

Mahathir's crackdown asserts Umno's dominance but does not end disunity

The double-edged sword

By Suhaini Aznam and Rodney Tasker in Kuala Lumpur

By invoking sensitive race relations as a major political issue leading to the arrests of opposition politicians and other alleged agitators, Prime Minister Datuk Seri Mahathir Mohamad has clearly re-established his Malay party's dominance over Malaysia's political landscape. But the race issue may well prove to be a double-edged sword, and Mahathir's deft manoeuvring over the past few weeks has failed to provide any lasting solution to the equally worrisome splits remaining in his party.

With the Malay-Chinese race bogie now once again out in the open, the unity and strength of the dominant United Malays National Organisation (Umno) is at a premium. By detaining 94 leading opposition politicians and other alleged racial agitators, Mahathir's government may have gained time for the prime minister in his bid to induce his party to close ranks behind him, but he has to show his rivals and fractious party lieutenants that he is the enduring strong leader they need to make them drop their own intrigues.

While Mahathir may have been forced by circumstances to handle race as a political issue, some of his second-echelon leaders have shown they have no inhibitions in exploiting the situation for their own purposes. Political analysts view Umno Secretary-General and Agriculture Minister Datuk Seri Sanusi Junid, acting Umno Youth leader Datuk Seri Najib Tun Razak, and Selangor Chief Minister Datuk Muhammad Muhammad Taib, among those who effectively forced Mahathir's hand by over-reacting to demands on the Chinese education issue by Chinese politicians — who were also vying with each other to champion the racial cause.

Ever since the bitter run-up to April's Umno election and the unprecedented challenge to himself as party president, Mahathir has led a deeply factionalised party which shows little sign of actually wanting a compromise. Despite the flexing of muscles by the Mahathir faction with the arrests under the country's stringent Internal Security Act, party members show little inclination to patch up their political squabbles.

Some cynics say that a pending suit by 11 Umno members challenging the validity of the April election, which Mahathir won by only 43 votes, was a major factor triggering the recent clampdown. According to this theory, while the police may genuinely have wanted to put the 94 behind bars, it was

strange that so many "security threats" should be allowed to roam free while police waited for the right moment.

If this adds up to a continuing weak Umno, it could have repercussions not only for the Malays but also the non-Malay communities. Chinese politicians who cast their minds back to the race riots in 1969 know only too well that a weak ruling Malay party spawns paranoia among the Malay community, which can translate into violence if they feel the Chinese are pushing their luck by challenging the unwritten social contract at the time of independence — under which it was agreed the Malays should have political dominance.

If Umno has its divisions, the Chinese lack a recognised leader. None of the contenders — Malaysian Chinese Association (MCA) president Datuk Ling Liong Sik, Penang Chief Minister Lim Chong Eu of the predominantly Chinese Gerakan party, Gerakan president Datuk Lim Kheng Yaik and the opposition Democratic Action Party (DAP) secretary-general Lim Kit Siang — can claim to speak for the Chinese.

It is a familiar theme in newly independent nations: a lack of community cohesion among races because of an absence of shared history. In colonial days, the British brought the Chinese to work Malaya's tin mines and Indians to toil in the rubber estates, leaving the

indigenous Malays to work in the paddy fields. All three races worked to build the nation, but in separate ways.

Later, it was mainly the Malays who negotiated the country's independence. Significantly, Umno assemblies in recent years hark back to the spirit of 1946 — honouring the Malay fathers who opposed the British Malayan Union proposal which would have removed the special position of the Malays and clipped the sultans' powers — instead of the subsequent Federation of Malaya

agreement which actually gave birth to the nation in 1957.

The Chinese and Indians gained more by the Malayan Union plan, so that today, re-enacting the anti-Malayan Union plan, so that today, re-enacting the anti-Malayan Union fight is not only an assertion of anti-British nationalism but also specifically Malay nationalism.

Today, one of the pressing problems in both Umno and the MCA is a lack of leadership continuity. Only two of Umno's cabinet ministers are of the first-generation, pre-independence ranks: Deputy Prime Minister Ghafar Baba and Defence Minister Tunku Ahmad Rithauddeen. In the MCA, none of the leaders go back that far. As a consequence, young political leaders tend not to appreciate the country's carefully laid foundations of communal tolerance.

