

MAN OF THE YEAR

DATUK Seri Dr Mahathir Mohamad, **Malaysian Business'** Man of the Year, is probably the most analysed Prime Minister ever and the most *controversial*. Yet, he is something of an enigma. As a politician, his blunt, no-nonsense style clashes with a political culture that is essentially consensual. To some, the man is shy and reticent; others perceive him as combative.

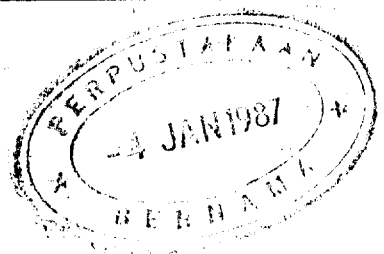
Many people who read his once-controversial *Malay Dilemma* conclude that this is not the same man who is now the Prime Minister. They allege that he has changed, that he has grown increasingly intolerant of criticism.

In an exclusive interview with **Malaysian Business**, Mahathir insists that he is the same man. He says he is not against critics, just those who tell lies. He speaks eloquently on numerous issues like Umno politics, corruption, multi-ethnic politics, NEP and the ISA arrests:



INTERVIEW

PREMIER IN POWER P



SITTING, relaxed, in his office on the third floor of the Prime Minister's department, Datuk Seri Dr Mahathir Mohamad's private demeanour is so different from his public image that it can, to the uninitiated, be a shock. He comes across quiet, so soft-spoken that sometimes one has to strain to hear him. His answers hint at a variety of moods but the voice remains soft, its inflection steady.

He is articulate, emphasising points with little chopping motions of his hands. In an exclusive and wide-ranging interview with **Malaysian Business**, the Prime Minister fielded questions from UMNO politics to G-7 meetings, his premiership and other things.

Below we publish the interview in full...

MB: If you had to begin your premiership all over again would you do anything differently?

Mahathir: No, I would do exactly the same.

MB: How would you compare Mahathir the Prime Minister to Mahathir the angry young man who wrote the *Malay Dilemma*?

Mahathir: We're the same people... only a

little older. The only thing is that when you're outside there is a need to shout in order to be heard and this gives the impression of anger. But when you're inside you don't shout at yourself. You know what you're thinking and you know what you can do. So the impression is that of a quieter, almost different person.

MB: There are those who allege that a lot of accusations you levelled against the Tunku in that book have now repeated itself.

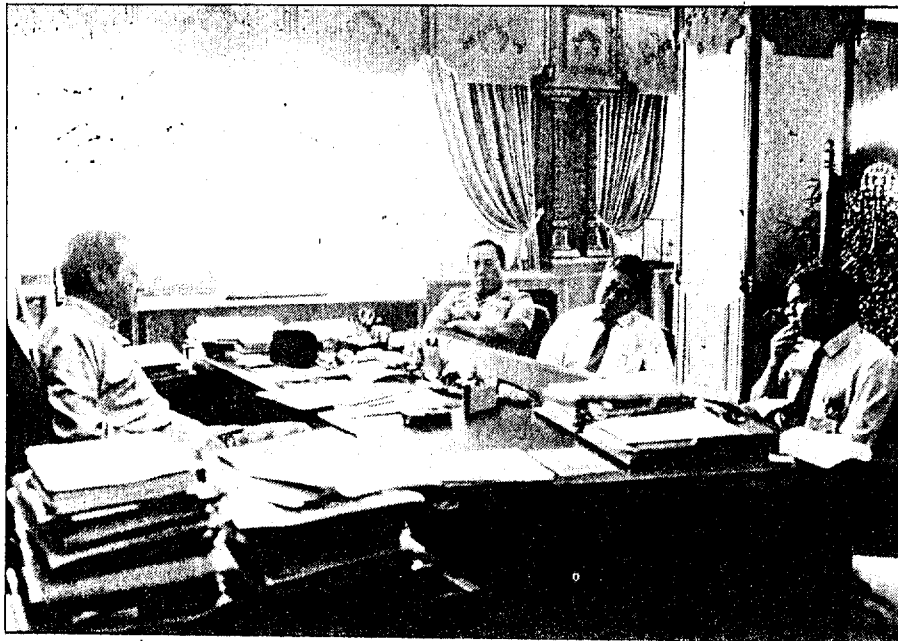
Mahathir: I don't wish to rake up the whole thing again, against the Tunku... at this moment. It's better to forget the past. People should take notice of the present.

