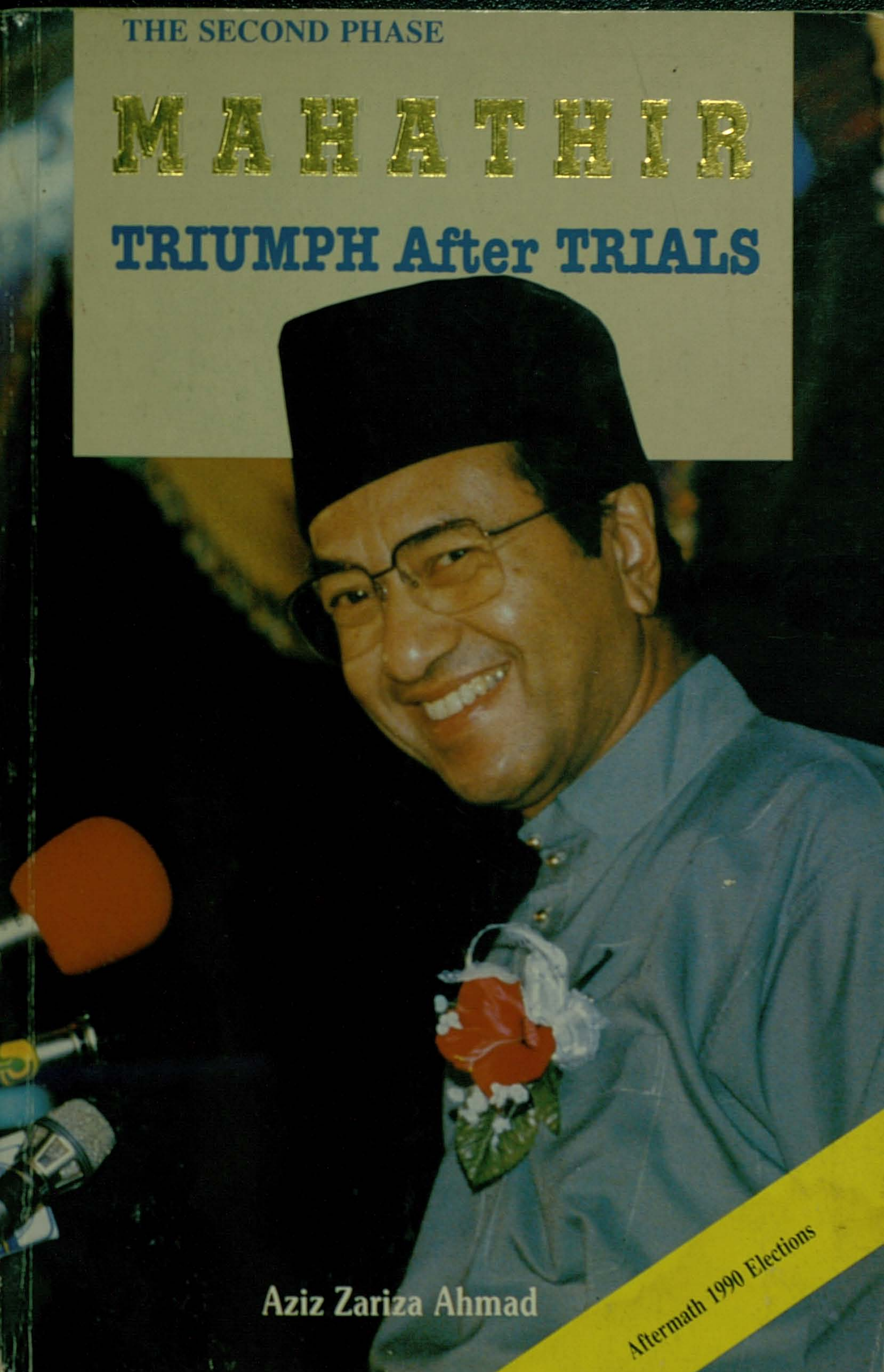
THE SECOND PHASE

MAHATHIR

TRIUMPH After TRIALS



Aziz Zariza Ahmad

Aftermath 1990 Elections

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The Second Phase

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Introduction

AS citizens of Malaysia, we are responsible in shaping our opinions that can contribute towards establishing a peaceful and tranquil political environment far from any confusion. Although our contribution is not an absolute solution, it is a path we could adopt to enable other developments within the ambit of our lives as Malaysian citizens to flow and function as usual.

When we are capable of understanding and perceiving the political situation from a rational and objective perspective, without being involved or influenced by our emotion or thought, we could alienate political problems closely linked to problems of economic growth and political problems closely linked to the politicking in the society.

Mahathir began his leadership era by introducing new policies, one after another, which he considered instrumental to developing the nation, society and country. In his ardour to announce and implement the policies, we find that there were times the implementation of the policies created controversial situations with regard to their acceptance by the people.

In addition, he was confronted with intense rivalry from two prominent and influential figures in UMNO. Indubitably, Tengku Razaleigh Hamzah and Datuk Musa Hitam had contributed towards achievements in the Mahathir era. At the same time, they too conduced towards the problems and confusion encompassing the Mahathir leadership in the days ahead. Therefore, it is hoped this book could provide an elucidation to readers especially in perceiving the political situation prevalent in Malaysia today.

When the mind is without fear
And the head is held high
Let my country awake
Into the heaven of freedom

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Dato' Seri Dr Mahathir Mohamad, The Prime Minister of Malaysia

Chapter 1

POLITICAL DESTINY

THE Mahathir leadership would be a topic of continued discussion and study. He adopts a differing leadership pattern from his predecessors, which is not easily conceived by the people.

The Tunku Abdul Rahman leadership was an era to gear the Malays towards independence or to free themselves from the hold of the colonialists. Thus, all forces were combined to achieve the cause. Tunku Abdul Rahman's efforts and struggle in this direction was not questioned or doubted. With the objective of the struggle clearly spelt out, the people stood united giving their undivided support to his leadership until Malaya, now Malaysia, achieved independence.

Similarly, when Tun Abdul Razak succeeded Tunku, his leadership emphasising on development was recognised by the people, particularly his emphasis on rural development, was well received by all strata of society. The Tun Abdul Razak era was popularly known as the development era. In the haste of taking over lead rship, as a result of Tun Abdul Razak's untimely demi: Tun Hussein Onn only managed to maintain the co.rse of the country's administration.

It was a continuity of efforts initiated by Tun Abdul Razak. Therefore, the tenure of Hussein Onn was but a period of sustaining power and administrative status. There were no marked innovations or policy changes. When Mahathir superseded national leadership, he emerged as not only a well prepared leader but also as an ambitious leader. Hence, policies implemented under his leadership were pressing and persistent, and a large majority of the people could not follow its rhythm.

This caused confusion in the comprehension of the aspirations and policies of the Mahathir administration. He is a well-planned leader ready to lead, complete with a list of projects and policies for implementation.

His leadership theme is that each individual should have his own ideas and the abilities to realise his ideas. He has emerged as a progressive leader with his own vision, rejecting bureaucracy and is more concerned with the success of the government he leads, than with the success of personal politicking.

His colleagues and followers have an important role as participants and leaders in policy implementation and planning at their respective level. In fact, Mahathir has carved a niche for himself. Personally, he too appears arrogant and cynical at times.

His leadership characteristic is a combination of firmness and egotism. At times, he adopts the moderate approach in solving or overcoming an issue, but normally, his confidence while presenting a matter portrays an egoistic self, although it is not his true nature.

Mahathir's political career began in 1964. As a member of parliament, he demonstrated astuteness towards an issue. His youthful fervour and enthusiasm was evident in his speeches which dwells on the nation, deviations and national leadership.

There was a time when his opinions were in conflict with the party leadership, eventuating in his expulsion from UMNO politics for a certain period of time. Among his bitter experiences were his defeat at the hands of an opposition candidate in the contest for a parliamentary seat. His political fluctuations at the initial stages determined his leadership characteristics and qualities today, in addition to his vast experience.

One obvious fact in Mahathir's leadership is his firm attitude consistent with the evolution of time. He often demonstrates a frankness and non-retraction of bold statements. His approach as a leader today is the same as when he began as a supporter of the government. The difference

in age and experience did not alter his firmness, so much so his mode of action appears to hold the solution to all problems.

There are times his actions seem to lack diplomacy, carrying the implication that good personal relationships has no connection with a good administration. Mahathir has never demonstrated personality support. He never asks for respect and at the same time does not show appreciation easily.

As a consequence, many close to him harbour feelings of frustration and fear, if their performances are sanctioned by him or otherwise. Mahathir's open lack of enthusiasm is looked upon as an act of betrayal by his close supporters. However, this does not portray his personality.

He knows how to appreciate every contribution. This dissimilarity lies in his extraordinary sensitivity, awareness and ability which is difficult to be perceived as a part of us. As a Malay leader, he adopts a patriotic approach. Malay nationalism is his dominant approach, reflected in all his actions and speeches.

His nationalism is based on the conviction and firmness in upholding the Malay rights. At one time, when racial chauvinism was predominant, he openly voiced that the non-Malays should not take the Malays for granted and that they would not submit to their every challenge, further stating that there is a limit to Malay tolerance.

He went on to stress, "We do not intend to seize the rights of anyone but no one should attempt to seize our rights."

On another occasion he said, "We would not trade our security at the cost of our great-grandchildren's rights to live in peace and prosperity."

The message he wishes to impart from his speeches, infused with emotion, especially to non-Malays is, do not question the rights consented to when the constitution was formulated.

His conviction to uphold nationalism is a design to enhance the honour of the Malays. Athough the Malays

constitute a minority, Mahathir is intent on seeing the Malay race on par with the other races of the world. Through his leadership, for the first time, Malaysians felt that the country's honour was given a boost to be on par with other developed countries.

"As a small nation, we do not want to favour any bloc, we need friends of equal standing, not big countries who look upon us merely as their customers."

Despite the tense situation created by Mahathir's announcement of Malaysia's Foreign Policy, particularly in the west, the fact remains that Mahathir managed to instill an awareness among these countries that though a small nation, Malaysia has the same role and responsibility as other members of the United Nations. His resolute posture is an urge, aspiration, hope and ambition he holds for the Malay race and the Malaysian nation. It is a part of his leadership strategy since he took over the reign of power in 1981.

His vigorous and independent Foreign Policy aroused perceptions that defined it as anti-western. Although Malaysia is a small nation, Mahathir feels its fight for any necessary and worthy cause is devoid of anti-west or anti-American sentiments. Malaysia wants to be friends with all countries of the world, except Israel and South Africa. Friendship is based on mutual respect and appreciation.

The independent Foreign Policy is an aspiration of Mahathir signifying that as a free country, Malaysia could not be dictated by anyone. His firmness in pronouncing Malaysia's stand on an issue is consistent with his nationalistic aspirations and dreams.

Nationalism requires the capability and competency of Malays to be comparable to that of the other races in the country. According to Mahathir, as long as the Malays rely on others to carry out their routine duties, that efficiency and skill would not be acquired by the Malays and until then, nationalistic aspirations and spirit would be retarded resulting in the non-achievement of racial balance.

Mahathir's nationalistic aspiration is not an act of

boastfulness or arrogance or ridicule, but it is aimed at motivating the Malay race to enhance their ability to be on par with, if not better than, the others. This is the only means the Malays could become a respected and esteemed race.

Mahathir feels the concept that Malays would not annihilate from the world needs to be analysed. What sort of Malays should remain, a noble Malay race or Malays who become slaves to others, forever asking, meek and weak. To achieve the aspiration, attitudinal change has become a slogan chanted from the very beginning of his leadership.

In examining Mahathir's leadership pattern, it is apparent that he often emphasises on the ruling system preferred by Malays. He stressed how even before the formation of UMNO, the Malays had shown their support for a democratic system. The Malay Conference which met to oppose Malayan Union, automatically decided to follow the democratic path, and when UMNO was formed, it declared the adoption of a parliamentary democracy under a constitutional monarch.

Other ideologies, be it socialism or communism, liberal or conservative did not affect UMNO's pattern of struggle, except the parliamentary democracy under a constitutional monarch.

Though the British system has a certain amount of influence on the UMNO choice, it is not total acceptance. As a rational race, the system was carefully studied prior to its acceptance. Democracy was non-existent in the Malay history, only the monarchy system prevailed whereby the king was vested with unlimited powers.

The Malay ruling sytem was primarily based on the feudal system. Therefore, when UMNO began its struggle, it opted for the parliamentary democracy and constitutional monarch as a system of Malay life. Mahathir reiterated time and again on this matter in many of his speeches, for he saw in it a need for Malays, especially members of UMNO, to understand the choice that was

made.

He further asserted, "We do not regret the choice to adopt democracy which determined that a person who ceases to be qualified for leadership loses his position. It is important for a leader or government to be free of influence or threat of the possibility of defeat in the course of policy formulation or implementation. A government without any threat could sometimes act more fairly."

Throughout Mahathir's political struggle, the consensus on this choice of system posed challenges and threatened the smooth functioning of his administration. On the other hand, while he was earnestly stressing that the Malays understand the pattern of system they chose, a new conception on the pattern of the democratic system arose, creating a critical phenomenon and politicking during his leadership era, seemingly challenging the teacher who teaches or the leader who leads.

He emphatically repeated that among the adverse consequences of the ideology and practice of democracy, is the economic progress of Malays, which later resulted in money politics and struggle for position. Mahathir felt that if both these practices were not contained, it would destroy UMNO, the country and with it the fate of Malays. This would also badly affect Islam.

Mahathir's leadership policy focuses on the dependence of a country's development on strength, fortitude and stability of the political institution in that country. Malaysia, for example, which has been independent for almost 30 years, was led by a principal political institution, namely UMNO and the National Front.

Although the institution has experiened various forms and patterns of leadership, its objective remains well-defined. It is consistent with Mahathir's vision to elevate the country in the eyes of the world, with the Malays dominating the political scene, but sharing power with other races based on the constitution of 1957. If the institution, under the leadership of Mahathir's predecessors was tranquil, without any major controversies, Mahathir's era

was directly the opposite.

It shook the very foundation of the institution. It was an expression of Mahathir's personal verve and vigour. As a leader with such bearing, political challenges appeared to test his capacity as a leader.

This caused the eruption of crises during his era, nevertheless it was not a failure to not contain the crises. On the contrary, it was proof of his inclination to encounter problems as they came. His political destination was never short of adverse elements challenging his leadership role.

In many instances, the crises were a result of oversight on the part of Mahathir and his cabinet ministers. However, it is undeniable that Mahathir faced political tumults from within his own party, eventuating from the increasing dynamism of thought of the nation and society. The maturity of the society corresponds to the capability and aptitude of Mahathir as a leader.

This means Mahathir's leadership resolution and force would not be visible in a static society. Therefore, the strive and struggle for power, which challenges and threatens his leadership, although not a good alternative to measure his leadership deftness, obviously was proof that he is an able leader encountering not only current challenges, but also creating a self-aggrandisement and leadership for future.

In the face of hopes, aspirations, foresight, challenges and tragic political turmoil, Mahathir has always projected good leadership qualities as an emulation and proof of his capability to encounter all challenges. His sacrificial quality and self-aggrandisement are astounding.

There are many opinions which state that Mahathir is among the Prime Ministers most talked about, either in the form of rational criticisms or otherwise, groundless charges or serious tests.

Every libel and slander hurled at him, he accepts patiently. His spirit of struggle never yields, and in many instances, movements attempting to defame him are ulti-

mately defeated. His political opponents and critics give up faster and change their posture on issues that are their target of criticism.

When the Proton Saga was criticised acrimoniously, supported by analyses revealing that Mahathir was making a grave mistake in launching the project, it suddenly subsided as if the tide that came could not wash away anything.

Mahathir stood firmly rooted, the Proton Saga project took off even before the end of Mahathir's administration. The achievement of the project and hopefulness of its future exports put to shame its critics.

According to Mahathir, the nature to sacrifice is essential, "We have to sacrifice a little for the happiness of all, and finally we too would enjoy the benefits of it."

Based on his belief that success never comes easily, he encourages the people to be prepared to sacrifice in any commitment or responsibility, he too, at the same time evinces that commitment through the execution of his duty as a leader. Although he is in his ninth year of his administrative tenure, he still maintains the habit of being at work before eight in the morning and returning after six. As he puts it, we have to knock a wall several times to break it down, otherwise we would fail.

These are some of his principles, to attempt until you succeed. He never entertains feelings of disappointment or frustration, although the political situation amidst his administrative tenure attempts to frustrate him.

All these qualities attributed to his personality, coupled with his sense of observation and intellectuality nourished during his career as a doctor. This career requires patience and skilfulness to diagnose a disease, or presently, political and social problems which call for the stability of thought in the implementation of his policy.

Though at times, through his speech and action, he portrays a controversial personality, but viewed as a whole between the pros and cons, Mahathir without doubt possesses self-control. He is a character with clear destiny,

not only in the perception of his daily life but also in dictating every plan, incident and political crisis, as could be seen and as what is happening today.

In other words, besides the projects and policies easily comprehended by many people, Mahathir is also adept as a political leader at creating political incidents through his action of certain roles, which eventually lead to the objective of fulfilling his aspiration. Several political incidents throughout his administration, according to political observers are induced by a certain event. However, in actual fact, every occurrence is within Mahathir's remote control.

Viewed from whatever angle, Mahathir would emerge as a successful leader, drawing a line between the nation which aspires to achieve independence and that which wants to fulfil the meaning of independence. He paves the way for the new Malay generation and assumes the responsibility of projecting Malay identity, to be on par with other races, and more importantly, to act as a soul-searcher. An urging need in the process of the rise of a nation is to identify the weaknesses and strengths.

The reality of Mahathir's struggle lies in establishing the principal elements of development of a nation. A strong mental, physique and attitude is the beginning to the successful advancement of a nation. A fearful, weak and submissive nation cannot aspire to be successful.

Mahathir constantly emphasises on this in efforts to arouse the people to work and compete to achieve prosperity. The Look East Policy, with all its interpretations. was intended to inculcate work ethics and industriousness of the countries in the East, like Korea and Japan, which have successfully demonstrated their capability to the world.

Unfortunately, this inclination of the vision, was deliberately concealed by failure or involvement in projects in his Look East Policy. It is indisputable that in his enthusiasm to bring the Malaysian people and society towards a direction and an era, his frankness, firmness, aggressive

and undiplomatic approach, are considered as a conflict of the existing values of political culture. Hence, emerged a situation where his slogans were more reverberating than the expected commitment.

Personally, he is far advanced than his society in terms of spirit, thought, readiness to sacrifice and work. Therefore, when the people were pressed, who on the whole led an easy life and competed in the normal context, there would arise confusion, chaos and conflict. As a result, he became a leader difficult to understand.

In reality, Mahathir is a conservative person, who looks at the values of life like any other people. His apprehension of losing these values was far more sensitive than others. The difference is he could not express his feelings and is equated by his enthusiasm for progress.

As a democrat, he is of the conviction that when a leader is not accepted by the majority, he must be prepared to receive his ultimate punishment, resign from his position.

"I myself would withdraw if my leadership becomes obsolete and yields no benefit. If we do not adopt this approach, we are being undemocratic."

This is the basis of his belief as a democrat, but many parties, especially his political foes, deliberately interpret his failures in executing policies or projects, but not in the context of public acceptance or majority vote.

Despite his victory with majority vote in the political contest, his political foes continued to harass him as being undemocratic and as not prepared to tender his resignation, in view of weaknesses in his administration. Their actions are evidently geared towards tarnishing Mahathir's democratic posture.

This group which was not in agreement with Mahathir, proved themselves to be an undemocratic lot through their actions. They not only construed their own interpretation of democracy, but also demonstrated a negative attitude in the practice of democracy, when they failed to observe majority decision, particularly in a contest they

participated together.

They should understand that when the majority group does not agree with them, although the majority may be small, they should accept this as a judgement. This is the system of the parties and the system would not be successful, if they do not comply with it.

As a patriot aspiring to introduce change and advancement, Mahathir was aware of the significance of instilling courage to withstand all challenges in life. That quality would ensure success in overcoming unavoidable problems faced not only by the poor but also the rich. This perseverance and courage is the symbol of his struggle.

"If we become frustrated and easily disappointed in the course of our problems or challenges in life, we would be left behind. We must boldly compete with other races to achieve progress, consistent with the evolution of time. Although it is not our intention to seize anyone's rights or oppress anybody, it is clear that competition is inevitable. Whatever be the field, competition would definitely occur."

According to Mahathir, although unity exists among the Malays and members of UMNO, it would not be fruitful, if there is no will and ability to compete in all aspects. Political power derived from a strong unity base could assist in the competition. But political power is not absolute power to determine victory. Mahathir believes, absolute power is the want and efficiency to encounter all impediments and pressure.

Mahathir has an obvious direction. Sometimes, in the pursuance of this direction, he acts hastily as he feels that his leadership opportunity comes but only once and he himself does not know how long he would remain there.

Therefore, he deems it inappropriate to wait for everyone's approval prior to an initiative or move, for this would thwart and obstruct his action. Though he could wait and defend his status quo as a leader, he said, "This is not what leadership means."

Based on the conviction of his ability to lead, he

invites the people to participate in his every hope and aspiration. In UMNO's political struggle, for instance, position and power were not his motive but the call of responsibility. His confidence in UMNO is stronger. The UMNO party is not just a Malay political party to him, but an institution encompassing Malaysians and the nation as a whole.

"If UMNO was dissolved, the fate and survival of Malays would be threatened in their own country, even the non-Malays would feel insecure and live in constant apprehension. On this grounds, UMNO struggles to maintain its political stability with sincerity not only for Malays but also for other races. UMNO is not for dishonest and irresponsible people. UMNO would not deviate from the principles of its struggle for the integrity of the nation, religion and country.

"To achieve this end, the government would act harshly against UMNO leaders, if found guilty in the court of law, although such action contributes to the unpopularity of the government. UMNO's resolution maintained to this day, is also the result of support from non-members, including those from other races. Therefore, UMNO and its leadership need to uphold this confidence, to continue to act as the basis in the ruling of the country."

He is not only confident of UMNO's policy on struggle but bold enough to take every action. Nevertheless, he does not fail to act based on justice. UMNO's struggle is not an emotional struggle, but based on reality that occurs from time to time. At times, his actions seem to disregard the party that supports him.

This is the struggle and challenge that every leader need to face. Mahathir would not attend to or submit to any unjust demands even from UMNO members. The objective of his political cause is not for one individual or a certain group but for the interest and welfare of all.

As a Prime Minister, he does not hesitate to express his inability to provide certain facilities even to voters in his own constituency. Evidently, he is not prepared to use

his power at the pinnacle of leadership to satisfy his every whim and fancy. He analyses a situation carefully before an action is taken.

The rationality of his opinion should be convincing to all parties, especially Malaysians who still doubt his ability. He does not acts on the spur of emotion. He would act in accordance with rationality acceptable to his principles of struggle, consistent with the dreams and aspirations of the people and nation.

"We all know what good and bad values are, but it is in the application and practise of good values, the leadership and the party survive or wither," he said.

If the leader and party should remain, the leadership pattern must be congruous to the belief entrusted on them by the people.

If he is a politician with the attitude of the five-foot way medicine seller, he would make a thousand promises to uphold his position or victory, overlooking the fact whether he could fulfil all his promises.

Yet, this is the practice of several hypocritical politicians, especially during elections. Mahathir, on the other hand, undertakes to convince voters in his constituency of the issues and problems, and gives assurance on actions taken by UMNO, which at times arouses dissatisfaction among UMNO members. For example, in the selection of candidates to contest in certain constituencies, the request by an UMNO member to stand as UMNO candidate, was openly rejected by Mahathir as not a possible matter.

He reminded UMNO members that not all constituencies could be won by UMNO candidates. In certain constituencies, UMNO candidates act as only the determining factor of victory if there is a split of votes. As the pillar of unity, there is a need for UMNO to be compromising, in fact the other parties in the Front with UMNO, too, have to be compromising.

"There are many constituencies where the victory of the UMNO candidates depends upon the support of other races," he said. Therefore, UMNO members too, are

obligated to ensure the victory of candidates from other parties in the National Front.

It is better for candidates from other races who want to work together with UMNO to win, rather than the candidates of the opposition parties. On the issue of non-Malay candidates appointed in Malay majority constituencies, Mahathir said that UMNO placed importance not only on sincere co-operation but also to prove UMNO has no greed for power.

This willingness on the part of UMNO and its leadership denotes that UMNO does not practise racialism as claimed by certain quarters. Mahathir gives convincing clarification to problems forwarded to him. At times, this skill of his could overshadow the real issue. Mahathir has a strong sensitivity to the actual meaning of the questions presented to him. Sometimes his answers are followed by a cynical expression.

As a leader, he is always cautious. He constantly reminds UMNO members of enemies attempting to disunite UMNO, "If we observe carefully, lately many non-UMNO members who consider themselves intellectuals, are forever giving their views on the role of UMNO. They are ever striving to implant dissatisfaction among a group of UMNO members to provoke misunderstanding with other groups within UMNO. When UMNO members claw at each other, this would cause the party to be paralysed and thus, the goal of these people to disunite UMNO would be realised."

Mahathir calls on UMNO members to, "Love UMNO and do not allow a couple of leaders to sow the seeds of disunity in the party". UMNO members are obligated to strengthen and unify UMNO, to continue its role as a political party to uphold Islam, the rights of Malays and the nation. He reiterates, "We need to be strong for the Malays are still weak and need our support."

Mahathir requests UMNO members to make strategic computations to achieve party aspirations. He believes there are many ways to achieve a goal.

From time to time, Mahathir presents invigorating proposals to members of the party and the people as a whole. He would speak with new ideas and agile adaptation with every change that occurs. During the elections he reminded the Malay community they may have to face adverse consequences if they do not utilise their voting power in the election.

The suffrage power should be utilised if they desire UMNO to continue to fight for their rights. Should they fail to utilise this power, the consequence they would face is their sole responsibility, not that of UMNO's.

In a democratic country, the right to vote is a responsibility of utmost importance. The right, according to Mahathir, could not be taken lightly as it would determine the party that would rule the country for the next five years.

Although he often calls upon UMNO members to unite, co-operate and the like, yet at times, he does not hesitate to admonish the attitude of UMNO members who act without due consideration or who are inclined to only ask.

"If, then, they could unite with a willingness to sacrifice, why not now?"

Evidently, unity to achieve independence was far easier than to realise the meaning of independence. This is the responsibility flung wide in front of Mahathir. As Sanusi Junid puts it, to realise the meaning of independence is analogous to "weaving cloth that has no end." His aspiration is in the struggle for the future. UMNO should be independent to support itself in its struggle through the contributions of its members and not from outsiders. Some members of UMNO are of the opinion there is no need for UMNO to make collections from its members because it could obtain donations easily from other sources.

"They say that we can obtain everything from the government, the same goes for the utilisation of various names including that of the party to obtain funds, but the point is if we could sacrifice the little income we had then,

working late into the night, why is it that this ethic could not be continued? Should we rely on others forever, or adopt the values of the UMNO members then, who despite the constraints in all aspects could still propel UMNO with their sweat and blood."

UMNO, before this, supported all its needs through donations from its supporters made through a special fund held, only by the party leaders. No one ever questioned the source and how it was spent or how much was collected.

Now, such donations are difficult to come by as the donors fear they may be subject to party hassle. The attitude of being independent is a necessity for Mahathir to strengthen UMNO's struggle. He wants the Malaysian society to be comprised of people who are able to think, knowledgeable, eager to seek and conduct experiments on their surroundings to avoid confusion resulting from achievement and progress.

Mahathir feels if Malaysia wants to progress, her people must be prepared to pursue the progress of knowledge. The Malaysian people could conduct studies and self-development, be independent in the context of research as a survival kit in the rapid development of modern times.

Mahathir, too, desires that Malaysians be independent in terms of scientific knowledge, as a means to move forward to achieve the development objective under his leadership, particularly in making Malaysia an industrialised country.

All these are in line with his belief that life is a struggle, where happiness is not possible without effort. Wealth would not appear without any effort or through a wait and see attitude. With such spirit and charisma, it is undoubted Mahathir would continue to lead a government with renewed inspiration, although he may win by a majority of one seat in parliament or one vote in the UMNO elections.

Mahathir's emergence as a leader is not for contest

but to fulfil a mission within himself, to transform the character of the Malays and Malaysia, generally through tangible programs, and actions, sometimes difficult to decipher.

Nine long years of challenges, internal disputes and economic crises, could possibly not hamper his spirit to build a progressive Malaysia in the interest of the multi-racial society. As his leadership capacity is far ahead of the society's readiness to accept it, thus his actions could be characterised as one which introduces reformation but many of his supporters fail to understand his intent and purpose. His leadership versality and durability lies here.

Many critics of Mahathir regard his actions, since he assumed the Prime Ministership of the country, as vastly differing from his hopes and aspirations contained in 'The Malay Dilemma', a controversial book exposing the attitudes and problems faced by Malays. But for Mahathir, "I am the same person."

In his view, his ruling era is a period requiring actions based on accurate decisions, to move towards a new economic pattern to enable a country like Malaysia possessing sufficient potential to grow.

On this conviction, Mahathir regards it necessary for him to gear the whole nation towards a direction of mutual defence, policies and values, and the continued nurturing of every element with the potential to grow.

On the whole, despite political confusions, there exist a feeling that the people are moving towards the direction Mahathir desires to tread. But the challenges faced in eliminating negative values of the society is no easy task. This is the biggest responsibility shouldered by Mahathir to ensure his aspirations are supported by the majority of the people, if not all.

The initial process should begin with his own home or among his cabinet colleagues. They should be prepared to act and accept challenges to rouse the people, in addition they themselves should understand his leadership ambitions. Otherwise, all hopes would forever remain hopes.

Undoubtedly, Mahathir's views are a form of command accepted with respect and responsibility. It is the result of a discussion of the need for its implementation by his cabinet ministers, before it becomes the basis to propel the society towards progress, to answer the call to establish a more advanced country.

Unfortunately, lately Mahathir has far more enemies than friends who are actively involved in varied fields. Nevertheless, he still emerges as the victor, but his enemies in the political and other fields could evoke a state of confusion, or at least, create chaos, in the designing of the entire hopes and idealisms of his rule and leadership.

Mahathir may prove popular among the people at the grassroot level, but the elite in certain fields who influence public opinion also cause obstructions to the smooth adminstration of Mahathir. It is a challenge to be handled strategically, if Mahathir anticipates an absolute victory, not only for his aspirations and idealisms but more importantly to instill his aspirations as a means to realise achievement by the people and country.

Mahathir's actions reveal that he does not pretend he is not ambitious, although at times he denies it.

It is not Mahathir's aim to gain recognition from his contemporary collegues but it is evident that his ultimate wish is achievement. Achievement in creating a more happy society. Malaysians should realise this, and in our expectation for something more, we should not give anything less.

Mahathir is a leader who believes that time is truly short for him to do all that he aspires to. Therefore, he divides it with the people closest to him. Sometimes, the responsibility is not executed as expected, eventuating in a conflict of what is expected and what is achieved.

In addition, the actions of people close to him widen the gap further from the expected results. Though these people do not meet his expectations, he as a leader constantly observes the possibility of his instructions not conformed to or deliberately disobeyed.

As a responsible being, he wants to see the play acted by people around him. At the same time, he is ready to take action when the time comes. Not all political chaos and disorder are designed and instigated by his apparent enemies. There is a possibility it may be a concealed plot by people around him who intentionally create such a situation.

The fact remains that they, too, like the manifest enemies do not escape Mahathir's observation. Mahathir feels that personal relationships and friendships, and mutual responsibilities are confined to their own spheres. In spite of the challenges, crises throughout his reign and the present situation, it is obvious Mahathir would emerge more confidently.

The war is nearing an end and victory is inevitable, enemies would pave the way. His political destiny begins from here, where the fruits of his aspirations and actions would be immediately received by the people and country.

Genealogy

No matter what the critics have to say about him, one fact cannot be denied, Mahathir is moulding a modern Malaysia, moving it towards a new direction and environ-n.ent. Not many leaders have neither the opportunity nor the means to do what he is doing.

At the dawn of his career as the political leader of the country, a new awareness arose with regards to the goals of nationalism throughout the nation. The people welcomed a leadership with charisma and renewed determination. They were convinced that as Prime Minister, Mahathir is capable of bringing a new era of achievements, harmony and eminence during his tenure of administration.

Mahathir was born on Friday, December 20, 1925, in Alor Setar, Kedah. He is the youngest in a family of nine siblings. As customary in a Malay community, Mahathir began his education at the Seberang Perak Malay School. He, then, attended a government English School, the Sultan Abdul Hamid College in Alor Setar.

He was raised under the loving care of his mother and a strict father who saw to the education of his children, especially in instilling a sense of discipline into each member of the family. Mahathir is fondly known as Che Det to his family. He still maintains close ties with his family.

His strict and disciplined upbringing nurtured him into a well-mannered young man who is obedient to his parents, even as an adult. As an adult with important decisions to make in life, he often sought his parents' views and consent as a gesture of love and respect.

While at the Medical College of Singapore, pursuing his ambition to be a doctor, he met and fell in love with a girl of similar inclination, Siti Hasmah, a medical student. His decision to take Siti Hasmah as his life companion was not without the prior consent and blessings of his parents.