Moreover, as one retired politician recalled, cross-party, cross-racial rapport was eroded in the National Front coalition as it grew larger and the leaders younger. This contrasts sharply with the days of the National Front's precursor, the Alliance, in the 1960s when party leaders went freely to each others' homes and the word of then prime minister, Tunku Abdul Rahman, was assurance enough for MCA leader Tun Tan Siew Sin.

That trust is noticeably missing today — as is mutual understanding. The Chinese, with some justification, see the Malays in the role of winner-takes-all: not only political control but an economic monopoly, as well as the right to restrict the propagation of Chinese culture. That explains why the MCA, as well as Gerakan, sent representatives to

'Mahathir's government may have gained time for the mime minister in his bid to induce his party to close ranks behind him...'

a Chinese gathering at a Kuala Lumpur temple on 11 October to protest the government's appointment of non-Mandarin speaking teachers to Chinese schools, which they feared further threatened the use of the Chinese mother tongue. For the MCA, apart from a desire to prevent the DAP from stealing a fundamental Chinese issue as its own, there was the feeling that this represented a further unacceptable Malay incursion into what the party considered its community's basic rights.

It is no secret that after the 1986 general election Umno, which won an awesome 83 out of 148 National Front seats in the 177-member parliament — only six short of an absolute majority — saw the chance to rule without the encumbrance of coalition partners.

The Chinese feel that Umno's growing control is at the expense of non-Malays — particularly the Chinese.

Over the years, and particularly with the New Economic Policy (NEP) introduced after the 1969 race riots with a view to forcing a larger share of the country's corporate wealth into the hands of the Malays, the Chinese feel they have been repeatedly thwarted in their quest for relative equality. Economically, the picture is bleak for race relations, bearing in mind the strictures of the NEP.

A barely increasing economic pie — 1986 saw a GDP growth of 1.2% inching up to a projected growth of only 2% for 1987 — has forced the Malaysians to think in terms of racial shares, a subject they could afford to ignore for 10 years, when the GDP growth was a healthy 7.7% and there seemed to be plenty for all.

Chinese education was a base line, but in their haste the Chinese overlooked the fact that they lacked a trump card to see the recent language issue through, one Chinese MP said.

While the Chinese see the Bahasa Malaysia national-language policy as threatening their culture, the Malays are mystified by the Chinese desire to cling to Mandarin education. Malay activists point to the community's comparatively privileged position, when in neighbouring Thailand and Indonesia the Chinese are required to speak the national language, adopt indigenous names and, in the case of Indonesia, are not even allowed their own chambers of commerce, guilds or Chinese-language books.

In this atmosphere of distrust, it is not surprising that the National Front Supreme Council is regularly presented with a fait accompli of decisions taken at the Umno Supreme Council.

However, the multi-racial cabinet does function as a forum and Mahathir reportedly asks each minister for his opinion before decisions are made. This is probably to avoid disgruntled mutterings behind his back, because the prime minister is thought to make

Investment uncertainties: page 16
Conominato 16

up his own mind on major issues.

Specific reactions to the arrests are only just emerging. While Ling has been cagey about his comments, careful to support the government line, the MCA rank and file now regards party deputy president and Labour Minister Datuk Lee Kim Sai, whom Umno leaders wanted expelled from the cabinet for championing the recent language issue and other Chinese issues before, as something of a hero. While sympathising with him, they are also angry with the Malay leadership for the overwhelming numbers of Chinese arrested in the recent snoop — a resentment that transcends party lines to reach out to all Chinese and multi-racial minded detainees.

But those Chinese who remember 1969 know they have to be cautious in pushing their case too far, particularly when Umno is seen to be weak. A mass rally by Umno's powerful youth wing in Kuala Lumpur on 17 October, just before the arrests, was more aggressive than was generally reported, with inflammatory anti-Chinese speeches by various youth leaders.

