

Mahathir's Heavy Hand

Is the prime minister undermining Malaysia's democratic tradition?

The Royal Selangor Golf Club in Kuala Lumpur is a relic of Malaysia's colonial past. It's an oasis where burdened caddies still lug the bags of the well-to-do and well connected, and where Malay waiters are summoned with a peremptory wave of the hand. But today even this bastion of the establishment is beset by fears that Malaysia's politics have gone awry, and that the country's prime minister of the last seven years, Mahathir Mohamad, is undermining the country's political institutions and traditions. In the rarefied atmosphere of the Royal Selangor, the dissent is as genteel as the surroundings, but in many voices there is a telling tone of concern. "Our country is being run by a new generation," one member mourned recently as he gazed out at the trees that shade the manicured fairways. "The tradition of fair play and impartiality is gone."

Since Mahathir narrowly beat back a challenge to his party leadership 12 months ago, he has indeed wielded a heavy hand in reshaping Malaysian politics. Late last year his government ordered a roundup of more than 100 opposition leaders and religious and political activists, many of whom have yet to be released. The prime minister has maneuvered to strip the judiciary of much of its independence, and at the same time he has mounted a campaign to muzzle the nation's press. But Mahathir's most concerted assault has been directed at dissident members of his own party, the United Malays National Organization (UMNO), which has dominated Malaysian politics for all 31 years of the country's independence. After ousting his critics from the cabinet and the party, the prime minister has begun rebuilding his political organization from scratch. "Mahathir is restructuring the entire political system," says Chandra Muzaffar, the outspoken president of Aliran, a leading human-rights organization. "But in his

version of modern Malaysia there isn't much room for freedom and dissent."

As harsh as that judgment may seem, virtually every move that Mahathir has made has increased the power and authority of the executive and has fueled suspicions that he is leading Malaysia down the path of authoritarianism. That would be a sharp change of direction for the former British colony. Ever since the British left Malaya in 1957, Malaysians have tried to transplant the politics of Westminster to Asian soil while preserving many of the trappings of Western democracy. To this day judges in the capital's 95-year-old courthouse preside British style in white-powdered wigs, and every day Parliament takes a half-hour break for tea. As artificial and antiquated as some of these traditions may seem, a convincing case can be made

that they have helped Malaysia develop into one of the most politically and economically stable societies in the region.

It didn't much resemble that last October, however, when the government rounded up 106 political opponents in a crackdown that prompted Tunku Abdul Rahman, the nation's first prime minister, to warn that "Malaysia is on the way to dictatorship." Kuala Lumpur officials maintained they acted to prevent race riots over a controversial government proposal to appoint non-Mandarin-speakers to top positions in Chinese-language schools. Among those detained was Lim Kit Siang, head of the opposition Democratic Action Party, whom one party spokesman called "literally the soul and inspiration of the party." DAP leaders say they don't expect Kit to be released soon. But the scope of the

roundup suggested that the government was concerned with more than just the possibility of a dispute between Malays and Chinese. Members of the fundamentalist Islamic party PAS were also jailed, along with a number of religious activists and even five antinuclear environmentalists.

At the same time the government launched an assault on the nation's relatively unfettered press. Officials temporarily shut down three daily newspapers, among them *The Star*, an English-language daily with wide readership that is controlled by the Malaysian Chinese Association. The three newspapers have now begun publishing again, but former prime minister Tunku Abdul Rahman, whose weekly column used to appear in *The Star*, is currently keeping his thoughts to himself. "I've got to write what I want to write," he said. "But if I do, my paper will be closed down tomorrow." In addition to maintaining the threat of closure, the government now requires that every newspaper renew its license each year. By and large the restrictions have forced the coun-

try's major dailies to toe the government line. However, a few outspoken opposition publications such as *The Rocket*, the weekly newspaper of the DAP, have seen their circulations expand dramatically amid the dearth of critical news, one indication that Mahathir's power is still far from absolute.

'Road to dictatorship': Mahathir is also engaged in a feud with the courts, prompted by a judge's ruling just last February that the UMNO is not a legal political party. A law passed by Parliament last month gave the attorney general the power to determine which cases are assigned to specific courts. Quite obviously, that could ensure that important decisions are reserved for judges who are favorably disposed toward the government. Mahathir has also challenged the principle of judicial review, arguing that "the courts, too, have to abide by the law." Many prominent Malaysians view the attack on the judiciary with alarm. "Once the judicial power is removed from our courts," says former Malaysian Bar Council president Param Cumaraswamy, "the road to dictatorship will be wide open."