His parents welcomed Siti Hasmah with warmth and love when Mahathir brought her home for the first time.

They, too, realised that their youngest son was very ambitious and would pursue his ambitions at all costs.

Mahathir was greatly influenced by his father's resoluteness and determination to achieve. His strong social awareness was also inspired by his father's efforts to improve living standards in rural areas left stagnant under the colonial system. Mahathir's father was one man who placed great importance on education, especially among students in the rural areas.

Since the very beginning of his political career he gave precedence to the Malay community, and encouraged the Malay to enhance their living standards through education, the invaluable "capital" available to them. As a result, when he was appointed Minister of Education, he introduced a number of changes to increase the opportunity for Malays to further their education at local and foreign higher learning centres.

Among them were changes in the admission quota and several policy changes in the selection mode of students to higher learning centres. Besides, infrastructural facilities were provided in the form of scholarships and more aggressive teaching institutions, as the Mara Junior Science Colleges, to guide bumiputeras to rise to the call of education by the government.

Education was the first step in Mahathir's political realization as the catalyst to bring forth a change to the people and nation. As a leader, his ambition was to eliminate poverty and create justice for all, and to see to it that every individual be given an opportunity to improve his or her standard of living.

His entire education was parallel to Islam, so was his love and respect towards his parents. Even as a doctor, he never failed to visit his mother everyday on his way home.

Mahathir established his first clinic in Jitra, situated about 12 miles from his mother's house, and it was there he would rest and take his lunch.

His father died in 1950, and his mother died sixteen years later, in 1966. It was a great loss to Mahathir not

only as the youngest son, but also for their educational influence and the love showered on him throughout their lives. However, close and harmonious relationship continues within his own family, with Siti Hasmah. His relationship with his children is founded on love, respect and frankness.

As a leader and head of a family, Mahathir sets the example of a successful family life by establishing harmonious and happy relationships among members of his family. This is based on the belief that the family is the most important entity and the basis of stability of a society. Mahathir's success in educating his children and in his family life is a yardstick for evaluating his capability of creating stability and harmony as a leader.

As compared to some of his opponents who either do not have families or have troubled families, Mahathir therefore sets a strong foundation of the need to assess leadership through example, not only as the leader of the nation but also as a father, a husband and the head of a successful family.

Along with many others of his generation, Mahathir's studies were interrupted during the Japanese Occupation. These years proved very challenging. As a confident young man eager to meet any challenge, he did not yield to the urge of the surrounding circumstances. Despite the odds, he together with the rest, faced dauntlessly the challenges posed throughout the Japanese Occupation.

As for a means of income, he sold *cendol*, an iced drink, set up a shop and sold fruits in the Wednesday Market which was held every week in Alor Setar.

In 1945, after the Japanese Occupation, he continued his education at the Sultan Abdul Hamid College. His diligence and determination earned him a place at the King Edward the VII Medical College in Singapore in 1947. He was awarded a limited scholarship from the Federal Government at that time.

Mahathir's interest in politics dated back to his schooling days. The interest deepened when *Massa*

Melayu, an anti – Malayan Union movement rose against the colonization of the Malay states. He led a group of fellow students of his class and was actively involved in anti – Malayan Union demonstrations. Later, he became a member of the Kedah Malay Union and the Kedah Malay Youth Movement. He also had the opportunity to attend meetings of the Malay Associations' Congress in Kuala Lumpur as an observer, through his membership with *SEBERKAS*, which was proposing the establishment of UMNO (United Malays National Organisation).

When the Kedah Malay Union became affiliated with UMNO in 1946, Mahathir became one of its members. His father was the motivating force, urging on his political aspiration and ambitions, more so when anti-colonialism sentiments were at its peak among the people of Malaya, at that time. While efforts were being garnered to oppose the Malayan Union, Mahathir's father too contributed monetarily for the publication of articles on the anti – Malayan Union movement and posters depicting the same.

Until today, writing has continued to be one of his passions and he does so when he is free in the mornings. In school, he was the editor of a magazine called *Darul Aman* published by the Sultan Abdul Hamid College in 1945. Even while studying in Singapore, Mahathir wrote articles to the Sunday Times under pseudonyms like Che Det.

Moreover, he was also the editor of a magazine published by the Medical College he was attending. Thus, it is indisputable that the combination of his political realization and his ability to air his views on paper was an advantage which gave him the opportunity to project his talent. Conan Doyle, who created the famed Sherlock Holmes character was one of the many authors Mahathir admired during his younger days.

Mahathir's ambition to become a doctor was not deterred by his fear for cadavers. He overcame the problem through his resoluteness to succeed and by performing operations on cadavers in the laboratory.

Not only was he a good student, greatly concerned

about the welfare of the students but Mahathir also played rugby, the only game he would play.

During his time, especially in the mid-1940s, the number of Malay students in the university was very small. In 1947, there were only seven Malay students, one of whom was Siti Hasmah. Other students from the sa' batch were Dr. Ariffin Marzuki who later served as the Vice-Chancellor of the National University of Malaysia, Dr. Abdul Rahman Awang, Dr. Noor Alang Kassim and Dr. Wong Soon Kai, who is now the Minister of Infrastructure Development in Sarawak.

Mahathir's relationship with Siti Hasmah during that time was a unique phenomenon, from the Malay traditional point of view, as then relationship between a young man and girl was unheard of. However, their involvement in the same field brought him closer to Siti Hasmah, who was later to become a great influence in his future life. Devotion and faithfulness in their relationship later brought them together in holy matrimony.

As a matter of fact, faithfulness is an important trait of Mahathir himself. He was not only a faithful lover but also proved to be a faithful friend. Even today Mahathir maintains cordial friendship with his classmates. Practically every year, he hosts a gathering to reminisce the good old days.

Though his relationship with Siti Hasmah was rather intimate during college, they did not marry immediately after graduating. Instead, he worked for a few years before settling down. Some of the positions he held were as medical apprentice in the Penang General Hospital from 1954 to 1957, medical officer in the Alor Setar, Perlis and Langkawi hospitals.

Aside from medicine, Mahathir has an inclination towards carpentry. He is highly creative and talented in the field. Unfortunately, he never had the opportunity to pursue this interest. However, his interest in carpentry is still very much alive and he has his own workshop at home.

As a matter of fact, during a visit to Britain in' his

capacity as the Prime Minister, Mahathir attended a short course on carpentry. According to Mahathir, he could not see why Malaysia, a land rich with timber resources, is not able to produce carpentry works comparable to other countries. He attended that short carpentry course not only owing to his interest in the field but also to draw some light on the matter.

Mahathir and Siti Hasmah were married on August 5, 1956. In 1957, he decided to establish his own medical clinic. With the co-operation and assistance of his wife, they established the Maha Clinic successfully. At that time there were only five private clinics in Alor Setar, unlike today Maha Clinic was the first Malay clinic there.

Maha Clinic was not only a new experience in business and medical service but also a continuation of his political ambition, whereby through the provision of medical services at the clinic, he became very popular and was widely known as Doctor UMNO. Those who sought medical treatment at this clinic will not forget his undivided attention to all his patients. There were many a time when he did not accept any payment for his services. Instead he gave his patients fare to return home, as most of them were from the rural areas and did not have fix incomes. Many received treatment on credit terms that were never collected.

When there arose a need, Mahathir never hesitated to make housecalls, utilising whatever means of transport available, be it by car, bicycle or hitching lifts from friends. His kindness and care, gave people reason to call him Doctor UMNO, which eventually became more popular than his real name. It was also an expression of their love and respect for him.

As a father to three boys and two girls, Mahathir's relationship with his children was always based on understanding, not lacking discipline and encouragement. Mahathir believes that just like his own strictly disciplined unbringing, his children's success too could be shaped through the same way.

Since the time they met until today, affinity between Mahathir and Siti Hasmah has always been affectionate and loving. Together, they fostered a close and happy family relationship with their children. Every child receives his or her attention and is encouraged to speak his or her mind openly. Differences of opinion are accepted by both of them.

Being the father, Mahathir is ever willing to hear his children's opinions. Since he became actively involved in politics, especially when he became the Education Minister in 1974, Mahathir never mixes politics with family. He does not want his family to be involved with the problems he confronts as a politician, more so, to be caught in the political whirlpool of threats and accusations which may make family life more difficult.

Siti Hasmah stands firmly beside her husband and as an educated person, she understands and assists in the realization of her husband's dreams and ambitions. It is undeniable that a part of his inner strength comes from Siti Hasmah's unremitting support. Their capability to maintain such a relationship from the days they were in college, be it in the family or publicly, is a fine example to all.

As a woman, mother and wife, Siti Hasmah plays her role well in assisting and supporting her husband without projecting her own ego that may affect their relationship. Nevertheless, as an individual she is not void of her own ambitions and aspirations, but as a devoted wife, she feels all recognition and success should go to Mahathir.

As a husband and a leader, Mahathir too has his own interests and takes much pleasure in decorating their homes in Kuala Lumpur and Pondok Maharizan, Alor Setar. Time is an invaluable factor to Mahathir. He, therefore, has disciplined himself to utilize time in the optimum manner possible since his early days. His day begins with the performance of the morning prayers, physical exercise and a shower. This is followed by his writing routine until it is time for breakfast. Normally, during this time of the day, Siti Hasmah leaves her husband in his own world. His

favourite breakfast spot is the verandah of his home that opens into the serene early morning scenery with the melodious chirping of the birds.

After breakfast he would either read or continue with his writing until about 7.30 a.m., when it is time to leave for his office to resume his official duties as a leader. Personally speaking, Mahathir is a workaholic and appears to have a never ending source of energy. He would work through the evening and into the night, after dinner, if there are no other engagements for the day. Mahathir is also an avid reader, a practice he has maintained in his endeavour to grasp and understand current issues and developments.

Mahathir believes that learning is a life-time process. It is not only a necessity for a leader to be knowledgeable in the current state of affairs but also a means to utilize time gainfully. Sometimes, during long car journeys, he would switch on the cassette player to learn something.

As a political contender, like any other leader, Mahathir has had a history of ups and downs during his political career. One such incident was his defeat in an election to an opposition party candidate. However, he was fortunate the defeat did not cost him his entire political career.

His political life began in 1964 when he was elected as the Member of Parliament representing the Kota Setar Selatan constituency. It took him eighteen years, after serving as an ordinary member, to obtain this opportunity. To him, at that time, it was not an achievement but more of a disappointment and frustration for someone who was highly ambitious and sincere in his struggle. Furthermore, this country had just achieved independence and the Malay community was beginning to familiarise themselves with political democracy.

A person with his calibre and ability should have been given the opportunity very much earlier. It was a pity the party leadership at that time did not look upon Mahathir as a hopeful candidate. However, Mahathir was not a hypocrite, whose motive for struggle was merely the attainment

of influence, power and position. Nevertheless, he did not lose hope. His feeling of dejection and disappointment made him question his confidence in the struggle of UMNO. He joined UMNO based on his conviction that UMNO is a party which can contribute towards and uphold the people's rights and aspirations after independence.

Therefore, he encountered all challenges with perseverance. He did not resort to lobbying for favouritism to gain the trust of the party leadership. He laid more emphasis on the conviction of his struggle, although having good diplomatic relations with the party leadership is sometimes the best strategy to gain their confidence and be entrusted with important posts or other opportunities.

But, this simply was not his way. His conviction towards something is more important even if it means opposing the top leadership of the party or the multiracial people of the country. He expresses his every stand firmly without considering its implications on his political career.

He served as a Member of Parliament for a term of 5 years. During this time, Mahathir tried to mould his image within UMNO and among the Malay community as a dedicated nationalist. He raised every issue that concerned the rights of the Malays, so much so that his actions and views were branded as those of an extremist, though he denied the allegations.

During Tunku Abdul Rahman's tenure of leadership, Mahathir did not hold any office in the cabinet. The reason was obvious, they could not see eye to eye. In the 1969 elections, Mahathir was defeated by a PAS candidate. His defeat along with a few other UMNO leaders stimulated strong resistance against Tunku's policies. Various interpretations have been given as to his defeat in the elections. Some claimed that PAS was a strong party while others assumed that the non-Malay voters refused to support a candidate who, at that time, was considered rather arrogant and racialistic.

No matter what the public opinion and interpretation, it certainly cannot be denied that Mahathir, looked upon as

a great nationalist by his supporters and as an ultra by his opponents, had been defeated. It was indeed a bitter lesson and experience for him.

Though the defeat left him in utter disappointment, it did not shake his steadfastness in the least. Instead, Mahathir released all his repressed anger and frustrations on Tunku Abdul Rahman by harshly criticising Tunku's personal and administrative weaknesses. But the question still remains: If Mahathir had won, would he have written the poison-pen letter to Tunku at that time?

In Tunku's opinion, this is an intricate question, as from the very beginning Mahathir showed an inclination to be on the left-wing group of UMNO, who regard themselves as extremists or intellectuals.

We could, therefore, conclude from Tunku's statement on the matter that Mahathir may have written the letter even if he had won, and to say that it was an outpour of his frustrations instigated by his defeat would be biased. Of course, frankly speaking, only Mahathir holds the answer to the puzzle: was it effected by his defeat or his conviction?

Unlike other leaders, Mahathir's defeat in the elections made him a unique figure in UMNO as he is the only candidate of the party to lose and then triumph within the party. No other prominent UMNO leader has ever experienced defeat.

Bitter though the experience, it was a lesson well learnt and it taught Mahathir to be more cautious in confronting every possibility that may arise in future elections. It was an invaluable lesson to both Mahathir and UMNO that nothing is impossible in the political arena.

His defeat in the election and his letter to Tunku culminated in his expulsion from UMNO. But, the incident only increased his popularity among the Malays, especially in UMNO and the student population.

The expulsion proved to be a blessing in disguise. He became a hero particularly among the students just overnight. It was a totally different reaction compared to the

days when Hang Jebat rebelled against Sultan Mahmud.

His close rapport with youth and student groups were factors which enabled Mahathir to exploit the situation to his advantage. He had the backing of a number of student leaders at that time in opposing Tunku Abdul Rahman's policies.

Mahathir's expulsion halted his political career temporarily. He made speeches at PAS organised gatherings as a show of protest against the leadership of UMNO and not UMNO as a party. Mahathir's soul was still in UMNO.

Even while in exile, his name was a constant topic of discussion. A number of prominent figures in UMNO took the initiative to bring Mahathir back into the party. His return to UMNO saw the zenith of his popularity.

When he contested for UMNO's Vice-Presidency, he garnered the most number of votes for UMNO's Supreme Council seat, although he lost. Unfortunately, even that stronghold did not enable him to be placed in the cabinet due to his defeat in the elections.

In 1973, Mahathir became a senator. Though the position enabled him to be appointed as a cabinet minister, it only materialised when he won the 1974 elections without contesting as a result of PAS – UMNO coalition in the National Front.

He was appointed Minister of Education following his victory. The late Tun Razak's confidence in his ability gave Mahathir a moral boost. The prestigious post was not only a sign of Mahathir's upward progress but it was also a stepping stone to the achievement of greater heights in UMNO.

The Ministry of Education was one of the most sensitive ministries, but so long as it was under Mahathir's administration, controversial issues on matters pertaining to the National Education Policy were not heard of much.

During his tenure as Minister of Education, he encountered more problems caused by university students. Meanwhile, his policies and their implementation did not meet any impediments. Threats concerning the Merdeka

University and other issues on the use of language in schools was handled with professionalism. Mahathir's strong commitment in education was instrumental in the forceful implementation of the National Education Policy.

In the following Supreme Council elections, Mahathir contested again for the Vice-Presidency. He had the full backing of the teaching community which was an important source for UMNO's integrity. It was an astounding victory convincing him of a bright political future.

The late Tun Razak's strategy of mentioning names during the assembly was not well received by many quarters, especially the contesting candidates and their supporters. But on the other hand, we can presume that it was a show of trust by the leadership on Mahathir. Thus, clearing all unwarranted assumptions with regard to his actions became a vital matter at the General Assembly that year, as Mahathir's image took a plunge among the students. The factor contributing to this was the enforcement of the University Act which stirred a lot of controversy.

His victory, as well as and the approval of the leadership, of his course of actions, was a manifestation that his firm stand against the university students was not based on his whims and fancies but was a collective decision.

His success opened new avenues for the future. Only after a few months of holding office, the demise of Tun Razak and the emergence of Hussein Onn at the pinnacle of the leadership of UMNO and the government, paved the way for Mahathir's further advancement. His victory as the Vice-President of UMNO facilitated his appointment as the Deputy Prime Minister by Hussein Onn.

A few days prior to the death of Tun Razak, major local dailies reported the full support of all UMNO branches and Parents' Associations towards Mahathir's firm action in cases involving students of the MARA Institute of Technology. Coincidentally, the incident which occurred during the same time as the Harun Idris trial was manipulated by a number of UMNO Youth leaders for

moral support in favour of Harun Idris.

Mahathir's prompt action put an end to the ploy. He gained overwhelming support from all UMNO divisions. This was an added advantage for Mahathir for consideration as the rightful candidate to fill the Deputy Prime Minister's office by Hussein Onn.

At that time, Malaysians witnessed a number of tragic events and incidents that perplexed them. They lost their eminent political leader who dedicated his entire life to UMNO and the nation. They saw Harun Idris, a popular figure in UMNO, 'dragged' to court. They also witnessed students' of the Mara Institute of Technology defying disciplinary regulations imposed by the administration. Above all, the people were anxiously awaiting the appointment of the new Deputy Prime Minister. Everyone was with their own prognostications.

Hussein Onn took over the leadership of the country at a very critical stage. He was confronted with the problem of the unity of UMNO, especially between the numerous supporters of Harun Idris in Selangor and other factions. It became evident that the appointment of the next Deputy Prime Minister was a weighty issue to Malaysians, more so among the Malays and members of UMNO in particular. The candidate so appointed has to be accepted by all.

It was during this chaotic state of affairs, the appointment of Mahathir as the Deputy Prime Minister took effect. The decision was unanimously supported by UMNO members, and Malaysians generally, accepted the confidence entrusted to the candidate by Hussein Onn. With that, all apprehensions were dissolved.

In spite of common consent to the appointment, one could not forget that Mahathir was known for being a political extremist, and it inevitably aroused distrust among Malaysians of Chinese descent. Nevertheless, Mahathir had all the time to prove that allegations hurled at him, by his political opponents, were groundless particularly that concerning impartial justice to all Malaysian citizens.

Mahathir's appointment as the Deputy Prime Minister was an indirect boost for his advancement up the leadership rung of UMNO, as the party's Deputy-President. The event where Hussein Onn, who was appointed as the Deputy Prime Minister, was automatically given the mandate to hold the Deputy-Presidency of UMNO during the UMNO General Assembly, repeated itself in Mahathir's case. Since his appointment, he has avoided any involvement in issues concerning other political figures, and has proved himself an able leader, capable of encountering any problem.

At the onset of his appointment, he remained as the Minister of Education, assumed the responsibility as the Chairman of the Investment Committee in the Cabinet and also shouldered the post of Minister of Trade and Industry, considered by many as an indication of Hussein Onn's trust on Mahathir's capability.

Mahathir's political manifesto had always evolved around the issue of economic backwardness of bumiputeras. He stressed on the matter wherever he made speeches. He is of the opinion that economic success of the bumiputeras will provide a stronger foundation for the sustenance of political power by the Malays. All that he has stood up and fought for is now put to test, for the responsibility now lies with him to carry out his commitments.

In the political turmoil within UMNO since Hussein Onn took over, particulary with regard to the Harun Idris issue, UMNO members presaged Mahathir's stand on the matter clearly. Many believed that he too played a role within his capacity in resolving the problem. With Mahathir's involvement, the supporters of Harun Idris, who may not see eye to eye with Hussein Onn, could now relate to Mahathir. It was also a known fact that Mahathir and Harun have always had a close relationship. When Mahathir was expelled by Tunku Abdul Rahman, it was Harun Idris who strived to bring back Mahathir into UMNO. Similarly, at the time when UMNO was experiencing a vote of no confidence, Mahathir played a vital role in restoring

political stability in the party.

In the 1978 elections, Mahathir defeated the candidate from PAS despite all efforts of the party, which withdrew from the National Front coalition, to work towards the defeat of Mahathir. The victory enabled him to retain his office as Deputy Prime Minister in the cabinet and as Deputy-President in the UMNO Supreme Council elections, where he won without contesting.

While he was serving as the Minister of Trade and Industry and also as the Deputy Prime Minister, he adopted several aggressive approaches and measures to promote Malaysia in foreign countries, in the endeavour to lure foreign investments. He personally made many trips to promote Malaysia. His investment missions overseas to uncover the potential of investment opportunities in Malaysia were highly successful and encouraging. These delegations abroad were indirectly responsible for enhancing his perception of international economic diplomacy. His direct involvement in encouraging on the private sector, businessman, banks and entrepreneurs were applauded and it gained their confidence of his competency in the field of trade and industry.

He took every effort to comprehend and encourage each proposition in an attempt to enhance the growth of trade in Malaysia. The invaluable experiences he acquired during his tenure as Minister of Trade and Industry, has facilitated him to analyse the country's economic situation even today.

In 1965, Mahathir was given the opportunity to accompany the Malaysian delegation to the United Nations. In 1967, Mahathir attended a seminar on 'International Affairs' at the Humburg University. In January, 1981, he represented the Prime Minister in the Heads of Muslim Countries Conference held in Tariq.

July 16, 1981, recorded history, whereby Mahathir became the fourth Prime Minister of Malaysia, at the age of 55. His emergence as the nation's leader after independence not only enable us to look back to the years of

struggle and achievement of his predecessors before and after independence, but also to evaluate all that that could not be achieved by them.

Mahathir will have the opportunity to lay a strong foundation to propel the country into the direction of a developed and stable nation. Furthermore, he could realise his vision of the kind of development he aspires for the people and nation in time to come. Aside from the contemporary issues pertinent to his duties, the situation calls for the formulation and implementation of a long term plan.

Thus, it is obvious that the political takeover by Mahathir was not a hurried decision, but done with systematic and strategic planning. From the very beginning. Mahathir's philosophy centred on the struggle for the progress of the people, the reform of the society and the development of the nation.

Chapter 2

POLICIES

SINCE his early leadership days until today, Mahathir has unrelentlessly strengthened his policies, introducing new ones, maintaining past policies, making amendments and extensions where necessary to cater for the need of changing times, and at the same time realizing his own leadership aspirations.

Under Mahathir's capacity as Prime Minister, the New Economic Policy, as an important prong of the nation's economy, is still being implemented. Among the policies formulated during his reign include the Heavy Industrial Policy, Malaysia Incorporated, New Approaches in Rural Development, also the incorporation of Islamic values in the administration, Look East Policy, Malaysian Population Policy, promotion of the 'Clean, Efficient and Trustworthy' and 'Leadership Through Example' slogans.

Foreign policies were given equal emphasis, with regard to the retaining of the regional freedom concept through ZOPFAN, (Zone of Peace, Freedom and Neutrality). He also took a firm stand on the Antarctica issue and initiated Malaysia's technical co-operation with neighbouring countries.

On the whole, Mahathir's policies were effective long term plans. However, it is undeniable that certain policies were controversial in nature, thus evoking criticisms and scepticism in their acceptance by the people. These and other policies which failed to appeal to the people emerged as political issues throughout his leadership. This symbolises his charismatic leadership. The irony of the execution of the policies, which stems from his own leadership philosophy, is that it is sometimes in conflict with his expectations of the policies.

The matter was further aggravated when political issues were not only capitalised by the opponents but even by the opposing factions within the party he led. Ultimately, his policies were used as an instrument to stab him in the back, following the power struggle among the party leaders he headed, during the election of the new leadership.

His policies were presented to the people as a real issue for them to challenge his leadership. Nevertheless, Mahathir managed to retain the implementation of the policies in the face of criticisms and obstacles he encountered in the process.

Some of his policies which were subject to ridicule in the initial stages, proved otherwise. As a result, criticisms against his policies were eliminated. His charismatic leadership influenced the forceful execution of economic, social or political policies. Mahathir could not have succeeded in implementing these policies without his strong conviction and ability to ward off ridicule and criticisms.

At the onset of his assumption of the Prime Ministership, the 'Look East Policy' was one of his very first policies. It aimed primarily at making the success of countries in the east such as Japan and Korea, an example and a source of inspiration for Malaysians, to adopt the work ethics in both these countries. The government, through the pursuance of this policy, would study, evaluate and adopt positive values and ethics from Japan and Korea to suit local needs and conditions. He, however, has defined clearly that the Look East Policy does not imply the blind acceptance of anything and everything from Japan and Korea, and disregarding good values from the western countries.

The economic success of Japan and Korea should be looked upon as an example and pride of the societies in the east. In this context, Malaysia as a developing nation, could inculcate positive elements and values into the Malaysian society to enhance management performance and public sector productivity, in its endeavour to achieve

future growth.

Despite the Look East Policy's earnest intent, it was magnified into a controversial policy during Mahathir's Prime Ministership. This became evident when, during the course of its implementation, multibillion dollar contracts were awarded to Japanese and Korean contractors. The Dayabumi and Penang Bridge projects, for example, were fabricated into political issues not due to the desire to criticize the Look East Policy or the failure to comprehend the prime objective of the policy, but prompted by certain quarters who were unhappy and felt that the contracts tendered to Japanese and Korean contractors deprived them of their source of income.

As a result, the policy became a nagging political issue and challenged Mahathir's leadership. Mahathir, though, has time and again explained that the rationality of tendering the contracts to the Japanese and Koreans were spurred by the attractive offers made by these contractors.

In this respect, the government strongly felt that the tenders offered to these contractors were in line with the quotation of prices proposed. Nevertheless, the quarters involved in this dispute, who claimed that the tenders offered to the foreign contractors were unjust, were adamant to make a political issue of the policy based on their reasoning that the projects should not have been undertaken at a time of economic slowdown.

On the other hand, had the projects been given to the local contractors, the question of economic recession would not have occurred to them. Again, if economic recession was the real issue for their concern, at the time when tenders were issued for the projects, they would not have attempted to obtain the tenders in the first place.

When they were not able to lay their hands on the tenders, whilst the government remained steadfast in its decision to carry on with the projects during the economic slowdown, they used the economic situation and misrepresented the objectives of the policy to their advantange to achieve their political goals.

Despite the odds, Mahathir implemented the Look East Policy in view of its crucial objective to enhance management performance and development, and created a Malaysian society bearing positive values and work ethics. These values focussed on industriousness, discipline, loyalty to the country, industry and employer where workers placed priority on the interest of the group and not on the individual.

The emphasis was on productivity, quality control, good employer-worker relationship, a management system which focusses on long-term success and not the short-term objectives of maximizing dividends or the increment of employees's salaries and other aspects which can contribute to the country's progress.

Mahathir believes that it is essential for a developing country to practise the above values and work ethics in order to achieve the aspired development. Although, basically, the Look East Policy does not imply that Malaysia's trade relations with its present partners would be reduced, Mahathir's pronouncement to limit ties with European countries, especially Britain, signalled the deterioration of relations between both parties. This was reflected more evidently in the 'Buy British Last' directive issued by Mahathir.

Mahathir's announcement on the matter appeared to indicate his desire to abandon the west and embrace his partner in the East. It was, however, obvious that total rejection of relations with the western countries was not possible.

The 'Buy British Last' directive became another issue as a negative consequence of the Look East Policy, the introduction of which saw the tendering of contracts to foreigners. At the same time, too, the government adopted a policy of veering away from its traditional links.

The 'Buy British Last' directive not only shocked us but also the European community in particular. For the first time in history, the British noticed a shift in the leadership pattern of Malaysia, compared to previous

leaders.

The shock produced both positive and negative effects for Mahathir's leadership. Among the positive effects were British trade delegations to Malaysia which intended to understand the actual situation and rectify what had gone wrong in the bilateral trade relations between both the countries, and more importantly, stated the British government's strong view on the problems aroused by the announcement of the policy.

The negative outcome was depicted in the western media which made the issue an attempt by Mahathir's leadership to establish an era of anti-economic colonialism. Sharp criticisms ensued from Mahathir's predecessors condemning his action of disregarding old allies.

Viewed from another angle, his statement that trade policies with Britain be reviewed, revealed the resurrection of nationalistic feeling, to uphold the honour of Malays and not to be taken for granted in any deals or negotiations be it trade, economic, politics or foreign policy.

Colonisation of Malaysia by the British, according to Mahathir, not only managed to colonise the country but also the people's thinking, who regarded everything western as the best. The statement produced a wave of reactions and re-evaluation of the existing mode of thinking.

From the psychological aspect, Mahathir's announcement and his actions towards the British at the onset of his leadership, created a new phenomenon of nationalism among the people of Malaysia. For the first time, a Malaysian leader boldly stood up and asserted to the colonialists of the importance of the practice of equal rights in negotiations and relations with independent Malaysia.

Although the announcement had wide ranging political implications, one could not deny its effectiveness on the thought and attitude of the Malaysian society, the Malays in particular, in pooling their efforts to fortify the nation and instilling a sense of self-confidence in competing with other races.

Hence, his actions which constitute the basis of his

leadership programs, is indirectly in line with Mahathir's conviction of the need to establish a strong nation, if it is to be respected by other countries of the world. A strong nation need to enhance its confidence and discard its low self-esteem complex.

He disseminated this philosophy along with his policies tactfully, but carried out its implementation and faced all risks in the process undauntedly and resolutely. The 'Buy British Last' directive was not without his premeditation of its implications, but it also carried with it a certain amount of speculation and was a gamble in laying a strong and stable foundation for his leadership era, which encompasses bilateral economic and other relations with Britain.

The British Prime Minister, Mrs. Margaret Thatcher, made an official visit for the first time to Malaysia. She became the only leader of an ex-colonialist country to visit Malaysia. This visit may not have materialised if not for the shock wave actuated by the Look East Policy and 'Buy British Last' directive. This testified that his whole effort in implementing his policies were not without some underlying hope or philosophy.

The question of his policies being a political issue is an altogether different question, if we focus and link the analysis of Mahathir's policies with his leadership philosophy and vision. On the whole, the Look East Policy was lauded by the countries which were looked upon as models for the objectives.

In a joint press statement, during Mahathir's visit to Japan from 23rd to 29th January, 1983, and his Korean visit on August 14, 1983, the Japanese Premier Nakasone and the South Korean President Chun Do Kwan had expressed high hopes that the Look East Policy fostered closer co-operation between Malaysia and the two countries, particularly in the fields of economy, industry and technical training.

At the governmental level too, measures and programs were undertaken to increase efficiency and productivity among the officers. Government officers and students

were sent to Japan and Korea to study the technical know-how and management skills in both the countries. The programs organised included structural reforms, attitudinal changes, courses and trainings.

The punch-card system, the usage of name-tags, the 'open-office' concept and the 'one-stop' centre for the payment of bills were introduced to improve the working system and environment. In addition, attitudinal changes were instilled to arouse a sense of responsibility to provide excellent service, upholding trustworthiness, efficiency and example through leadership as the underlying ethics. These became the slogans and practices in the daily working approaches of the Malaysian workers. Training workshops and courses were held from time to time.

Since Mahathir's early leadership until 1987, his policies were dragged into the political arena to be judged by the people during the general or party elections, openly and mercilessly. Nevertheless, it did not deter his zeal and aspirations to make known the real objective of the introduction and implementation of the policies.

During a speech to the Spare-Part Dealers Association held at the Putra World Trade Centre in June 1987, he emphasized the need for Malaysians to emulate the developed countries, especially Taiwan, Hong Kong, South Korea and Japan which, though does not yield any natural sources, are far more advanced than Malaysia.

For Mahathir, it is the resilience and concerted effort of those countries that contributed to their success, more so during a period of economic slowdown. This is contrasted with Malaysia, which although is a producer of various commodities, yet faced economic decline. He urged local manufacturers producing goods for export to be untiring in their efforts to acquire knowledge from the advanced countries in the production of quality goods at low cost, as he believed this is the only approach to penetrate and fulfil the demands of the local and overseas markets.

As a person consistent in his conviction to his policies, he expressed regret at the attitude of some of our Ma-

laysian businessmen who committed breach of trust involving their foreign counterparts, and this he feared would tarnish Malaysia's image in international markets. Besides, it hampered the growth of trade and thwarted our economic development. Mahathir's policies are not merely materialistic in nature but also carries an underlying moral concept, as is evident in the implementation of his Clean, Efficient and Trustworthy policy practised in the execution of everyday responsibilities.

His Clean, Efficient and Trustworthy policy was proclaimed in mid-April, 1982, which also saw the launching of a campaign to achieve the objective of the policy. The policy aimed to inculcate positive values and work ethics among the workers, and contained characteristics beneficial to the society.

Hence, the underlying concept for the implementation of the policy was derived from the word Clean, Efficient and Trustworthy. This concept, it is hoped, would enable more freedom of movement to workers within the codes of morality, discipline and uprightness, where disloyalty and self-importance are wiped out. The policy also centres on efficiency in decision making and encountering crisis, upholding one's principles, the ability to increase productivity, self-confidence, knowledge and experience in these fields and trustworthiness in the execution of duties and responsibilities to achieve the real objectives.

