



CNS3389

U GE 28-12 00142 EA899

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Malaysia-Soviet 3 Ulsan

And to implement a system which had never been practised by them before was another matter altogether, he added.

+For example, democracy would not be easy to implement as each party would feel that it is free to do as it wants+.

+Maybe this will threaten the stability of the states. And in that kind of situation, the states involved cannot resort to heavy-handed action,+ he said.

Datuk Seri Dr Mahathir quoted as example an incident in a place in Russia which he did not name where he said the residents, who were Muslims, declared their independence.

+The first reaction of the Russian government was to send in the army to the district. This is not the way of a democratic nation,+ he said. -- more

▼28/12/11-13MST

CNS3393

U GE 28-12 00150 EA900

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Malaysia-Soviet 4 Ulsan

Stressing that the incident was only an example, the prime Minister said perhaps there were many places in the CIS where the residents were of different ethnic backgrounds and political beliefs.

He said they may resort to violence and this will have to be dealt with by Russia or any of the other 10 republics that wish to practise democracy.

Besides politics, the free enterprise system which accompanies democracy may also create problems for the CIS, he added.

Datuk Seri Dr Mahathir said a free enterprise system needed entrepreneurs, traders, capital and management expertise.

He said since none of these factors had existed in the states for the past 30 years, it would be difficult for new entrepreneurs in the republics to take over businesses which were formerly run by the government. -- more

▼28/12/11-23MST

CNS3395

U GE 28-12 00130 EA901

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Malaysia-Soviet 5 Ulsan

+To obtain loans, banks need to know the records of those wanting to start business ventures. But under the socialist system, no one has such records,+ he added.

+And to get profits, prices may have to be increased but under the socialist system prices were deliberately kept low as profits were unimportant,+ he said.

The prime Minister also said that in the former Soviet Union, residents were used to low house rents.

But if the houses there were now privately owned, the owners would charge much higher rental to cover high maintenance costs.

+And as the people earn low income they will find it difficult to pay their house rents,+ he said. -- more

▼28/12/11-33MST

CNS3397

U GE 28-12 00187 EA902

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Malaysia-Soviet 6 (last)Ulsan

He said that all these factors would create problems for the newly-independent republics.

+As a result the restless people will blame and overthrow their governments as they had done in the past,+ he said.

The Prime Minister said it was possible that this process may repeat itself unless the republics received large-scale aid from developed countries.

But because such large-scale aid involved high costs, it would be impossible for developed countries to help stabilise the situation in the republics for quite some time.

Yesterday Datuk Seri Dr Mahathir, who is on a three-day unofficial visit to South Korea with his wife Datin Paduka Dr Siti Hasmah Mohamad Ali, called on President Roh Tee Woo at the latter's residence.

The Prime Minister said he and President Roh discussed global and regional issues as well as bilateral matters and democracy in general.

He said he also took the opportunity, on behalf of the Malaysian government, to thank South Korea for its support of Malaysia's Look East policy. -- Bernama

▼28/12/11-50MST