Umno Youth leader Najib told *the REVIEW* he had to refuse rally organisers permission to hand him a long-bladed parang sword, symbolising a Malay battle cry; to burn the MCA flag; and to burn an effigy of MCA deputy president Lee. At the time, there were reports that both communities were arming themselves for any eventuality, and Mahathir has been roundly praised for stopping possi-

ble violence by launching the mass arrests and banning further rallies.

In its own way, the government is now trying to gloss over racial differences, though observers point out that little is being done to accentuate the positive side of both the Malay and Chinese races. Ail the average Malaysian hears are exhortations to adhere to the extreme tenets of Islam — such as wearing veils, harsh shariah punishment and a ban on alcohol — and that the Chinese eat pork, the mere thought of which can make a truly devout Muslim Malay vomit.

The atmosphere in Malaysia today is reminiscent of the post-1969 attempts to bridge the gap with multi-racial youth dances and school debates. And while this time the country did not go through the trauma of race riots, the government is acting as if it did.

While there are no signs of a more permanent clamp-down in the form of

“The Chinese feel that Umno's growing control is at the expense of non-Malays — particularly the Chinese.”

an emergency, given the apparent success of the recent exercise, analysts expect the government to tighten up the press laws. With three newspapers already

suspended as a result of the current exercise, editors have already been sent an implicit warning to proceed with care.

The most obvious, crucial question — where is the country heading? — remains unanswered because even senior noiticians within the National Front do not have a clue. Only two weeks after the wide-sweeping preventive detentions, it is too early to tell, concur those the *REVIEW* contacted. “Give it a few months for the dust to settle,” suggested a Gerakan leader.

Similarly, what effect the arrests will have on the National Front remains a matter for conjecture and the current atmosphere of silence has discouraged intelligent deduction. Ling himself, who saw eight MCA leaders arrested, was reticent on this score. He did offer, however, that community leaders would try to educate younger Chinese who cannot remember the 1969 race riots to have a better grasp of history and to understand the consequences of recent events. In this same vein, Najib suggested that political parties must be more responsible and not take rigid stands at an early stage but try to work things out before matters came to a head.

Their remarks suggest that community leaders have retreated to a middle ground where race issues are concerned. But beyond the psychological impact of the mass arrests, no one really knows what move, if any, Mahathir will make next. The answer to this really depends on the deeper motives, if any, of the clamp-down, beyond the official claim of a security threat. □

MALAYSIA

'Let's Talk,' Says Mahathir

After a period of racial tension culminating in the detentions of nearly 100 people, calm had returned to Malaysia last week. The arrests — another two were reported last week — were made under the country's Internal Security Act (ISA), which permits indefinite detention without trial. The dragnet remains controversial, however, and many questions about it were left unanswered.

On Nov. 10, Senior Editor Berton Woodward and Associate Editor Zohar Abdoolcarim joined Senior Correspondent Asif Shameen in Kuala Lumpur to put some of those questions to Prime Minister Mahathir Mohamad. Apart from the detentions and an associated ban on three publications, the 61-year-old Mahathir, who is also home affairs minister, discussed a wide range of issues. Among them:

/// **Infighting in the PM's United Malays National Organisation, dominant party in the multiracial Barisan Nasional (National Front) ruling coalition.**

UMNO was left divided by party polls in April, when Mahathir narrowly defeated a leadership bid by archrival Tengku Razaleigh Hamzah. The results are being challenged in a lawsuit filed by eleven party dissidents who claim the election assembly was not properly conducted.

/// **The appointment of non-Chinese-educated teachers to Chinese-medium schools, which sparked acrimonious exchanges between Malay and Chinese politicians.** In a rare show of solidarity, the opposition Democratic Action Party (DAP) has joined forces

over the issue with the Malaysian Chinese Association (MCA) and Gerakan, both Barisan partners. The subject, said Mahathir, had brought the country to the brink of another "May 13," the 1969 race riots in which scores were killed.

/// **The controversial award of the \$1.3 billion North-South highway tender to United Engineers Malaysia (UEM), an UMNO company.** DAP leader Lim Kit Siang, now detained, has filed a lawsuit against UMNO over the contract, citing conflict of interest.