MB: How would you rate the Barisan Nasional (BN) concept against, say, the Alliance of old? Does it work?

Mahathir: The BN gives scope for greater participation by a lot more parties. It is also a lot more accomodating of the various opinions in Malaysia. The Alliance was a very narrow, racialist concept. It was just an arrangement for three races to work together. The ideologies of the parties were irrelevant, everything was mainly about race. On the whole the BN concept works much better.

MB: But given the diversity of opinions within the BN, wouldn't that make it more difficult to reach a consensus?

Mahathir: Yes. In other countries I don't think it would work at all. In those countries coalitions are formed after an election when no party gains an absolute majority. Here we're able to have a coalition before an election. We're able to distribute candidates according to their party. It is difficult but it's not impossible as I've said time and time again. There will be tension, there will be dissatisfaction...as there was in UMNO. But despite all this we work together to ensure BN wins. And they can complain later.



PREMIER dialogue with Malaysian Business staff

MB: But the BN is almost a permanent body by itself.

Mahathir: Well it's almost one, a multi-racial party. It functions as such except that the leadership, its leaders come from UMNO. And we accept the need to work together; we go into elections as a single party.

We don't contest against each other...except in Sabah and Sarawak. So although it is a coalition it has many features of a unitary party.

MB: What about the complaints over the lack of consultation within the BN? About the BN Supreme Council being utilised only to discuss the allocation of seats before a general election?

Mahathir: It used to be like that. Since I took over, the BN Supreme Council has met more often. More significantly I have had meetings with BN leaders at state level. Everytime I visit any state that is one of the items on my agenda. That was never done before.

MB: On UMNO politics, could you share with us some of your feelings when you first heard about the challenge from Tengku Razaleigh Hamzah?

Mahathir: I was deeply disappointed because I knew it would definitely cause a split among the top leadership of UMNO. And when you have a split at the top it's very difficult to hold the bottom together. If the top was united a split among the bottom, for example, could have been re-

solved. You can still hold the party together.

That was my main feeling although I do not doubt that in a democracy there can be challenges at all levels. But in our tradition you do not challenge. I could have challenged Datuk Hussein (Onn) but I never did although I had my differences with him. I kept my differences to myself. But here we see a challenge being made... several times. At the deputy prime minister's level; at every level.

MB: Social scientists would suggest that you led the way in this respect, that you practised a confrontational style in a political culture that is essentially consensual. That you initiated this process of challenge?

Mahathir: How can you say that I have a confrontational style when I have given places to those who have lost, to those who have gone against me? Those who have thumbed their noses at me were still given places. Compare the cases of Tunku and Aziz Ishak, Tun Razak and Khir Johari and Tun Hussein and Harun Idris, for example. Political scientists, of course, like to fit me into their assumptions. They assume first and then they fit me into those assumptions, they look for evidence that I'm confrontational. When you approach it in that manner, of course you're going to find I'm confrontational. Along those lines then, everybody's confrontational.

MB: Did you expect such a tough fight? How would you read the results of the election?

Mahathir: I was very surprised at the results. As you know more than two-thirds of the divisions named me as president. It's quite obvious that what the divisions decided, the delegates ignored. Why did they do that? It's obviously something that begs a lot of questions. Why did they switch?

One of the reasons was... because I was so close to Anwar (Ibrahim), that made me unpopular. Yet Anwar got more votes than me. In theory I should have got more than him; his supporters plus those who support me but not him. But the fact is I got less. I suspect that the concentration was on me, the focus of all their efforts was to eliminate me as president. It didn't matter who else got in for the (new) president could get rid of those people in one way or another.