The execution of this policy not only involves government servants but also the private sector and the Malaysian society as a whole, constituting students, farmers, fishermen and officers who are activated through campaigns to comprehend the actual goal of the policy. The Clean, Efficient and Trustworthy concept would create a society of values, good work ethics, capable management, and an independent society resilient to challenges or threats.

Mahathir has urged workers to be skilful in their fields, in moving Malaysia towards a developed nation and he hopes that the export management of Malaysian raw materials is undertaken directly by the people of this coun-

try and importing countries without the involvement of a third party. He is confident that through this measure, the import and export deals of the country could be rectified and enhanced in terms of increased profits and income for the country.

The international trade of Malaysia, in Mahathir's view, is still largely dependent on neighbouring countries. Although this state of affairs has been in existent long before him, no measure has been taken to rectify the situation. Emphasis on the independence of attitude through direct relations is a crucial element in the policies implemented by Mahathir's leadership. It is, however, undeniable that the policies triggered off controversies and confrontations from countries whose apportunities for profits were being jeopardised.

This also became an additional factor in the anti-Mahathir campaigns, when he attempted to free the country's economy from the bond of the third party involvement in all export and import deals. It is no simple matter to confront this group, on the contrary, it has wide implications in producing negative effects for Mahathir's leadership.

The grievances, actions and attitudes of groups in the country who failed to win government contracts, and groups who failed to compete with the Japanese and the Korean contractors transformed into retaliation and became instrumental in the efforts to defile Mahathir's economic policy within the country. Hence, his directive to 'Buy British Last' and his efforts into making Malaysia an independent country dealing directly with importers of raw material aroused animosity and anti-Mahathir sentiments from foreign investors.

His desire to create a new dimension and introduce the relevant reformations towards the further advancement of Malaysia continued notwithstanding the numerous problems enveloping his leadership.

As a person sensitive to the need for change, Mahathir did not transfer the burden and challenges onto others

but undertook to face and overcome them himself. His foresight of the importance of direct bilateral trade relations obscures all efforts to sabotage his policies. On the contrary, he is confident his efforts would be beneficial to both our country and the parties involved in the trade.

His rationale lies in the fact that exporting via a neighbouring country, though simplifies trading, decreases the national income and curtails the exporters' knowledge of the market and crucial connections in the trading world. If trading is conducted directly with the importing country, the growth of service industries like insurance and transportation would flourish more rapidly, giving a boost to the national income of our country.

While clarifying his plans and economic policies, Mahathir has never been known to veer from expressing his confidence of achieving every anticipated effort. Although the efforts were undertaken during a period of economic recession he never doubted that the country's economy would eventually recover and grow.

At a dinner organised by the Malaysian Textile Manufacturers' Association, he affirmed signs of recovery since the economic slowdown.

"Our gross domestic product or GDP registered a 2% growth that year. This recovery was stimulated by the encouraging demand and price for our export commodities, increase in private sector expenditure and the anticipated growth of our economy in 1988. The government is speculating that foreign demand for our commodities would increase moderately, while private sector activities would be more active. Therefore, the government is anticipating a better GDP growth rate compared to 1987."

Mahathir puts his self-confidence as the motivating stimulus for the successful execution of his policies. He allures and transfers his conviction on a certain matter to the people, society and quarters involved with his policies.

Whenever an opportunity rears its head, he asserts and expresses the need for a positive attitude to restore and improve the recessionary economic situation. Obvious-

ly, to Mahathir, many issues and problems could not be resolved without confidence and a positive attitude of mind.

Mahathir himself designed his leadership programs based on positive attitudes. Nevertheless, the comprehension, assimilation of his beliefs and philosophies is not easily absorbed by Malaysians. Furthermore, the introduction of slogans, campaigns and policies incessantly, created a new atmosphere altogether for most Malaysians, who were accustomed to a peaceful life, indifferent to competition and challenges in this era.

In his effort to create an atmosphere towards inculcating industriousness and vigour, Mahathir never forgets the realities and problems associated to it, and his ability to face the challenges himself, but his most crucial factor is the desire or initiative to strive towards the achievement of a goal.

Another policy proclaimed during Mahathir's capacity as Prime Minister was the National Industrial Policy. Though the policy's theme stressed on the nation's future economic course, straying away from the present realities of life of the Malaysian society, in Mahathir's view it is not an impossible feat for Malaysia to emerge as an industrialised country. He realised the fact that industrialisation is easier said than done, if there is an urge and determination, Malaysians too could succeed in this field. Everything stems from a positive mind.

The effect of negative attitudes was clearly evidenced by the experience produced during the implementation of his policies at the early stages. Although, eventually the fruits of the policies were reaped, the negative perceptions at the initial stages thwarted and retarded the course of the implementation of these policies.

It is inappropriate to censure the government policies immediately after its proclamation, as was the case with the Look East Policy. The positive aspects should also be given due consideration and those that are appropriate should be adopted. The government under the Prime Ministership of Mahathir is attempting to utilize the view points, sugges-

tions and criticisms as the basis for the implementation of future policies.

"The academicians may have valuable opinions. They too may be right but in business it is the people involved in that trade who have to make the final decisions, ultimately. It is not possible for the government to disregard the views of those involved and face the upheavals prevalent in trade and industry. But the proposals put forward must be positive in order to arouse the government's confidence to aid the implementation of these proposals. Criticisms alone would not contribute to the success of any endeavour," stressed Mahathir.

Malaysia could only free herself from the clutches of economic decline if her people think positively. Mahathir holds certain aspirations. He hopes every citizen should be bold to experiment new ideas and improve them in the course of its execution. He does not think there is such a thing as a perfect idea or thought or a perfect resolution. Positive attitude alone could better and improve it.

His assertive view of the New Economic Policy is consistent with his aspirations of creating a Malaysian race audacious enough to experiment with something new notwithstanding the impediments. According to him, the New Economic Policy's objectives to raise the living standards of the people, restructure the society and eradicate poverty are unquestionable. The government would continue with the implementation of this policy even after 1990 and it is a perception of the course of the country's economy after 1990.

Though the achievement of this policy may consume time, to Mahathir, the most important point is not the achievement of the objectives of the policy but the achievement itself. It is common for obstacles to crop up in the implementation of any policy, but the crucial factor is the successful execution of these policies.

The introduction of new policies has not, however, deviated Mahathir's course from the New Economic Policy which was enforced in early 1970, on the conviction that

the policy's aims and objectives should be retained at its status quo or in a different policy under a different name and strategy. The objective of this policy stands, although the various policies Mahathir introduced turned into controversial issues.

This does not infer that Mahathir has shaken off his reponsibility towards certain groups, especially the bumiputeras, who are in dire need of aid and guidance, to realise the aspiration of making bumiputeras an economically successful group. Despite Mahathir's broad mission, apparent in the implementation of the Look East Policy, the privatisation and industrialisation plans, in reality Mahathir believes that economic justice would only reign when the wealth is distributed evenly between the bumiputeras and non-bumiputeras.

Mahathir affirms that aid extended would not be retracted so long as Malay contractors are unable to acquire other contracts apart from government contracts. He also repudiates the perception that the New Economic Policy has created a middle-class group of bumiputeras. On the contrary, the policy has only assisted bumiputeras to retain their status quo. Bumiputera endeavours are mostly dependent upon government contracts, and when the government decreases its contracts, the bumiputera entrepreneurs are faced with a real problem, which sometimes leads to the bankruptcy of many of them.

Mahathir is convinced that genuine partnerships between the bumiputeras and non-bumiputeras is the easier way to achieve the objectives of the New Economic Policy. Malays should learn the know-how of management and be prudent. Mahathir ensures that every assistance extended by his government to the bumiputeras are on a long-term basis.

Any conception that deems that special privileges are accorded to bumiputeras under the New Economic Policy, is contradictory to his belief. He regards bumiputeras who consider the New Economic Policy as a free gift as irresponsible people who fail to evaluate the actual grant or

offer of the government.

Success is not achieved easily. In this respect, armed with determination and perseverance, Mahathir refuses to submit to any problem, especially in the face of critics awaiting every opportunity to pounce on him.

Mahathir viewed the entire implementation of policies he planned and introduced as a responsibility to be fulfilled and not as a mere show piece or exhibit to be glorified.

Wide coverage on certain policies of Mahathir's aroused prejudice among the people, that he is not concerned about the elevation of the living standards of rural dwellers or positive measures consistent with the objectives of the New Economic Policy.

Mahathir viewed such opinions as an attempt to diverge the rural community's belief and trust in his policies which apparently concentrated on urban development, and massive, luxurious projects. Contrary to this notion, his leadership has undertaken all efforts to establish small industries, as a continued effort to heighten the progress and achievement of rural dwellers since the inception of the Rural Development Plan since Malaysia achieved independence.

- Emphasis on small industries such as ceramics, the utilization of rattan, wood and other materials are given due consideration. As a matter of fact, every time he visits a foreign country, he would purchase and accumulate any material he deems useful for the rural people. When he returns, he would meet the people in the business and direct them to produce such goods.

Efforts to develop the small industries has his undivided attention. Nevertheless, insufficient media coverage on this matter arouses diverse opinions that he disregarded the small industries and the living condition of the people in the rural areas. At times, during his visit to villages, the reporters who accompany him do not put forth questions pertaining to his visit, but political questions regarding issues at the national or international level.

As the news of his visits to villages are not of interest,

therefore they are not given wide scale coverage in the dailies. This peculiar situation brings about certain implications in the judgement of certain policies implemented by Mahathir from time to time. His concern for small industries has prompted the government to review subsidies and other financial aid granted to certain groups in an effort to efface the attitude of depending on government aid or the subsidy mentality.

Although Mahathir feels that the government should be concerned over the welfare of the people, it is definitely not to an extent where a society is forever dependent on the government or other organisations. The main objective is to create an independent Malaysian society. The problem, however, is that there are too many groups dependent upon subsidies and other financial aid.

Though they appear strong, ultimately they fail miserably. They could not find the initiative to be independent or to establish a new working environment for themselves and their families. They may not even be able to protect their self-respect without the government or someone else's assistance.

Eventually, they would lose all enthusiasm even to help themselves. All these have become subject matters for policy reviews undertaken by the Mahathir administration. The retraction of subsidies and other aid would definitely arouse apprehension and fury among the people who fail to comprehend the government's real intention of implementing the policy.

The various aid and subsidies granted need to be reviewed to ascertain it does not give rise to the dependence on others. During Mahathir's era, it is asserted that the government would render aid or subsidy to anyone in the initial stages of a person's productive venture. Similarly, the provision of welfare and aid to handicapped people need not be based on their handicap alone.

Some of them are capable of accomplishing any task in spite of their handicap if they put their mind to it. Herein lies the difference between Mahathir's mode of policy im-

plementation and those of his predecessors. Aid and assistance are accorded based on limitations, the implications and capability of each to produce the expected result.

Despite the clarity of the vision and aspirations and simple explanations provided on policy objectives, sharp criticisms were still hurled at some policies, either due to misapprehension or the failure of the policy itself. Problems caused by the highway project tendered to the United Engineers Malaysia, the purchase of London tin, and the failure of Maminco, are several disappointing episodes of Mahathir's economic policies.

One of Mahathir's actions which induced caustic criticisms from the opposition was his effort to purchase tin in the London tin market. This issue, however, became an open debate between the Premier and former Prime Minister, Hussein Onn, as a result of a misunderstanding as to who chaired the cabinet meeting, to decide on the government's move to purchase tin through Maminco in the London tin market.

It was proved later that the decision was made while cabinet was still being chaired by Tun Hussein Onn. As a result of which Malaysia suffered an estimated loss of $400 million. Mahathir, in his attempt to justify the government's move, exposed a big time fraud in the London tin market by a group of London Metal Exchange (LME) members, who compelled the government to enter the market to save tin trading.

He said that the government's move in purchasing large amounts of tin in the market killed the brokerage activity, but the London Metal Exchange made last minute amendments to its transaction regulations to safeguard the interest of the fraudulent group. As a result of the fraud by LME, our government suffered a heavy loss in the operation in 1980. To recover the loss, the government resold the tin through a government owned company, Makuwasa.

According to Mahathir, a group of LME members deliberately pushed down the price of tin by selling future ,tin stocks at reduced rates compared to the prevailing market

price at that time. Although they did not possess even a pound of tin, they were anticipating that their action would curtail current buying, which would reduce the price of tin.

When the price of tin plunges, they would purchase the commodity and supply it to their customers after the promised time-frame for delivery is over. The Malaysian government acted to stabilise prices through an LME registered broker, and purchased future tin stocks sold by LME members, to maintain the price of tin in the market. Through this measure, when the time to supply the commodity to purchasers matured, the LME members who gambled in the tin market were left with no alternative but to buy tin at a higher price from Malaysia, to supply the commodity to their clients.

According to the normal terms of the contract, if they breached the contract, they would face strong action for violating the agreement. Unfortunately, the LME played out by amending the regulations of transaction when the time was up for their members to fulfil their obligation, to deliver the supply of tin to customers who made orders for the commodity for future delivery. LME announced that the terms of the agreement need not be abided by, thus protecting their members, while price of tin took a downward plunge.

In order to recover the loss suffered by the government as a consequence of LME's deception, our government sold the tin in its possession and formed Makuwasa in co-operation with the Employee's Provident Fund (EPF). Makuwasa's activities became a controversial issue when DAP alleged that shares in certain public companies, allocated to EPF, have been transferred to Makuwasa at a price below market value incurring losses to EPF.

Mahathir explicated that the EPF shares transferred to Makuwasa were not EPF rights as the shares were allocated for bumiputeras and fetched a lower price than the market value. EPF was never given bumiputera shares as it is not a recognised bumiputera organisation. Nevertheless, the EPF allocated shares were transferred to Makuwasa

where the profits would be gained by the government.

Vindicating the government's action through Maminco and the London Metal Exchange, Mahathir claimed that no one from the government stood to gain from the operation. The government's sole intention of the action was to save the tin trade. Many miners who ought to have been bankrupt earlier were spared by the government's action.

Meanwhile, the government too could collect high revenue for tin fetched a high price for sometime. Mahathir rebuked DAP for attempting to make the matter a scandal. If DAP had proof that government leaders or officers were involved in corruption, he appealed to them to file a complaint. But, if the accusations held no ground, they would face serious consequences from the government.

No matter what justifications Mahathir provided for the government's action to stabilize the price of tin in the international market, the general reaction was divided, particularly among the business group and academicians who regarded this as a lame excuse, as it is irrational to spend such an astronomical sum of money without prior proper analysis of the market.

Aside from the Maminco issue, another problem stemming from the policies implemented by the Mahathir Administration was the North-South highway project involving a huge sum of money. The aim of the project was to enhance and provide an alternative road network to the existing one, constructed during the British era.

For more than 50 years, the roads designed by the British system were adequate. After the country achieved independence and with the advancement of communication, there was a need to improve and widen our roads. In some places, new roads were built cutting across small towns to overcome traffic congestion from the North to the South of Malaysia.

Tanjung Malim, for example, has now become almost a dead town since travellers have opted to use the new, better highway. This highway project is one of the most ex-

pensive projects ever undertaken in Malaysia. Due to its massiveness and the government's incapacity to pursue it, the project was privatised. The controversy arose when the United Engineers Malaysia (UEM), who won the contract after competing with five other companies, was given the authority to build the highway and collect toll for the next 25 years.

This company was commissioned to form its own trust to fund the construction expenditure of the highway. The balance of the funds would be derived from government loans which would be paid to UEM at an approximate sum of $120 milliom a year for the next 10 years. UEM would repay the loan in 15 years and full payment is expected to be completed on the 25th year.

Road users would pay toll for both ways at an estimated 5 to 7 sen for every kilometer. The government asserted that the project is expected to rapidly increase the pace of development, create 15,000 new job opportunities and inject new life into the construction sector, with increased participation of local contractors.

Nevertheless, the extent of its direct gain to local construction companies could not be ascertained. The UEM case erupted when the company, thought not capable of undertaking such a heavy construction responsibility, secured the highway contract. Although UEM is one of the earliest engineering companies established, its achievement record has not been too convincing during the past few decades. The company's name was struck off from the share listing but was resumed in 1983.

This was also the case with Hati Budi, a company owned by UMNO, established in May, 1984, which began negotiations to takeover UEM owned by Singaporeans, the following year. The negotiations resulted in the purchase of the company by Hati Budi at an estimated price of $32 million, to be paid in 5 years, with an additional sum of $20 million as share exchange and Hati Budi would control at least 50 per cent of it.

The highway project became another political issue

when DAP took the matter to court to request the government to stall the implementation of the project to enable the opposition, who apparently represent the Malaysian people, to probe further into the actual costs of the project, which seem exhorbitant. The court allowed the application to hear the case, initially. Local political observers were shocked at the decision, although later it rejected their application to stop the government from continuing with the project through UEM.

The consequence of the tug-of-war concerning this issue in court created a new phenomenon in Malaysian politics when other matters were brought to court to seek justice, thus jeopardising Mahathir's administration to a certain extent. One such case was when the court permitted the republication of the monthly 'Aliran' magazine, disregarding the powers of the Minister of Home Affairs. The issue became a risk and we would discuss it later.

Mahathir's dream is to realise heavy industrialisation. His perception of national development emphasises on the need for Malaysia to intensify the advancement of heavy industries. Heavy industries is not a new phenomenon in Malaysia. In fact, it has been in existence since colonial times, where cement factories and the Walter's Iron Factory of Malaya were established when the country newly achieved independence.

The factories operating since the 60s did not make any effort to advance and expand the activities of the sector until it attained the production level necessary for exportation. As a result, after 25 years of industrialisation, the Malaysian industrial scenario still revolves around the assembling, packaging and processing of raw material. Generally, heavy industries involves large capital, sophisticated technology and skilled manpower.

The industrial sector's contribution to the gross national product increased from 13.4% in 1980 to 19.1% in 1985. In view of the weaknesses, the government decided to shoulder the responsibility of planning and motivating the development of this sector. An important step towards

this goal is the formation of the Heavy Industry Corporation of Malaysia or HICOM in 1980.

HICOM's function is to identify, initiate, implement and manage heavy industry projects. This would mean direct governmental involvement in the field. HICOM's involvement would, however, be limited to certain heavy industrial projects. The more important aspect is HICOM's role in organising and planning the output of these heavy industry projects to cater for foreign markets and not be restricted to local needs.

Therefore, emphasis is laid on these industries by Mahathir to increase efforts to fulfil the growing needs. The establishment of such industries, it is hoped, would save our foreign exchange. If our country is overly dependent on foreign products, the outflow of our currency would increase, and we may be incapacitated to pay or compelled to pay a higher price for the product due to the lack of other sources.

However, if Malaysia established her own industries, it would not affect us greatly even if foreign manufacturers lower the price of the product as we can make a choice within the country. Despite the need for a huge capital investment, the industries would decrease national expenditure on such foreign products. For example, if Malaysia were to purchase plastic products worth $200 or $300 million a year, this sum could be saved if Malaysia built its own plastic plants, although initially, cost of setting up the plant may increase to $1,000 million.

In this respect, within 4 years Malaysia would have saved a sum equivalent to the value of the investment in foreign exchange. After the 4-year period, the country would derive a profit from the investment. This was one of the many reasons furnished by Mahathir for the need for Malaysia to be industrialised. Besides, it has the potential for export. In the Proton Saga project, for example, although the production may be limited, but demand for the car from various countries is on the increase.

Initiative is an important factor, for if it is not taken

now, even in another 5 years the country may still not be able to export the car. If we wait 5 years to initiate the effort, we may have to wait another 5 years to export it.

Here lies Mahathir's practicality in realising his mission. Although the project was initiated during the economic recession, he believed that it would yield profits in time to come. He never denied the existence of financial, technological, skilled manpower and marketing problems in the implementation of the heavy industry programme. But the project was based on the achievements of the national industrial policy. The Heavy Industries Policy would also succeed with a suitable approach.

In addition to problems relating to the implementation of the policy, Mahathir also faced risks involving his political leadership because any new concept or idea is not readily accepted without criticisms, or opposition from certain quarters.

The Heavy Industries Policy was not without its share of criticisms, which was considered unsuitable for implementation at a time of economic recession. This group was of the opinion that due to the gloomy world economic scenario during which Mahathir took over the leadership, he therefore should not introduce any change or launch any projects or policies incurring expenditure. In other words, would they have welcomed Mahathir's action if he had just administered the country without introducing any new policies?

Surely, if Mahathir had not implemented any policies due to the recession, this very same group of people would have again criticised the fourth Prime Minister for not taking the initiative to induce growth and develop the Malaysian economy. As a leader, Mahathir has done what he deems appropriate in the face of numerous oppositions based on negative presumptions.

The difference between a leader and a critic lies in the fact that the former has to make decisions, abide by his decisions and face the risks stemming from it, whilst the latter only pours criticisms without bearing any responsibility.

The Malaysian Car Project, was made possible by the co-operative effort of HICOM, with a paid-up capital of $180 million, Mitsubishi Corporation 15% and Mitsubishi Motor Corporation holding 15% of the total paid-up capital. As the project amounted to more than half a billion, $350 million was borrowed from the Export Bank of Japan and other commercial banks.

As a prime project, it inevitably attracted varied views from Malaysians from all walks of life. Musa Hitam's announcement of the Malaysian car project toward the end of October, 1982, in line with the Look East Policy called forth diverse reactions from the people.

Initially, 20,000 cars were estimated to be produced in 1985 and they gradually increased from 80,000 a year to 120,000 units in 1989. The critics were opinionated that 200,000 units per year of each type of design is the minimum level for economic production. They, too, were of the view that only 36% of the total value of the car consisted of local components, which generally is more expensive than the imported parts. The Malaysian car is still a foreign car assembled locally.

Due to the high cost of production, the Malaysian car industry according to critics, would only create 3,000 job opportunities. This figure is far less that the number of assembly line workers currently employed in the industry, who may be retrenched once the production of the Malaysian car resumed. Mitsubishi's readiness to participate in the Malaysian car project, on the other hand, revealed the lucrativeness of the venture.

The protected market, being established, would guarantee the survival of the project in the interest of Mitsubishi. Car buyers would have to pay a higher price, while the manufacturer and the government would incur a loss. Mitsubishi would surely make a profit from at least the collection of toll and HICOM's investment, while the Malaysian car project as a whole may not necessarily be profitable.

The critics of the Malaysian car project also based

their criticisms against the project on the unprofitability of the car assembling industry, which has been in existence for the past 20 years and yet has not geared Malaysia to a new era of industrialization.

Therefore, the decision to embark on the Malaysian car project would prove unprofitable, in the future. There were others who felt that should the car project be encouraged 20 years ago it might have been a rational decision for, in their opinion, the car industry was flourishing then and competition for market was not too stiff. Moreover, technological advancement of the car industry was rather slow and there were no major breakthroughs, be it in the process of production or the utilization of new components or material.

Thus, they were opinionated that Malaysia could have initiated a competitive car producing industry then, but not during Mahathir's era where the situation is by far different and the industry is facing a serious crisis. Briefly, they felt that the world demand for cars had diminished tremendously, inconsistent with the rapid technological advancement in the field.

This past few years have witnessed an extremely stiff competition in the car industry. Hence, they felt that Mahathir's decision to produce cars was untimely. Meanwhile, those who thought that the Malaysian car project was a wise idea were those from the political and business circles, whom the opposition groups regarded as possessing self-interests and ulterior motives for backing the project.

In 10 years, the Malaysian car project is estimated to incur an expenditure of approximately $1.8 billion. According to Business Times dated May 23, 1983, the production capacity of the Malaysian car plant would only touch 120,000 units in 1989. The low production capacity would increase the cost of local resources utilized in the manufacture of the cars. According to a 1984 Unido report, 120,000 units is but a small part of the current optimum production level of 500,000 units annually to ensure efficient production.

Critics have voiced the necessity of detailed planning by experts regarding the competency of the project, to yield profits and gains for the country's economy. However, this should not be done to suit the whims and fancies of the leader who aspires to see the fruition of a mammoth project, but it should be based on the reality of the people's and nation's economic capability to embark on it.

The opposition groups of the project considered that any decision to launch the Malaysian car project by a handful of leaders in haste, as inappropriate action, in their effort to gear Malaysia towards an era of industrialization. Nevertheless, each view criticising, opposing or supporting Mahathir's policies did carry its pros and cons.

The same applies to the launching of the car project whereby extensive support and the effort of a leader to create an image signifying the progress of the Malaysian nation are inevitable.

In comparison to other developing countries, we could consider ourselves to have overcome the conflicts that so often affect the destiny of the countries which were colonised. Yet, the lack of self-confidence or inferiority complex is still a trait strongly embedded in the people of Malaysia. It is this infection which thwarts the nations's race to attain progress. Mahathir's efforts in this respect, not only signified the ability to overcome technological challenges but also psychological opposition. This is the dynamic consequence which is also evident in the various interpretations of the Malaysian car project.

Foreign Policy

When Mahathir assumed the Premiership of the country, many parties suddenly felt a shift in the Foreign Policy, from that of non-alignment and diplomacy to one which stresses on a strong sense of commitment and solidarity. The distinguishing line between foreign policy under Mahathir and those under his predecessors became evident when he announced the Look East Policy. Consistent with this, he declared the 'Buy British Last' directive as the theme underlying bilateral relations between Britain and Malaysia.

Mahathir's emphasis on Malaysia's stand, against the British Government's attitude and actions thus far, became an irritant factor in straining relations between both countries. Mahathir's radical action against British policies towards Malaysia prior to his reign, was only taken from the economic viewpoint and not from the foreign relations aspect between both countries. Yet, it sprouted an interesting phenomenon where Mahathir's actions suddenly received reaction from the British.

The government, private sector and other related circles in Britain were shocked. It was a blow to Britian's efforts, at that time, to restore their economic position. Unexpectedly, a former colony announced a policy apparently attempting to sabotage British goods and trade.

Mahathir's firm stand on the matter shocked many quarters within the country. In evaluating the pros and cons, this strong sense of commitment and purpose became a new dimension in Mahathir's policies to come. His stand on the apartheid issue, the Antarctica continent and the Palestinian problem, were some of the many issues which reflected his continued commitment to purpose following his very first announcement of 'Buy British Last'.

The Malaysian society who led a normal course of life, were suddenly jolted by Mahathir's directive. They were in a state of disbelief that there is a leader bold enough to speak his mind directly to the colonialist, after

all this time Malaysia has been paying her homage to the British. Mahathir enumerated that the British should conduct all business deals, deliberations and negotiations on an equitable basis. This, indirectly, boosted the ego of a leader in the course of his Foreign Policies.

Many quarters were of the opinion that Mahathir could act in that manner as he was not educated in Britain. Therefore, the nationalistic spirit within him was more predominant than his predecessors who were educated in Britain. It was evident that Mahathir succeeded in bringing about a positive reaction to the announcement of the policy.

The British themselves welcomed this change, which resulted in a sense of pride amongst the people, especially the Malays, of their leader's capability to speak and to be on equal standing with leaders of other nations.

It was a morale boost, particularly for a section of the Malay community who felt inferior when compared to the British. British goods, higher learning institutions in Britain or administrative policies including British style democracy are but a few examples which are the pride and joy of certain quarters in the country. These people are so influenced that everything British is looked upon as excellent.

Mahathir was never without his own views and philosophy on the concept of commitment to purpose. Commitment, to Mahathir, is an important standpoint whether it is commitment to oneself, the family, the society or the country. It is also a symbol of strength. Mahathir is confident that if the people laid emphasis on commitment, they would be able to build a stronger nation.

The implementation of his policies or the government's policies would not be altered or amended due merely to unconstructive and damaging criticisms. On the contrary, his conviction of his policies as beneficial and thus should be executed, ultimately wins majority support of the people. According to Mahathir, if the government is wavering in its decision to pursue or not to pursue a policy,

the people would be the more perplexed and lose all confidence in the government.

He, therefore, constantly assures that the government would firmly execute policies which yields benefits. Nevertheless, this should not be taken to mean that a policy would forever be continued without considering the realities of time. The government is ever ready to make accommodations if the need arises. Commitment, in Mahathir's view, is the willingness to change with time. It does not mean the government should be rigid and unyielding in its stand, regardless of the changing times.

His commitment to purpose acts as the underlying theme of his leadership, which he hopes would be emitted through the Foreign Policy and given due attention by the private and public sector agencies.

In Mahathir's opinion, if public sector agencies which are conferred with the powers and responsibilities under the various acts and regulations, could show some commitment in executing these powers granted to them, it would be an extremely beneficial contribution towards nation building. Mahathir is quick to point out, though, that there should be a certain level of wisdom in exercising this concept of commitment to purpose to ascertain that a stand is not based entirely on the doggedness to pursue a policy which bears no gain.

In an effort to maintain and heighten the country's image, Mahathir has proclaimed that all officials and delegations leaving for other countries either on ambassadorial functions or commercial purposes, be fully equipped with knowledge of Malaysia. They must at all times be aware of the latest developments and situations of the country, such as decisions derived at cabinet meetings and policy changes or other recent government announcements.

Mahathir feels that officials particularly at the ambassadorial level need to be knowledgeable of the recent developments in the country and considers it a grave responsibility. They should be prepared to speak and provide information on matters pertaining to trade, governmental poli-

cies, finance or other related aspects when asked for. Also, they should be well-versed in the investment and political climate of the country, the population figure and the like. These are some of the vital basic information needed by a diplomat or any person, for that matter, who is involved in projecting the country's image.

Foreign Policy under Mahathir's leadership is clearly spelt out and every action taken by his government is consistent with it. Therefore, any obscurity or confusion which arises is in fact the failure to comprehend the actual situation. He has succeeded in bringing Malaysia to the fore, especially among Third World countries, by voicing forcefully the aspirations and aims of the Third World nations.

The Secretary General of the Commonwealth, Sir Shridath, has said that the forcefulness with which Mahathir voiced his views and opinions in international forums against apartheid sent tremors throughout the world. Kuala Lumpur is today known as one of the capital cities of the world which upholds freedom and condemns oppression.

Altaf Gauhar, Secretary General of the Third World Foundation, acknowledged Malaysia as the Third World leader in a recent statement. Malaysia was chosen as the venue for the Third World award presentation ceremony in 1985. The sponsor's reason for choosing Malaysia as the venue is Mahathir's earnest and genuine involvement in problems faced by Third World countries, and his practical strategies of overcoming them.

During a press conference in Kuala Lumpur, Altaf said that it was difficult to find a country in the Third World grouping which truly practised the democratic concept. He praised Malaysia for being totally committed to democracy and set an example to Third World countries which are mostly under autocratic rule. During the award presentation ceremony, Nelson Mandela, a freedom fighter in Africa who was imprisoned for the past 22 years, was chosen as the recipient of the award from the Third World Foundation, to honour his struggle for democracy

and freedom.

The venue, Malaysia, too was chosen to disclose the importance of inter-racial relations for political stability. It shows how the challenges inherent in establishing harmonious inter-racial relations have been tackled and is an example to all developing countries.

Mahathir not only made policy shifts in the Malaysian-Britain relationship but also other foreign policies relating to ASEAN and the non-aligned movement. Also, Malaysia's stand on the Organisation of Islamic Conference is established.

According to him, ASEAN needs an earnest political commitment to transform the region, richly endowed with natural resources, into a developed region in the near future. He firmly believes that there should exist no more hindrances in regional economic co-operation considering the fact that ASEAN was formed more that 25 years ago. ASEAN, on the other hand, should be open to new ideas to foster closer co-operation. On the conviction that if all parties held the same view, in the context of economic co-operation, this goal could be achieved, or, at least, the common goal would be obvious. Should there be no sincere effort, the ultimate goal of the ASEAN states to create a free and independent region would not materialise in the near future.

ASEAN, for example, should take measures to ensure the stability and future interest of its commodities, which normally suffer a fall in prices. Mahathir is aware of the ASEAN countries' dilemma in the face of subsidised agricultural exports, cheap sale and smear campaigns against ASEAN products by developed countries. Thus, ASEAN must emphasise on the commodity issue by reviewing and restructuring the ASEAN establishment to cater for the sector.

Even today, intra-Asia trade is still insignificant in comparison to the entire ASEAN trade. ASEAN's dependence on the international market has dire consequences for ASEAN as a result of the increase in the currency

value of the world and unbalanced exchange rates. According to Mahathir, the emergence of Japan as the world's largest credit source, does not benefit ASEAN in any way if Japan is persistent with its trade practices and makes no attempt to improve the world's trade and financial situation.

Every party involved has urged time, and again, to increase the aid for restructuring and to lessen trade barriers. Promises, assurances and resolutions were made, but most solutions to the problems have yet to materialise. Mahathir believes that ASEAN is now at a critical stage which might lead to the destruction of the present system, if the situation persists. Not only is the gap in income and living standards between the North and South wide, but the opportunity to bridge the views and perceptions of both parties is also slim. ASEAN, collectively, could explore varied fields, aid the growth of the world economy and at the same time contribute towards the economic development of ASEAN.