/// **The New Economic Policy (NEP), which aims to place at least 30% of the economy in the hands of bumiputras (Malays and other indigenous groups) by 1990.**

Excerpts from the interview:

Could you outline the factors that led you to make the dramatic decision to detain people under the ISA?

It's only dramatic if you see it in terms of the last six years, since I took over. It is something that has been done before many many times. But since I took over we had been releasing people. I [had] decided that we should be liberal, that we should be willing to listen to criticism of the government. But unfortunately some people took the opportunity to create tension by harping on the racial situation.

To a certain extent it was good feedback for us. We found that basically it is the DAP wanting to get the support of the Chinese, and therefore playing up Chinese sentiments. For a time the MCA did not follow that line because it was quite confident that the Chinese would be moderate and would support them. But the last general elections [in 1986] proved to them that the racial line wins votes. So they have become much more racial in their approach, to the point of even quarrelling with their Barisan partners, in order to show that they are better defenders of the Chinese than even the DAP.

Once the MCA begins to become very Chinese in its approach and insensitive to the feelings of UMNO, then UMNO gets into the act and starts criticising the MCA and the Chinese. So you have an escalation involving three different parties, the DAP in the first instance, followed by MCA and then UMNO. Things went from bad to worse in October when I became quite sure that it would have exploded.

In the meantime, you have the newspapers, particularly *The Star* [now banned], which wanted to be different from the *New Straits Times* in order to capture more readers. They began to pick on racial issues, trying to [put] what they term the "Malay government" in a bad light. For some people, the important thing is how to break Malay support for the government. They do two things: one is to play up Chinese sentiments, the other is not to mention the Malays but the government, that it is corrupt, it is incompetent, it is

[pushing] policies that are no good. When *The Star* does that you find that increasing numbers of people read *The Star*. The *NST* then felt threatened so it went along the same way, as did the vernacular papers. The Chinese papers went to town. We [had been] very liberal, we allowed more newspapers, more magazines to be produced. Practically anybody applying for a permit to publish was given one.

On top of all this, we have the so-called social action bodies like Aliran, the Consumers' Association, Graduates' Society, environmentalists, who don't care very much about their subjects [and] objectives, but are more interested in political things, particularly attacking the government. In a way they serve as front organisations for the DAP. If the DAP were to hold a seminar on the Constitution, for example, most people who are not connected with the DAP will not attend. But if Aliran holds one then lots of people will attend. We know that Aliran backed the DAP during the elections.

Unfortunately, the DAP has decided that since it is only a minority in Parliament, Parliament is not a good enough forum for it. So it uses these fronts and it uses the courts. It goes to court on spurious issues and claims that the government has done something wrong. In the courts they have freedom to say all kind of things, even libellous things. This gets printed in the press,

accusations that the Prime Minister is corrupt, things like that. All these things are being watched by Malays, who felt that they were under siege. Tension mounted and by the time October came along, because of this "triggering" by the issue of school teachers, we were about ready to have another May 13. I was not going to allow that.

Now, that [UMNO anniversary] rally that we planned [for Nov. 1] was my idea. We wanted to hold a big rally to show that UMNO is strong. It was not meant to threaten anybody. But because of the tension between the Chinese education issue and other race issues came up, somebody tried to change it from an UMNO rally to a Malay rally against the Chinese. There was even talk about fighting, about coming with weapons. I cannot allow that kind of thing to go on. I could say, stop the rally, but that would inflame Malays further because they would say the other people have been making all this noise but you haven't done anything. So I have to do both: stop the rally and take action against the people who have been provoking the Malays.*

Couldn't mediation or a conference of all parties have prevented the escalation of tension?

No. The cabinet had decided to set up a committee to solve the Chinese schoolteachers problem and after [it was] formed, Barisan ministers made statements, attended meetings. The worst part of it was they had a meeting in a temple. The significance of a temple is very great in the history of the Chinese and their emperors. It was very provocative; it provoked the government also. I have tried conciliation. I had advised everybody, don't make any more statements, let's sit down and talk. But it wasn't working.

It has been suggested that the net effect of the crackdown has been to improve your political position in UMNO and the country. What is your response?

