

DR M: RECESSION THE WORK OF FOREIGNERS

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KUALA LUMPUR, Tues. — Datuk Seri Dr Mahathir Mohamad warned today of a foreign-engineered recession suspected to involve certain undeclared enemies of the country.

"How does the price of palm oil fall from \$1,400 a ton a year ago to \$550 now? It is difficult not to suspect manipulation," the Prime Minister said when opening the first national conference on security organised by the Institute of Strategic and International Studies (ISIS) here.

Dr Mahathir said that while the price of palm oil had gone down, that of its main competitor, soyabean, had not dropped by the same margin.

"We know it is impossible for the production cost of soyabean, for example, to be lowered considering the high labour cost and appreciation of the US dollar against the ringgit," he added.

Dr Mahathir said subsidies might be the reason.

"The humanitarian and charitable aspect of an aid scheme is appreciated.

"But if Malaysian producers are made to lose because of a rich country's desire to do charity, in reality it is the producers who are paying for this 'charitable' act," he said.

He added that the prices of many primary commodities had declined, causing unemployment and a sense

of dissatisfaction.

He said: "In many cases, the people turn against the Government. Strikes and riots take place, aggravating the economic decline.

"Opportunistic politicians then move in, seeing in the general unhappiness, possibilities of seizing power legally or illegally. Suddenly a law and order situation arises and the security of the nation is threatened."

Dr Mahathir pointed out that economic difficulties were a serious threat to national security and failure to understand this threat could result in political instability, security threats and even greater recession.

He said the modern political environment was clear-

ly instability-prone and unless the Government was strong enough to take unpleasant measures to maintain law and order, a security situation would arise.

He said that the response of a government to a potentially-dangerous internal security threat and its ability to ensure national security was no longer simple.

"Too early a response might elicit criticisms for heavy-handedness. Usually a democratic government hesitates until the situation has obviously developed into a security situation," he said.

Dr Mahathir said in Malaysia, the people's contentment was a major factor in determining security.