One such measure is to enhance co-operation among countries in the South which would open new avenues to ASEAN member states, in order to avoid manipulation by developed countries. An indepth study of economic co-operation among ASEAN member countries since its establishment is imperative. The formation of a common market is one measure to improve economic co-operation between member states. However, this proposal drew varied reactions from ASEAN member states. Professor Mokhtar Kesumatmaja, Indonesia's Foreign Minister, while commenting on the proposal put forth by Malaysia said that Indonesia is not against the idea of forming a common market. Nevertheless, Indonesia does not see it as a means to foster economic co-operation between the ASEAN members as each state has its distinct economic system and has differing development level. He further stressed, that a common market would pave the way for a larger market among ASEAN member countries, which looked forward to a revocation of trade barriers.

At the Third ASEAN Summit Meeting in Manila on December 15, 1987, a new resolution was pledged to invigorate the co-operation in the political and economic fields and to gear efforts towards the realisation of the common goal of making Southeast Asia a peaceful, free and neutral region.

Many parties conceive this as a ray of hope to a better tomorrow for the people of ASEAN. Mahathir himself views the matter as an integration of views, opinions and thoughts, as a sincere evaluation of the progress and weaknesses of ASEAN, and ultimately, as a realistic guideline towards co-operation in ASEAN.

It cannot be denied that the declaration renewed and reaffirmed the resolution and commitment towards ASEAN's goal and expounded openly on the needs of ASEANS's future. It was also a concrete testimony from member states and became the foremost aspiration of Mahathir and ASEAN leaders to witness ASEAN emerge as a zone of peace, freedom and neutrality in the Southeast Asian region.

ASEAN's political stability is impeded by various problems. The Kampuchean issue is the major stumbling block to the achievement of the ZOPFAN concept (zone of peace, freedom amd neutrality). Without Vietnam's co-operation, ASEAN would encounter problems in seeking solutions in order to achieve the goal. ASEAN would also work towards creating a zone free from nuclear weapons.

Malaysia herself is facing countless problems with the Philippines concerning the Sabah issue. Malaysian-Philippines relations, however, are normal. During a press conference, prior to the conclusion of the Summit Meeting in Manila, Mahathir said, "It is up to the Philippines to take further action to solve the issue whenever it is ready. Moreover, since no solution could be achieved during the Summit Meeting, there is no haste."

Earlier, the Philippines planned to drop the claim over Sabah before the last ASEAN Summit Meeting, but failed to act accordingly when its Congress amended the

Act on Sabah with additional stipulations.

This included the stipulation which stated that it would be enforced as a law, after Malaysia settled the indemnity payment issue to the heirs of the Sultan of Sulu and the signing of a bilateral agreement between both countries on co-operation and friendship, the frontier crossing issue and others.

Mahathir, on the other hand, abided strictly to Malaysia's stand that the claim over Sabah and indemnity to the heirs of the Sultan of Sulu are two different issues. The indemnity issue is solely a question between the Malaysian government and the heirs of the Sulu Sultan. He said that Malaysia is prepared to consider the indemnity matter to seek a satisfactory solution with the heirs of the Sultan of Sulu, as soon as the claim over Sabah was dropped completely.

Malaysia was also prepared to sign the agreement once the claim was dropped. At the same time, a bill was tabled in the Philippines' parliament proposing an indemnity payment amounting to 3.2 billion dollars (about $8 billion) being paid by Malaysia to Manila as compensation for dropping its claim over Sabah.

The bill was drafted by 14 members of parliament, led by Josede Venecia, a government representative who considered the indemnity payment as a small sum, but would help cover losses likely to be incurred by the Philippines government in future, as a result of losing an asset of the country and all royalty income derived from the production of oil, mining, forestry and fishery in Sabah.

The bill, however, was opposed by Sultan Jamalul Kiram III, who claimed to be the heir of the Sulu Sultanate and said that the bill is demeaning to the Sultanate and Muslims in the Philippines.

He felt that the Philippines government had no authority to drop the claim over Sabah as the heirs of the Sultan had revoked and annulled the powers bestowed on the Philippines government, to claim sovereign rights over Sabah. According to him, a document signed on Septem-

ber 11, 1962, by the Philippines government and heirs to the Sulu Sultanate had been rendered null on its own terms.

The Philippines' claim over Sabah would continue to be a political issue emerging to the fore from time to time. But, without concrete and rational proposals, Malaysia would not yield to pressure.

The Mahathir administration would certainly not allow the Philippines' claim over Sabah to retard ties between both countries, whilst being optimistic that a solution towards this end is achievable without exacting either party. Although the Sabah issue is something that exists, in reality it is not as serious as it appears.

Mahathir's frankness in international forums is known to all. His criticisms and rebukes were not only hurled at certain quarters within the country, but also against the western countries in international forums, either pertaining to the role of the superpowers, the brutality of Israel or other universal matters.

As a Muslim leader, committed to the Islamic cause, he openly and incessantly criticised Israel and its allies for committing unending brutalities towards the Palestinian people and plundering the holiness of the Al-Aqsa Mosque. In Mahathir's speech to the General Assembly of the United Nations in October, 1982, he admonished the American action of supplying firearms to Israel as amounting to murder, because these weapons would definitely be used by Israel to kill Palestinians.

He asked, "Having taken their homeland by force to establish a Jew nation, should the Palestinians be hunted from one refugee camp to another, and be killed during the process?"

Mahathir sees in the history of Israel that they do not fight anymore in defence of their frontiers but wage wars under the least provocation, be it real or fabricated.

Despite the fact that Malaysia is not an Arab nation and only half of its population constitute Muslims, the effectiveness of Islamic programs and Mahathir's perseve-

rance in implementing them, arouses apprehension among the western countries. Certain quarters do not desire to see Islamic nations achieve respectable status. Malaysia's moderate attitude and pragmatic approach in implementing these programs created an anxiety and fear among them that Malaysia may become a repected third world power and pose a threat to the status quo and international relations.

In this respect, Malaysia has carved a niche for herself as a moderate nation fighting for the rights of the Third World countries oppressed politically, economically and on humanitarian grounds. The proof became evident in the decision taken by the UN declaring Antarctica as a universal right. The decision was accepted by the majority, nonetheless, the developed countries with special interests in the ice continent opposed it.

Mahathir urged the UN to make the declaration in his speech to the UN's General Assembly in October, 1982. This influence did not please many groups, as the proposal of an insignificant country like Malaysia, which has no interest in Antarctica, was heard and honoured. The Zionists and their allies felt uneasy with this situation, not because Malaysia supports the Arabian cause but because Malaysia'a authority is on the increase among the Islamic nations and the Third World.

Though it is difficult to prove, the crisis in Malaysian – Singapore relations is not without intentions to tarnish Malaysia's image as an effect of her active involvement in international forums. Singapore deliberately or indirectly raised several issues which almost caused a political polemic between the two nations. Superpowers and their allies were unhappy over the emergence of more Third World countries or at least the emergence of certain leaders from the Third World capable of influencing world view on international issues.

The history of international espionage and oppression has proved the superpowers' skill of persecuting and finally disposing leaders who are a threat to them. Malaysia is the

only state in Southeast Asia which has permitted the PLO to establish an office here and foster close ties with the organisation. Other countries are reluctant to do the same, even though they sympathised with the plight of the Palestinians for fear of incurring the wrath of America.

These countries accept economic and military aid furtively, worth billions of dollars from America. If they support PLO openly, this aid enjoyed by them may be affected. In relation to this Al-Kadir Jasin, editor of the "Berita Harian" daily, prognosticated that it would be ignorance to assume that Israel and her allies are not observing closely every decision and move by Malaysia on matters concerning Arab-Malaysian relations.

Despite the fact that Malaysia is not considered as a dangerous warring enemy, yet Malaysia's stand in the Middle East conflict would not benefit Israel. As a matter of fact, Malaysia does not recognise Israel and gives its full support to the Arabian cause. It has become a strange phenomenon where larger Islamic nations than Malaysia are still reluctant to allow the establishment of PLO offices in their countries for fear of offending their allies, particularly the superpowers.

Mahathir has characterised the Israel regime's brutality towards Palestinians as equalling the German Nazi treatment towards the Jews during the Second World War. Malaysia too sympathised with Israel, which pleaded for mercy from the world, as a result of Nazi cruelty over the Jews. But now, Israel has forgotten the agony they experienced under Nazi rule, instead the Jews are acting just like the Nazis.

"They are void of feeling for the suffering of others but are self-centred even in the face of worldwide criticisms against Israel and the United States," asserted Mahathir. According to him, until now the Jew regime does not seem to show signs of remorse in its relation with the Arab nations. Instead, Israel is unrelentingly threatening the stability and peace of the Arab world.

Mahathir equates the countries conspiring with a

terrorising regime with the Nazis, because the support and aid provided by Israel's allies enable the Israeli army to terrorise without fear of world opinion. The Palestinians have lived in misery in refugee camps for more than 20 years but Israel is never moved by their plight. Israel's cruelty, to Mahathir, is absolute for even a show of retaliation or protest by Palestinians using stones, incurs the wrath of Israeli soldiers who open fire, beat or bury alive those who are caught.

He is also aware that countries under Israel's influence are using the foreign press to overthrow the present Malaysian government. These countries are intent to dissolve the government under his leadership due to his firm stand on various matters. As a consequence, the foreign press carries distorted news. One such news stated that the government has repudiated the New Economic Policy, in its effort to evoke dissatisfaction among the Malays towards the government.

They realised that one of the most effective methods to frustrate the government's efforts was to evoke displeasure and no confidence among the Malays towards the government under the Mahathir administration. They made their own analysis hoping to transform Malaysia into a weak nation, an easy victim of their manipulation.

The execution of the New Economic Policy may have been a little slow, not due to the government's move to revoke the policy but due to the unstable economic situation of the world, which also affected the economic climate of Malaysia. The consequence of which several objectives of economic growth were hindered and could not be achieved as presumed.

There exist more differences than similarities among members of the movement on various international issues. In a speech to the assembly, Mahathir urged the Non-aligned Movement Organisation to formulate an action plan, which would be financed and placed under common responsibility, to prepare African countries for freedom from the white minority colonialists in South Africa.

He further emphasised, "Let us help them by training professional administrators in various fields and shape industrial experts. And let us prove our willingness to realise the African people's freedom aspiration from white colonialism in South Africa."

At the conference, Mahathir perceived the Africans' dilemma in South Africa as the most crucial issue.

Therefore, it is timely for everyone present at the conference to work seriously towards a solution. He felt that the South African regime could be crushed only through direct economic and political sanctions. The South African government would be hard hit if a direct blockade is imposed. It is the ultimate weapon to free the African people. The blockade, however, would only be effective if all countries trading with South Africa supported it.

The effort would be hindered by half-hearted, insincere actions. Mahathir urged them to join forces and pleaded to countries like the United States, Britain, West Germany and Japan to refrain from any trade or political relations with the South African government.

"We call upon these four countries and others, in the name of humanity, to join forces with us to end white rule and install a majority government. According to the Non-aligned Movement, the only way is to strengthen the coalition's front in every aspect in order to adopt positive actions to enervate the South African Government."

In his view on the 'rich' nations' move, Mahathir considers them as being self-centred. Every time they make a decision, without the least regard of its consequences on developing nations, what becomes obvious is the total deprivation of the poor countries' rights. Each time the group of seven rich nations meet, they would formulate decisions for their self-interests disregarding other countries of the world, stressed Mahathir.

He illustrated, for example, the issue of trade imbalance. These countries ignored the outcome of their move on the poor nations, when they re-evaluated their currencies such as the yen and the American dollar. As a

result, developing countries like Malaysia were forced to increase the value of loans in yen as much as 70%, besides deriving a lower profit from the petroleum exports.

Other developing countries, too, suffered the same fate. Mahathir, as a leader of the Third World country aspiring to lead his country to a brighter future, emphasised the fact that no country desires to live on aid alone, but aim to acquire income through their effort. However, this could only be realised if they were not burdened with regulations and barriers deliberately formulated by the rich nations.

These nations practised the same attitude towards world peace, especially the role and responsibility of the United States and the Soviet Union, who instigate the smaller states to war among themselves. In Mahathir's view, the superpowers have protected themselves from the holocaust of a new nuclear war and have never been at war for the past 40 years, but the smaller nations war with each other with the weapons supplied by the superpowers.

During the Commonwealth conference in October, 1987, Mahathir asserted, in what he regarded as an executive meeting session, that regardless of the nature of war it would, nonetheless, incur the loss of lives. The superpowers, responsible for this state of affairs, often forget that people in smaller states too have the right to live in peace.

He rejects the theory that the world today is more peaceful due to the existence of nuclear weapons, for nations are at war everywhere, in Kampuchea, Afghanistan, Iran and the Arabian countries. The obvious fact however is that wars are still waged though there is no nuclear war.

It is more disappointing to know that these wars are the result of superpower policies and manoeuvres who supply weapons to ensure continued conflict. Meanwhile, the smaller states spend more on weapons than their economic development, incapacitating them further. There should, in actual fact, be no interference in any country's

course of operation.

If this principle of non-interference is violated, the smaller nations would be in eternal danger. Mahathir pleaded to the superpowers to stop victimising smaller states. He expressed the superpowers' arrogance and behaviour of depriving the right of the people in small states to exist in peace or to be killed as and when they wished, as the greatest blunder.

In a message conveyed in conjuction with "Elimination of Racial Discrimination Day" at the international level, he stated, "The government and people of Malaysia once again take this opportunity to renew our pledge, involvement and support for justice and the rights of the South African cause to eliminate all forms of racial discrimination and apartheid." Malaysia condemned the apartheid policy incessantly.

The Pretoria regime's persistence of sustaining the irresponsible system of rule, will not lead to peaceful existence in South Africa because the oppressed majority would continue to struggle for the freedom of the country and people. Similarly, in the case of South-South Cooperation Commision, Malaysia under the Mahathir administration once again succeeded in directing the foundation towards a more practical course.

The South-South Co-operation Commission would become a force working hand-in-hand seeking solutions to economic problems of Third World countries, with its headquarters in Kuala Lumpur. This was decided during a conference held in May, 1986. Mahathir, appointed as the Chairman of the Commission, pledged that it would not be a 'talk-shop' but would work towards its goal as soon as possible.

According to him, although the leaders of the group of seven developed countries who in Tokyo had their own conception of the third world countries' economies, the commission felt that the third world economic standard was appalling. Thus, the establishment of the Commission was a vital measure to solve the problem.

Altaf Gauhar, the Secretary General of the Third World Foundation, characterised Mahathir as the vanguard and crusader of the South-South Co-operation until an Independent Third World Commission was established. He said that Mahathir was the motivating force of the foundation since it came into existence 10 years ago. Although the Third World countries have met numerous times since its establishment, Mahathir has proved his dedication with the formation of the Independent Commission in Kuala Lumpur in conjunction with the conference.

Malaysia would play a significant role contributing financial aid for the establishment of the Commission to be based in Kuala Lumpur. Third world countries and other organisations were hoped would act similarly. In the Kuala Lumpur Declaration, it was asserted that the Commission would evaluate the economic situation of Third World countries, identify the choices of action, propose concrete measures for the future of South-South Co-operation and North-South economic relations.

The Commission would also study the measures to be taken through the organisation to forge co-operation, including the establishment of the South Secretariat, and to create an awareness of the challenges and predicament of Third World countries. The commission's membership constitutes twenty prominent Third World leaders, providing service on a personal basis and not by proxy, or merely acting as spokespersons for their respective governments or institutions.

This, according to Mahathir, is to avoid any confrontation with countries of the North and to work together with developed countries keen to co-operate through projects promising gains. In the final analysis, the world is still interdependent.

The Kuala Lumpur Declaration emphasised on the significance of the need for South-South Co-operation and initiative has been taken. It is now imperative to study the entire process to lay strong foundations for its future growth.

In this respect, it is indispensable that the Kuala Lumpur Conference successfully bore the 'child of peace' which previous Third World conferences failed to achieve. Mahathir's own efforts and initiative were obviously responsible for the existence of the South-South Commission today. As a country adopting the non-aligned policy, Malaysia desires to forge friendly relations with all countries irrespective of their political ideology. Furthermore, as an Islamic State, Malaysia would continue to play an active role, especially in the Organisation of Islamic Conference.

Tunku Abdul Rahman once held a post in the International Islamic Secretariat, Mahathir also was actively involved in the Organisation of Islamic Conference (OIC). The significance of Malaysia's role in OIC became evident when she was accepted into the Peace Committee to seek a solution to the Iran-Iraq issue. Mahathir was nominated to lead the peace committee of OIC, and to arrive at a solution to the conflict between Iran and Iraq.

Apart from conviction and frankness in Malaysia's Foreign Policy under the Mahathir leadership, we could also conclude that he is a leader sensitive to current developments, able to make adjustments for mutual good. If the need to make adjustments and reforms arises, Mahathir would not hesitate to move towards that objective. He does not consider this as a factor that would affect his strong conviction or his ego as a leader.

The Malaysia – British relations during the Mahathir era is proof of his leadership flexibility, in adopting an approach and reforms beneficial to the development of the country. The British received all implications of the Malaysian Foreign Policy from the onset of his leadership, when he announced the 'Buy British Last' policy.

Strained relations and investment sabotages on the part of the British and other complexities that arose from Mahathir's directive, created a need for both parties to negotiate and identify the weaknesses and differences in opinion impeding bilateral relations between the two

countries. Despite Margaret Thatcher's visit to Malaysia in 1985, the strained relations were not relieved to the expected level.

During Mahathir's official visit to Britain in 1987, the obscurity of the inter-state relations between both countries was cleared. Mahathir convinced the British that Malaysia is a truly neutral state with its own foreign policy and will not adopt any party's advice in the course of its policy. Of course, this remark referred to the former colonialists of the country.

During his visit to Britain, Mahathir projected his skills at the meetings with the British government and private sector officials. The British, as a result of the meetings, acknowledged Mahathir as a leader of few words, unfraid to reveal his stand and aspirations in the most frank manner.

As a result of the visit, the British Government under Margaret Thatcher, stated that her government comprehended the Malaysian government's aspiration under the Mahathir administration. The British, too, hoped normal relations with Malaysia would be resumed. Furthermore, they have begun to realise that Malaysia, although still a developing country, is sensitive and responsive to any prejudiced relationship be it with the big and developed nations, or other Third World countries.

Malaysia, now, looks at Britain from a new angle and hopes future ties between the two would be a stepping stone to mutual sharing of ideas especially in the industrial sector, in which Britain could shine as the model country.

Of course, during the visit, our Prime Minister communicated directly the obsoleteness of the 'Buy British Last' policy. Yet, it does not connote that Malaysia would give priority to every British product. Like all other countries intending to invest and promote their products, the British too have to prove their competency to convince the Malaysian people and government in order to acquire any tenders or co-operation in an investment.

The dissociation between the 'Buy British Last' direc-

tive and 'Look East Policy' was accented. The 'Look East Policy' is an approach towards the adoption of a philosophy or culture beneficial to Malaysia. The 'Buy British Last' directive, on the other hand, was issued to disclose to the British of Malaysia's desire for justice in every deal or document signed with them.

It, therefore, is incontestable that strained relations resulting from the 'Buy British Last' policy was restored through Mahathir's reciprocal visit. Viewed from a different light, the announcement of 'Buy British Last' was made when Malaysia felt cheated by the authorities' action of changing the rules of the game in the London Stock Exchange, following Permodalan Nasional Berhad's successful control of the Puteri Corporation, a British trading company. Although it was a policy involving the government and government agency, the outcome worried the parties who yearned to see mutual interests between both countries safeguarded.

Imports from Britain were frozen while Malaysia's total import increased to 5.6% since the directive was issued 4 years ago. The interesting fact was the Prime Minister's emphatic comment that Malaysia – British bilateral relations must assume a more realistic note taking into consideration commodity price falls, limited markets and fluctuating exchange rates.

"The previous approach of laying importance on sentiments could not be used anymore," he said. He further asserted that trade relations was still gainful to Britain, and efforts to bridge this gap has not borne any fruits. Problems faced in the insurance, education and shipping sectors should be ironed out soon, in order for Britain to play a more effective role in the achievement of balanced economic relations.

Malaysia desires to see Britain diversify her imports through this relations and not just limiting it to the purchase of the main Malaysian commodities. The British, too, is hoped would increase investments in Malaysia now that the government has relaxed a few conditions for

foreign investors. He added that Malaysia hails foreign investors although several conditions are stipulated to ensure the people of this country also enjoy the fruits of the deal. Malaysia has never formulated any anti-foreigner policies.

Mahathir proved this by the non-attempt to nationalise any company in Malaysia. Why, even during the 'Buy British Last' slogan was in effect, Malaysia still welcomed British investors with 'red carpet'.

In as far as the social climate is concerned, Malaysians, aware of the importance of political stability to realise economic growth, have always displayed a harmonious relationship in solving whatever political problem within the disciplines of diplomacy. Mahathir expounded on the tolerance practised in this country, in a talk while on his visit there. The governing of Malaysia by a coalition of 13 parties was illustrated as an example of such tolerance. Those present at the talk were astonished, for in Britain it was quite impossible for even two parties to work together in an election.

This is also proof of the Malaysian peoples' patience and tolerance who have all these years worked together and shared power. It must be borne in mind that the Malays are no racists. If allegations against them were true, then they would be ruling the country themselves. Instead, even with an adequate majority, the Malays still choose to establish a coalition government with other races.

The representation of the different races in the government brought various major issues into the arena of cabinet meeting. The victory of the National Front and other parties before it in every election since the government was formed 30 years ago, is proof of the political stability of Malaysia.

Mahathir has requested the British to re-examine their reports about Malaysia, stating that the flame of racialism would result in Malaysia's downfall. But, Malaysia is yet to be burned by that flame.

Mahathir suggests that in every approach adopted, the

parties involved in the bilateral relations refrain from making any criticisms and accept each criticism with understanding, so as not to jeopardise the renewed relationship, and if the need arises, to enhance every sector of mutual interests.

The Premier, besides restoring normal relations between Malaysia and Britain, has also enacted a decree to renew relations with China. He adopted a more practical approach in establishing bilateral relations with China which had been dormant for the past couple of years, through his visit to that country. When Tun Razak made his historical visit to China in 1974, there were high hopes of active co-operation between both countries. Futhermore, Malaysia was the first Southeast Asian country to extend her friendship.

This Malaysia did, in spite of her people's suffering under emergency rule for 12 long years as a result of the Malayan Communist Party's movement supported by China. Even though there were no major changes in Sino-Malaysian relations after Tun Razak's visit, nevertheless it contributed to the overwhelming victory of the National Front in the 1974 elections, through Tun Razak's manipulation of the visit into a political issue. Tun Rasak's bold move to establish diplomatic ties with China was applauded by Malaysians of Chinese descent, who gave their wholehearted support to his leadership after the 'bloody' May 13, 1969 incident. During Hussein Onn's time, however, there were no visible improvements in Sino-Malaysian ties except for the normal diplomatic relations.

Hussein Onn's visit to China in 1979 did not prove effective in forging closer ties between both countries. The main obstruction to smoother relations between China and Malaysia was China's refusal to deny openly her involvement with the Communist Party of Malaya.

This state of affairs remained despite Deng Yian Peng's visit to Malaysia, who took over the leadership of China after the demise of Chairman Mao Tze Tong in 1976. Even he could not settle the issue of China's connec-

tion with the Communist Party of Malaya. Therefore, relations between both countries still assumed a cautious tone.

Mahathir felt that so long as China failed to prove her honesty, relations between the two countries would not be cordial. China must firmly uphold the principles of a balanced relationship of mutual respect.

Malaysia's stand and her desire to see the relationship bloom further were reiterated time and again, but it depended upon the adroitnees of the leaders of both countries to resolve the matter, not through mere negotiations but through tangible economic relations between both governments which saw no progress from the onset of Sino-Malaysian relations. Meanwhile, other ASEAN countries, namely Thailand, the Philippines and Singapore, which do not maintain diplomatic relations with Peking, took advantage of the shift in China's Economic Policy, whereby trade between China and these states increased.

Malaysia's trade level on the other hand, fell since 1980. When Mahathir visited China, many quarters were doubtful of its effectiveness in lifting the freeze off the relationship. In a speech given in Peking, Mahathir stated that the objective of his visit was to find a formula to enhance economic relations and co-operation between the government of the two countries without the interference of ideological differences.

In his speech in China, Mahathir did not refer to the Chinese government's relationship with the Communist Party of Malaya directly. This was the difference in approach he adopted compared to his predecessors. The Chinese became attracted with his approach and were eager to know the purpose of his visit. Nevertheless, he accentuated the need for Malaysia to be cautious in her relationship with the People's Republic of China, not wanting to be caught unprepared. He went on to stress Malaysia's optimism of the present Chinese leader's posture and policy changes in China.

He dealt on Malaysia's speculation of change in

China, even before the United States, which led to the establishment of diplomatic relations with that country in 1974. He expressed his conviction that China under the present leadership, would not act in any manner detrimental to its relations with ASEAN, particularly Malaysia.

Problems in Sino-Malaysian relations were more internal than international in nature. This was because a small group of Chinese unions in Malaysia thought that they would be supported by China in their subversive struggle. This group who are still living in the jungle hold strongly to the obsolete ideology. They are fighting a war of no benefit to the Chinese community in Malaysia.

Mahathir's approach and attitude, differing from common practice in the context of foreign relations between China and Malaysia was not held in high regard by several quarters who looked at it as a sign of Malaysia's submission to the Chinese.

It was evidently a misconception, as neither Mahathir nor his government never denied the existence of the Communist Party's threat or the possibility of Peking's plans for this part of the world. It would be of no use to prolong the discussion on the same issue, when every party is aware of their position and rule.

This matter was not emphasised during Mahathir's visit. The focus was on several aspects of mutual interest and that which could act as the basis of agreement between both countries to smoothen relations at various levels.

From the discussions he held with Chinese leaders, Mahathir observed that both countries were suspicious of the other, but the more important fact is to ascertain how to avoid these differences from hindering economic cooperation of mutual benefit.

In conclusion, Mahathir's Foreign Policy is pragmatic. It is a policy aspiring to separate colonial traditions from the colonies, not to mention the strong commitment and stand taken by Malaysia after 30 years of independence, to become a free and neutral nation without attachment to any power now or in future. Freedom, independence,

equality, mutual respect and co-operation are the underlying basis, and would continue to be, in the formulation of Foreign Policies under the Mahathir administration.

Chapter 3

MUSA VS MAHATHIR

MUSA HITAM is a Malaysian political figure, a Malay political leader in particular, who could be regarded as the most unique, viewed from his actions during his tenure as Deputy Prime Minister. Unique in the sense that he was the one Malay and a leader who resigned on his own grounds, among which were differences in principle.

His action may be disputed, but the recent situation in the country arouses a feeling of respect for his bold action. Lately, there were very few leaders who would assume their responsibility, accept their blunders or admit their faults, what more resign their positions which shower them with popularity and power.

Musa's ability to act thus was an approach or action that shocked the society. In Malaysia, in the recent past, whether among the opposition or governing party, one seldom hears of a leader resigning due merely to differences in principle with the leadership.

Even in UMNO's political history there were not many such incidents. Many leaders, whose principles and approaches are in conflict with the leadership, are not willing to resign but would rather be dismissed or expelled by the leadership.

When Musa resigned, while he was almost at the pinnacle of power, it became an aspect of moral politics in the political leadership of Malaysia. This chapter would deal with Musa Hitam's resignation and its implications.

As a politician, Musa's political history proved that he was an intelligent, astute and ready to take on challenges. Musa's capability to play politics was astounding. Therefore, when he unexpectedly resigned as Deputy Prime Minister and Deputy-President of UMNO, it was considered

by many as another play of politics by Musa. No one dare say that it marked the end of his political career.

His political history revealed his dexterity to wade through challenges. He appeared in the political scene during Tunku Abdul Rahman's time, was expelled for a while from the arena, and made his reappearance during Tun Abdul Razak's era. He established his position strongly under Mahathir, after defeating Tengku Razaleigh Hamzah in an intense contest in 1981.

He comes from a large family of ten siblings, from Johor Bahru. Since he was a young boy he had a clear vision of what he wanted. In an interview, he expressed that he had aspired to be a politician for inexplicable reasons. As a matter of fact, an international magazine predicted a couple of years ago that he would emerge as a foremost leader of the country.

He started his political career as the Political Secretary to the Minister of Transport, the late Tun Sardon Haji Jubir. Three years later, he contested as an UMNO candidate at the Parliamentary level. During his initial involvement in politics, Musa showed a strong commitment to issues concerning the bumiputeras. His audacity of speech evoked a misunderstanding between him and Tunku Abdul Rahman who regarded it as a challenge to his leadership by Musa.

Consequently, he was dismissed from his position as the Deputy Minister in the Deputy Prime Minister's Department. When Tun Razak took over the Prime Ministership, Musa returned to politics with the slogan of 'talk less, do more'. On July 20, 1981, Mahathir announced the line-up of his first cabinet. Musa Hitam headed the list of the cabinet as the deputy to Mahathir himself.

It was considered the most pragmatic and dynamic cabinet comprising of a group of aggressive moving force. Mahathir expounded to Malaysians of his desire to bring about a glorious era to Malaysia. Musa emerged as the number two man at a relatively young age. Besides acting as the Deputy Prime Minister, he also assumed the position

of Minister of Home Affairs.

Since the time of the very first cabinet announcement by Mahathir until February, 1986, Musa remained the second most important man in the country. There were times, the relationship between Musa and Mahathir evinced an inseparable closeness. This became more apparent in view of their similar political inclination in the early years.

Musa's emergence as the number two to Mahathir, differed from the previous practice in UMNO politics. Mahathir, for his own reasons, felt it unnecessary to name his deputy. Therefore, Musa had to contest with Razaleigh to become the second powerful man in UMNO.

With this approach, Mahathir dissociated from the tradition of UMNO. When Hussein Onn stepped down as Prime Minister, he did not indicate the prospective candidate for the number two position after Mahathir. Mahathir felt that the choice of his deputy should be given to the UMNO representatives. Indirectly, this approach diverged from the UMNO tradition whereby, prior to this, Tunku Abdul Rahman chose Tun Razak as his deputy and Tun Razak later appointed Tun Hussein Onn, and Tun Hussein Onn, in turn chose Mahathir as his deputy.

The UMNO delegation was faced with the task of selecting the Deputy-President of the party and simultaneously the Deputy Prime Minister. Making a choice was a difficult task then. Musa and Razaleigh had almost similar leadership aptitude. Both possessed ability, astuteness, influence and a bright future.

The liberal attitude Mahathir intended to portray resulted in the contention for Deputy-Presidency in 1981. All the implications of the contest reflected back on Mahathir himself. Many opinions stated that had Mahathir been resolute in selecting his deputy when he assumed national leadership, the contests of 1981 and 1984 could have been averted. The 1987 contest, too, would not have occurred as it did and caused a split within UMNO. Nevertheless, Mahathir felt it was not his responsibility, at that time, to se-

lect the candidate for the deputy Prime Ministership.

Although it was undeniable that he desired Musa for his deputy, he never revealed it and allowed UMNO members to select the rightful person. Whatever his real intent for declining to name his deputy, the implications of 1981 contest was the beginning of a series of incidents throughout his nine-year leadership. The year 1981 was the beginning of the split in UMNO later. According to Musa, the seeds of the 1981 contest resulted in a situation which later led to his resignation as the Deputy Prime Minister.

At the initial stage of the leadership takeover, the Prime Minister and his deputy seemed a perfect unshakable combination of force. Musa had said that his relationship with Mahathir was close, inside and outside the government. To many, besides their relative youthfulness and dynamism, it was also apparent their intimate friendship was greater than that between Tun Razak and Tunku Abdul Rahman.

One possible reason for their good working relationship, in the initial stages, was their similar experience during their early political careers. Or, probably due to their excellent talent as politicians, others could not follow their rhythm of movement. The two of them are representatives of Malay intellectuals, who rose from the bottom to the summit of power in UMNO politics.

Their presence and emergence, therefore, provided a positive conception and motivating environment to younger leaders in UMNO at that time. Everyone wanted to contribute to realise the aspirations of both these dynamic leaders, who only assumed leadership in the recent past. At the onset, Musa felt he had a perfect understanding with Mahathir. They were in agreement in many basic issues, which they wanted to deal with but had not the opportunity earlier.

Therefore, when they became the first and second most powerful figures in the country, they felt this was the opportunity they had waited for. On the issue of bureaucracy, for instance both were not involved for very long in

the affairs of the government, especially Mahathir himself, who saw the bureaucracy as intricate. This was the beginning of their effort to resolve it through their leadership style. In order to obtrude into the bureaucracy they have to jolt and awaken many quarters, in addition to instilling confidence in their ability to bring about changes.

When Mahathir pronounced his policies, Musa as the right hand man, welcomed and propagated it. Propaganda was carried out without any hitch and Musa was found to execute his duties with responsibility. As it were, there were rumours of differences of opinion between the two. The nation as a whole was vague about the matter. The people only conjectured, politicians regarded it as a political issue aimed at straining relations between the two leaders, who possessed an almost ideal aspiration for national development.

Meanwhile, his political foes were keen to make the dispute a reality. This riddle on the relationship between the Prime Minister and his Deputy, remained unsolved for sometime, but the public appearance of both leaders later, refuted the rumour.

The rumours on the misunderstanding was ignited since 1983 when there were campaigns between the Razaleigh and Musa factions. However when Mahathir affirmed that his partner was Musa, in an open announcement to the UMNO General Assembly in 1983. Public confidence in this partnered leadership increased ever more with that announcement. This was the state of affairs until a second contest occurred between Razaleigh and Musa in 1984.