There was also no attempt to ensure that Datuk Musa (Hitam) would win. In fact it's quite obvious that there were attempts to ensure that he lost...because it would be tragic for some people if I were to win and Datuk Musa were to win also. The main thing was to make sure I lost.. and make sure that Musa lost too. That's why 41 votes were spoilt. These are not people who don't understand voting proper. These are veterans.

MB: What about the suit by the 11 UMNO members? Is it a reflection of the changes taking place in UMNO?

Mahathir: No. It merely reflects the frustrations of a few people who lost the election. Obviously these 11 people who are scattered all over Malaysia could not have acted together if they hadn't been orchestrated by somebody higher up. They do not reflect UMNO at all. An ordinary member would not accept anyone who wants to embarrass or bring down UMNO.

But we've expanded, we now have 1.4 million members. A lot of people have come in... whose interests are purely personal; who are quite willing to give their loyalty to anybody for whatever they can get. They do not care at all for the future of UMNO.

Don't get me wrong. If it goes to the courts... I don't care what the result is.

MB: There are those who claim that accommodation of the so-called Team B would go a long way towards healing the bitterness caused by the elections. Comment?

Mahathir: The bitterness has always been there. These people have been accommodated before, you know. They were in the Cabinet and the Supreme Council.

MB: But they did not rebel then?

Mahathir: Yes, they did not fight with me then, so why should they be unhappy? I did not do anything against them. Now if they come back that does not mean that they would contribute towards unity. There was no unity when they were there before so I can't see the logic of it. Also what do I do with those people who stuck their necks out to campaign for me?

What kind of a leader would I be, what kind of credibility would I have if the people who supported me were left out... and replaced by people who are against me? I would lose the support of people who supported me. Nor would I gain the support of those who have been accommodated.

MB: Then what are all these rumours about Datuk Musa and Datuk Abdullah Ahmad Badawi rejoining the government about?

Mahathir: (Laughs) I don't know. I have no say in these rumours. People love rumours in this country. We tell them repeatedly that it's not true... because most of the rumours are simply untrue. But that does not prevent people from creating more. It's a sort of entertainment, I suppose.

MB: So there is to be no Cabinet reshuffle?

Mahathir: No (emphatically).

MB: Over the years UMNO has become more centralised. Is this good or bad for the party? Shouldn't there be more distribution of power?

Mahathir: It used to be like that, more dispersed with state UMNOs. This was stopped when the Tunku took over because there were problems. State UMNOs were not necessarily in accord with the centre. So state UMNOs were abolished and replaced by co-ordination committees and divisions were required to liaise directly with headquarters.

Also when Tunku took over — I'm just relating history here, I'm not saying anything against anybody — one of his innovations was to ensure that he got a Supreme Council that would support him. And so the President was given more power, to nominate a secretary, a treasurer and five committee members. When I came to be president, UMNO was already centre-oriented. As far as I'm concerned it enables the party to act as a single unit, it makes it very strong. I've nothing against that.

MB: The recent ISA arrests will, according to some people, stifle criticism, even constructive criticism, altogether. It is also alleged that it encourages yes-men. How



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then, sir, do you view the position of the critic in society?

Mahathir: I've nothing against critics. But those who tell fibs, a lot of lies, who slant everything that they say, who use the newspapers to create an atmosphere of mistrust and tension — these are the people who should be eliminated or should not be given face... or time... by anyone.

But critics of the government have been there. Even after the ISA arrests privatisation, for example, was criticised. They were not arrested. Real, sound criticism is accepted and we have taken note of it. Of course, we don't acknowledge it. Maybe they want acknowledgement, I don't know but the fact is, it is possible to criticise in this country.

But if you start making up stories that would pit one race against another; purposely zero in on things that are sensitive; forget the warnings of May 13 like do not question things that are entrenched constitutionally...if people should do that then, of course, they deserve the ISA.

I do not like using the ISA. I tried to be liberal. It was not appreciated. People talked about the Prime Minister being weak. You know you can't be nice to some people. That's why I made that analogy about the monkey being given flowers. Unable to appreciate their beauty the monkey simply tears them to bits.

MB: Is this the end of the era of liberalism?

Mahathir: That kind of liberalism, yes... liberalism which spawns a lot of misfits who want to project themselves as champions, etc. This country cannot afford it.



