

# Foreign hand in slowdown: PM

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KUALA LUMPUR, Tues. — Foreign-generated "or possibly foreign-engineered recession" is a major cause of the economic woes of countries like Malaysia which is a big producer of primary commodities. Datuk Seri Dr Mahathir Mohamad said today.

The Prime Minister said it was difficult not to suspect manipulation by "undeclared enemies."

"How does the price of palm oil fall from \$1,400 a ton a year ago to \$550?" he asked.

"Palm oil is the cheapest edible oil in the world. If it is low then the price of its main competitor must be reduced by at least the same margin.

"Yet we know that it is impossible for the production cost of soyabean, for example, to be lowered considering the high labour cost and the

appreciation of the American dollar against the ringgit."

Opening the first ISIS (Institute of Strategic and International Studies) national conference on security, Dr Mahathir said national security was more than a matter of military capability.

## Competitor

He stressed that national security was inseparable from political stability, economic success and social harmony.

Dr Mahathir said in military terms, apart from the Communist guerillas, Malaysia did not have enemies at the moment.

"But we do have forces or nations which, whether consciously or otherwise, are undermining our security. There is a foreign-generated or

possibly foreign-engineered recession."

Referring to the sharp drop in the price of palm oil, he said the growers of soyabean, a competitor of palm oil, could be subsidised by their Government so as to remain competitive.

While appreciating the charitable aspect of such an aid scheme, he said:

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

"It is obviously a case of robbing Peter to pay Paul. One is reminded of the Arabs having to compensate the Jews by giving up Palestine because the Europeans and Americans felt guilty about the crimes of the Germans."

Dr Mahathir said the price of palm oil was not the only one to fall.

Every other commodity has suffered a serious fall in price. With this the economy has suffered. Unemployment is rife and a general sense of dissatisfaction prevails.

"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 for seizing power, legally or illegally.

"Suddenly, a law-and-order situation arises and the security of the nation is threatened."

Dr Mahathir warned that the failure to understand the threat posed by economic difficulties to national security might result in "a cycle of recession followed by political instability, security threats and even greater

recession".

The modern world, he said, believes in democracy on the assumption that the majority, even if illiterate and not well-versed in politics, must always be right.

"The problem is that opportunists, rogues and foreigners also have access to the minds of the electorate. In the end it is not so much the wishes of the majority that count.

"It is their perception of things presented to them frequently by unscrupulous and ambitious politicians who may or may not be in league with foreign ideologues or agencies."

## Security

He said in many countries politicians divided the people into so many parties that none was big enough to rule and had to depend on ad hoc support of one another to do so.

In other instances, a two-party system might emerge and if they were evenly matched, a see-saw effect could result with one party ruling for one term. Under such Governments, he said, nothing could be planned or carried out as each Government tries to prove the previous one wrong.

"The modern political environment is clearly instability-prone. Unless the Government is strong enough to take unpleasant measures to maintain law and order, a security situation will arise."

By VISA VEERASINGAM