Mahathir gave Musa Hitam his full support. Musa Hitam's victory for the second time convinced many parties, that there would be a purge among cabinets members, particularly among the Razaleigh faction. Musa himself urged not to include Razaleigh in the cabinet to avoid further contest between himself and Razaleigh in the future.

This was one of the many reasons contributing to the beginning of Mahathir – Musa conflict, especially after 1984. Musa not only wanted Razaleigh out of the cabinet

but also wanted to place his people in the cabinet that would be formed by Mahathir. This was important to Musa to enable him to work more efficiently, surrounded by people in the cabinet whom he understood and trusted.

Musa's request may have been acceptable as rational if analysed from political implications that arose later. Mahathir's comtemplation, then, was to stabilise the situation after an intense contest in UMNO. Mahathir felt the logical measure would be to retain Razaleigh in the cabinet, to ensure the continued support of Razaleigh's supporters to his leadership. Musa Hitam, on the other hand, urged that he be dismissed, to stabilise UMNO politics in the future, without challenging each other, which muddled political stability.

Democratically, Musa's attitude was ungentlemanly, as he intended to 'kill' his opponent immediately, without any thought to give his opponent a chance to continue his political career. Musa's tactic then could be regarded logical, viewed from its implications today. If Tengku Razaleigh Hamzah was dismissed from cabinet after his defeat for the second time, he certainly would have lost his influence or would, at least, have been eroded greatly, and it would not have enabled him to announce his contest with Mahathir himself in 1987.

Musa elucidated that had Razaleigh's political career been suppressed in 1984, he may not have resigned two years later. This he based on the grounds that there would have been no administrational interruption, from people who spied and challenged his position and power. If that were to have occurred, Musa's politicking would have been focused on strengthening his position and power, and probably direct it to espy on Mahathir's position.

Conflict of opinions between the two lies here. Mahathir felt he needed to balance the position of both Musa and Razaleigh. His intention may have been sincere, to reveal to the UMNO representatives, that in UMNO no one wins, and no one is defeated.

After a contest for a post, every party concerned must

reconcile. This is an important trait in UMNO's tradition. Mahathir wanted to prove his constant call to UMNO members, when there is a contest. This attitude he desires and hopes from UMNO members when there is or after a contest.

The call to reunite the front was proposed to UMNO members openly in one of his policy speeches, while officiating the Youth Movement/Wanita UMNO assembly during his tenure as Deputy-President. After the 1984 contest, he felt it was becoming to retain Razaleigh in the cabinet line-up, although Razaleigh was defeated twice by Musa.

His action may have been earnest, to stabilise the political situation after the contest. He wanted to prove to the public of the closeness of relationship in UMNO, how gentlemanly and sporting the UMNO leaders who contested were. Therefore, he pronounced Razaleigh as the Minister of Trade and Industry in his cabinet revamp. Meanwhile, Daim Zainuddin took over the Ministry of Finance, previously under Razaleigh.

His action disappointed Musa, who saw his foremost enemy moving about freely, not only in UMNO but also in Mahathir's cabinet. If Mahathir's main aim of retaining Razaleigh was to stabilise the situation after the contest, he portrayed his leadership deftness as a democrat. The capability to demonstrate that in a democracy, the defeated need not necessarily be butchered and the victor be glorified.

His action was expected to reflect a liberal and responsible attitude that should be practised by UMNO members towards their challenges at the divisional and branch levels. Through this, it was hoped, opposing forces could be reconciled and continue to contribute to society, particularly to the development of the country. In view of Razaleigh's competency and capacity, as well as his performance in his previous ministry, Mahathir felt that Razaleigh's capability and intellectuality as a politician and economist was still needed.

Therefore, he argued that the retention of Razaleigh in Mahathir's cabinet after 1984 was a current need then. If this was his objective of reshuffling his cabinet, the new cabinet line-up was the best since he took over the leadership of the country. Many political observers, on the contrary, perceived his action to retain Razaleigh in the cabinet as a measure to balance Musa's political power and influence.

In other words, Razaleigh would act as the detector of Musa's further political advancement. If this was Mahathir's intention when he reshuffled the cabinet, it was evident then that he sniffed the possibility, of what he termed as Musa's political greed to seize power. Concisely, Mahathir's action of retaining Razaleigh, was to save his own future political career, from being challenged by his number two man.

Should this be one of the reasons for Mahathir's action of retaining Razaleigh, it could be considered appropriate in his effort to thwart his number two man from greed and pose a challenge in the nearest future. Therefore, Mahathir's political computation, at the time, to retain Razaleigh, had motives with its own implications.

From what was seen and what had occurred, it was obvious that Mahathir's action was based on the second reason, the possibility of his deputy being overcome by greed for power and deciding to challenge his authority in the near future. Meanwhile, his first reason for retaining Razaleigh to stabilise the political situation after the contest and to exhibit a democratic approach, did not hold much water in the light of subsequent political incidences.

The implications of retaining Razaleigh in his cabinet was evoked by Musa's own actions. Even though Mahathir may have intended to retain Razaleigh in his cabinet to monitor Musa's influence and political strength in challenging him in future, the situation that erupted was the result of Musa's own doing.

No matter what Mahathir's stratagem, subsequent events which acted as the impetus to the 1987 confrontation were evoked by Musa.

Musa's resignation, besides being regarded as a historical incident in Malaysian politics, was also an open declaration of the confrontation between himself and Mahathir. In his endeavour to safeguard his position and power, Mahathir could only devise a plan to ensure that he is not challenged. By retaining Razaleigh in the cabinet, Mahathir was confident that should Musa challenge him, Razaleigh would support Mahathir.

Thus, there was no possibility of Musa's victory, and Razaleigh himself could not possibly challenge Mahathir so long as Musa was with him. If the alliance between Musa and Mahathir remained, Razaleigh's capacity could only stretch to the extent of challenging Musa as the Deputy-President of UMNO.

Following Musa's victory for the second time, Mahathir said in an interview the victory signifies that the delegates were in agreement with his policies. More importantly to him, was his unchallenged victory. Anyone appointed as the number two man would work under him. Musa's victory indirectly contributed to Mahathir's power continuance and approval for this leadership.

At one level, Musa's victory may have been due to Mahathir's support. Viewed from this angle, it is evident that Mahathir only manoeuvred to free his position from challenge and maintain normal relations between himself and his deputy. Musa's actions, on the other hand, after the 1984 contest revealed an avarice for power and manoeuvre to challenge Mahathir's leadership.

When Razaleigh was retained in cabinet, despite only as the Minister of Trade and Industry, Musa failed to conceal his disappointment although there was an understanding between him and Mahathir to drop Razaleigh from the post of UMNO Treasurer and Minister of Finance, should he win the contest for the second time. When Mahathir reinstated Razaleigh in the cabinet, although he did not appoint him as the Treasurer of UMNO, Musa felt Mahathir was politicking for his own gain.

One of the reasons presented by Musa for his resigna-

tion was that he was not prepared to contest with Razaleigh again. Apart from other reasons for his resignation, Musa realised that his action would create more intensive politicking, especially against the actions of Mahathir's leadership. He could discern that accusations would be hurled at Mahathir eventuating in his resignation.

Musa's supporters would indubitably regard his demands on Mahathir concerning Razaleigh's position as justified. Therefore, they would blame Mahathir for Musa's resignation. At least this would be the beginning to the hostile attacks by Musa's supporters towards Mahathir. Razaleigh's supporters viewed Musa's resignation with varied reaction.

Some regarded it as obviously signifying differences in the leadership pattern between Mahathir and Musa while others saw it as an opportunity for Razaleigh to get closer to Mahathir. Yet, some felt a possibility of a Razaleigh-Musa alliance in time to come.

Apart from the issue of whether Razaleigh would remain in cabinet, Musa too took the opportunity to appoint his people in Mahathir's cabinet from time to time. Since the 1982 election, his Political Secretary, Ajib Ahmad was appointed as the Chief Minister of Johor, although then Ajib's capability was doubted by many. Similarly, during the cabinet reshuffle under Mahathir, Musa successfully appointed his former Political Secretary, Sharir Samad as a cabinet member.

One by one, Musa installed his strong supporters as ministers and deputy ministers. Musa greatly influenced the reshuffle exercise by Mahathir, a privilege which no other Deputy Prime Minister possessed. Musa's earnestness in instating his people in Mahathir's cabinet reshuffle, as an attempt to project young and capable leaders or a long term strategy to strengthen his own position in Mahathir's cabinet, a waiting for the opportunity to take over the leadership, was dependent upon the various interpretations, at that time.

Many quarters were opinionated that his attempt in

including his supporters in the Mahathir cabinet line-up was to strengthen his position against Razaleigh, than to challenge Mahathir in the future. Obviously, Musa was one of the most aggressive Deputy Prime Ministers.

In his letter to Mahathir, of the main reasons Musa stated as contributing to his resignation were the statements by several ministers including the Prime Minister that there was a certain group within and outside UMNO endeavouring to overthrow the Prime Minister. Musa felt the allegation was aimed at him.

Therefore, the longer he held his position, the stronger the allegation against him. If he worked hard, it would be construed as an effort to eliminate the Prime Minister. On the other hand, if he was not industrious, it would again be construed as an effort to weaken and finally topple the Prime Minister. Thus, he thought it is best to resign.

Whatever Musa's reason for resigning, it was the beginning to challenges faced by Mahathir later. Is it true his resignation was prompted by allegations of his intent to challenge Mahathir's leadership or is it due to his frustration with Mahathir's decision to retain Razaleigh? Is he fed up of contesting with Razaleigh again or does he think the difference between him and Mahathir could not be rectified?

All the above questions would not derive concise answers from a dialogue with Musa. As an individual, Musa did not express his thoughts or feelings openly during interviews. Many felt it was difficult to guess his thoughts precisely.

In this regard, we can perceive that the reasons provided by Musa for his resignation as obscure. Nevertheless, his further actions revealed that the reasons he stated in the resignation letter were contradictory to his actions.

It appeared that he never considered seriously the implications of his actions. His decision to resign, for instance, not only disappointed his supporters, but at one point, it was evident that his actions disappointed himself.

In this state of confusion, when the Supreme Council decided to send a delegation to persuade him to return to his post, he chose to accept the post as the UMNO Deputy-President on the grounds that the post was not appointed by Mahathir but one that was given by the UMNO delegation.

It was evident from the contents of his letter and his action that Musa was disappointed and erred in rendering his resignation. More deeply affected and disappointed were his supporters, who were either in the cabinet or held posts at the divisional level.

His sudden resignation was a blow to all his supporters in their respective divisions. Cabinet Ministers close to him were especially affected. During the challenge and crisis of power, rivalry still going on, not only with Tengku Razaleigh Hamzah but also with the new challenger, Anwar Ibrahim, who was beginning to show his dexterity in the leadership of the country. Disappointment was prevalent at the state and departmental levels.

Mahathir failed to calm and convince Musa to continue in the government. Musa's supporters were however reluctant to lay the blame on Mahathir. In September, 1985, six months prior to the incident, Musa and Mahathir presented a good performance to the delegation of UMNO by embracing each other, to show they were in good terms. This was despite the fact that news of the conflict had seeped to the divisional level.

Local dailies published photographs during their happier times embracing each other. Nevertheless, it was later patent that the relationship between the two would not be shielded any longer, which finally climaxed in the conflict of opinion between supporters of both parties. Musa wrote a letter, tendering his resignation to Mahathir, a copy of which was sent to all members of the UMNO Supreme Council. It was a rather embarrassing situation whereby his departure to London was not revealed to Mahathir. Mahathir himself denied any knowledge of it when he was quizzed about Musa's resignation letter.

Furthermore, the Prime Minister verified that Musa did not attend the weekly cabinet meeting, apparently because his deputy was ill. The following day, the whole nation knew that Mahathir himself was ignorant of Musa's resignation letter and despatch of its copy to the Supreme Council members. Musa's action of despatching a copy of the letter to all members of the Supreme Council was unbecoming and publicised the conflict between them.

An emergency meeting of the Supreme Council was called by Mahathir, whereby Musa's resignation headed the list of the main agenda, besides naming a successor for the post. Members of the Supreme Council were struck with perplexity, and were clearly divided into supporters of Musa and Mahathir. Only Ghafar Baba who was away in Hong Kong, was not present at the meeting.

Some quarters said Ghafar's absence was planned, to facilitate Mahathir to arrange for the appointment of Ghafar replacing Musa. However, discussion on that night took a different course. The Supreme Council members in favour of Musa, decided to send a delegation to persuade him to re-assume both positions.

Ajib Ahmad, the strong supporter of Musa, stressed that a delegation of representatives from Johor had gathered in Kuala Lumpur to know the outcome of the meeting. To avoid a tense situation, Musa should rightfully be given an opportunity through the Supreme Council that would be sent to obtain his view for a second time.

The decision was arrived at after a heated deliberation among the Supreme Council members. It not only changed the course of Mahathir's first action of appointing a successor, but also revealed to Mahathir who was who in the Supreme Council. Initially, there were views sympathising with and requesting that Musa be persuaded and reinstated in the cabinet and the Supreme Council.

Mahathir, in the attempt to defend himself, used letters written by Musa to him in 1984, requesting that Razaleigh be evicted from cabinet. The letter was another irritant factor contributing to the conflict between the two.

This shocked many Supreme Council members, who subsequently sympathised with Mahathir on the letter of ultimatum by Musa.

They were of the opinion that Mahathir should be given the right to make his own selection, especially in the appointment of cabinet members. Musa's threatening action was improper, in spite of the opportunity granted to him to appoint his strong supporters in the cabinet line-up announced by Mahathir.

In the 1984 reshuffle, although Razaleigh was retained, his staunch supporter Manan Osman was removed from cabinet. Manan not only failed to win a seat in the Supreme Council in that year but was also disloyal to Mahathir's command to ensure there was no second contest between Musa and Razaleigh.

Apart from the issue of his loyalty to Mahathir, Musa was dissatisfied with Mahathir's attitude towards him. As an ambitious and radical individual, Musa felt his victory for the second time rendered him a better bargaining power with Mahathir, to strengthen his position in the party and government.

Musa was anticipating a transfer to the Foreign Ministry during the 1984 reshuffle. Other important positions in the cabinet were given to his friends loyal to him. The Ministry of Home Affairs, for example, normally held by the Deputy Prime Minister, was to be handed to Abdullah Badawi, anticipated to be his deputy one day.

Even though Mahathir consented, he proposed that Tengku Ahmad Rithaudeen take over the Ministry of Home Affairs, while Abdullah Badawi take charge of the Ministry of Education. In view of this situation, Musa informed Mahathir he would remain in the Ministry of Home Affairs, for he had more power there. Or, at least, someone dutiful to him was at the Ministry. But, if he accepted the post of Foreign Minister and Tengku Ahmad Rithaudeen held the Ministry of Home Affairs, it would further undermine his position.

The failure to install his loyal aides in important ranks

was further magnified when Mahathir appointed his close friend, Daim Zainuddin, as the Minister of Finance and the Treasurer of UMNO. In addition, Mahathir also announced the appointment of Sanusi Junid as the Secretary General of the party.

From the very beginning, Musa was suspicious of Sanusi. According to Musa, Sanusi could possibly have collaborated with Razaleigh in the 1984 contest. Sanusi had also shown his capability to strengthen his position as the Minister of National and Rural Development, which is directly associated to the grassroot level. As the Secretary General of the party loyal to Mahathir, Sanusi could destabilise Musa's position. Sanusi's presence in both positions strongly affected UMNO.

Apart from Sanusi, Daim Zainuddin's influence in the government and financial world made him a powerful figure in terms of politics and finance. Daim's close relationship with well-known business personalities saw him in a position to victimise anyone in his political calculation. Many quarters perceived this was what Daim did for Mahathir since he was appointed the Minister of Finance.

This turn of events alarmed Musa. The cabinet reshuffle failed to accomplish his aim although he was given the mandate for the second time. The presence of figures like Sanusi and Daim, loyal to Mahathir, were new challenges for Musa apart from Razaleigh.

This was among the factors inducing his resignation. Besides Musa's displeasure of the people whom he disliked around Mahathir, it was also generally known that Musa dissented from several policies by Mahathir. Among the issues which saw dissimilitude in opinion and action between Mahathir and Musa was the way the Memali incident was handled in November. Incidentally, Mahathir was away in China at the time.

The incident which occurred in Kedah, Mahathir's political base, resulted in the death of four policemen and four members of the fanatic group. Many opinions stated that Musa's supporters felt Mahathir disagreed with their

leader's manner of handling the matter through police force. Contrary to it, he held Musa, as the Minister of Home Affairs, partly responsible for the bloodshed.

Musa was rather disappointed with the allegation and the blame of the Memali case laid upon him. He regarded it as an accusation that he ordered the police to shoot the rebels at will. Musa was also said to show disinterest in Mahathir's other projects, for example, the construction of the Penang Bridge and the national car project.

Musa had indiscreetly announced that the Proton Saga project was the dissipation of public funds. In a speech denying the statement, which indirectly revealed severance of relationship between the two, Musa said that both of them had executed their duties well. Their differing transactions and going about their own ways in the course of executing their duties, such as making state visits separately to solve problems, were regarded by some as Musa's indifference to Mahathir's policies.

When Mahathir assumed the responsibility of formulating the heavy industries policy, when he decided on the Look East Policy, Musa was establishing relations with the western countries. Therefore, they were not only executing differing functions but also revealing a difference in the perception of Mahathir's policies.

Finally, differences in responsibility and action, and their perception of an issue contributed to serious confrontation. In Musa's view, a Deputy Prime Minister should work closely with a Prime Minister. But, in the process of assisting the leader, a Deputy Prime Minister should not become a yes-man.

Similarly, a Deputy Prime Minister should not project himself as one without any role or responsibility. In his view, if he does not act as an authoritative Deputy-President, the administration would face problems. If this occurs then he should be removed.

According to him, it is a part of his duty, as the Deputy Prime Minister, to inform the Prime Minister of what he deemed wrong or disagreed. If the Prime Minister

asserts he is right, then he would carry his responsibility as required.

Similarly, if it concerns a vital issue or policy and if he is not in agreement, it is only appropriate that he resign as the Deputy Prime Minister, because that is the concept of parliamentary democracy. He asserted it is important for an individual to possess values for continued struggle, which must be protected from time to time.

One interesting remark Musa made when he resigned was, "I live in accordance with my means. Today, as the Deputy Prime Minister, I always remind myself that tomorrow I may lose my position voluntarily or through force or other means. On this understanding, I am ever prepared to return and live in a terrace house."

Such attitude calmed him of his every action. On the other hand, Mahathir felt a Deputy Prime Minister should not openly demonstrate disagreement with the Prime Minister. This would create a suspicious and strained situation among the supporters of both parties and the people in general. It would further, erode the position of the Prime Minister in public view.

According to Mahathir, a Deputy Prime Minister should always be loyal, despite differences in opinion or conflict between them. A Deputy Prime Minister should always endeavour to obtain 100 per cent support for the Prime Minister, from the party and its members.

The support need not necessarily be for the Prime Minister but more importantly for the party, to maintain unity and strength of the party. Unity and solidarity would enable leaders to assume their responsibilities effectively. Mahathir stressed that during Tunku Abdul Rahman's Prime Ministership, not all his policies were agreed in-toto by Tun Razak.

As ordinary human beings, they too had differences between them. As Prime Minister, Tunku Abdul Rahman, had absolute power, and Tun Razak was definitely frustrated at times. This was apparent, according to Mahathir, as he was one of the few who knew Tun Razak intimately.

Tun Razak never resorted to publicising the differences of opinions or disagreements between himself and Tunku Abdul Rahman. He knew that such action would erode confidence and public respect for Tunku as Prime Minister.

Moreover, such action is in conflict with the culture of the Malays. Similarly, when Tun Razak assumed Prime Ministership, there were times when Tun Dr Ismail and later, Tun Hussein Onn were not in total agreement with him. This situation was inevitable and normal because they were ordinary human beings with their own views and opinions.

The important factor was they showed continued support to the Prime Minister. This does not connote that they defended their Prime Minister blindly, but as a means of creating solidarity within the party. When he himself became the Deputy Prime Minister to Tun Hussein, there were many matters he did not agree with, but he realised as the Deputy Prime Minister his duty and responsibility was to ensure Tun Hussein obtained undivided support from all groups.

This was Mahathir's personal view, in assessing the role of a Deputy Prime Minister. Other people are not compelled to follow in his way. At least, there would exist co-operation in leadership in the context of relations between himself and his deputy. The important aspect is continued support for him as the foremost leader of the party.

After the reinforcement of his leadership, Mahathir hoped there should not be any more contests for important positions in the party. Although contests are allowed in the context of democracy, it need not necessarily be adopted as a practice. Many quarters may not agree with him that contests have adverse effects on the party, but that is Mahathir's opinion.

The opposing quarters may argue that democracy would still exist in spite of contest. But, it is the consequences of such contests which disunite the party that worries Mahathir. At one time, he openly made a call that the Deputy-Presidency post held by Musa be not contested.

This demonstrated it was not his strategem to balance

power between Musa and Razaleigh, and to strengthen his own position. As a leader, he felt responsible to ensure a balance between all quarters. When he stated the unnecessariness of the contest for the number two post, it did not imply he rejected the characteristics of the election process in a democracy.

Even if the need for contest arises, he felt it should be based on solidarity. It should not occur in an atmosphere of intensive campaigning with the sole aim of victory, at the cost of party stability and harmony. Those involved campaigned here and there, dissipating money, making promises and threats to supporters and opponents of the other.

He was of the view that UMNO members should not participate in a contest for the sake of democracy. Democracy could bring about contentment and frustration. The important thing is to understand the situation prior to involvement in a contest. If it could be avoided, it is best that the contest does not occur.

Victory should only be the second consideration. The maintenance of solidarity and goodwill is more crucial. It is unbecoming to incite supporters to show disrespect to the opponent.

Mahathir's calls in this direction could be looked upon as his effort to uphold party stability, especially at the Vice-President level. This shows Mahathir undertook the responsibility to ensure Musa's position was not endangered.

Therefore, the presumption that Mahathir acted with the intent of equalising his power is unfounded. At least, it is not characteristic of his leadership. Unfortunately, his calls and views were given various interpretations by both the Musa and Razaleigh factions in UMNO.

Mahathir's trust in Musa was many a time revealed when he appointed Musa to act as Prime Minister during his absence from the country. This shows Mahathir's trust and appreciation for Musa's loyalty and co-operation to him. In fact, during Musa's sudden departure overseas to

visit his wife, Mahathir advised all parties, especially UMNO members at that time, not to miscontrue Musa's absence from the country, as resulting from a misunderstanding between him and his deputy.

Despite the rumours, Mahathir never hesitated to deny and render them as unfounded, spread by people with ulterior motives. In a speech to a gathering welcoming his arrival at the Sultan Ismail Airport on 16 June, 1985, on his two-day official visit to Johor, Mahathir said that Musa's absence during his visit to Johor should not be misinterpreted by anyone. Although Musa was the Chairman of the Johor UMNO State Assembly, Mahathir rejected his absence as an issue or proof of any differences between them. "Nothing happened," stressed Mahathir.

A responsibility should be given priority, and if Musa had to be away from the country during Mahathir's visit to Johor, it was only a coincidence. "There is no other interpretation to this. And the public or UMNO members need not make their own interpretations," said Mahathir. He believed if there are problems, there are proper channels to resolve them.

According to Mahathir, in the present leadership system, close relationship exists between the leader and his followers. Every quarter should use the proper channel to verify the validity of any matter, and not just listen to hearsay. This is because those who carry such tales have ulterior motives.

Frankness is a principle he holds, and he would readily express his thoughts if there is a need. Leadership of a country could determine the course of its politics and establish stability by demonstrating a frankness, not influenced by baseless news and exposing the truth.

Mahathir's emphasis on the need for the people, especially UMNO members, to act firmly and to analyse correctly, disregarding rumours, is a willingness on his part to reveal to the people his readiness to be a leader. And, at the same time, his willingness to lead, with Musa as his deputy.

Unfortunately, Musa himself created a problem that did not exist. In a speech, during a visit to Tokyo, he said to reporters he probably was the only Deputy Prime Minister who may not become Prime Minister. The assumption was made long before he resigned.

Do these statements reflect that Musa had a long term strategy to challenge Mahathir? Was it a scheme, that one day he would resign unexpectedly amidst UMNO's harmonious and stable political course, under Mahathir's leadership? If this is not the case, why should he speak of disunity and insinuate the possibility of a resignation.

He probably, from the onset, had suppressed his dissatisfaction at Mahathir and it had erupted when the time was right. This means Musa never attempted to extinguish his dissatisfaction and work sincerely and constructively with Mahathir, but waited for the opportunity to act by resigning.

The real alternative for Musa is to retain his position and authority as the number two to Mahathir, rendering continued support disregarding the issues of division of power and certain principles. Or, disregarding differences between him and Mahathir, as Mahathir himself often assured openly of his support and willingness to co-operate, besides stating that there were no problems in the context of their relationship.

Or, he acted by giving up his post, and revealed his intention and dissatisfaction against Mahathir. Evidently, between these two alternatives of either remaining loyal and co-operative, or resign and oppose, Musa chose the latter. Therefore, Musa's reasons in his resignation letter could be considered as an announcement of a situation with a small cleft. And, Musa never attempted to rectify the cleft.

From his political manoeuvres, since he became the Deputy Prime Minister, Musa obviously could not conceal his desire to assume national leadership as soon as possible. Apart from differences between them, he could neither agree with certain policies formulated by Mahathir

nor work with other leaders appointed by the Premier, who were not closely associated to him. As a matter of fact, his avidity was apparent from his future leadership strategy planning. He publicly announced the prospective candidates in his cabinet line-up when he took over leadership from Mahathir.

His actions as the Deputy Prime Minister and effect of the contest with Razaleigh eventuated in two opposing factions in UMNO. As an influential leader, Musa dauntlessly installed his people in certain positions in both UMNO and the government. UMNO's State Heads and the committee at the divisional level were selected from his circle of people.

While still in power, UMNO members were popularly known as Musa's supporters or Razaleigh's supporters. The rejection of a tender, for example, is based on which group submitted the tender. The competency of the company which submitted the tender is no longer a criterion for selection, but on whether it is from the Musa or Razaleigh faction.

The tender would be rejected if it was not from the expected group. Similarly, with important positions vacant in the party or government; only those who show a particular inclination were appointed. This created disharmony within UMNO, and at other times badly affected all parties.

Musa's greatest blunder was not in projecting his differences in opinion with Mahathir, but his zeal to line-up leaders from his camp of supporters. His move indirectly indicated to UMNO members that should if he become Prime Minister, Abdullah Badawi would assist him as Deputy. This was another reason for the negative reactions he received, which he imagined as a plot by Mahathir's political friends to remove him.

Musa should realise that there are several young leaders in Mahathir's cabinet, highly ambitious and aspiring to serve as his deputy when he administers the country. His outright revelation of his support for Abdullah Badawi in-

fused into the younger leaders a sense of hopelessness of their role in supporting Musa.

As further support was lacking, Musa should make everyone aspiring to become deputy to him, to constantly be in a position requiring his aid and blessing for their actions. This created an environment for competition, in addition to impelling the younger ministers in Mahathir's cabinet to strive and contribute quality work, paving the way for competition among themselves in an atmosphere of fairness.

Musa could secure the support of other cabinet members through his neutral stand in the issue of selecting his deputy. Unfortunately, as he felt this was unnecessary, his support and actions in favour of Abdullah Badawi, clogged the opportunities for other leaders to get closer to him.

This was proved by Abdullah Badawi's overwhelming victory in the 1984 elections for the Deputy-President's post. Musa's endeavour to ascertain Abdullah Badawi's victory resulted in a climate of apprehension among the younger ministers.

Furthermore, with the defeat of Sanusi in the election, politics within UMNO became critical. Musa was believed to have instructed the Johor delegation to sabotage by not voting for Sanusi in that election. It should be borne in mind that in the 1981 elections, Sanusi played a significant role lobbying for support for Musa during his first contest with Razaleigh.

Many political observers were of the opinion that one of the contributing factors to Musa's victory at that time, was the effective campaigning by Sanusi, in addition to Mahathir's support. However, after the 1981 election, Musa characterised Sanusi's victory in the Supreme Council as a mark of appreciation of UMNO members for supporting Musa as the Deputy-President. In other words, had Sanusi not supported Musa, he could not have won the election.

Therefore, apparent sabotage to undermine Sanusi's position, in the 1984 contest for Deputy-Presidency, affec-

ted Musa – Mahathir relationship to a certain extent, as Sanusi was not only faithful to Mahathir but was also his architect, especially when he acted as a trouble shooter in controversial issues confronted by Mahathir.

Musa's open declaration of Abdullah Badawi as his number two and overlooking Sanusi's opportunity for contesting the position, were among the factors conducing to the resignation of Musa. Sanusi's constancy and adeptness as the Secretary General were sufficient to quell Musa's role as the Deputy-President of UMNO. Musa felt that his office as the UMNO Deputy-President had no manifest function.

Apart from the issue concerning his successor or the prospective candidate for the second most influential post in the country, Musa never impugned commendations by the press for the 2M administration. According to him it is probably coincidental the Mahathir leadership and administration was labelled as the 2M administration owing to the same initials in both their names.

It was beyond Musa's discernment that with such presumption and label, the 2M administration reflected an administration truly governed by both Mahathir and Musa. Obviously, this was unjustified because as a leader with foresight and sensitivity, Mahathir need not necessarily tolerate his leadership era to be labelled as the 2M era. As the foremost leader, he aspired to record the history of his leadership without interference or intermeddling from others.

Musa, too, perhaps was aware of Mahathir's sensitivity, but deliberately refused to detach himself from the 2M label. Consequently, all acclamations and laudations as well as the people's and press' trust on the 2M administration was another irritant factor causing a ridge in Mahathir – Musa relations.

It would not be right for Mahathir to express to the people it was inappropriate that his administration be termed as the 2M administration. Should this be the case, he would appear as an egotistical and self-seeking leader. It is more becoming if Musa discontinued the association.

Indirectly, when he kept mum, it tantamounted to his conceding that the Mahathir administration era was also his era of administration and leadership. This apparently reflected adversely on Mahathir as lacking in authority, and eclipsed Mahathir's political leadership.

Although this may seem a trifle matter, its implications are crucial in carving a leadership niche for a leader. Musa, therefore, should realise his time is yet to come. If Musa were to takeover national leadership, he certainly would reject the association of his era of administration with the name of his deputy.

If he does not want the same to occur when he assumes power, it is only proper that he acts to dissociate himself from the 2M administration label. Musa took no measures in this direction, but apparently acknowledged it, reflecting his avidity for power to administer the country, and to swoop all popularity resulting from the 2M label.

As the Prime Minister and foremost leader of the party, the people would certainly not say that without Musa, Mahathir cannot rule. On the other hand, the people can say that without Mahathir, Musa would not be able to rule. Political history and developments clearly revealed the 2M administration is not durable. It is not a combined administration and leadership.

Musa was inconsiderate towards the sensitivities of the Mahathir leadership. Prominent figures under Musa's tutelage without hesitance labelled the existing leadership as the 2M administration. When the Supreme Council decided to send a delegation to persuade Musa to reconsider his resignation, Ajib Ahmad, his former Political Secretary and a Cabinet Minister, impudently said in an interview that the responsibility of the group to London was to re-establish the 2M leadership concept.

It became obvious here that the 2M label has been reinforced and safeguarded by Musa and the people surrounding him. The many reasons contributing to the political instability, could be regarded as proof that throughout the relationship between Mahathir and Musa, Musa har-

boured a desire to replace Mahathir immediately.

However, he denied and rejected all allegations of his intention to oust Mahathir. He, too, failed to contain his impatience, while he assumed the Deputy Prime Ministership or when he only held the UMNO Deputy-Presidency. Only a few months after his official resignation, efforts were underway to form an alliance, to challenge Mahathir's posture.

His decision not to challenge Mahathir overtly, was to negate assumption that he fostered ambitions to oust Mahathir. At the same time, Musa acknowledged that without his co-operation, without a close alliance between his supporters and Razaleigh's supporters, an effective opposition could possibly not have been made by Razaleigh.

Therefore, his effort and willingness to ally with Razaleigh was a continuance of his opposition against Mahathir. If he lodged no intentions to oppose Mahathir from the outset, he should have declared his support for Mahathir, besides maintaining his position as the Deputy-President of UMNO.

Such action would have rendered Razaleigh invalid to oppose Mahathir. Musa's close aides would not have joined forces to support Razaleigh. The measure would have cleared the political climate and muddle caused prior to his resignation. Moreover, his own people could have been saved from falling victims as a result of their support for Razaleigh. The people were convinced that the Musa - Razaleigh alliance was but transient. Therefore, dragging the entire line-up of his supporters in the cabinet, was a loss to his political strategy in future. However, it was a necessary penalty, in repaying his political debt to Mahathir.

Chapter 4

PERSPECTIVE

Media: Freedom And The Law

HIS era has seen many awe-inspiring liberal policies, at the onset. His tolerance towards freedom of press and freedom of speech from those who do not see eye to eye with the government at the initial stages, motivated the emergence of a polemical 'public opinion'.