MB: Your administration has been plagued by allegations of corruption and all sorts of things. Why do you think this has been so?

Mahathir: It has been built up by those who are opposed to the government, insidiously, using the papers, making indirect remarks that slant; using the courts. By so doing they have given the impression that this country is corrupt, that the administration is corrupt. When I ask...who is corrupt?... nobody answers. There are vague references to so-and-so and so. I ask... where is the evidence?

We're very strict in this government, much more strict than before. Members of the Cabinet have been asked to give up part of their pay since 1981. They've contributed. Not one word of appreciation. We don't mind but for some people this is immediately turned around. They will say... what's so great about that? Cabinet ministers have so much money. They have numbered accounts in Switzerland.

With such people there is no way we can defend ourselves. What is the lifestyle of ministers in this country? Do we build palaces? Do we have beds of gold? Do we lead a high life? Those ministers who've resigned or left...I don't think they are living off their ill-gotten gains that they were supposed to have made when they were in Cabinet.

I remember, at one time, Encik Khir (Johari) was accused of being corrupt. But I don't see him as a multi-millionaire now. And I'm sure that members of this Cabinet are going to be fairly ordinary people once they leave.

It seems that this is the lot of people in power, to get this sort of criticism. And it's

more so in my case because we're trying out new ideas. New ideas means change and people don't like change.

MB: Do you think that corruption, both in the public and the private sector, has increased over the years?

Mahathir: It has come to light especially in the private sector. Because of the recession we now see a lot of it being exposed. But I don't see any evidence that shows the government being more corrupt than before. There are probably some black sheep but we haven't been able to catch them, I suppose. Or we have to take administrative action and that makes us very unpopular.

Let's take an example. Supposing somebody comes to me and gives me a letter saying that he has tendered for such and such a project. He didn't get it but he has gone through all the right channels and it was an administrative mistake. I'm faced with a dilemma. If I don't listen then... it's like what is the good of having a PM who doesn't listen or act when his administration is doing wrong. If I do act then I'm accused of having some vested interest.

So you're torn between wanting to do what is right and wanting to preserve yourself.

MB: Would you say that corruption has become endemic, almost like in some other Asian countries?

Mahathir: It's the level that's important. There is endemic corruption which is difficult to get rid off but it's at a very low level. By and large, I think this administration is cleaner than most countries. There may be some black sheep but this happens in every society.

MB: What should be done?

Mahathir: Well, we just have to continue our work, without publicity, to correct this. Most frequently we don't get sufficient evidence. So departmental action is all that we can resort to.

MB: What about suggestions like making the ACA more autonomous so that they might do their work without fear or favour.

Mahathir: (Laughs). Without fear or favour is a useful phrase. There is this naive belief that autonomy would give the best results. And yet suppose we were to appoint an ombudsman who's autonomous. What is the guarantee that he himself will not be corrupt? Conversely every time he makes a decision somebody is bound to suffer. So sooner or later he will get accused of corruption.

MB: But other countries have tried these measures with some success?

Mahathir: Yes, but what is good for other countries need not necessarily be good for us. You know, here we have some people whose incomes run into millions. They still cheat, they still steal from the very institutions they're supposed to run. (Pause). You see this country functions on the basis of mistrust.

The government does so, I admit that. That is why we have so many checks, that's why procedures become so tedious. Because we don't trust anyone.. the whole process gets so complicated so that if you want to bribe, you have to bribe the whole government.

I don't believe in giving power just to one person.



And when you have a split at the top it's very difficult to hold the bottom together.

If the top was united a split among the bottom could have been resolved.

MB: The Malaysian judiciary has, rightly or wrongly, accumulated a certain reputation for being fiercely independent. Comment?

Mahathir: That's a label blown up by the Press. I don't think the judiciary is fiercely independent. It's merely fair and just. There are black sheep in any group who want to be, as you say, fiercely independent. What is it anyway? When you want to be fiercely independent, you're implying that you'd forget your duty to be just and fair. You're only interested in being very independent and in order to do that, you have to stretch things a bit, you have to prove that you can hammer the government, for example.

