you are not prepared to personally make any sacrifices, do not hurl wild accusations against the sacrifices of others to protect your own self interest.

As for workers who earn low incomes, their salaries cannot be reduced. But productivity must be increased. For this, a large training programme will be held, especially for the unemployed. This programme will not focus only on skills but also on attitudes which can ensure higher productivity.

Training centres will be set up to instil the proper values and help raise work ethics. Useful and effective work will be stressed. The participants will be those who are willing to face the challenge of intensive and tremendous training. Those who pass and show that their attitude to work has changed and can increase their productivity, will be given priority when there are employment opportunities whether in government or in the private sector.

All races will be given an opportunity to obtain this training. Civics, too, will be taught so that those who pass this course will not be racialist and will be patriotic. This is because we believe that the future depends on reduction of racial polarisation and a balanced development among the races apart from hard work, discipline, initiative and other values which can help us compete with others.

Umno will support this effort by encouraging its members to participate. If others do not believe in the Government's good intentions, and do not want to participate in this programme, the younger members of Umno will take part in it.

Whatever accusations are hurled, this programme will be implemented. Economic recovery and development of the country is a special responsibility of Umno, a responsibility of us who are loyal to the party no matter what wild accusations are hurled against us.