This freedom has been taken for granted by the media and those who profess to be the champions of public interests. The inclination to see the freedom era in a more liberal context, was abruptly obstructed. It was apparent then, that the liberalism intended by Mahathir was different from that perceived by those concerned. Mahathir conceives that everything has its limitation, as was evident when he defined democracy.

Democracy does not mean that everything should be beyond the control of law, the same goes for the intended liberalism. In the course of propagating public opinion for the interests of the society, there were adverse reports which could instil negative elements in the society, especially in the multiracial Malaysian society. Mahathir perceives the practice of such liberalism as something that a nation could not be proud of.

The onset of his era which seemed enthusiastic towards freedom of the press, freedom of speech, freedom of organisations representing public interests was suddenly in conflict, caused by the differences in interpretation between liberalism and freedom of the press.

Mahathir often refers to the psychology of the media, which gives priority to the attitude of popularising the western adage that 'no news is good news', which implies that if there is no news thus the situation is good. For example, for a certain period Malaysia was not the news

target of foreign reporters as everything went on smoothly. Therefore, the contradiction of the above maxim, 'bad news is good news', is good for the reporters.

When something goes wrong, then it becomes the news target. According to Mahathir, Muslims in these countries who apparently practise Islamic Fundamentalism are easily exploited by the press and others with specific interests. Aside from the purpose of international politicking, a part of the deleterious analysis originates from freedom which is glorified by the press, as is practised by the international press.

To expound its meaning, Mahathir related two incidents. One focussed on the hijack incident of a Lufthansa plane, which was eventually rescued in Africa by a West German commando team. A reputed magazine reported the rescue mission in detail, complete with illustrations of how the mission was carried out. Thus, all terrorists and hijackers now know the means to prevent rescue attempts in future.

Is it necessary for the world to know how the rescue mission was conducted? Does this magazine not realise the dangers that would be faced by hijack hostages in the future? They have overlooked all these consequences. More important to them is to project their investigation reporting capability, or their good research work. In another case where a journalist was murdered by a French terrorist and the photograph of the murdered victim was sent to a French newspaper by the killer himself. It was later published in the French tabloid stating that the killer loved publicity. The exposition of the photograph only served to achieve the killer's aim. It is, therefore, not the fault of that particular terrorist or others, if they terrorise again, for they would be assured of gaining publicity. This is another example of the misuse of press freedom without regard to the safety of the public.

This was an extract of a speech by Mahathir while officiating a seminar on 'Media and Freedom'. If one compares his view presented 10 years ago, in that seminar, with

what we actually see today under his administration, the consistency of his view on the issue of media and its freedom is evident. Unfortunately, those who discern that freedom of the press has been curbed, public opinion has been controlled and publishing being increasingly bridled, do not understand that Mahathir's thinking since a decade ago, before he took over the national leadership, is still the same.

Therefore, any form of liberal attitude at the onset of his administration is an experiment on Mahathir's part, on a certain group of the society who desires to utilise every liberal effort of the government to achieve their aims and goals. In this respect, Mahathir feels that the media too has an obligation to society.

The question of ethics has remained his long time conviction, that everything has its rights and limitations. Although there are several acts curbing the freedom of the mass media at various degrees in the country, Mahathir constantly assures the press that they would be permitted to operate freely, as long as they realise their limits and rights in carrying out their respective roles.

If the press deliberately use their rights, with the intent to undermine the government's position and the democratic policy practised in the country, then it becomes the government's responsibility to rectify the position. Mahathir feels that the press and other media should be permitted to express their views freely although the views are wrong, but freedom must be allowed with responsibility and without any impartiality.

"The press has no right to destroy the society," stressed he. An irresponsible media is a threat to the rights of a society in a democracy. If it fails to understand this, it must be rectified through a representative of the people.

In Malaysia, for example, in the context of a sensitive multiracial society, if a word uttered could create disorder, then it is an offence to allow the utterance of that word. The media, therefore, in its effort to create goodwill, should refrain from the attitude that all efforts towards this

goal could only be possessed by the media. This is to say that the government does not have the monopoly over the effort to build a society. The media, too, must bear in mind, they do not have absolute monopoly over the efforts to mould a society.

The media should be willing to accept criticisms and understand that they too are not above the law. Thus, it is unbecoming to let them elude the secret acts under the name of freedom. The government is not allowed to do what it pleases towards the society, similarly, the press too cannot do as it wishes. Although the media operates in a competitive market, to seek potential subscribers, it must function with responsibility.

The media must always bear in mind, their prime function is to the society and for the society: Therefore, there is no reason why elements arousing negative actions should be contained and not wiped out. In fact, Mahathir is of the opinion that the media can function better within the concept of a democratic and responsible society, as compared to an autocratic, communist or an extremely liberal society.

The media in a democratic society is at all times entitled to play their vital roles, including the rights to criticise the authority. The media is a communication mode between a democratic government and the people. A responsible democratic government should allow press freedom to become a tool which can assist the government.

More importantly, the media should teach and be prepared to learn from the society. But, we often come across debates on the freedom of the press by its critics. Some of the criticisms are rather precise. Criticisms against the press have existed since the existence of the press itself.

A free press, in the course of executing its function, tends to hurt the feelings of certain groups of the society. The dangers emanating from this is incurring the wrath of some of the critics who are either members of the public, or the authority, in the form of an action curbing the publishers' rights.

The publishers, on their part, view this as a growing threat nationwide, hampering the press from obtaining government information and to report critically. Those who feel that the importance of the press must be respected, must also admit the press too has its weaknesses, like the authority which has its own weaknesses.

The publishers are also on the lookout for perfection, but there is no situation where absolute perfection prevails, because the violation of ethics by an individual involves an entire workforce. Every party should admit their mistakes. They should wisely seek a solution to rectify it, and not give lame excuses or hide behind obsolete slogans.

The media today operates in an ethical situation far different and more challenging than the olden day setting. Hence, when the administrative authorities intend to outline the principles of law for the operation of a newspaper, they need to look at the surrounding environment influencing the operation of that press. Those, who at times, criticise the role of the press, forget that they too learn their mistake through the press.

Seeking a balance between the media's responsibility towards the society and the reports and articles published is a never ending process, because the balance between the objectivity of a news and its acceptance by the society as a whole is an effort which perfects the relationship between the media and the society. The idealism takes a long time to materialise. Nevertheless, the important thing for the media is the distortion of facts and prejudiced reporting by certain media staff.

There are instances where the press is not able to lessen suspicions and animosities from the government, businessmen and other members of the society with their own interests. Efforts should be undertaken to allay these anxieties.

Unfortunately, for certain publishers who practise good intentions in their endeavour to reach out as a responsible press, success is not always guaranteed. Although they openly admit their weaknesses and hope the

others, too, do the same, yet there is still a group who sees them as an influential institution sheltering under the constitution. They, thus, criticise the role of the press which tends to fog the society's mind in arriving at a conclusive assessment.

From Mahathir's assertions, it is evident that the press has a responsibility towards the society and at the same time, the press is admonished of its role. However, as a responsible press, serving the interests of the society, not self-interests, the press and publisher always attempts to balance the wants of the government with the needs of the society on the one hand, and the objective and press ethics on the other.

The publishers regard that the many subscribers of the free press still look upon them as the guarantor of their freedom. The support reveals the society's confidence on their capability and determination to perform their task well.

Many quarters who were dissatisfied with press freedom during the Mahathir era, particularly the intellects and those who publicly voiced their views, either through the printed media or talks, were apprehensive of the intended form of press and other media operations in the country by the authorities.

In any country, there is a conflict between freedom of the press and the wants of the government. In a developing country practising democracy, the administrator normally dictates the course of the society according to his will. Even though freedom of the press is said to be oppressed, there is not enough evidence to prove that the entire development and thinking of the society have been thwarted by the power, restricting various aspects and characteristics of press freedom.

Every government feels that it has an obligation to the society as a whole, than to satisfy those who seek to be the champion of press freedom. The governments of many Third World countries not only adopt an open mind towards freedom of the press, but are willing to face the

allegations from various parties of their way of administration in their own countries. However, every change that may be undertaken by the ruler is based more on the desire to guide a newly independent society, colonised thus far.

To control and manage the colonised thought, so as not to misuse the freedom accorded under a democracy, directly or indirectly, the government has to utilise its power to hinder undesirable occurrences that may be caused by a free press.

In 1986, when the Official Secrets Act Bill was passed by the House of Representatives, there arose varying opinions contending that freedom of the press would no longer exist in Malaysia. Though few years have lapsed since the bill was passed, Malaysians could still feel the freedom of the press. The Act, too, did not imply the end of democracy in this country. The government would not swerve from its decision as it aimed to maintain the harmony and goodwill of all quarters. The enactment of the bill was but a small matter to the ruler. It was blown out of proportion by some politicians who interpreted the issue in accordance with their self-interest.

Mahathir asserted that the government too understood and recognised the attitude of those who intentionally created chaos, the very same group which did not want to see the people live peacefully. They felt that every effort of the government should be opposed. As a result, said Mahathir, "Every time we make amendments or pass an act, the same group would oppose without prior evaluation of its contents. What is their stratagem but to destroy the people of this country, who are beginning to practise the concept of unity." The government gives consideration to certain matters, but at times it is annoyed with the childish attitude of this group. It is earnestly hoped that Malaysians think rationally before being instigated by them.

A study has been conducted on the pros and cons of the amendment, before it was tabled in the House of

Representatives for approval. He assured that the government would not act hastily in sentencing anyone without investigation and proving guilty those involved. This evidences that democracy still has a stronghold, as the people could still obtain information from the government.

Those who opposed the Official Secrets Act, proposed that the government enact the Freedom of Information Act, to enable certain secrets to be obtainable from the government. But the government could not accept this proposal as it was irrational to draft the enactment, if the government still possesses the right to keep secrets.

Mahathir asserted that such an enactment carries no significance if the Official Secrets Act also operates at the same time. As an example to illustrate the liberal attitude of the government, he said, "In many countries, journalists are not able to meet their Prime Minister unlike in Malaysia, and that too they have to be properly attired."

He reiterated that the act would not hamper democracy, but according to him, "Democracy would live on, they are free to say what they want. Free to make allegations and free to criticise the government. They attempt to sabotage the government's efforts to restore the economy through the press. They are still free to move about and create chaos among the people by spreading rumours that there is a confidence crisis within the government, even after the National Front won the election with a majority vote."

Mahathir deems it more important to inform the people of the actions of these people and the reasons behind it. The people should understand and not be perplexed with what they have to say. Again, the people have understood, therefore, these groups would not obtain the support in their effort to undermine the government's every endeavour.

In a speech after his victory in the 1986 General Election, he stated that in Malaysia, too, seats are won by the opposition party and there arises varied opinions from various sources which are voiced through speeches, state-

ments, manifestos and other channels. The press cannot publish everything said or declared. According to him, like it or not, the press has to select what they want to publish and what to discard.

Although in Malaysia there are several newspapers which opt to criticise the government, this is not considered by those who are discontented with the country. They turn their attention only to news supporting the government, as though a newspaper will not be a newspaper if it always supports the government.

This group would claim that the government supports the press in Malaysia. Reporters from Malaysia too defame their own government. In this regard, Mahathir is ashamed that there still exist Malaysians who maintain inferiority complex and believe every view of the westerner is right. They feel the need to be recognised by the west first, before the people of this country.

All media are controlled by certain groups. Most of the reputable international media, for instance, are controlled by the Jews who are now citizens of many western countries. They are either owners or hold important positions, including editors and journalists. As a result these press are not free, but they have to yield to Zionist interests.

It is obvious that the foreign press are more controlled by the Zionists than the Malaysian press by its government. Similarly with other newspapers, if it is not controlled by the shareholders, it would be controlled by the director, or its editors or journalists. Some are even controlled by the advertising firms. Therefore, the press, to a certain extent, has to reflect the views of these people influencing it.

The journalists and editors may feel that if they controlled the press, it would be a free press. But editors and journalists too are prejudiced in their reporting. A society which has to rely on the press for reports and articles, their freedom to evaluate a situation is deranged. For them, the press is controlled by others and they do not have the right nor power.

Even if they wrote letters to the concerned press, the probability of it being published or otherwise lies in the decision of the person who controls it. 'The New York Times' newspaper operates under the slogan "all news eligible for print". The question that arises is - are the news not published in that paper not eligible? Who decides what should and should not go on print?

Is this person truly qualified to make the decision? If it is he who determines the eligibility of news for publication, does not that mean he controls 'The New York Times'? What is the right of people like him to talk of powers of others towards any media, for he or they themselves control the said press. This was the notion of Mahathir when he said that no press is free, even in the United States.

The difference, however, lies in to what extent these powers disrupt the operation and authority of the press. The important fact is not whether a press is free or not, but if it is an effective method to derive gains. If the gain is derived by ruining the government, then the press should contribute towards this end. But before it attempts to bring the downfall of the existing government, it must ponder on the question, "Will the government which will replace it be better?"

Many times in history we find that revolutionary governments taking over the reign of a country are far worse and cruel compared to the one that fell. We should, therefore, be cautious. If we are not certain that the government which will take over is any better, then we should not defame or thwart the efforts of the existing government.

The press through its influence could make constructive criticisms. More benefits could be derived from this effort than the cynical attitude and criticising for the sake of criticising. After an election, for example, the government has to concentrate all its energy, thoughts and money to overcome critical problems. If the government's effort in this direction is obstructed by negative criticisms,

we would not achieve success. Ultimately, the people and country would face adverse consequences.

This is not a biased statement, but presentation of an actual scenario for consideration. It is an opinion sometimes frustrated with the roles of certain quarters, distorting the responsibility of the press in this country, particularly, and developing countries, generally. Those who are often carried away with the western thought of freedom of the press are not concerned with the adverse effects on their own country.

The Malaysian society is increasingly interested in the press and other media. The circulation of nearly all dailies has increased. This was also contributed by stability and economic growth. Evidently, the bigger the circulation, the more readers it has, hence the influence of the media would be more widespread. Influence is the most important tool in democracy. What becomes of a nation or country if it could be determined through the influence of the press?

In view of the influence of the press, it is crucial that the press is controlled or managed by responsible people. Here, responsible implies responsibility to the country. The press should not focus its attention on business interests to the extent of hurting the country's position. Here lies the ingenuity of a person controlling the press. Government deviations, in the interest of the country, need to be exposed but the truth of the matter should be verified, if the exposure could deteriorate the situation in the country.

An example of an irresponsible piece of news published in a daily was quoted by Mahathir, "Recently a press reported the possibility of a top ranking figure in the country retiring." The report was based on rumours that the Prime Minister was apparently going to retire on August, 28. Such reports creates strain and apprehension in the society and affects the business environment badly.

The reporting of rumours like this are economic sabotages against a country experiencing a state of economic recession. This is an irresponsible act. It shows that the

person in charge of that tabloid is not qualified to be conferred with such power and influence.

Aside from the issue of freedom of the press, for a certain time after the elections, other themes were often raised by a section of the Malaysian society. One such theme was 'deregulation'. The government was urged to refrain from imposing various rules and regulations obstructing the freedom of the people. According to Mahathir the government has no intent to impose many regulations as such impositions only burden the government further.

Unfortunately, many who were considered honest and responsible were found to be otherwise. They abused all powers vested unto them, thus causing misappropriation of the funds of banks, co-operatives, company shares, business permits, etc.

Mahathir feels it appropriate to enforce some regulations, including with regards to the press, and that it should be accepted and adapted to the situation. The potential for progress or ruin remains the choice of the people. As a leader, he is confident that no member of this society would want to witness the country going to ruins.

Unfortunately, whilst we do not desire for destruction, we do not consider the consequences of our actions. It is here the role of the press as an influential tool should be given due consideration. Would the press choose to build this nation or be preoccupied with the easiest means to increase its circulations?

Islam: An Aspired Leadership

At the onset of his leadership, Mahathir attempted to distinguish the difference in the previous leadership patterns, particularly in the efforts to emphasise the role of Islam in the administration of the country. His approaches in various Islamic activities and involvement have successfully created a new environment for the role and significance of Islam in the country.

His zealousness to witness the revival of Islam as a power, is depicted through various aspects of involvement. It either assumes the form of efforts to establish Islamic institutions or through his emphatical speeches, as a symbol of Islamic thought and concept aspired for, in the context of the people's livelihood in Malaysia.

As a leader, he is aware it is his responsibility to shape the Muslim people's character. Subsequently, he dauntlessly undertook measures to implement the policy of incorporating Islamic values in the administration. The objective of this policy and other similar policies is to produce an individual of good character and responsible to his Creator, himself, the society, nation, religion and country.

To achieve this aim, several Islamic development projects have been implemented after detailed planning under the leadership. The international Islamic University, the Islamic Bank and the Takaful company are some of the projects which took shape under him.

However, Mahathir realises the impertinence of launching various Islamic economic institutions if there is a lack of people capable of managing them. Extensive knowledge of the Islamic system or Islamic commerce alone does not guarantee the success of a business based on Islamic law, without efficient experts to run it. The Islamic Economic Institution should take appropriate steps to enhance the ability to administer, in its selection of managers.

The adeptness and sincerity of a person to ensure the

success of a business pursued through the Islamic method, upholding the rules of the principle should be given priority. There is no need for concern that those who possess little or lack Islamic knowledge would deviate, because every Islamic Economic Institution has its own regulations to monitor and advise on matters pertaining to religion.

The success of the Islamic Economic Institution, too, is significant to the growth of a country like Malaysia, where the people are interdependent with other races. The success of an Islamic Institution would provide more opportunities to the entire Muslim society to practise their confidence with greater zeal. The success of an Islamic Commercial System would also reveal to all non-Muslims the capability of Islam as the perfect religion, giving consideration to both the material and spiritual aspects.

When Mahathir mentioned the need for an efficient administration in the Islamic Commercial System, it does not mean that it was beyond public knowledge. Anyone well-versed in business would realize that the efficiency of management is the key to success. No economic system, either based on the communist or capitalist ideals, would succeed if those responsible do not manage it efficiently.

The Islamic system, a constant topic of discussion in the Islamic world and in many countries practising it, also inevitably requires an efficient administration. It is, in fact, a critical need because the Islamic Economic System although has been in existence since the time of Al-Quran was not practised thoroughly for sometime.

Only in the recent past is there an awareness on the significance of reviving commerce based on Islamic laws in many Islamic nations. Many countries have decided to adopt the system wholly, within a short period of time, but other countries have chosen to implement it in stages.

Since the assumption of national leadership, the incorporation of Islamic values has become a policy of the Mahathir leadership. The implementation of the Islamic Judicial System which includes the economic aspects is based on the Muslim society's ability to practise it, as is the

case in this country. The successful venture of the Islamic Bank is proof of the effectiveness of its implementation, in the context of the country's economy today. However, it does not imply that all Islamic Economic Institutions launched would automatically become successful, as in the case of the Islamic Bank.

It is, therefore, Mahathir's hope that any endeavour undertaken even in answering the calls and challenges Islamic in nature, should be scrutinised to ensure its durability against failure and not be subject to mockery. Although the government's intentions are sincere in the implementation of anything based on the Islamic principles, nevertheless, implementation should not be carried out due to pressure from certain groups who would not assume responsibility to execute it once it is approved.

As a thinker, Mahathir knows that Islam calls on the Muslims to discard ignorance and fear in whatever undertaking, especially in seeking knowledge because the Al-Quran states that man should quest for knowledge. According to Mahathir, the Muslim failure in the aspect of science and technology is due to their incompetence to follow the commands of religion, causing undue weaknesses that the Muslims today have to rely on their enemies and others not in favour of Muslims.

Therefore, he feels it is time for everyone to use the Al-Quran as a guide and not merely for religious purposes. The weaknesses and failure of the Muslims in certain fields are not due to the debility of Islam but stems from the backwardness and frailty of the Muslims themselves for failing to comprehend the true and balanced teachings of Islam.

He chides Muslims who preach that knowledge should not be gained for the sake of knowledge. They criticise this approach as a western secularistic approach. But have we not seen that knowledge gained without any definite intention, has proved useful ultimately. Normally, the knowledge discovered by scientists has no value for scientists themselves, but others could find the knowledge useful. If

knowlege is misused, it is not the fault of the knowledge itself but the person who utilises it wrongfully.

It, therefore, is inaccurate to blame knowledge or isolate oneself from it. Discoveries by Western scientists assist in making these countries rich and powerful. Today, Muslims have to pay a high price for products resulting from these discoveries, especially in defence. Due to this state of affairs, the Muslims have to depend totally on what is termed the western technology.

Thus, the Muslims are incapable of acting against them. They are far too advanced, that their knowledge control or at least, influence every aspect of Muslim life. The food taken by Muslims is produced with their fertilizer, again produced by them and is transported and cooked with the utensils they design.

Energy and electricity are also the fruits of their discovery. Similarly, the movement from one place to another in vehicles with various engine systems are designed by them. The most disheartening fact, according to Mahathir, is the Muslims' inability to repair and maintain the gadgets. Muslims are in need of these gadgets, and when the need increases, the Muslim dependence upon the Westerners becomes greater.

Muslims can condemn and accuse them for abusing the power they acquire from the mastery of science and technology, but the Muslims too have to rely on them. Muslims are still preoccupied with debating what is secular and what is not, in discussions conducted in conference halls beautifully constructed, furnished with air-conditioning and brightly lit-up, complete with good audio equipment for sound effects.

In the name of Islam, Mahathir urges them to stop the unbeneficial polemics, and place more emphasis on fields of research with the goal to pursue knowledge. If Muslims find it contradictory, for example, Darwins's teory of evolution, they could disregard it and accept those parallel to the teachings of Islam.

The continued world recession and uncertainty of the

political course, in addition to the drug problem, unemployment, low commodity prices, the fall in oil prices, the heightening of protectionism and the debt problem affect the Muslims. Therefore, co-operation among Muslim countries in the pursuance of scientific and technological expertise has become more important and needs immediate attention.

Muslims should step up efforts to heighten co-operation in science and technology to reduce costs and share its benefits. Within the Islamic work context, Mahathir maintains it is appropriate for Muslims to evaluate and review their capability and identify their weaknesses. Obviously this includes the lack of knowledge in scientific and technological application.

The Muslims' attitudes towards science is wrong. They regard anything alien as dangerous, and therefore are fearful of applying it. Muslims consider the research in the scientific field as anti-religious. As a result, Muslims themselves could not utilise science in their daily life. This misinterpretation has to be eliminated if Muslims are to enjoy the advantages of science. The important factor is not the application of science but our purpose of applying it.

Most Muslims are aware of the glory of the Islamic world's achievement in the scientific and technological fields in the past, and the need to foster an Islamic culture incorporating the spiritual and moral values of universal Islam.

He believes the enhancement of co-operation in science and technology would contribute greatly towards the efforts to solve problems encountered by Muslims and the Islamic world.

Mahathir believes conviction is an important feature in implementation and is a necessary trait for all. According to him conviction is crucial for Muslims in the country. Therefore, everyone should endeavour towards the formation of a resolute society. Through conviction, Islam would be exalted and respected, and accepted by the

entire society. Islam requires a resolute leader and administrator because the objective of a society in the country is to ensure harmony, justice, and peace. If however, the leader and administrator of a country do not possess resoluteness and conviction in upholding truth, responsibility and the duty he shoulders, then the entire society would crumble.

Corruption, favouritism, alcoholism and drug addiction are major characteristics depicting an irresolute personality, unable to withstand challenges in the course of executing one's duties. A society and country governed and administered by weak personalities would encounter calamities and eventually lose the nation's, religion's and country's honour.

It is, therefore, Mahathir's aspiration that every administrator and person in this country experience once more the firm characteristics moulded by Islam. Although in the course of executing this resolution, we have to confront impediments, obstructions and criticisms, nevertheless it has to be achieved with zeal and surrendering with wholehearted faithfulness to Allah, as the One who protects and ensures peace on the righteous.

As a leader responsible for the growth of Islam, Mahathir realises the challenges faced by Muslims in the country or at the international level. There are pressing challenges, whereby the weaknesses of the Muslims today are exploited by certain quarters scheming to cause a rift among the Muslim community and undermine their stability.

Their contrivance is becoming an increasingly easy task because most Islamic countries depend heavily on countries which have enemies to Islam. Developing Muslim nations are also their targets. They, indirectly instigate the people in these countries to threaten stability, which guarantees progress and defence of the country. Muslims have been exploited unaware, thus the enemies of Islam succeeded in achieving their goal.

Igniting conflict among the Muslims is among the

tactics adopted by the enemies of Islam, because the Muslim society today, according to Mahathir, has become the focus of attention. Despite the fact that they live in differing climates, practise different customs and political systems, are majorities and minorities speaking different languages, the Muslims of the world have maintained a meaningful bond. The magnificence of this tie has attracted the focus of many quarters for various reasons.

The revival of Islam and its dynamism, and its principles of evolution of late, has stirred widespread interests, especially in the west. The inquisitive learned and scholars in this modern world, should understand the reasons for fortitude and piety towards Islam. Unfortunately, most publications printed in non-Islamic countries, especially of the west tend to give a distorted view and most often a false impression of Islam and Islamic teachings.

In one of his opinions on the revival of Islam, breaking away from the grasp of western imperialisme in the 50s and 60s, Mahathir found a delirious competition among the Islamic countries to copy everything west. They then, blamed Islam for all failures and miseries. They regard modernisation and material development as the panacea to all problems faced.

The awe they hold for the practice of separating the church from the ruler, saw their attempt to implement the system in their own society. Western secular concepts and contradicting religions and ideologies were accepted with open hearts.

In politics, western ideology further perplexed Muslims, where Islam was compared to various western political ideologies. Consequently, a number of people would say that Islam is socialism, in fact genuine socialism, while others would debate that Islam accepts the placement of certain groups of people above others, therefore the concept of capitalism is also appropriated with Islam.

Although there is some truth in both allegations, the similarities that are purely incidental do not mean that the assumption of the identity is true. In actual fact, Islam is a

unique religion encompassing everything, a way of life focussing on righteousness and its Creator. Fortunately, many Muslims have begun to realise that the religion bears no characteristics to socialism, capitalism or communism. Islam is the religion of Allah and not an ideology or figment of man's thoughts.

Although there are various similarities, it is but coincidental and not a basic characteristic. With this awareness, Islam regained its position and the Muslims have an identity. The time has come for the Muslims to contribute for the good of Muslims, and also for the world divided by various confusing systems and ideologies. As Islam does not oppress, it is not a religion of the 17th century. It is a religion of all times, making life meaningful in a more balanced and peaceful society.

If Islam reveals such characteristics, it is because the Muslims themselves are in a state of perplexity and interpret Islam for their own interests. Mahathir feels these are among the factors for the emergence of conservatives and modernists disputing among themselves. Their differences envelope all human activites, namely, law, politics, religion, social and personal. These differences need to be overcome, but could only be done in a situation open to solutions.

Open discussions on religious issues should be allowed but this freedom cannot be abused. Extremists or fanatics in any form has to be rejected absolutely. The answers for differences between the conservatives and modernists lie in the middle and have to be found. The instigators and inciters are the trouble-makers and have to be opposed. Fanatical teachings in one course, would ultimately induce a fanatical group to follow another. When both parties become extremely fanatical groups disputing with one another, it is only a matter of time when the verbal dispute turns into physical violence.

To him, if there exist differences in opinion and in interpretation, this does not imply that one is right and the other wrong. The two could possibly be right or both

wrong. The important point is that each side should learn to analyse and interpret sincerely without prejudice or self-interest at heart.

The existence of two just and honest views to an important issue is proof that the truthfulness of the matter lies in the centre. Islam upholds the principle of respecting other people's rights to have different opinion. Muslims can only reject them when these fundamental teachings are truly wrong.

If then, Muslims preceded in all fields of knowledge, today they are the most backward in all aspects of arts and science. The money allocated for the pursuit of knowledge is too small in comparison to the large amount spent on the construction of magnificent buildings. More time and study as well as discussions have been focussed on the issue of covering women's heads compared to constructive issues concerning the capability to protect Islam and Muslims from its enemies. As a result, many Muslims are deluded towards Islam. Many choose Marxism or become atheist in their frustration. Many others submit to the rule of those aspiring to sunder Muslims and their belief.

The advancement in communications has brought Muslims closer. They are now more capable of co-operating with one another and to unite. But, they waste their time disputing their differences every time they meet. Despite the fact of the existence of the conservatives and modernists, they now attempt to separate the secular groups from the spiritual groups which apparently are the real Muslims. The differences between the various sects are now definitely wider.

As is expected, they become more disunited, thus facilitating the task of those intending to sunder and destroy Islam. Mahathir's view and approaches towards Islam, as depicted through the incorporation of Islamic values, is based on the concept of the universality of Islam, which concentrates on more significant issues concerning the honour of the entire Muslim populations, departing from the trifle matters which are championed by certain Islamic

groups.

Mahathir proposes that wise approaches are made to realise Islam as a way of life, without falling into the clutches of narrow views. He wants all parties to bravely face reality and admit their mistkes, and take steps to rectify them.

Muslims must work sincerely to regain the essence of Islam, which has given them inspiration, in order that they not only succeed in the propagation of the Islamic teachings but also in reviving the glory of Islam in all successful ventures. Therefore, it is important for Muslims today to be responsible people to ensure the existence of Islam for the next generation. Approaches in this direction should be undertaken wisely to help realise, unite and develop Muslims in this country to preserve their religion and themselves.

Drugs: Cause Of Suffering

In Malaysia, drugs or 'dadah' carries the same meaning as filth. It is a psychological emphasis in the effort to eradicate drug addiction, particularly among the youth population in the country. Numerous propaganda, measures and laws have been formulated to curb the contagion of the disease in the Malaysian society. In spite of countless efforts to eliminate it, it still remains a nagging negative element in society. One of the measures taken to reduce drug abuse among the youth is the enforcement of stringent laws.

Malaysia, as the transit state in the passage of drugs to countries of their intended sale, inevitably bears the serious implications from drug syndicates who use Malaysia as the passage for their trade. The word 'dadah' is often associated with the noose and the dangers it carries.

The Malaysian society and the government are aware of the seriousness of the *dadah* menace, which resulted in several controversial issues in the implementation of laws, including the amendment of certain acts enabling the prosecution of anyone involved in drug trafficking and addiction. Nonetheless, this would be a continued effort for it is impossible to eliminate within a limited time frame. The problem is aggravated further by the covertness of the smuggling and addiction activities, making it difficult to identify not only addicts but also drug pushers responsible for creating a 'sick' society.

In Malaysia, the sufferings resulting from drug abuse are innumerable and drug abuse has become a common phenomenon. Lamentations of grieved parents whose children are involved in drug addiction are heard everywhere. There are those who are left frustrated when they discover too late their children's addiction, to rectify it. Some only realised the direct involvement of their family members, in the destruction of the society through drug abuse, when imprisonment or death sentences are passed.

Television and other media advertisements are a

continued source of emphasis and discussion on the evils of *dadah*. They act as a continuous reminder to Malaysians that the laws of the country will not be lenient on those involved in drug trafficking. Even tourists to Malaysia are warned of the dangers of *dadah*, before they enter the country, and its consequences if they attempted to bring drug in.

All measures and efforts to eradicate drug abuse are still regarded a heavy responsibility in the effective achievement of the goal. Government agencies and volunteer organisations such as PEMADAM still have room and opportunities to play more effective roles, with more practical strategies to solve this problem.

China's experience during the Opium War is an indisputable lesson from history. Malaysia is confronted with the same problem, with a total population of only 15 million people but the number of drug addicts account for half a million people. This is not an insignificant figure and may have adverse effects on the long term development of the country. This becomes more apparent in view of the high percentage of youths, who would inherit the future leadership of the country, involved in drug addiction. Feeble citizens possessed by drug addiction can never contribute to a strong, stable country.

Therefore, the government is always on the lookout for efforts to eliminate the menace. It is a serious and continuous effort not only within the country, but also through co-ordination with international organisations and agencies, especially the United Nations.

Malaysia's involvement under the Mahathir leadership has aroused a new vigour and readiness to contain the drug menace at the international level together. In Malaysia, her earnest involvement is well depicted in the enactment of numerous laws, in regard of the importance of a healthy and cheerful environment necessary to mould the younger generation's future, which also possesses the potential to contribute to the country's advancement.

However, at present, efforts to eliminate this activity

lay more emphasis on prosecuting the drug pushers and the amendment of laws enable the confiscation of the property of those involved in such cases. The enforcement of ceaseless laws, evoked controversies of the possibility of misapplication of several aspects of the legislative by the authorities.

Nevertheless, thus far the enforcement of laws on *dadah* still maintains the attributes of justice and humanity without prosecuting the innocent. Besides the strict legislative moves, other measures from the social aspect, such as introducing more extra-curricular activities after school or office hours to encourage youths to involve themselves in sports, have been introduced.

Various forms of examinations on individuals suspected of drug addiction are carried out from time to time. The government went a step further by imposing a regulation requiring its employees to undergo urine tests to ascertain their non-involvement in drug abuse. Schools are also expected to impose the law to detect drug addiction among students.