But in doing so you lose your independence because now you're following public trends. You want to ingratiate yourself, you want to be well thought of by the public. You're no longer independent. You're subject to public opinion. A good judge should stick to dispensing justice. That's all, not to show that he's independent.

In the past we've never questioned deci-

sions, going against the government. But when people say...that... in order to get a judgement against the government you go to this particular court, then that court is no longer regarded as a fair court. It has already been labelled.

MB: Are you saying that there has been an increasing number of judgements against the government...

Mahathir: ... Only if you go to a certain court. There is a kind of bravado here. When you feel you are immune, you become very brave. That's not courage in my view. That is a form of cowardice. And it has certainly nothing to do with being fiercely independent.

MB: But there is a perception, by foreigners at least, that they can get a fair shake by the judiciary if the worst ever came to the worst. Wouldn't it scare them if they perceived that the government was trying to clamp down?

Mahathir: There are countries whose judiciary is always for the government but these countries always attract more foreign investment than us. Investors don't come here prepared to fight with the government. There is no cause for them to think so. So what is there for them to be afraid of?

MB: The recent racial tension was, according to most people, primarily due to constant ethnic championing, the repeated harping on racial issues by politicians from various communal parties. After 30 years of independence this must indicate something is seriously flawed in the system. How do you propose to deal with this in the future?

Mahathir: Well, part of the reason was our...my liberal attitude over the last few years. One of the results was people saying things that were racist in character. That's not damaging so long as the audience is small. But...pardon my saying so... the newspapers play up these things. Certain newspapers concentrated almost exclusively on racial issues. When you write and publish such things you're bound to cause tension. Action invites reaction and it goes all the way through. The thing escalates.

In the past, the other papers had been careful to avoid such journalism. But thinking they were missing out, they joined in the fray and they got racist as well. So it mounted. The ordinary Malay and Chinese are not interested in such things. But it gets magnified because the concentration is on the differences not the similarities.

MB: But isn't there a need to balance the rumour mills with insightful analyses via the newspapers? As it is, the reading population in Malaysia is small, people hardly ever read books. The newspaper is the main source of information to most people.

Mahathir: We realise that. There has been a fantastic growth in newspaper readers, particularly the Malay newspapers. With such influence must come great responsibility. Such power must be exercised responsibly. If it's plain reporting I have no problem but it's reporting with a slant that has now become common. You write something, you have to add in your own input. Then there is the journalist's need to get recognition, to get a scoop, etc. This means he or she will have to give new and fresh twists to reporting.

That it may cause problems for the country doesn't seem to bother them much. In this country people are willing to run down perfectly good things because...that is more readable. To praise these things is not good, it seems.

MB: What about the future of Malaysian politics? Do you think a new, multi-racial polity might emerge. Is that desirable?

Mahathir: It might but it will take a long time and it needs a lot of sincerity on the part of all communities. Firstly, of course, they must accept that there is the need for something like the New Economic Policy, a need to redistribute wealth equitably, to redistribute opportunity equitably. They must then work towards it.

An *Ali Baba* situation where a Malay is used just for his name is not helping that Malay, the other party or the government. It's not helping anyone. Such people actually sabotage the cause. So there must be real sincerity until we reach a situation where there is no distinction. In a Chinese firm there will be as many Malays as there are Chinese employees. And in the government there will be the same kind of distribution. Then, and only then, will multi-ethnic politics become possible.

But as long as there is a private sector unwilling to take in Malays and the government being forced to take in Malays and other bumiputeras, there is always that antagonism. And that will not contribute towards multi-ethnic politics.

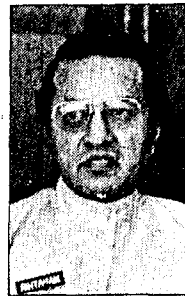
MB: The NEP, notwithstanding the critics, has genuinely helped a lot of Malaysians, particularly Malays. For instance, there is now a large and growing corps of middle-class bumi professionals and entrepreneurs where there had been none before. Conversely, it has also precipitated what social scientists call a crutch or subsidy mentality.