That maybe the net effect, but it would be somewhat machiavellian of me to design all these things, go to the brink and then pull back. Even though I consider myself a political genius I don't think I am that much of a genius. The idea is quite fantastic.

It seems there was not enough consultation within Barisan on issues like the Chinese education matter.

Not true. In previous governments there was no consultation. The only consultation was at cabinet level. Since I took over I have been visiting every state at least once a year. I speak to UMNO, I speak to government officials and I speak to Barisan leaders. This year alone I have done the rounds twice. I have told Barisan leaders, look, we are a multiracial [grouping], we cannot afford this kind of thing. I listened to their complaints. I have talked to them many times. I think I know Barisan leaders better than any previous leader.

Does this mean you also know more about the Chinese and their aspirations, perhaps are even more sympathetic?

Yes, I can be sympathetic to them when they are right, as much as I can be sympathetic to UMNO if it is right. I have criticised UMNO more times than any other prime minister. I have criticised the Malays because they refuse to work the way I think they should. I don't go around and praise the Malays sky-

high or criticise the Chinese all the time.

But despite all these efforts race relations seem to be at their lowest ebb since 1969.

Because I was liberal, I allowed it. In the past, newspapers were told that they shouldn't raise racial issues, but they ignored the advice because they thought I would not act against them. This liberalism was wrong in the sense that people didn't appreciate it.

Does this mean the end of the Mahathir liberal policy, or will you eventually return to it?

If returning to the old policy means again provoking racial quarrels, certainly not. It would be damaging to the nation. It's a luxury we cannot afford. If people want to discuss race there are

proper forums. There is Barisan, there is the cabinet, there are other forums.

DAP leaders say that though they won most of the Chinese seats in the last general elections, they are excluded from the proper forums.

It is their choice. They could join the MCA and be inside [Barisan]. A lot of former DAP members are in the MCA.

What does the stand of the MCA and Gerakan on the Chinese education issue say to you about the level of unity in Barisan?

We are not going to put down Chinese education. The government will finance primary Chinese education. Secondary education is left to them and they can afford it. We are not changing their character in any way. [The stand of the MCA and Gerakan] is something that they have to do because they have to appear to be champions. Barisan is still strong. If it comes to an election, it's a different matter. When I called elections in 1986 all of you said I would lose or at least have a very much diminished majority. I achieved a bigger majority because I know what the ground is thinking. I know the issues they care about. (Issues like the Chinese education one) are minor issues that people pick up in order to appear to be heroes. On the ground all they want is to have a peaceful country, so that they can eat and live. The government provides for that.

But the arrests seem to be only a temporary solution. Issues like the teachers' promotion have yet to be resolved. When these people get out, won't they start making noise again?

*In Asiaweek's Nov. 13 issue, the report headed "A Climate of Fear" attributed the absence of a procession in Kuala Lumpur on the Prophet Muhammad's birthday to escalating racial tension and the ban on public rallies. The procession, led by the King and the Prime Minister, had been a tradition in Malaysia. However, the tradition was broken two years ago. No procession has been held since 1984.

They will go in again. Don't make noise. Let's talk. We will find a solution. [It's wrong] to say that the government is discriminatory. There is no condition that promotion must be based on having been educated in Chinese schools. We are not promoting Malays. These are Chinese. They have been promoted before this was not the first time and there was no hue and cry.

When will the first detainees be released?

The police have two months to find out who should be kept. They can detain them for up to 60 days. After that they have to get permission from the Minister of Home Affairs. But if they feel that the detainees should be released, then they will be released. They may even be released today, tomorrow or next week.

There seems to be a great deal of insecurity among the Chinese

about their future in Malaysia. In your view, what is the ideal way the Chinese should fit into Malaysian society?