Clearly, Mahathir is not cut from the cloth of the Malaysian establishment. The 62-year-old prime minister is the first of Malaysia's four postindependence leaders who was not born into one of the country's royal families; he is also the first who was

not educated in Britain. "Mahathir is much more Third World than the previous prime ministers," says one Western diplomat in Kuala Lumpur. "Their shared way of looking at problems is gone." In 1981, shortly after he succeeded Datuk Hussein Onn as prime minister, Mahathir launched a "Buy British Last" campaign to wean Malaysians away from what he viewed as their overdependence on British

goods. The campaign eventually fizzled, but Mahathir's antipathy toward the British, perhaps rooted in the social slights—perceived and real—that he endured as a youth, did not.

"I hate to have anyone look down their nose at me," the prime minister told *Newsweek's* Carroll Bogert last week in Kuala Lumpur. "We are now independent. Nobody is going to take us for granted." A few years ago Mahathir took back the handsome embassy given to the British at the time of independence. And while many ministers and Parliament members like to pass the time in the former mansion of the British high commissioner at the cool mountain resort of Fraser's Hill, Mahathir is never a guest. "It's too British for him," says one executive at the resort.

Mahathir would deny that his feelings about the British have determined his style of governance. He contends, as does his neighbor Singapore President Lee Kuan Yew, that strong, centralized authority is the only way to preserve racial harmony in multiracial societies such as Malaysia's. That argument has been used to justify authoritarian rule by leaders in other countries, but Mahathir does have a point. Ethnic Malays comprise a bare majority of Malaysia's total population of 16 million, while ethnic Chinese account for just over one-

third, and Indians—mostly Tamils—comprise about one-tenth. Malaysia is still haunted by the memory of the bloody race riots in 1969, in which hundreds of people—most of them Chinese—were killed in street battles. Government officials—as well as ordinary citizens—have long feared a recurrence. "We need a prime minister who is strong, who is tough," says Ali Khan, a Malay businessman in the mountain town of Ipoh. "Mahathir is the only one who can keep our race relations under control."

At the moment, however, Mahathir's heavy hand on the reins of power has less to do with race than with an ongoing power struggle within the Malay leadership. A year ago Mahathir won re-election as UMNO party chief by just 43 votes out of a total of 1,479 ballots cast. Enraged at the challenge to his authority, Mahathir immediately dismissed several high officials who had turned against him and saw his opponent, Tunku Razaleigh Hamzah, then trade and industry minister, resign from the par-

ty. The dissident UMNO faction, which had the support of two of Mahathir's three predecessors as prime minister as well as a number of up-and-coming younger party members, challenged the election on a technicality. They asked Judge Harun Hashim to void the results, charging that at least 45 votes had come from unregistered party branches. Last February the judge agreed that UMNO had violated the law. He then shocked the entire nation by declaring the party illegal and ordering it disbanded.

The Calm in the Eye of the Storm

During the past year, Malaysian Prime Minister Mahathir Mohamad has been bitterly attacked by opponents in his ruling United Malays National Organization (UMNO). He has now purged those adversaries from the party's top ranks, and he appeared relaxed and confident in an hour-long interview with NEWSWEEK's Carroll Bogert in the Malaysian capital of Kuala Lumpur. Excerpts:

BOGERT: What do you think about the rift within the party?

MAHATHIR: It is a temporary matter. It will be resolved. The vast majority of the people support the present party and the present government. But people tend to ignore this and concentrate on the fact that I won with 43 votes [in the election for UMNO party president in April 1987]. Sure, I won with 43 votes. But when you have 1,500 representatives who are easily influenced, then you are bound to have that kind of result.

Have you increased the number of your bodyguards? Are you worried about your safety?

No. I move around freely, more than any previous prime minister. I go to the supermarket, I roam around the town, I go horseback riding. The usual bodyguards just look at me from a distance. It's not the tradition of Malays to assassinate people.

What role does the legacy of British rule play in Malaysia today?