A whole new generation seems to have taken it for granted that the benefits of the NEP will continue in perpetuity... This cannot be healthy in the long run. Comment?

Mahathir: To say that the NEP has succeeded is to be optimistic. You say it has succeeded in creating this middle-class of Malay professionals. It has not. What has happened is simply the government makes it possible for them to survive. The economy is still basically the same. All these people depend on the government — the Malay contractors, the Malay lawyers, the businessmen.

Now that the government is not having a lot of projects, all of them are suffering. And they do not know what to do. Malay contractors can never get contracts other than from the government. Perhaps it is their fault but the fact is, that is the situa-

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tion. So to say that the NEP has created this permanent Malay middle-class is not quite correct.

Now that the government is cutting back, these people have reverted to being, well, the bottom rung of the middle class. A lot of them are bankrupt because they borrowed money. The NEP has only worked in the equity aspect, the nominal share aspect of wealth as characterised by PNB and so on. What we need is a genuine partnership between Malays and non-Malays, the bumiputera and the non-bumiputera. Then the NEP will have succeeded.

The Malays must learn how to manage, how to be thrifty. Giving money to the Malays, for them to squander, is not helping them. If you use a Malay name so that you can tender for a government project that's not helping the Malays or anyone.

Therefore, as things go, they would need the crutch for a long time. I'm not blaming the non-bumiputeras. I'm blaming the bumiputeras who take the easy way out. They think that the NEP means a free gift. Once the economy slides and there are no free gifts, they're in trouble. This so-called middle-class and rich Malays are all owing

money to the banks. I think practically every one of them is bankrupt now.

The crutch therefore will have to remain until there is an equitable distribution of wealth. I would not like to see the crutch taken off when Malay contractors can only get contracts from the government. Where are they to go?

MB: When you took over the administration in 1981 you had a vision of this country entering the ranks of the NICs (newly industrialised countries) but the skidding economy imposed constraints on this goal. How much of the objectives you sought have been realised?

Mahathir: Not much, I'm afraid. It's not only the recession, it's also the fact that people misunderstand the whole thing. As you know there was an active campaign to run down all my policies. It seems that, for some reason, we're not supposed to have any heavy industries. The national car has been run down by nearly everybody. In this kind of atmosphere, it makes things very difficult.

In other countries people would have celebrated with joy if they had a car with a potential for export. Here it's different. We excoriate ourselves, we tell everybody that we're no good. How do we succeed with this kind of mentality?

MB: But the economy was also a major constraint. Would you have preferred to have been PM earlier then, when the economy was booming?

Mahathir: (Laughs). I don't know what difference it would have made. This process of moving into the NICs is a relative one; as we move up, so do other countries. It's changing all the time. Obviously, I would have been happier if I had been Prime Minister earlier. Then I could have launched these things in a period of prosperity.

Take cars. We were selling 110,000 cars a year when we first started this plan to make our own cars. Now we're selling a total of about 36,000. The market has dropped to almost a third. Naturally, your plans are not going to succeed. We were having a construction boom. The demand for steel was very high. But again the steel and cement plants are now in excess. That's not done by me. We've one cement plant but the others are run by the private sector.

Success doesn't come easily. You've got to batter your head against the wall quite a number of times before the wall breaks...or your head. I suppose you've got to do that. I don't believe in giving up although that's quite difficult in this country, with so many people snapping at your heels.

MB: Unemployment is becoming a serious problem, graduate unemployment a new one. Some academics feel that there are too many graduates being produced; others feel that too many are sent off to second-rate universities abroad and there are those who claim that overall educational standards, especially at tertiary level, are dropping. Thus they call for a more balanced human resource policy. Comment?

Mahathir: This is wisdom from hindsight. Now that they see it they say it's wrong. But at that time they were calling for more universities, they wanted more students sent abroad. So we did. And they couldn't get into all the best universities because there simply weren't enough places. And it's costly so they got into the less known universities. But there're still quite a lot of them who've done quite well after graduation.

What do you do? I agree with some of the points. I don't like this stress on academics. It only turns out a lot of critics ... who know how to run things but who've never actually run anything.