Firstly, I would like to say that insecurity is also felt by the Malays. It is felt by the Indians. It is felt by the natives of Sabah and Sarawak. Everybody feels insecure. I have often said that nobody is going to get 100% of what they ask for. We have to share and we have to make sacrifices. Some people cannot make even the slightest sacrifice, so they have left the country. But the majority of Chinese do understand that they are not going to get everything they demand and therefore they do not demand. Politicians are a different breed. They like the people to make demands so that they can have an issue to fight for. This is the problem. But I believe the vast majority of Chinese in this country don't have much to complain about. The Chinese living in other countries have much to complain about. As a matter of fact a lot of them would like to live in Malaysia. If the conditions [here] are so bad for Chinese, why do people keep on asking, Can I be a citizen?

What is your concept of the role of the Chinese in Malaysian society in, say, ten years from now?

They must of course understand the national language [Malay] since they are living in this country. They will be able to speak English, not to a very high standard but workable. They will be able to speak their mother tongue. Nobody is going to stop them from doing that. [They would be involved in] every part of society, the civil service too if they have sufficient command of [Malay] and are qualified. But a lot of people focus on the government and its tendency to employ Malays. The fact is that a much larger number of people who are educated are employed in the pri-

vate sector and Malays find it difficult to get good employment in the private sector. So the government has to step in and give the Malays jobs.

Why is it that 30 years after Independence there is still racial polarisation?

Because we have a democratic system and people are free to talk, and the politicians have to find something to make themselves popular. UMNO could also take that approach, but we choose not to. We defend our stand of working together with non-Malays. [Some Malays] say we are not Muslim because we accept non-Muslims as leaders. What happens to Muslims who are minorities in non-Muslim countries? Don't they accept their leaders? We inherited [polarisation] from the British. We were not consulted. The Indians were brought here. The Chinese were brought here, and then we were told, you must live together. We got no help at all from the British on this. But they continue to harp on this. Are they as clean where racial issues are concerned? Who goes Paki-bashing in Britain? In some countries wars are being waged on the same issue, but here we discuss things. We have a government that has every race represented. We are as fair as we can be under the circumstances. It is not easy. I am not saying I can remove racial polarisation just like that, but we will work at it. It is going to take time.

There is polarisation of a different sort in UMNO. What measures are you taking to heal the rifts within the party?

I have been going around the country explaining to UMNO leaders the need to remain united. As far as people on the ground are concerned, there is no problem. They are not talking about the UMNO elections, but the people who have a vested interest to lead are. I don't think [disunity at the top] is a problem because if UMNO goes to the polls it's going to win.

So the five-member UMNO unity committee has failed?

Which committee? Oh that one. We tried to persuade these eleven members who filed a suit. But we failed because they have no sincerity. They are not interested in UMNO unity. They are interested in creating trouble for UMNO for their own political purposes.

What happens if the legal challenge of the eleven is successful?

We go back to the [old line-up]. I will still be the president of the party. We will hold new elections once we are certain that afterwards there are no more court cases.

Do you see my reconciliation between your faction and that of Tengku Razaleigh?

That is not a problem. I don't think the 1,500 delegates who attended [the assembly] were that divided. Only a few people at the top are divided. The party is solid. Whoever runs the party will have the backing of the rank and file. I don't see any need [for reconciliation]. Of course it's good if they come [to be] together. But this is not something that is going to destroy UMNO. The important thing is when you lose you must accept [the fact].

UMNO is involved in business in a big way. Why is this?

UMNO has been in business since the beginning. We have to

finance our political activities. We have two choices: either we continuously beg for money, in which case we will be obliged to people; or we have our own source of income, which means engaging in business. We used to have trustees outside the party, but sometimes trustees die and we don't know what happens to the investment. So it was decided that the trustees should be officials of the party. The normal procedure for those people who have a vested interest is to declare their interest and not participate in decision-making.

Was that the case with the UEM tender for the highway project?

Yes, that was the case. [Per our] privatisation guidelines, as UEM did the feasibility study for the highway, the government could give it to them. [But] halfway through, we heard lots of complaints about why we wanted to give it to UEM. So the cabinet decided that although the government's policy is to give [contracts] to companies that make the proposals, in the case of UEM we would not give it to them. Instead, there would be an open tender. After that it was up to the tender board; there were no UMNO people involved.

When you became Prime Minister you pledged a clean government. Over the years there have been many allegations of corruption against your administration. . .