Research by experts in this field revealed that the increase in the number of drug addicts is a result of stimulation from the addicts themselves. Drug pushers, as compared to addicts, are not able to influence or convince anyone into drug addiction for fear of losing their cover. Drug addicts, on the other hand, are surrounded by their friends who are drawn into addiction through persuasion, intermingling and the desire to try drugs themselves.

Meanwhile, for the drug addicts, it is not only an effort to increase their circle of friends with the same interest but also their duty to influence others into addiction. This is a means adopted by the drug pushers to boost their business. And, addicts who introduce 'new clients' or are able to persuade their friends into addiction would receive a commission for the job. They would either be paid in cash or in the form of drugs.

This is the reality and evidently, the cause of a progressive increase in the number of youths falling into the

pitfall of *dadah*. It is friends who are drug addicts, more than drug traffickers themselves, who play a bigger role in introducing the habit to others in their peer group. Therefore, the elimination of drug addiction programs should focus their aim on segregating the drug addicts from the society and not merely on efforts to rehabilitate them. Though this is an impossible feat to segregate hundreds of thousands of drug addicts from the society, at least an effort in this direction should be undertaken, for example, conducting thorough medical examinations from time to time to decrease addiction and to curb it from spreading.

In terms of strict legislation in Malaysia, besides the mandatory death by hanging sentence passed on traffickers of dangerous drugs exceeding the minimum amount, a Dangerous Drugs Bill (Confiscation of Property, 1987) is another attempt by Malaysia to check drug abuse. The Bill has been enforced in the United States, Britain and France. The Prime Minister while announcing it, said that the government introduced the Bill to prevent the families of drug traffickers from enjoying the profits he gained from such dealings.

According to Mahathir, Malaysia would continue her efforts to fight the drug menace in the nation and at international forums, including the United Nations. Increasing world support to rid the problem was revealed at the International Conference on Drug Abuse and Drug Trafficking held in Vienna in June, 1987. At the conference, Malaysia received overwhelming support of all the 138 participating countries, and it was a significant step in the combat against drug abuse and trafficking.

Based on several guidelines mutually agreed upon during the conference, Mahathir believes the world would see closer co-operation to fight dadah and it is a concerted effort to assist all countries including Malaysia in the elimination of drug trafficking. Many countries have followed in Malaysia's example imposing the death penalty on drug traffickers, including Thailand, Sri Lanka, Mauritius and Brunei.

At the conference, many countries expressed their support for the death penalty but could not enforce it in their countries due to public opposition. They, however, saluted Malaysia for her firm stand in this matter. Mahathir, while defending Malaysia's death penalty on the drug traffickers, asserted that the measure was to discourage them from setting foot in this country.

The measure is expected to reduce the amount of drugs brought into Malaysia. He averred that no one has the right to dictate or question an independent country's prerogative in determining the penalty it deems necessary to fight drug abuse and trafficking.

Malaysia's firm stand in executing the penalty, often becomes world news with varied interpretations, yet the Mahathir leadership maintains that Malaysia would not compromise on the matter or tolerate the criminals. In the controversy surrounding the death penalty passed on two Australians, again Malaysia became the focus of views from the western world. Countries not in agreement with the decision criticised Malaysia to rescind the sentence on the two Australians found guilty by the Malaysian court.

Appeals from the British and Australian Prime Ministers were made to Mahathir to reduce the sentence to life imprisonment. Mahathir, as a leader, firm in his decision and uncompromising in the execution of the law, could not comply with their appeal. Despite the negative reaction to the penalty imposed on drug traffickers, on the whole, Malaysia's resoluteness was applauded by the outside world.

Malaysia again became the target of adverse publicity, especially in the New Zealand media when a mother and son team were charged with the drug trafficking offence. Since the Malaysian government assumed an unwavering stand in managing the drug problem, it would not yield to any reports made in the western media contriving to tarnish Malaysia's image as a country practising 'barbarous' laws.

Western journalists from irresponsible media not only

failed to understand the motives of the strict law, but refused to understand Malaysia's predicament. They immediately resorted to biased publicity when reporting on the death penalty in Malaysia, more so if it involved citizens of their country. The western media is always attempting to project that Malaysian laws are cruel when prosecuting cases involving Europeans. The fact that Malaysians too are subjected to the same penalty is concealed from their media reports. It is an ill tendency practised by western journalists who write reports with ulterior motives.

Malaysia and her people ask for nothing more, from developed nations, than a little respect for our prerogative to exercise the rule of law in our own country. If a Malaysian citizen is accused and charged in New Zealand, Australia or in Europe, for that matter, the government would not hastily appeal on behalf of the defendant, as a sign of respect for the rule of law in the country. The behaviour of certain individuals, from apparently civilized or more civilized countries, do not meet our expectations.

The enforcement of strict laws in Malaysia are not done rashly. Every person charged in court has the right to defence by law. The involvement of volunteer bodies and agencies under the sponsorship of the government and private sector are additional efforts in the Malaysian government's attempt to erase the evils of dadah addiction.

Non-government organisations like PEMADAM, functions at a lower level contributing effectively in the combat against dadah. It functions on its own or with other government agencies. PEMADAM's role, with government agencies or other bodies, has proven effective especially in the dissemination of information on the evils of dadah to the society as a whole and individuals.

As a result of the Malaysian government and people's earnest effort to fight drug addiction and her firmness in implementing the laws, Malaysia was given the honour when Mahathir was elected as the President of the International Conference on Drug Abuse and Illegal Trafficking (ICDAIT) held in Vienna, Austria for 10 days.

The appointment was a great honour not only for Mahathir personally, but also signified open acknowledgement for the firm moves taken by Malaysia in her effort to combat dadah.

In spite of criticisms like "Malaysia is a cruel, inhumane and uncivilized country" which emerged when westerners are found guilty and sentenced to death, yet the appointment proved that Mahathir is getting international recognition. It was a personal victory to his conviction to purpose and commitment to overcome the drug problem, and converting the problem into an international issue and campaign for total co-ordination, to curb it from spreading.

Although several conventions and seminars preceded this conference, no continued resolute action was taken to involve the whole wide world, to acknowledge the threat of *dadah* to the political and economic stability of a country.

Mahathir aspired for political willingness at the top leadership level of every participating nation, particularly and other countries, generally, as an effort to involve the ultimate power in determining the course of law, to curb the drug problem in each country, in order to establish a new and better world for generations to come. The conference held in Vienna with the theme 'yes to life no to drugs' is a hope to make the world free from drugs a reality.

Mahathir believed that all these aspirations would be realised if there was political willingness and involvement at the top most level to encounter all challenges, inherent in the efforts to fight the menace together. The government and authorities involved in the endeavour should demonstrate and reveal a continued commitment to eliminate dadah criminals.

He emphasised the seriousness of the problem at the international level and has urged for an effective campaign by all concerned, otherwise any international effort would fail. International involvement does not only signify the readiness to co-operate but is also a reminder of the moral obligation of every country, and a forceful message to drug

traffickers, that their activities would not be operative without opposition, for which they will have to pay heavily.

He further claimed that allegations against the United Nations that it does not organise adequate programmes to eradicate drug abuse were untrue. The United Nations has continually undertaken efforts to curb the problem, previously undertaken by the League of Nations. The Narcotics Convention of 1961 was, in fact, passed under the auspices of the United Nations. On the other hand, insincere efforts and politically ambiguous actions in many producer countries, transit countries and user countries contributed to the prevalence of illegal drug abuse and trafficking.

The trade of illegal drugs world wide is unofficially estimated at 300 billion dollars. A tremendous sum! Meanwhile, the United Nations could only allocate several million dollars for the task of eradicating the problem. This is yardstick revealing insufficient commitment. According to Mahathir, this commitment may denote differences in perception or interpretation. Some user country governments regard the addiction and abuse of drugs as a social deviation similar to the habit of smoking or alchoholism.

This dilemma is more apparent in many producer countries. Social restructuring is a sensitive and immense problem in view of the historical and cultural background of drug production. Thus, efforts towards erasing drug production, considered by many village people and hill tribes as a source of income, would become a challenging task for producer country governments.

The problem for transit countries, however, lies in how to obstruct the huge inflow of drugs, resulting from the lucrative profits of trafficking. Equally important is the problem of how to prevent drug addiction and relocate the addicts, either due to the remnant supply of *dadah* unsold as a result of the clean-up campaign in user countries or due to demand among local addicts.

Therefore, in some countries like Latin America, North America and Southeast Asia, the drug problem has

become a threat to security, with effects detrimental to the country's ability to survive independently and uphold national integrity.

On these grounds, Mahathir was of the opinion that the conference in Vienna need not deliberate on programme or implementation proposals, which is the task of qualified technical bodies such as the Commission on Narcotics, the International Narcotics Control Board and the United Nations Fund for the prevention of Drug Abuse, and other United Nations agencies such as the World Health Organisation, International Labour Organisation, the United Nations Educational, Scientific and Cultural Organisation, and other qualified non-government organisations.

The conference should focus on the declaration of political force to act effectively against the drug problem. Expounding on the declaration, Mahathir deems it necessary to meet again, to hold inter-regional conferences of experts and policy makers, with the assistance of the United Nations, to study in depth every aspect of the drug problem. It should not end with the conclusion of the conference.

These meetings should be charged with the vigour to carry out campaigns on drugs at the regional and national levels. Every participant returning home from the conference must not assume, "drug addiction only happens to other people's children and not our children and that the source of the problem is in a far away land and not our own. The battle field to combat drugs is in every individual's family, every society and every nation."

Mahathir maintains that the war against drugs at the international level would not succeed if nations do not fight it dauntlessly, following the conference. He considers the struggle against drugs as the struggle of the heart and soul of every individual, every nation and the whole world. The proliferation of the drug problem internationally is caused by the failure to educate the people on the evils and consequences of drug abuse. "This fight cannot retreat even a

step backward, so long as we do not succeed in awakening the realisation that drug is a killer and destroys the human society."

He fervently hopes that the great achievements in science would produce changes in the relationship between man and his environment. It is also a test to the strict norms and values held by man in executing his responsibility to progress and beneficial to mankind. Man's ability today, namely, mining in the ocean, landing on moon and transmitting electronic signals and laser rays directly through air and travelling in space, is illustration of his ingenuity bestowed by God. Therefore, it is hoped that the brighter future ahead would not be destroyed by admitting defeat to drug abuse.

It is the vital task of all concerned to solve the problem. It is indisputable that the International Conference on Drug Abuse and Illegal Trafficking has attracted the world's attention towards the establishment of international co-operation to fight the threat. It is a contribution of the international community in combating the drug menace threatening the future of mankind.

The conference successfully reached a consensus in determining the course of further actions, and has given an opportunity to every representative country to know the seriousness of the drug problem faced by other countries and to seek proper channels to co-operate in resolving it. Although success is not in sight yet and requires commitment, political will and mutual action, nevertheless the conference has placed Malaysia as one of the foremost countries responsible directly in the effort to eradicate the drug threat.

The forum has projected Mahathir as a leader committed to the elimination of the evils of drugs. Therefore, the actions he undertook under his jurisdiction in executing heavy penalties against drug traffickers clearly depicts that it is not exercised on his own initiative. But, it is embodied in elements of conviction to opinion accepted and agreed by every one who realises the real consequences of the evils of *dadah*.

Allegations

Since assuming the national leadership, Mahathir has been the constant target of critics, hurling allegations against him or his policies. Like many leaders elsewhere, today or ages ago, these allegations are habitual and inevitable.

This is more evident in a society which selects a leader based on democracy. There would certainly be a dissatisfied group attempting to create a situation detrimental to the leadership. Every issue raised as an allegation against Mahathir is a challenge he has to encounter unrelentlessly. His dauntless attitude towards allegations, which sometimes holds no ground, is amazing.

In the nine years since he took over national leadership, numerous allegations were hurled at him, constraining the execution of his administrative function, and he has to vindicate the allegations to maintain uprightness.

It was unfortunate for Mahathir to face the allegations at a time he was at the pinnacle of the leadership. It was a test of his courage to shoulder the responsibility as the leader of the country.

Should he be susceptible to the allegations, by demented critics, he could not administer confidently and encounter obstacles effectively.

Allegations against leaders are a natural phenomenon, unavoidable in the society of man, as each and every individual possesses his own views and opinions. Therefore, it is difficult for a leader to fulfil the hopes and aspirations of all members of his society.

History has not been successful in producing a leader totally accepted by the entire society around him at any one time or place. Thus, every individual aspiring for leadership should be ready to face the risks threatening his peace of mind. There should exist the capability to ward off emotional assaults from the enemy, harnessing self-interest in such actions.

Leadership fortitude is vital in every attitude and

measure taken by a leader, whether in the context of policies to be implemented or from the philosophical or moral angle and should be based on strong grounds, to enable the leader to meet these allegations and criticisms, by those bearing differing opinions.

The aptness of a leader lies in the realisation of all hopes and dreams. The achievement and victory of his efforts in this direction in itself would corrode the critics or allegations.

A weak leader who easily succumbs to threats and pusillanimous of facing challenges and allegations would not reign long. As a matter of fact, a leader attempting to elude the allegations is no different from one avoiding the execution of his responsibilities.

In this regard, Mahathir, prior to assuming the Prime Ministership, was a leader much admired by many quarters within UMNO. His re-emergence in the political arena of the country, after a period of banishment, to hold the post of a minister and later as the Deputy Prime Minister, was the duration of his leadership without any opposition or criticisms, unlike today. Contrary to it, throughout that time, he received encouraging support inspiring him to lead the people more confidently.

On the other hand, soon after he assumed the national leadership, all his actions were acutely criticised, without any foundation, and these allegations acted to undermine his will to lead. Nevertheless, as a person armed with resilience, Mahathir dealt with all challenges boldly, and surrendered to the Almighty God for justice against the allegations.

Mahathir portrays a frankness of attitude. He has said that support for a certain matter should not be given merely because he supports it, likewise an issue need not be opposed for the sake of opposing. An open, rational and impartial attitude is more important in evaluating a matter. This is the only means by which an equitable society and leadership system could be formed. But, if a criticism was made based on emotion or out of dislike for a

person, although it is true, the attitude would hamper the progress of an individual or a society.

Truth should exceed all boundaries, and it should stand by itself. Truth could come from anywhere and anyone, either the leader or opponent. More important is the capability to analyse.

From the political viewpoint, allegations hurled at him were aimed at debilitating his leadership structure. It is also the ultimate effort of his rivals, who are void of rational thought or political strategies, in their attempt to sieze power from Mahathir.

His opponents from the rival political groups infer that personal allegations would tarnish Mahathir's image among his supporters.

Allegations by his critics, especially political figures who have worked together with Mahathir in the party, is a desperate move signifying their sordid and irresponsible attitude towards their statements.

Their approach clearly does not help to lead or teach the society. It, instead, reveals the degrading leadership form and pattern that would be pursued by them, should they assume power. The methods they employed to seek power predicts a situation far more complex and emotional, if they took over power.

At one time, he was accused as one of the richest leaders in the world. Strangely, this allegation became so popular among certain sections of the society, due to the astuteness of those who created and propagated the allegation. Finally, Mahathir had to appear in public to deny the allegation. The allegation could have been considered more logical if Mahahtir was alleged to be the richest man in Malaysia, although he was never categorised under that group in his own country. But, to allege that he is one of the richest leaders in the world, only reveals the incapacity of thought and strategy of these critics.

These allegations only resulted in polemics based on trifle issues, and yields no benefit to the society. According to Mahathir such allegations were stimulated by certain

discontented people or groups failing to fulfil their desire or intending to overthrow him. The allegation had political motives, associated with his position as Prime Minister.

One way to ruin someone is by pinning the corruption label on him. So, anything that occurs accidentally would be interpreted as corruption. He was even labelled, at one time, as an ultra although he never was an extremist, and everyone influenced by this allegation considered his every move as extreme. This was one of the tactics utilized by his political enemies concerned at the possibility of his emergence as the leader. Unfortunately, their efforts failed to inhibit his achievement today. Therefore, other manoeuvres were neccessary to retard and topple his leadership.

He felt that the main objective of these quarters is to ruin him, because if he failed, the party too would fall. Many consider the General Elections as an opportunity to vent their frustration on his leadership. The easiest way is to attain their objective is to accuse him of being involved in corruption. These allegations are most effective and easily popularised, and more often than not, requires no concrete evidence to substantiate it, because it is the majority public assumption that power and corruption go hand in hand.

Mahathir maintains he would continue with his duties as long as he has a clear conscience, free from the involvement of criminal acts. He asserts, "I will continue to execute my duties until I am debilitated or when the people do not want me any longer."

In an interview, Mahathir stated his desire to create an effective government. Therefore, when a directive is issued by the government or himself, he would follow-up the developments by requesting a report from all government officers on the progress of the directive. These officers were fully aware that if they did not function accordingly, they would be questioned. Therefore, whenever there was a directive from him or the government, they would act immediately. In fact, whenever he visited a place, all roads to the place would be repaired.

This is not what he expects, but this is what happens. In this regard, he realises there are certain groups in the government, who for want of an effective reaction to a directive would say, "This is the Prime Minister's order," it could be true and perhaps not. But, by saying it was the Prime Minister's order, a work is done faster. Yet, many people complain against the government, "Why are these officers not doing their jobs?" and normally, if he receives the complaint he would personally refer to the said officer, who would have to provide an explanation.

It is common knowledge that fast action is taken if the directive comes from the Prime Minister. Consequently, others requiring effective action would also say, "These orders are from the Prime Minister."

Sometimes, a particular person would say that he has seen the Prime Minister and the directive would seem to have come from Mahathir himself. If the person concerned is a businessman with the motive of tarnishing his leadership image, therefore he could say that Mahathir had demanded a commission.

These criticisms, allegations and rumours are propagated in an effort to defame Mahathir's leadership and arouse apprehension among the people. It is prevalent not only in this country but also planned by those disappointed with his achievements. His enemies are constantly manoeuvering to topple his leadership.

During the intensive campaigning for the 1987 party elections, several quarters stated that Mahathir would resign if he failed to obtain a satisfactory number of votes, regardless of the democratic process and not understanding that Mahathir is a democratic leader. They deliberately raised the issue to gain victory for their side. Nevertheless, Mahathir has always succeeded in subduing such attacks or allegations.

In a statement, he said, "Some people say I would resign if I win the party Presidency with a majority of 55-45% or 51-49%, but even if I win with a mojority of one vote, I would still continue to hold the post." According to

him, election campaigns should be based on the service record of a candidate. Calumnies should not be resorted to against the opponent.

There are allegations against him, depicting his capability as an influential figure or "superman". For example, when the price of several major Malaysian commodities dropped in the international market, certain groups stated that Mahathir was responsible for the fall in prices. This apparently shows that Mahathir is a rather powerful and influential leader, able to determine the price of a commodity in the international market.

Although the allegations are unacceptable by a rational mind, yet there are some who are influenced and continue with such propaganda, unashamed of their ignorance to analyse the factors causing fluctuations in the international market value system.

Some claim that the fall in raw material prices of the country is due to his firm stand adopted through the National Foreign Policy against the Zionists, without prior consideration that the price of our commodities may never rise, even if Malaysia establishes good relations with the Zionists.

The Malaysian – Zionist dispute has no connection with the price fluctuation of a commodity in the international market. The price fall of commodities affected not only Malaysia but also other raw material producer countries, such as petroleum, palm oil, rubber and tin.

When, one day, the price of these commodities rise, how would these people react to Mahathir for succeeding to raise the prices in the international market. Or, perhaps, they would shift their focus to a different allegation.

Allegations and sabotages during the Mahathir era is not only predominant among the politicians opposing him but also among self-interest groups overseas. For example, Mahathir is always the target of the foreign media controlled by huge press firms in the west like the BBC (British Broadcasting Corporation), who tend to melodramatize political developments in Malaysia with the sole aim

of defaming the Mahathir leadership.

It was believed the act of sabotages and allegations by the foreign media, especially the western media, was not based on true observation. It was distorted with false information by those with vested interests, ignoring the consequences of their action on their country's image overseas. To achieve their political goals and other interests they were willing to resort to all forms of propaganda and sabotage at the international level.

A BBC report was aired on May 4, 1988, on the detention of several people threatening the security of the country, under the Internal Security Act. The report only telecasted two minutes of the 45-minute interview between Mahathir and their representative. However, BBC allocated 18 minutes to Mahathir's political opponents in the programme.

An international magazine, the Far Eastern Economic Review (FEER) published an article to slander Mahathir. It reported that Mahathir, apparently, held negotiations with the Sultan of Brunei to sell Limbang, a territory in Sarawak, to the Brunei government. Although the news is absurd, the magazine, claiming to have reputed writers, published it as a news item. The news, besides aiming to tarnish Mahathir's image, aroused strong reaction among Malaysians who were unhappy with the unfounded propaganda and sabotages, furthermore, when it was published in an international weekly magazine.

The untruth of the news was later unravelled, and the FEER apologised and retracted their report. Even though they realised that it is not logical for a country to give away even an inch of its land to a foreign country, except in the case where the country is really weak to defend itself, nevertheless, such news is becoming a new phenomenon in the Mahathir leadership era, intentionally created and distorted by the foreign media, influenced by the western countries.

Apart from FEER, the Asian Wall Street Journal also often misrepresents the country's administration. The

newspaper, based in Hong Kong, often publishes criticisms without substantial evidence. In an article published by the newspaper, it accused the Finance Minister, Daim Zainuddin, of transacting a questionable deal in the purchase of United Malayan Banking Corporation (UMBC) shares. The article was published simultaneously with the World Bank and ADB Conference with the intent to disgrace the honour of a leader of the country and instil an adverse perception of Malaysia among the participants.

While commenting on the article, Mahathir stated that he could not do anything as the Wall Street Journal possesses the right to publish it, despite its untruthfulness. In view of this, Mahathir has asked the Japanese press and investors to disregard the malicious reports by the western agencies and press, to tarnish Malaysia's image in world view.

According to Mahathir, the time has come to make Japan realise the reliability of the western news agencies and, to obtain an accurate insight into Malaysia directly by appointing their own correspondent in the country. He asserted, "We do not say that we are completely free from problems, in a multiracial and multireligious society. I can boldly state that only a miracle could free us from problems."

However, according to him, compared to other countries, it is justifiable to say that Malaysia is far more stable and democratic.

When he met the Japanese and Malaysian delegates attending the 11th Malaysia – Japan Economic Co-operation Association Conference at the Putra World Trade Centre, Mahathir expounded that the actions by the western world are but propaganda by certain individuals with self-interests. He urged that a report by a Japanese journalist could rectify the defective situation.

Another allegation accused Mahathir as a dictator. Although those who made the allegation did not base it on tangible evidence, nevertheless, the allegation was propagated as an effort to lure others to join forces with them.

It was in fact an interpretation made by certain parties desperate to challenge the Mahathir leadership through the party election process. Therefore, the democratic slogan is used to defend their action.

Any decision or action to challenge Mahathir's leadership is considered consistent with the requirements of democracy. Similarly, when various aspects of his leadership conflict, therefore these people interpret the contradictions and differences of opinion as dictatorial action.

It is obvious that many who deliberately misinterpret the meaning of democracy or dictatorship, could not conceal their self-interests. The meaning of any term would be freely defined, if it consecrates their actions. But, the meaning would be confined to suit their news, albeit it not being based on the general meaning of the term they defined.

Mahathir's reaction towards these allegations is simple. For example, when he was labelled a dictator, he denied it by asking how many people he had shot as compared to President Ferdinand Marcos; how much damage he had done to property and lives? If he were a dictator, he would definitely be a man of many words as the meetings he chairs stretches for five or six hours.

The Cabinet Meetings, for instance, takes no less than three hours. This means that as a dictator, throughout the time he only gives order and instructions to his ministers.

The same applies to the many writings and books criticising his leadership. Nevertheless, all this literature is allowed for distribution, and Mahathir cynically regards this as a portrayal of himself as a good dictator as compared to the action of banning his book "The Malay Dilemma" in 1969. Also, to allegations on his ownership of houses everywhere, Mahathir mocks at the allegation stating that he could even be accused of owing a house in the North Pole.

In sum, Mahathir is not a perfect leader, in fact he himself has never contested to this. Most allegations against him were made out of envy of his achievements.

Furthermore, these critics had, at one time, worked together with him. But, the moment they were on opposing sides, their entire efforts together and the consensus they arrived at were forgotten, laying all blames on Mahathir.

This is a part of his enemies' manoeuvre, unwilling to accept risks themselves. Any burden or responsibility is transferred to Mahathir. They willingly defend Mahathir only when he is on their side or before there was animosity between them.

Such attitude and allegations devoid of rationality portray the superficial leadership pattern of his political foes. In many respects, Mahathir's victory is based on his dexterity and conviction, whilst the defeat of his political opponents is due to their own ignorance.

Rural Economy

In his effort to shape Malaysia as an industrialised country, in addition to his emphasis on big, luxurious projects, the Mahathir leadership was considered partial to rural development. This was despite the fact that the government under his leadership still lays priority on efforts for the benefit of the rural society.

In this case, according to Mahathir, the confusion arose due to the disinterest on the part of the media to report elaborately on his visits to the villages. Journalists who accompany him on such visits, on the contrary, make enquiries on other issues, pertaining to politics or party affairs or the elections.

The trivial matters in rural areas which Mahathir intends to stress in order that they become public attention, did not receive the necessary publicity from the media. For instance, in the effort to increase the rural people's income, the government proposed the restructuring of villages and encouraged the growth of cottage industries which could contribute to additional income.

He himself identified the cottage industries dealing with ceramics, rattan, bamboo, wood and other material for development. Each time he visits a foreign country and if he finds anything useful or could be produced by the people in this country, he would purchase and distribute it to the people in charge to assume the responsibility of producing the goods here.

Although there are small factories in villages, for example factories producing goods from rattan, bamboo and wood in Kedah, these are not considered worthy of news. Therefore, new efforts to modernise villages do not receive encouraging exposure or coverage. In the case where such news appears it is not as interesting or effective as the coverage on Proton Saga or others. This gives a picture of his disinterest towards enhancing efforts to develop the small scale economy advantageous to the villagers or the lower income groups.

In reality, the government has always given precedence by allocating large sums for rural development programs, to ensure the income gap among the people in the country is bridged. Since independence, the government has continuously attempted to develop the rural areas through the allocation of projects and specific budgets in every Five Year Malaysia Plan.

According to Mahathir, one of the problems of the society hindering total success in the government's effort to eradicate poverty, is the 'subsidy' attitude, which is not or could not be utilised effectively. An analysis should be made by all concerned to identify the real cause of poverty still existing in this country.

Although the government has succeeded in reducing the poverty rate to 18% in 1984, compared to 49.3% in 1970, nevertheless in view of the efforts and allocations granted, the outcome is not up to expectations. The problems of inefficiency and inaptitude could be overcome through learning or experience but if there is an absence of interest, all efforts of the subsidy system and other aid granted would not yield any benefits. The increase in allocation or aid would not be fruitful as it is only a temporary measure.

Mahathir considers attitudinal change as an important factor to erase poverty. For example, he illustrates countries which do not possess rich resources but are rich. Whilst some countries rich in resources are poor, a country and society which is earnest, industrious, bold and willing to face challenges would succeed and progress. Societies solely expecting aid from others without attempting to improve oneself would remain backward, in spite of its land laden with gold, silver and fertile soil.

The allocation and government endeavours to reduce poverty in the rural and urban areas in this country are far higher than those in other less developed countries of the world. Although the efforts reduced poverty rate only 18% compared to 49.3% when the New Economic Policy was launched, the achievement level was not equivalent to the

efforts and allocations given. The poverty level in this country, however, was far better than other developing countries when the Fifth Malaysia Plan was tabled in Parliament.

Mahathir elucidated that although economic growth and development in years to come may be difficult to achieve, it would continue to provide opportunities to Malaysians to enjoy the benefits of development together and enhance their living standard. The country would continue to review the progress that would be achieved, including the maturity of the New Economic Policy at the end of 1990.

With regard to the New Economic Policy, no party should be blamed for the bumiputera failure to achieve 30% participation in business and industry. According to him, the government should be blamed for over-pampering the bumiputeras. The bumiputera businessman is also to be blamed for failing to assess his capability prior to venturing into business. This created a situation whereby the competence of the bumiputera was not tested, to aid only the capable and bold in business and disregarding the weaklings.

This tender situation does not require valor to overcome the challenges of life, especially in business and industry. The method is similar to a sick person given a walking stick and using it the whole time. He never discards the stick until eventually he is crippled as his muscles are not able to function anymore.

There are many weaknesses among the bumiputeras, including the incompetency in management and overdependence on government aid, not making efforts to enhance their capability. Many bumiputeras were found to manage their business inefficiently. The majority of them function on a part-time basis or are inattentive to important factors, thus leading to their failure. The indetermination to assess one's capability, and instead laying more importance on big businesses deriving good profits, is one of the reasons hampering the healthy progress in the field.

One fact that cannot be denied is the no matter what rate of progress is achieved to reduce poverty and restructure the society by the end of this decade, the unbalanced economic situation among the main ethnic groups in the country would remain. Therefore, the government should endeavour to reduce poverty and improve the unbalanced economic situation. Furthermore, unity is still the country's foremost objective. Certainly no party concerned would want to return to the ethnic imbalances experienced before the end of 1990.

As long as this situation exists, the government should continue to rectify it. What needs to be emphasised is not the terminology or the name of a policy or approach but, more importantly, the contents, approach and strategies to reduce the imbalance. Policy contents and strategy, involvement and the results of implementation are more important than the form of policy. Thus, time and energy should not be lavished in disputing the appropriate name for the policy and strategy that would be implemented after 1990.

History has proven that to continue to develop and prosper, a society must be willing to accept changes consistent with time. Mahathir feels that a society which acts thus is a progressive society. The society is not only willing to accept changes but is prepared to implement it immediately. Steadfastness in facing these challenges is a feature always present in the history of civilization.

Regress and fall of civilization proves that a society which fails to change would be left behind, be unprogressive and eventually disintegrate. These are the unforgettable lessons of history. Malaysians should, as a matter of fact, have adopted change a few years back.

Economic growth and international situation signal the need for every citizen to change the approach and perception towards development immediately. Malaysia could no longer afford to live on past achievements. The country is entering a new era in the history of development. Every party should realise the difficulties that would be encoun-

tered at the international level or within the country.

Several measures are underway to change the course of the country's development. The Mahathir leadership has introduced various steps to induce economic growth, especially through organisations, industries and forceful entrepreneurial efforts among the private sector. In addition to the emphasis on the necessity of new progressive values and ethics to support the new course of development, every citizen should welcome these measures with a positive attitude and make the necessary changes.

There is no country endowed with unlimited resources and perpetual stability. Trials, obstacles and challenges exist in every society and have to be overcome confidently, should the people and nation aspire continued progress.

The economic growth and development process, would inevitably cause strain as economic factors would pressurise for changes in the society. It should be admitted that the Malaysian economy and the economics of other countries are experiencing a period of uncertainty. Therefore, all concerned should be willing to face and learn to overcome it.

More importantly, the people should be confident that the economic and political problems are impermanent and would come to pass. Everyone should be capable of differentiating between the real and that fabricated by certain parties. The aptitude and ability to perceive a matter in its true perspective is important, as economical, political, social and psychological factors play an important role in everyday life.

In the context of assisting the bumiputeras, Mahathir constantly asserverates that the government would not retract aid given to the bumiputera community. This would not occur until equal distribution is achieved, for example, as long as the Malay contractors are unable to obtain other contracts besides government contracts, aid would not be retracted. However, those involved should know the art of management and providence. Therefore, if the Malay name is utilised only to acquire government projects, it

would not help the Malays or anyone else.

The assistance should be given on a long-term basis. Mahathir, nevertheless, does not blame the bumiputera community but bumiputeras who take the easy way out and who consider the New Economic Policy as a free gift. According to him, the perception that the New Economic Policy has created a middle-class bumiputeras is wrong. The New Economic Policy, could only aid bumiputeras to maintain their position. Many bumiputera entrepreneurs solely depend upon government contracts. When the government cuts down on its contracts, bumiputera ventures face massive problems, causing many to become bankrupt.

To him, the farmers and fishermen too, could become rich, enjoying a high status in society, if they are willing and work diligently besides changing their attitude to utilise more modern methods compared to the traditional means. Farmers should not just rear cattle or harvest agricultural produce sufficient for their needs and sell it in the village or nearby town. The rearing of one of two cows or planting to suffice family needs as the case was then should be changed to cultivating on a bigger scale.

According to him, this group should heighten their efforts to enable them to supply food for the needs of the ever increasing population. The total population of this country today is 16 million and would double by the year 2000. Therefore, farmers should increase efforts to produce food on a larger scale to cater for this need.

Government agencies are constantly researching to enhance the production. The view that agriculture could not possibly develop into a profitable sector should be eliminated. This perception based on the traditional agricultural system although true, should not dampen other endeavours to create modern farmers deriving lucrative incomes.

Agriculture and fishery would remain the main target of development and restructuring of the economic system under Mahathir. Learning from the agricultural systems

practised in western countries and several countries in the east such as Japan and Korea, farmers could actually turn agriculture into a rewarding career. Consequently, the move to develop a modern agricultural system would continue, in every aspect of it, in this country.