First I'd like to see hard-working people. I'd like to see more technicians, more skilled workers. But this is not a popular idea, this notion of having a lot of practical people. It's so much easier to be able to say things and not do things. I'm looking for people who can do things.

MB: The privatisation policy has gained some momentum since you first articulated it in 1981. Is its pace progressing to your satisfaction?

Mahathir: No, it's very slow. Only one or two have gone on-stream like MAS and MISC, for instance. And that's a simple matter because they've been separate institutions anyway. But privatisation of government departments has been very slow. There's been too much resistance against the concept despite our repeated reassurances that the future of workers would not be adversely affected. It's generally been unsatisfactory.

MB: Critics charge that lucrative companies, about to be privatised, only go to a few select people 'in the know.' They claim that the exercise would be fairer and economically more efficient if it had been opened to all parties, in free and fair competition. Comment?

Mahathir: You know when we first launched it (privatisation) we didn't identify anything. We merely said that we'd like to privatise some parts of government. What happened? People did their own stu-

You see this country functions on the basis of mistrust. The government does so, I admit that. That is why we have so many checks.

dies and they came up with proposals about privatising certain government functions.

Now if someone spent, say, one million dollars on such a project proposal, on a feasibility study and then came to us and asked us for the project, what should we do? Should we take his study and then open it up to everyone in free and fair competition? That would be unjust. You can't take his idea and his work and give it to others.

So we decided, later on, that we'd have two types of privatisation. One is where the government identifies the project, and that is open to everybody. But when somebody comes up with his own idea about privatising a particular government body then he gets first rights.

So it's not connections or influence. Take Shapadu, for instance. They saw a stretch of logging road in a swamp. They got this idea of making it into a highway and collecting tolls. And it was a good idea. It would relieve congestion along the Klang Highway and so on. So they came to us and we saw merit in it. It was their idea so we gave it to them on a negotiated basis.

But I'm afraid they lost a lot of money. Of course, nobody cares when they lose money. But that's how it actually happened.

Now there are certain departments that have been identified and anybody can bid for them. So long as they submit their bids in time, within the time limit stipulated, then they have a fair chance. Then of course their bids have to be evaluated. Somebody will get it, some others will lose. So why should anyone blame the successful company or the government? But no, people will always feel that there must be some hanky panky in the government.

MB: You seem to have come to terms with a lot of things in your sixth year at the helm. For instance, there is no longer any Buy British Last (BBL) policy; the Look East

I'm blaming the bumiputeras who take the easy way out. They think that the NEP means a free gift.

Policy seems to have been toned down; the Commonwealth is so accepted that we are to play host to its next summit and the *Bersih, Cekap dan Amanah* (BCA) slogan is no longer used extensively. How do you view these developments?

Mahathir: Well if that's the impression, it's the wrong one. All these things were not just dropped. The BBL policy has been reviewed because the British now have decided to treat us on equal terms. Formerly, they seemed to think that we were still their colony. The policy costs us, sure, but the British stopped taking us for granted. And when they stopped, we reviewed our policy.

Look East. I have said it time and time again that this policy has nothing, and I repeat, nothing to do with giving contracts or buying things from the Japanese or the Koreans. If we do give them contracts then it's because they had the best offer. But that's completely irrelevant. Look East is all about the work ethics, the management methods of the Japanese, the Koreans and the Taiwanese. These people work with all their heart and soul. That's why they have surpluses in the midst of a recession.

I just think that there is a lot we can learn from them that's all. We're learning but we can learn some more. There's plenty to learn.

The Look East policy has not been dropped. I still talk to people about it. But I don't publicise it now because, obviously, some people have gone to great lengths to discredit it. I say Look East, they say...Ah... contracts for the Japanese. You know, in the kind of cynical, sneering attitude that some people say haunts this country.

The Commonwealth. We did a study on whether we should leave or not and decided not to. While on the political side there is not much to be gained, there are certain other activities afforded by the Commonwealth that are useful to us.

Why should we host the summit? That's one way of getting your country known to others. We couldn't host a United Nations or a World Bank conference here because the Israelis would want to come. But the Commonwealth has nobody that we've no relations with. So it gives us an opportunity. It's going to cost us money but it'll also put us on the map.