There have been a lot of allegations but there has been no proof that this government is corrupt. We have been very, very strict on the ministers. They are not even allowed to hold shares. What shares they have they have to sell or deposit in family companies. I have been more strict on this than any other prime minister. Personally, I have been very, very careful in these things. I lead a very spartan life. I don't buy Mercedes Benzes or Rolls-Royces.

What is your net worth?

Well, I wouldn't say exactly how much it is but it is not much. It is what can be attributed to the salary that I earn [as Prime Minister]. I have been around six years. My salary is of course supposed to be M\$8,000 [\$3,200], but I have given back to the government MY 1,000 ever since I took over. Six times twelve — that's M\$72,000 the government has got back free from me. The rest is my allowance as leader of the government and my allowance as a member of Parliament.

Would you support the idea of a public disclosure law for ministers?

No. Not many countries have public disclosure. It will open up a lot of problems for everybody. Nobody who is any good will come forward. We will have second-raters.

What is going to happen to the NEP in 1990?

We are not going to meet the target of the NEP. Obviously, we'll have to formulate some way of achieving the target after 1990. There is nothing wrong with the NEP. It's not meant to harm anybody. This country has grown during the time the NEP has been in operation. And the NEP is based on growth. Now we have to suspend it because there is no growth.

Finance Minister Daim Zainuddin has proved a controversial figure. Are you satisfied that during his time in cabinet he has acted fully within the bounds of propriety?

Yes I am. Otherwise he's out. Every accusation that has been levelled at him has been checked by me.

Because these accusations keep recurring, is there not an argument for publicly disclosing Minister Daim's assets?

No. Why should I submit to people's desire to penalise just him? He's not a very pleasant man. He speaks his mind and he says no to too many people, people who want to make a lot of money.

He's sometimes quite crude when it comes to that. So he gets into a lot of trouble. He's been accused of all kinds of things, but he just keeps quiet because there is nothing good to be gained by explaining. People are going to say, yes of course, he's got a bank account in Switzerland, and of course he's not going to tell you. But the person who says that has never seen the bank account. That kind of thing I can't accept.

You have said you are definitely going to the ASEAN summit in Manila next month. Are you concerned for your personal safety?

I am quite sure the Philippine government will make sure that we will be looked after. It's not that I am not concerned. Of course, there can be failures, etc, but since the Philippine government is doing its utmost I think we should trust them.

Once there, what will you talk about?

I think the focus will be more on economic cooperation. Complementary deals in our industries, etc, port trade.

It doesn't sound like there will be any major breakthrough.

We will keep on trying. It is very difficult to complement each other when you are competing with each other.

Philippine Foreign Secretary Raul Manglapus has asked the ASEAN states for public statements of support for U.S. bases in the Philippines. Will you do so?

We had an Australian base in Malaysia for some time — now they're coming out of course — so we understand the need for the region to have something to balance out what the Russians have in Cam Ranh Bay and Danang. If the Russians get out of there, I think ASEAN would ask the Americans to leave this region. . . I support the presence of the Americans in this area in order to balance the presence of these Russians.

How are talks with the Filipinos on the Sabah claim going?

We have been making quite considerable progress. We hope it is possible [to have an agreement before the summit]. They have to alter their baseline law if they want to drop their claim.

And are the Filipinos asking you for anything at this point?

It's something that was discussed during the time of Marcos joint patrols, the usual treaties between friendly neighbours.

How would you characterise relations with Singapore, in the wake of last year's controversial visit there by Israel's President and the recent intrusion by Singapore soldiers into Malaysia?

I had a talk with Prime Minister Lee Kuan Yew [during the Commonwealth summit] in Vancouver, and I think we have made better progress towards closing the gap.

So a gap remains.

It's not completely over. We are trying to overcome some of the problems that we have. It takes a little bit of time for the wounds to heal, especially with the public.

*The same day, Manglapus said in Manila that his office had nearly completed a draft bill to delineate Philippine territory. The bill would amend the Philippine Baseline Act of 1968. Asked if it would settle the Sabah issue, Manglapus said "I think so." Malaysia welcomed his statement.