We have a multiracial pop-

ulation that was imposed on us by the British. They brought in these people and never consulted us. When we were under the British colonial rule, there was no such thing as democracy. It was an autocratic government, an authoritarian government.

You are the first Malaysian prime minister not educated in Britain. How has that affected your outlook?

I am quite sure that if I had been educated in Britain and had been treated the way some of our students were treated, I would be much more anti-British than I am now. I am trying to assert the sovereignty of this government. Some people are willing to take any amount of insults, but I am not.

Is it possible to cope with Malaysia's racial situation without resorting to extreme measures such as the arrests of 108 people last fall?

We have always to listen to the grouses of the different races and we have to find some way of pacifying them. We have always contended in this country that when everybody is unhappy, then we are doing well. It means that we are not giving any community all that they ask for. Everybody feels deprived. The Malays are not happy, the Chinese are not happy, the Indians are not happy. They all say the government is not doing enough, which means we are being fair. If you compare us to other countries that have a similar racial composi-

tion, you will find that Malaysia has done extremely well.

Do you have a deadline for leaving office?

People may just be buttering me up, but they express a desire for me to continue. So I will continue.

Some of your opponents have

criticized you for not being willing to compromise. Is that fair?

I think it's quite wrong to say I'm not willing to compromise. Do you know what is their compromise? That I step down, and they take over. I don't know whether you can call that a compromise.

What is your response to people who say that your government is corrupt?

Show us where we are corrupt. What is the evidence that we are corrupt? Do you see us living a lavish life? We

are very spartan in our ways. We are paid very low salaries. There is no evidence at all that Malaysian ministers take money. If there was, they'd be out.

Would you be willing to have the ministers in your government reveal their assets?

They all submit to me a statement of their financial situation every two years. Unless the country doesn't trust me, in which case it can throw me out, I look at these statements. I feel satisfied that they are not doing anything wrong. I cannot subject them to the kind of inquisition that you find in America, which makes it difficult for anyone to become a [government official] because he's going to be pilloried all the time. A minister is a human being. He has to have some privacy. What he does privately is his right; it is his business.

What will Malaysia be like in the year 2000?

We feel that by then, there will be less emphasis on race. The Malays will gain more confidence. They will be able to compete better. There will be more professionals. The nonindigenous people [predominantly Chinese] would understand the need to accommodate, to work together. Those who cannot accommodate [will find] this is not a good society for them. They will go to Australia or Canada, and we don't mind that. Although they may be intelligent people, with money and all that, we prefer those who are going to cause less trouble.

Both factions soon announced that they would try to form successors to UMNO, but the canny prime minister outmaneuvered his opponents. Last month he won permission to register members of his new party, which he called UMNO Baru (New UMNO). Since then the dissident members—"Team B," as they are known—have fallen short in every way. They failed to win recognition as the legitimate heirs to the old party, to win registration as a separate party and to gain control over UMNO's financial assets. Team B leaders say they will keep trying, but after the recent encroachments on the judicial system, their chances of success are fading. "The prime minister has used the levers of power against them," says one Western diplomat in Kuala Lumpur who has monitored the fracas. "They underestimated Mahathir's strength as head of the government."

Mahathir has promised to accept in his new party all but a few of the old UMNO dissidents: "traitors" is the word he uses. But there are signs that the prime minister is seeking to create a much smaller—and more loyal—party. He is requiring that every applicant fill out a registration form listing his personal assets and liabilities and pledging allegiance to the party. Such efforts to exclude his enemies from sharing power have given rise to the joke that UMNO now stands for "Under Mahathir, No Opposition."

The party's leaders have also rewritten UMNO's rules to give incumbents a greater advantage in elections for party posts. "We used to be a very democratic organization, but today it's different," says one former UMNO official in the city of Raub, the former British administrative capital. "Now the members can't do anything without Kuala Lumpur telling them to go

ahead." The prime minister cannot afford to be too selective, however. The New UMNO must register at least 700,000 members—half its former number—for it to be able to take over UMNO's assets.

'People are confused': The whole affair has thrown many local party branches into confusion. Take the example of Ulu Jelu Village, an 84-family settlement cut out of the jungle where tigers, elephants and baboons still run wild. There it was the party rather than the local government that saw to it that the village received the essential services of electricity and running water. Villagers repaid such favors with their loyalty; more than 100 residents were members of the party. But now Che Awang bin Idris, chief of the local party committee, is in a quandary. He has received only 20 registration forms for the New UMNO. "I haven't distributed them because I don't

know who to give them to," he says with evident frustration. "People are confused and don't know what to do."