A lot of people have heard of Malaya but not Malaysia. It sounds ridiculous but it's true. So we've to make an effort to make our country known.

As for *Bersih, Cekap dan Amanah*, well, I may not say it aloud anymore because it's been irritating to hear all these cynical comments about it. They say...what *bersih*...what *amanah*... all of them are crooks. So all right, I don't have to talk to them but I

do talk to government officers and politicians when we take them to work camps. For three days we give them intensive lectures on *Bersih, Cekap dan Amanah* and the need for them to change their attitudes to help this country become more developed. The fact that you don't hear it publicly does not mean that we've dropped it.

MB: Did it hurt your administration when Datuk Musa Hitam suggested last year that the BCA slogan should be re-evaluated?

Mahathir: (Laughs). No. As a person having differences with the government he can say what he likes. Naturally he's not going to say things that are complimentary of the government. I know that. I accept that. And I don't expect anything more.

MB: You have frequently deplored Malaysia's over-dependence on externals, on the whims and fancies of developed nations. What kind of ideas do you have regarding making the economy more self-reliant.

Mahathir: Well, it's true that most of our economy is too dependent on our export

earnings. The thing to do is, of course, first, to increase productivity, to be more competitive so that when others cannot sell, we can still do so. Our costs are too high and this reflects our managerial capabilities. I don't blame the workers so much. They get good wages here, much better than a lot of our neighbours but their productivity is not commensurate with their pay. So it's up to management.

And we have to diversify away from pure primary commodities into differentiated products. Tin from Malaysia is very much like tin from Bolivia. So we've to have distinctive products. It's like selling Coca-Cola; it's the formula that counts. We've to have that distinction so that people will know that it's from Malaysia. Whether it's furniture or machinery or whatever. Diversification and productivity are the answers. We'd still be dependent on exports only in this case, the buyers would be just as dependent on us. For those unique exports that come from here and nowhere else.

MB: You have also gone on record criticising unequal world trading patterns, the relative uselessness of G-7 meetings. What should replace it then?

Mahathir: I cannot believe that meetings of seven rich people can benefit poor people. That's my simple basis of judgement. There should be representation from other economies as well. You know when the G-7 met in order to solve their currency problems they decided that the easiest thing to do was to punch up the Japanese currency.

As a result our debt increased by 70 per cent. We pay the price of their problems. But if they had discussed it with us we could have pointed this out. Something has to be done to compensate for this. It would be more complicated, of course, but it would be fairer. But when seven rich people sit around and try to resolve the economy of the world, excluding everybody else, this is grossly unfair. That's why we've been calling for a North-South dialogue. Here there is not only no North-South dialogue, there is a ganging up of the very rich against the very poor.

That's the problem of the world today. And the G-7 haven't managed their affairs very well either. They have had this G-7 even before the recession but the recession came anyway. Then the stock markets crashed... everything is still uncertain.

— S Jayasankaran

Endeavour To Think Well

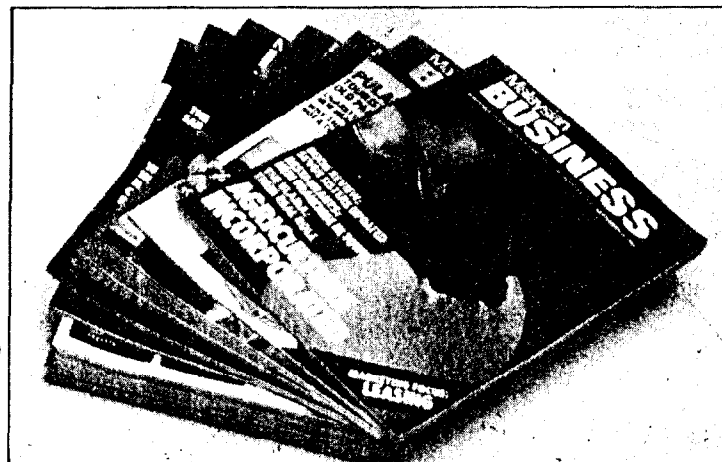
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