Mahathir is trying to drum up support and polish his own image by holding a series of rallies throughout Malaysia's 13 federal states. Judging by the lackluster reception that he got at one recent gathering, however, the organizers of Mahathir's "leadership through the people" campaign may need to fine-tune the program. By the time the prime minister rose to speak in the withering heat, many in the crowd were already walking back to the buses that had brought them from neighboring towns. Only a few hundred enthusiasts seemed at all interested in hearing what Mahathir had to say. "My boss asked me to come," said one Tamil, explaining why he was there.

Some longtime opponents of the govern-

ment are sitting back and enjoying the internecine battle with predictable glee. "Let them fight," smiles one Chinese businessman in the capital. But a collapse of Malay unity would almost certainly be a disaster for the country as a whole and the Chinese in particular. In times of trouble the Malays have often united by turning their ire on the Chinese, whose economic success has bred so much resentment. Equally worrisome is the possibility that a prolonged power struggle could devastate the economy, if only by scaring nervous businessmen into transferring some of their holdings out of the country. "As long as this UMNO problem lingers on, people are going to be

uncertain about the future," says DAP spokesman Hu Se Pang.

The intraparty feuding has doubtless been reinforced by Mahathir's acute awareness of his nonroyal past in a political system previously dominated by the nobility. Born in the rural state of Kedah to an Indian schoolteacher father and a Malay mother, Mahathir showed enough early promise to win admittance to the University of Malaya, which at the time was located in Singapore, where he earned a medical degree. In 1946, at the age of 20, Mahathir joined UMNO's proindependence movement at its inception. He quickly won praise as an energetic champion of

Malay nationalism. He was elected to Parliament in 1964 but was ousted from the party five years later, in the wake of the 1969 riots, after he attacked Prime Minister Tunku Abdul Rahman for being overly solicitous of Malaysia's Chinese.

During his years in political exile Mahathir wrote a noteworthy treatise entitled "The Malay Dilemma," which was banned in 1970 by the government. The book, which wasn't published legally until Mahathir himself took power, offered a novel analysis of why Malaysia's ethnic Chinese had prospered while the Malays had not. Mahathir argued that China's harsh climate had toughened the Chinese and instilled in them a strong work ethic. In Malaysia, by contrast, the combination of the grueling heat and humidity and the fecundity of the land drained the indigenous inhabitants of their ambition.

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mat who has watched him in action over the years. "He has a controlled and efficient mind." (He also may be the only prime minister in the world who wears a name tag at work.) In his simple paneled office he has two computer terminals handy. One gives him immediate access to a data bank with the latest economic statistics; the other is a link to the national press agency, Bernama. Nearby sits a stack of back issues of the American magazine *Popular Science*, along with a pile of file folders containing articles that Mahathir says he wrote but has not had time to prepare for publication. Mahathir, who has a reputation as something of a workaholic, says his

current reading is a book on Japanese management.

Despite his attention to detail, Mahathir's managerial skill hasn't always measured up to his sometimes grandiose plans. A monumental cement plant built in Kedah with government funding has a capacity three times greater than what the nation can possibly use. What's more, it is so inefficient that it can't begin to match the price of imported cement—to say nothing of being able to export it profitably. Malaysia's first locally produced automobile, the Proton Saga (a joint venture with Japan's Mitsubishi), has also fallen on hard times; the assembly plant is producing only

about 25,000 cars a year. Mahathir has begun exporting the Proton Saga, but at below cost. Partly because of loans taken on to fund such projects, Malaysia's foreign debt has nearly doubled in the last five years to \$21 billion.

'Crony capitalism': Mahathir continues to be hounded by allegations that his government has fallen victim to what one university economist calls "the crony capitalism of Ferdinand Marcos." There is no evidence that Mahathir has lined his own pockets, but Kuala Lumpur has been stung by several well-publicized scandals in recent years. Two years ago, in the wake of the near collapse of a subsidiary of the nation's lead-

Racial Balancing Act

of quotas and affirmative action requirements to give Malays more economic power, the verdict on the New Economic Policy (NEP) is still very mixed. True, Malays now own more than 18 percent of share capital in the private sector, compared with just 2.4 percent in 1970. But those gains fall far short of the program's goal of 30 percent Malay ownership by 1990. Government officials have already scaled back some ownership regulations of the NEP, as it has become apparent that the boom years of the 1970s, full of business confidence, may be over. Now embattled Prime Minister Mahathir Mohamad must persuade the Chinese that he

is in full control of the political situation, or they are likely to invest their money elsewhere. That could exacerbate the racial tensions the NEP was meant to solve.

The NEP has already generated a number of problems. In some cases productivity has declined as private firms invest time and money to comply with racial quotas. "We could have become much more developed if we didn't have these racial disparities," says Mahathir. "I accept that we have to pay a price." To meet NEP quotas, inexperienced Bumiputra are often given top positions in Chinese companies—as figureheads rather than hands-on managers. The NEP has also failed to

benefit Malays equally: the emergence of Malay millionaires has given rise to charges of corruption and unfairness, as the average Malay household still earns 40 percent less than the average Chinese one.

The NEP has also created a sprawling and inefficient public sector. Since most Malays had neither the capital nor the expertise to set up their own firms, hundreds of state-owned corporations in a wide range of businesses were established to promote their interests. A few have succeeded admirably. But most of these firms, run by civil servants with little commercial experience, are losing money. The government is now trying to privatize some of these ailing companies. So far, only 10 out of more than 800 state-owned firms have been sold.

Despite the strains of complying with the NEP, Malaysia's economy has performed reasonably well, enjoying a 4.7 percent growth rate last year. But investment remains sluggish as wealthy Chinese fear the Malays, now politically divided, may restore unity by launching a concerted attack against them. Says one Chinese property magnate, "It's time to pause and keep your money in the bank." But without greater Chinese investment, analysts say the economy won't grow fast enough to support the burden of a costly affirmative action program. The NEP is sure to continue in some form, but so, it seems, will the racial tensions it was meant to eradicate.

CARROLL BOGERT
in Kuala Lumpur

ing bank, Bank Bumiputra, there were widespread allegations that the failing firm suffered in part because it had extended questionable loans to people with friends in the government. The state-owned oil company, Petronas, came to the rescue, but the bailout cost more than \$500 million.

Even more prevalent are examples of apparent conflicts of interest and the siphoning of government funds into UMNO coffers. Early this year the government awarded a \$1.2 billion highway contract—Malaysia's largest public-works contract ever—to United Engineers Malaysia, which has never built a major road. Mahathir and his finance minister, Daim Zainuddin, are trustees of an investment firm that owns a majority stake in UEM, and Malaysia's public-works minister has acknowledged in Parliament that the firm is controlled by UMNO. "Politics and business go hand in glove in this administration," says an economics professor. "The ministers, their families and their entrepreneur friends form a closed circle."

Lingering concerns: Despite Mahathir's repeated assertions that corruption is not a problem—he challenges critics to provide solid evidence of wrongdoing—the impression lingers that the government has not done all it could to root out corruption. Even the prime minister's own loyal minister of education, Anwar Ibrahim, indirectly acknowledges that a problem exists. "I feel sick going through the files of this ministry, seeing what was done in the past," he told NEWSWEEK. "I keep telling [Mahathir] that people on the ground are very worried about it. But he thinks if we respond we give support to their allegations."

Despite the traumas of the last year, it appears that Mahathir has now effectively quashed the dissent within UMNO and is more secure than at any time since he took power. He, at least, seems to think so: he says he has no plans to step down, not even when he turns 65. In an odd way he may have little choice. Party infighting has deprived him of at least one man once thought to be Mahathir's likely successor: Anwar Ibrahim, who has rankled conservative party leaders who could probably veto his bid to take over.

The deeper question is whether Mahathir is creating an authoritarian political culture that might survive his stay in office. Once imposed, restrictions on dissidents, the press and the judiciary are not easily reversed. "We're witnessing the decline of the Westminster traditions," says one Western diplomat. "It will be very difficult to turn back the clock." Malaysians can only hope then that they are not witnessing the early twilight of their democracy.

WILLIAM BURGER with
CARROLL BOGERT in Kuala Lumpur