Through various new technologies and direct or indirect training introduced to fishermen and farmers, the ambition is not an impossibility. In fact, Sanusi Junid, the Minister of Agriculture, proposed an economic and financial system specifically designed for fishermen. He is confident that such a marketing system, derived from the efforts of agriculture and closely monitored could be applied in the selling and buying of necessities required by fishermen and farmers, whereby their income could be increased.

In his approach to assist the bumiputeras in various fields, Mahathir has not only formulated certain strategies but also has assumed personal responsibility to ascertain bumiputera involvement in specific areas, particularly in business, from the entanglement of problems that could burden them during the economic recession.

He has urged banks not to over-pressure bumiputera businessmen to repay their debts immediately, causing them to declare bankruptcy. Instead, according to him, the banking sector should be patient and fair towards businessmen facing hardship. Bank action pressing businessmen in difficulty to repay their loans on an immediate basis, may impede government efforts to restructure the society in accordance with the New Economic Policy.

The government would monitor every movement of the banks to ensure they do not over-pressurise. Although he is aware that banks have their own set of regulations, these principles are man-made and, therefore could be annulled or amended. However, this should not be taken to construe that he is sympathetic with businessmen who are capable of repaying their debts but refuse to do so, or, sympathize with unscrupulous businessmen. He would not hesitiate to bring them to court.

Mahathir is aware that problems faced by bumiputeras

are not what meets the eye. Nevertheless, it is the government's responsibility to examine the causal factor of each problem and failure, and put forth proposals to solve it, if deemed necessary a new more effective approach would be formulated. Meanwhile bumiputeras, be they businessmen, farmers, fishermen or entrepreneurs should frankly and sincerely reveal their problems. This is the only means new life could be breathed into bumiputera reactivation in various fields and be sufficiently competitive to share the economic wealth of the country.

With regard to efforts to aid bumiputeras, one inevitability is the involvement of government officers, in executing their duties particularly involving relations and interests of bumiputera businessmen and entrepreneurs. To facilitate this administrative relations. Mahathir always encourages government officers to foster a positive, creative, strategic, constructive attitude, and valiantly face all challenges to move the people and country forward.

The present leadership tempo places importance on an open attitude and trend of thought that could balance current progress and reject negative thoughts obstructing the country's development efforts. In his speech during the Association of Administrative and Diplomatic Services dinner, Mahathir listed three types of thinking mode. Firstly, there is the negative attitude and posture towards new ideas, rejecting all new proposals and plans. Secondly, the narrow thinking with short-term perceptions aiming for immediate results. Thirdly, is that which emphasises on the personal or group interests, disregardful of the adverse effects on the organisation, society and nation as a whole. They, too, according to Mahathir, should avoid from constantly seeking opportunities to oppress and thwart the efforts of others, and only see the weaknesses and faults of others.

He, instead, urges every officer to act like a manager focusing his attention on the organisation's objectives, and not deviate or stray from the original objective. To achieve this, leaders and managers in the country should under-

stand the problems and objectives of the country. This include comprehending the background of the problem and carefully analysing the advantages and risks that would or could be faced prior to decision making, as the success of an organisation heavily depends upon the quality of the creativeness, constructiveness and strategic thought of the management.

They should be perceptible to the latest developments in the management field, requiring conviction, discipline and the stamina to manage conflict, challenges and competition to enable the organisations to progress. Leaders and managers should act with clarity of direction and the course of the organisation. To achieve the objective, they cannot rely on logical approach or reasoning alone, or make a decision based on the collection of data and the perception of current phenomena. Their stand and action should also be guided by learning, experience and historical facts, without which errors would recur and result in hasty decisions.

Good leaders and managers could predict and speculate challenges and future needs. Through this they could produce new ideas and act productively, exploring new opportunities for development.

In the government's approach towards poverty, Mahathir intends to create a new phenomenon in defining poverty, as that which need not be associated solely with the rural areas. It has become a tendency today to identify the rural areas with such terms as backwardness and poverty. Therefore, to erase this identification, it requires several strategies and measures on the part of the government, including attitudinal change and willingness to accept changes by farmers or the people in rural areas. In this respect, it also involves fishermen and small-farm holders.

Rural poverty could not be reduced even by shedding blood tears, as long as they hold persistently to the traditional method of fishing or lifestyle, and limit their activity to a specific place. As fishermen, their activity should not be restricted to the rivers or shore-lines.

Mahathir also realises the psychological hindrance to the progress of a society. Many of us lament the fate of the fishermen. They are the poorest group in the country. Unfortunately, all our cries and lamentations would be of no avail in reducing their poverty. In fact, those who defend the traditional way of life deny the fishermen of their rightful life. Those who over-sympathise with these traditional fishermen, impede the progress of fishermen, he stressed.

The earlier the fishermen accept the changes, the sooner they could improve their fate. Among the measure, is the exploration into deep-sea resources, a source of national wealth. Unfortunately, this matter was only recently discovered, in spite of the fact that for decades foreigners have been exploring and exploiting our deep-sea resources. We feel disappointed when this occurs, but our fishermen are incapable uninterested to exploit it. We realise that we have neglected the highly potential field, only recently has there emerged a co-operative venture in deep-sea fishing.

He hopes that with the Deep-Sea Fishermen's Force exploring the field aggressively, fishermen and the country would stand to benefit from the source. It is sad to note that bumiputeras trained and expected to become full-time fishermen through this Force, do not understand his aspiration for a strong nation, competent in all fields of life, including the exploration of deep-sea resources.

According to him, it is a mistake if bumiputeras only dream that changing from their traditional to the modern mode would in itself yield success. Instead, sufficient preparation should be undertaken and people trained, especially in management, for only through a systematic and effective approach could we achieve success.

He is a leader responsible to the economic advancement of bumiputeras through various economic policies. He assures bumiputera economic involvement would be increased through effective participation. However, each party, particularly the bumiputeras should work sincerely

and be prepared to face risks in the investment of their entire interest and efforts to develop the nation's economy.

The bumiputera business community should liberate themselves from their previous attitude, and should possess a more aggressive view. It is important that they eliminate the attitude and inclination to copy the business initiated by others, causing an over-competitiveness in one field of business, eliminating the lucrativeness of the business.

The important factor is the spirit of entrepreneurship and motivation to seek and exploit new fields of business activity. Running a business by copying is not a good practice to achieve a strong foundation for success. Therefore, it should be replaced by a more dynamic entrepreneurial stimulus to explore new fields.

The government under his leadership is always prepared to implement whatever measure possible, to reduce regulations and control over the economy in stages in order that bumiputera participation could be enhanced.

If We Want To Progress

Dr. Mahathir Mohamad's speech at the ministerial level briefing, sponsored by the Malaysian Management Foundation, at the Putra World Trade Centre on November 16, 1987.

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In order to picture what would occur in future, we should not only look at our present situation but also that which we experienced in the past. The world has undergone a series of economic shocks. The first shock, after the prosperity in the post World War Two, was experienced in 1970, when the industrial sector faced a decline.

This was followed by the first "oil shock" in 1973, and later by the instability of the foreign exchange rate. The value of a currency is not easily speculated and international trade has become a stake. Following this was the second oil shock incident, when petroleum prices sky-rocketted arousing speculation that it may reach US$70 per barrel. The value of the American dollar rose and so did the interest rates. Nevertheless, the US economy experienced a trade imbalance with Japan and Germany. The value of the dollar later took a plunge causing adverse consequences against the borrowing of yen.

Commodity prices were badly hit in late 1985, and in that year, the world's stock markets deteriorated critically. Everything happened so suddenly and beyond prediction. If we did not predict what had occurred, it is also impossible to predict the future accurately. However, we must strive because we would not be able to plan with certain assumptions. Our economy, because it is linked to the world economy, is therefore not free from these crises.

Like other countries practising laissez-faire, we too

suffered as a result of the vicious economic whirlpool. The latest such pressure we are undergoing is the viciousness of the stock exchange. This again reminds us of our bond to the world economy. We cannot work by ourselves if we want to enjoy the fruits of rapid growth through exports, a path chosen by Japan, Korea, Taiwan and other countries. As an alternative, we could choose to egress from the laissez-faire economic system, but this would mean we have to sacrifice rapid growth and accept a slump condition, from the sole resources of the internal economy.

There are many examples of countries choosing this path. Therefore, mismanagement of major economies would continue to affect us, if we remain in the free market system. We hope we could acquire the adequate management skills to tread through difficult times following the fall of world stock markets and unstable exchange rates. Today's meeting should analyse every idea on the management method towards the recovery of the national economy.

Since the world left Bretton Woods and denied the right of the government to determine their currency value, focus has shifted from the production and sale of goods to the manipulation of currencies. For instance, a large part of our attention is now focused on the transaction of stocks and shares. Takeovers, mergers and stock exchanges are common transactions, and all energies are concentrated on this effort. Only Japan and Germany seem to hold on to the tradition of production, sales and service.

The currency business is highly lucrative. Thousands of millions of dollars are purchased and sold everyday. It is evident that demand determines the value of a currency. Sovereign governments have no power to determine legitimately the value of their currency. A bank could devalue a currency by offering for sale a currency it does not possess.

If a government is rich, it could offer to buy or buy

it directly to maintain or enhance its value. It could also sell its own currency to devalue it. But, it could no longer determine its own exchange rate. In other words, it is no longer sovereign, as long as it deals with money. Today, we witness a drop in the value of the American dollar and currencies associated to it. The instability of the value of currencies causes an increase in debt rates, fluctuating income and international trade is regarded as a gamble.

Future trade also faces high risks and is not easily predicted. In brief, world economy is extremely unstable, with traders in trading rooms throughout the world screaming at each other. Such violent trading goes on 24 hours a day, 365 days a year. Every second is precious to determine the rise or fall of the value of the yen or dollar or pound or even the dinar. But, money is nothing but paper. If weighed, it would not differ much from toilet paper. Money only becomes valuable when it is backed by a value.

In this connection, the currency could be backed by gold, economic strength or economic stability. Nevertheless, can we say that half of the gold reserve at Ford Knox has been reduced following the deteriorating value of the American dollar to half its original value? Or could one consider that the present US economy is only half the value of what it was or that the stability of the US today is only half the stability after the fall in the value of the dollar?

Obviously, not one asset supports the fact that the US dollar has changed. What has occurred to the dollar is not authentic. Avaricious currency traders in pursuit of profits, cause the value of the currency to fluctuate, because a stable currency or exchange rate is unprofitable to them. The share markets too receive the same treatment. The original objective, to increase capital, is forgotten. In fact, investment to obtain dividends too is ignored. Priority is placed on profits. In the past, the value of shares was always on the rise as certain com-

panies were well managed, paid high dividends and were always seeking to increase their assets.

Today, these values are not used to determine price. More important is the sentiment and the need to fluctuate price to derive profits from the selling and buying transaction. Such is the situation of the extremely high share prices, that a buyer can wait for a 100 years without any hope of obtaining dividends to repay his debts. The market value of the shares could increase three or four times its assets. Now the era of big profits has ended, and investors begin to suffer losses. In a wink of the eye, thousands of millions of dollars are lost. Investors react by shooting their share brokers before killing themselves.

Banks lose millions in loans issued for the purchase of shares. The value of real estate too has dropped, rendering collaterals valueless. The list of bankrupts increases every day. Shops lose their customers causing close-downs, and the problem of unemployment haunts everyone. This is the picture of the situation.

Nevertheless, the world is still not ready to control currency speculation and the act of acquiring large profits in the share market. In Malaysia, in the effort to restore the economy, we too need to study the situation of monetary stability. Like it or not, everything we plan well would be subject to effects of the disruptions to the international currency value, performance of the share market, national policies or world economy. What could the government do to revive the economic situation?

Certainly, many people would be ready to criticize government policies as the apparent cause of economic slowdown. Others blame the government as the root of all adversities. Even when the economy was strong, the same group blamed the government for failing to enhance economic progress. They may be economists, but basically they are politicians using the situation to pursue their own political interests.

The government may be right or possibly wrong.

But the government, could not be accused of deliberately undermining the country's economy. Restrictions imposed in the New Economic Policy are aimed at protecting the economic well-being of everyone. What is the purpose of a liberal economic system, if the country is trodden with the problem of envy between the various races, affecting the stability of the country?

To restore national economy, the business community should accept the government's sincere intent in its effort to enhance economic progress. The acceptance would realise co-operation between the government and private sector. The Malaysian government is among the most easily approachable governments in this region, if not in the world. Before dealing with new ideas and approaches, we should review the existing government policies. Have the policies been given an opportunity for implementation or was it really bad that they deteriorated the economic performance of the country? Should we terminate the policy or continue with it in the effort to restore national economy?

The New Economic Policy (NEP) undeniably impedes rapid economic development. The responsibility of enhancing bumiputera progress parallel to that of non-bumiputeras requires time, money and energy. The consequence is we could not achieve full economic development. Therefore, should this policy be terminated? Can we say that it is unfortunate that the bumiputeras are incapable of progressing on their own efforts? Can we say we could not afford to wait for them? Or, could we say forget about them and continue with efforts to implement restoration programmes without impediments. But, would the political situation of our country be stable if we do not strive to bridge economic progress between the races?

Past experiences reveal that the country's stability is easily challenged. We need to strive if we want continued stability and NEP is the important tool to achieve stability in all aspects. Without political stability, the

economy could not grow and expand. The choice is obvious, either slow economic development thwarted by the NEP, or uncontrolled growth in an unstable situation. Malaysia does not have a choice but to accept the NEP and strive to overcome the obstructions. Recently, the government has relaxed the condition on the aspect of equity in the NEP, as a measure to solve the unemployment problem. The creation of job opportunities is the objective of the NEP, to eradicate poverty. We cannot sacrifice jobs to the poor as we have to ensure share allocations to the rich. When the economy recovers, only then could we focus our attention on distribution. NEP should no longer be viewed as an impediment to economic recovery.

A foreign journalist recently reported that Malaysia has abrogated the Look East Policy. As is the usual case, this journalist assumed that the policy was nothing more than granting contracts and purchasing products from Japan and Korea. This misconception regarding the policy also occurs among Malaysians. In spite of the many elucidations on the objectives of the policy, to study work ethics and management skills from Japan, Korea or Taiwan, many still perceive it as granting contracts and purchasing goods from Japan and Korea. Americans and Europeans still look East to learn their management approach and work ethics. Nevertheless, there are still many Malaysians with the conception that we can only learn from the whites. In fact, it was the white man's ethics that dragged us down, while our neighbour has overtaken us with better economic achievement.

I would like to reiterate that the government is still committed to foster work ethics of the East among the Malaysian work force, and the management need to learn from management techniques of the East. If we want to succeed, we must compete. If we want to compete, we need to be productive and being productive means working sincerely and industriously. A lazy

worker or unscrupulous manager would not assist in our recovery. Whether we admit it or not, it is our work ethics that dragged us down. We should improve on it. We need to follow their successful work ethics and this could be found but in the East.

Another major government policy was the privatisation of government agencies and projects. Since independence, the government was burdened with a multitude of activities without any bearing to the administrative aspects. The government was involved in the business activities. Most of the efforts caused inefficiency in the services offered and incurred huge losses. It also resulted in the expansion of the bureaucracy.

Maybe, then, the government could be excused for its involvement in the activities as the private sector was still unprepared. But now, the private sector is ready and capable. The common presumption is that the private sector is more efficient, but this is not necessarily true. When an agency is privatised, it does not mean the government would lose everything. If the company makes profits, the government could still enjoy the profit through income tax and the like. At the least, the government would lose everything. If the company makes profits, the government could still enjoy the profit

Government agencies depend on capital and subsidy to cover management costs, whilst the private enterprise tries to strengthen its position through its own income. If the government is freed from the burden of management cost and subsidies, the money could be utilised to develop the economy. In addition, the government bureaucracy could receive higher salaries. Companies and facilities which have been privatised show better returns besides providing good service.

There are several shortcomings, but this is inevitable in any new approach. It is strange that a government department of constant criticism, when recommended for privatisation, is suddenly praised by someone. This is among the government policies that

would be continued. These are good policies. But for a strong economic recovery, the private sector should realise its responsibility and contribution. Malaysia is an agricultural country. Rubber, palm oil, cocoa, and black pepper would continue to be the source of our export income. The sector would be developed further. Now, there are obvious efforts to diversify the sector. Asparagus, mangosteens, guavas, and bananas are being exported, while star fruits, mangoes, rambutans and pomeloes have similar potential.

The private sector should bear in mind that our success in the rubber, palm oil and cocoa industries was due to our skill in estate management. If these crops were cultivated by the small-hold farmers on limited land, we could not have been able to compete at the international level. Small-hold farmers do make important contributions, but the support of the transport, packaging and marketing industries also play an important role in ensuring the success of the industry.

One problem Malaysia faces is seeking balance. If a licence is needed for any business activity, it would certainly be issued to individuals or private limited companies. Therefore, we find many people owning taxis, lorries or buses and security companies or the fishery business. The result is an uneconomic operation. Not many feel a shared business activity could strengthen their efforts. We often hear of people cheating each other and they later split to form their own companies. I still remember that at one time there were 80 film companies, but only two could afford to produce films.

Most businesses do not, at all, attempt to improve their management skill as is evident in the estate business. This causes their operation to be less competitive and it incurs high cost of operation. Individual management is a more popular system here, while management based on resources is more apparent in developed nations. It is time for us to conceive a new approach in this field, if we want an effective recovery. Businessmen

would certainly be laden with many management ideas for development. The government welcomes advice from the business community, but the entrepreneurs themselves need to analyse and re-evaluate their approach towards the business world. Have you all never made mistakes? Is the government always wrong?

Do not nurture a negative attitude and forever criticise the government's policies immediately after its pronouncement, as was the case in the Look East Policy. Look at the positive aspects and analyse the benefits that could be derived. The government constantly considers the recommendations by the private sector. An academic viewpoint is good, but the opinion and views of people who would implement the policy is more useful.

Actually, no one could be considered as the authoritative power to consult prior to the government's decision to introduce a policy. Yet, there are some quarters, especially the anti-government, who want to prove the authenticity of their thoughts by criticising government policies. Many constructive ideas are subdued before they could be studied for implementation.These people are now engrossed in finding faults with the privatisation policy, who just a little time back criticised the weaknesses of government departments and agencies.

If Malaysia were to progress, we should adopt a positive attitude. Let us be prepared to try new ideas. We have to modify these ideas if we fail at the initial stages. There are no perfect ideas. But those with a positive attitude would analyse the idea in depth until he finds a solution to his problems.

Improving The Living Standard

The speech by Prime Minister on the Fifth Malaysia Plan, presented in Parliament on March 21, 1986.

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Mr. Speaker Sir, I beg to move the motion standing in my name as follows:

"That this House:

* RECOGNISING the progress made in the implementation of the Fourth Malaysia Plan;
* ENDORSING the continuous efforts of the Government in the implementation of the New Economic Policy in order to achieve the overriding objectives of national unity and the maintenance of peace and security.
* APPROVES and endorses the Fifth Malaysia Plan, which seek to emphasise and orientate policy measures and programmes, to sustain socio-economic development and ensure long-term stability of the economy as well as to continue undertaking measures aimed at the eradication of poverty and the restructuring of society, as set out in Command Paper No. 15/86.

That in approving the Fifth Malaysia Plan, this House calls upon Malaysians from all walks of life to strive harder and gear themselves towards the greater socio-economic and political challenges ahead, in the spirit of the Rukun Negara, and stand united in our continuous efforts to build a socially just, progressive and resilient nation."

The launching of a development plan has always been a major event in the country.

This has always been an occasion for us to look back into the recent past, to take stock of the progress that we have achieved and then to look into the future, and to see the prospects for further growth and develop-

ment.

Even before a plan is presented to Parliament, much will already have been said on the economy, and the likely contents of the country's development plan.

The keeness of the interest shown in our development plans indicates that we are very much a development-minded nation, still concerned, rightly, with further raising the standard of living of all Malaysians.

It is important for all Malaysians to be aware and to understand the state of the economy, and the directions that it is moving to, because development affects our lives in one way or another.

We must also take an active interest because the development plan sets out to mould our society according to our own national usage and we must share in the common vision that we have for the country.

Almost exactly two years ago when I presented the Mid-Term Review of the Fourth Malaysia Plan (MTR) to this House, I spoke, among other things, of the world economic recession and the adverse repercussions it had on the Malaysian economy.

Since then, the Government has implemented various economic measures to counteract the adverse effects of our economy. We will have to continue with these measures.

I also emphasised the necessity for us to pursue new directions in economic development.

In the MTR document itself, an elaboration of the new directions was made. That message is even more relevant today given the fact that the economic slowdown is more severe than originally envisaged.

Today, in presenting the Fifth Malaysia Plan to this House, the economic slowdown and the uncertain economic conditions are still with us.

The Fifth Plan is a continuation of our efforts to overcome the adverse repercussions of the economic slowdown, and it has been formulated in response to the continued uncertainties in the world economy.

Indeed, the severity of the effects on our economy makes it all the more urgent that we are informed on the prospects for the future so that we make concerted efforts to overcome the problems and lay the foundation for higher growth in the long term.

I would like, therefore, to enumerate some of the major highlights of the Fifth Plan but I would urge Honourable Members, and all Malaysians, to refer to the Fifth Plan document for a detailed report on our performance and the prospects in store for the country.

PROGRESS FROM 1971 to 85: The Malaysian economy recorded satisfactory progress during the decade of the 1970s, despite a global economic environment that was severely affected by the sharp rise in oil prices beginning in 1973.

Growth of the economy proceeded with minimum dislocations, distortions and resource contraints.

However, all these have changed and the international economy was plagued with prolonged recession during the period 1979-82.

While there was an upturn beginning in 1983, with a strong upsurge in 1984, the recovery was not sustained in 1985 and uncertainty has continued to prevail.

Protectionism

This development and the growing trend of protectionism adversely affected the Malaysian economy.

Prices of our export commodities declined, growth slackened, and unemployment increased.

The international tin crises in 1985 and the sharp drop in crude oil, rubber and palm oil prices dealt a serious blow to our economy, resulting in a further adverse terms of trade.

I must stress here that not all our problems can be attributed to the global economy slowdown.

The economy is also constrained by structural problems such as a narrow economic base dependent upon

exporting a few primary commodities, overdependence on electronics and textiles, weak inter-industry links, weaknesses in the system of investment incentives, and decline in competitiveness of Malaysian goods.

The private sector did not provide the dynamism and momentum of growth envisaged earlier.

The public sector was compelled to contribute to the growth of the economy to the extent that it is no longer able to further provide the lead in future expansion.

We failed to exploit our advantages in terms of production, processing, marketing and research.

Nevertheless, despite these difficulties, we can say with pride that we did well.

Our strength and resilience as a nation has been fully tested during these trying times and the Government was able to meet these challenges and was able to deliver to the people substantial opportunities for development.

The Government successfully introduced counter-cyclical measures to reduce the effects of the recession, despite poor export earnings and declining domestic economic activities.

The adverse effects on our standard of living would have been far more severe, if these measures had not been introduced by the Government.

Since mid-1982, the government has adopted consolidated measures in public expenditure.

The public sector budgetary deficit, as a percentage of the Gross National Product (GNP), was successfully reduced from 20.5 per cent in 1981 to 9.7 per cent in 1985.

Together with measures to improve the invisible deficits as well as improvements in the merchandise trade balance, the current account deficit in the balance of payments, as a percentage of GNP, was reduced from 14.1 per cent in 1982 to 3.1 per cent in 1985.

The counter-cyclical measures, however, resulted in a rapid expansion in public sector expenditure with the

attendant financial strain on the Government.

Through prudent measures and policies, the Government was able to improve the resource position and to contain the growing size of public debt.

At the same time, the Government was also able to maintain our high credit standing in the international market.

During the 1970s, the Malaysian economy grew at an average rate of 7.6 per cent per annum in real terms, resulting in the growth of per capita income from $1,109 in 1970 to $3,719 by 1980.

The unemployment rate decreased from 7.8 to 5.7 per cent during the same period. The expansion of the economy during the 1970s was the result of domestic and external demand.

Public investment generated the main thrust for growth during the first half of the 1970s, while external and domestic demand were the main driving forces in the latter half of the decade.

The period 1971-80 was also marked by major structural changes. The share of agriculture in total Gross Domestic Product (GDP) declined from 29.0 per cent in 1970 to 22.8 per cent in 1980, while that of the manufacturing sector increased from 13.9 per cent to 20.0 per cent.

Major Aim

For the period 1981-85, the economy grew at a creditable rate of 5.8 per cent per annum, resulting in the per capita income growing from $3,719 in 1980 to $4,609 in 1985.

Growth was also accompanied with greater equity which is the major aim of the New Economic Policy.

The progress made in poverty eradication was more than satisfactory. Under the Outline Perspective Plan (OPP), it is envisaged that there would be a marked reduction in the overall incidence of poverty in Peninsular Malaysia from 49.3 per cent in 1970 to 16.7 per cent in

1990.

The achievement of this target requires policies, strategies and programmes that can substantially increase the income as well as improve the quality of life of the poor.

The overall incidence of poverty in Peninsular Malaysia declined from about 49 per cent in 1970 to about 40 per cent in 1976 and about 18 per cent in 1984.

Programmes to raise the quality of life of the poor through the provision of basic services, such as health, education, water supply, electricity and roads, continued to be implemented. Nevertheless, given the fast rate of labour force expansion and decreasing job opportunities created due to the economic slowdown unemployment rate rose from 5.7 per cent in 1980 to 7.6 per cent in 1985 or from 292,000 to 448,600 respectively.

In terms of restructuring of society, progress continued to be made. Opportunities were created by the Government for Malaysians, particularly those in the lower income groups, to further benefit from development through their participation in modern activities of the economy.

For example, bumiputeras in agriculture are engaged in more productive activities, while their share in selective professional groups, such as architects, engineers, and accountants, increased.

The role of trust agencies and other public enterprises in the creation of business opportunities, education and training, and credit facilities was further enhanced for the development of a bumiputera commercial and industrial community.

In terms of equity ownership, bumiputera interests increased from about 13 per cent in 1980 to about 18 per cent in 1985, while for other Malaysians increased from 45 per cent to 57 per cent.

In particular, I would like to mention the Amanah Saham Nasional Scheme (ASN) which was created by the Government to provide opportunity to bumiputeras

to acquire shares of companies.

By 1985, nearly 2.1 million bumiputeras participation in ASN with a total investment of nearly $1.9 billion.

In addition, public services to meet certain basic needs were increasingly provided by the Government, especially in rural areas.

Schools, clinics, water supply, electricity and roads were priority projects as far as the Government was concerned. All these development contributed to enhancing the quality of life of all Malaysians.

Nevertheless, despite the opportunities and services provided, income imbalances among ethnic groups and between urban and rural areas still prevail.

Despite the relative slack in economic growth during the period 1981-85, the following economic trends are noteworthy:

* AS a result of the Government's stabilisation and structural adjustment policies, the Federal Government's Budget deficit was successfully reduced from 18.7 of the GNP in 1982 to 8.2 per cent in 1985 and the deficit of the current account of the balance of payments from 14.1 per cent of GNP in 1982 to 3.1 per cent in 1985;
* PALM oil became the largest single contributor to agricultural output since 1981, overtaking rubber's contribution to output;
* PETROLEUM increased its contribution to mining output from 65.1 per cent in 1980 to 78.2 per cent in 1985; and
* MANUFACTURED goods in total export increased from 22.3 per cent in 1980 to 32.1 per cent in 1985.

Our judgment on the extent of success in achieving the NEP targets will have to be made on the basis of our original assumptions as to the long-term growth outlook for the economy.

When the long-term targets for the OPP were first

established, they were based on the buoyant economic conditions prevailing in the 1960s and the bright economic outlook projected for the 1970s and 1980s.

Among the targets, the economy was envisaged to grow at 8 per cent per annum during 1971-90.

The Government has not harboured illusions that the NEP objectives can be achieved without rapid growth.

Opportunities

Such growth is necessary if opportunities are to be created on a sufficiently large scale to enable all Malaysians to benefit from development as well as to enable bumiputeras to participate increasingly in commercial and industrial activities.

We ought to recognise that under stagnant economic conditions, the achievements of the NEP objectives can only be realised by redistributing the wealth held by non-bumiputeras and foreign nationals.

This measure will result in a sense of deprivation and insecurity among a segment of the Malaysian society.

Such a feeling might also jeopardise the goal of national unity. As such the Government will endeavour to revive economic growth so that efforts to restructure society can be continued.

As every Honourable Member is fully aware, at the beginning of the 1980s, the performance of our economy was severely affected by the worldwide recession.

The high component of international trade in our economy makes it highly susceptible to world economic fluctuations.

The deterioration in international demand and in commodity prices, particularly last year, has, therefore, adversely affected our international trade and overall economic growth with the attendant slowing down of output growth, deterioration of the terms of trade, deficits in the current account of the balance of payments

and a substantial buildup of domestic and external debt.

PROSPECTS, 1986-90: I would like now to summarise the prospects for the period 1986-90. The internal economic environment facing the country for the balance of the 1980s continues to be fraught with uncertainty, and is far from reassuring.

Although some degree of economic recovery is taking place among developed economies, it is still uncertain how permanent this is and to what extent it will benefit developing economies like us.

However, at the initial stage, it seems that the impact is minimal, and in fact developing economies continue to perform badly.

One of the most worrying development recently has been continuing decline in the prices of major commodities.

In the past, we could at least depend on the better performance and prospects of some commodities while others decline.

We now have to face a situation which is different as the declined involves almost all our major commodities.

The prospects for the future are grim. What needs to be highlighted are the policies and practices of the developed countries which have made the commodity situation even more worrying.

The high subsidies given to a number of agricultural commodities in Europe and the United States have resulted in a glut in the world market and the consequent depression of the prices of these commodities.

The situation is made worse by their practice of dumping their excess supplies in the market at subsidised prices or conditional aid while at the same time condemning unfair trade practices.

Leading the slide in prices were oil, all metals including tin, edible oils, timber, sugar, rice and rubber.

Prices of tin and oil have dropped between 40-50

per cent, while those of agricultural commodities have declined by 20-30 per cent in the last twelve months.

With so much stock overhanging the market, rapid price recovery is not possible. This very knowledge tends to depress prices further.

The medium-term prospects for commodity export trade appear to be generally unfavourable as sustained recovery of industrial activities in developed countries remain uncertain.

Their anti-inflationary policies, their failure to address the structural problems in their economies as well as their growing protectionism will continue to restrict growth in the world economy.

All these have and will prevent commodity price recovery. These practices and policies make a mockery of the pious statements which entol the virtues of having a more free market, of pushing for efficiency and being competitive, as our hardwon achievements and developments which have taken us years to attain, are being eroded by the practices of the developed countries.

On the domestic front, the Government will continue to implement adjustment policies to further contain its deficits and reduce its debt service obligations.

As such, public sector expenditures will no longer provide expansionary support to the growth of the economy.

The lagging external demand for our primary commodities will also affect the country's economic growth prospects during the next few years, while the weakening of oil prices will further dampen growth.

In our desire to ensure a sound financial structure and provide conducive environment to support private sector activities, an appropriate monetary policy will be undertaken.

The fiscal policy will continue to focus on the need to consolidate public sector expenditure, constrained external borrowing, and improved debt management.

Overall, despite hard times, the prospects indicate

that GDP in real terms is projected to grow at five per cent per annum during the Fifth Plan period compared with 5.8 per cent achieved during the period 1981-85.

The projected growth will have to be generated more from the rapid expansion of domestic activities, particularly in agriculture with emphasis on food production, the construction of low-cost houses and roads using larger proportion of local inputs.

Protection

Although a five per cent per annum projection looks optimistic, we must realise that this is an average for the next five years.

For example, the 1986 growth rate will be lower than five per cent, but this is acceptable given the present economic difficulties.

To be realistic, the projections of the Fifth Plan needs to be reviewed from time to time and revised in the light of present and future changes.

A plan does not end within the given period, but is a continuous process. I must emphasise here that we have the potentials to grow but the final outcome depends, among other things, on our ability to manage our limited resources successfully and to ride out the problems created by external forces.

With export prices decreasing at 1.5 per cent per annum and import prices increasing by 1.5 per cent per annum during the period, the terms of trade is projected to deteriorate by 2.9 per cent per annum.

This means that our purchasing power is weakened and thus more efforts must be made to increase exports in order to buy the same amount of imports.

Malaysian must, therefore, increase their productivity in order to remain competitive internationally and at the same time tighten their belts to reduce imports.

With gross national savings projected to total $106,839 million and national investment amounting to $133,055 million, the overall resource gap for the period

is estimated at $26,216 million compared with $28,041 million during the Fourth Plan period.

The reduced resource gap is a direct result of efforts made by the Government, but this is still not enough.

We must, therefore, increase domestic savings to meet the investment requirements.

Without active Government efforts to reduce unemployment, the number of people without jobs is expected to be more than the current estimates of 684,200 in 1990 or an unemployment rate of 10.1 per cent as compared with 7.6 per cent in 1985.

The majority of these is expected to be new entrants into the labour force with minimum work-related skills. Because of this, they will not be readily employed gainfully.

The Government will continue to take appropriate measures to reduce the level of unemployment. These measures, however, will not be effective without parallel support from the people including a change in their attitude.

If foreign labour is to be reduced, the Malaysians must be prepared to take on the job and maintain the productivity of foreign labour.

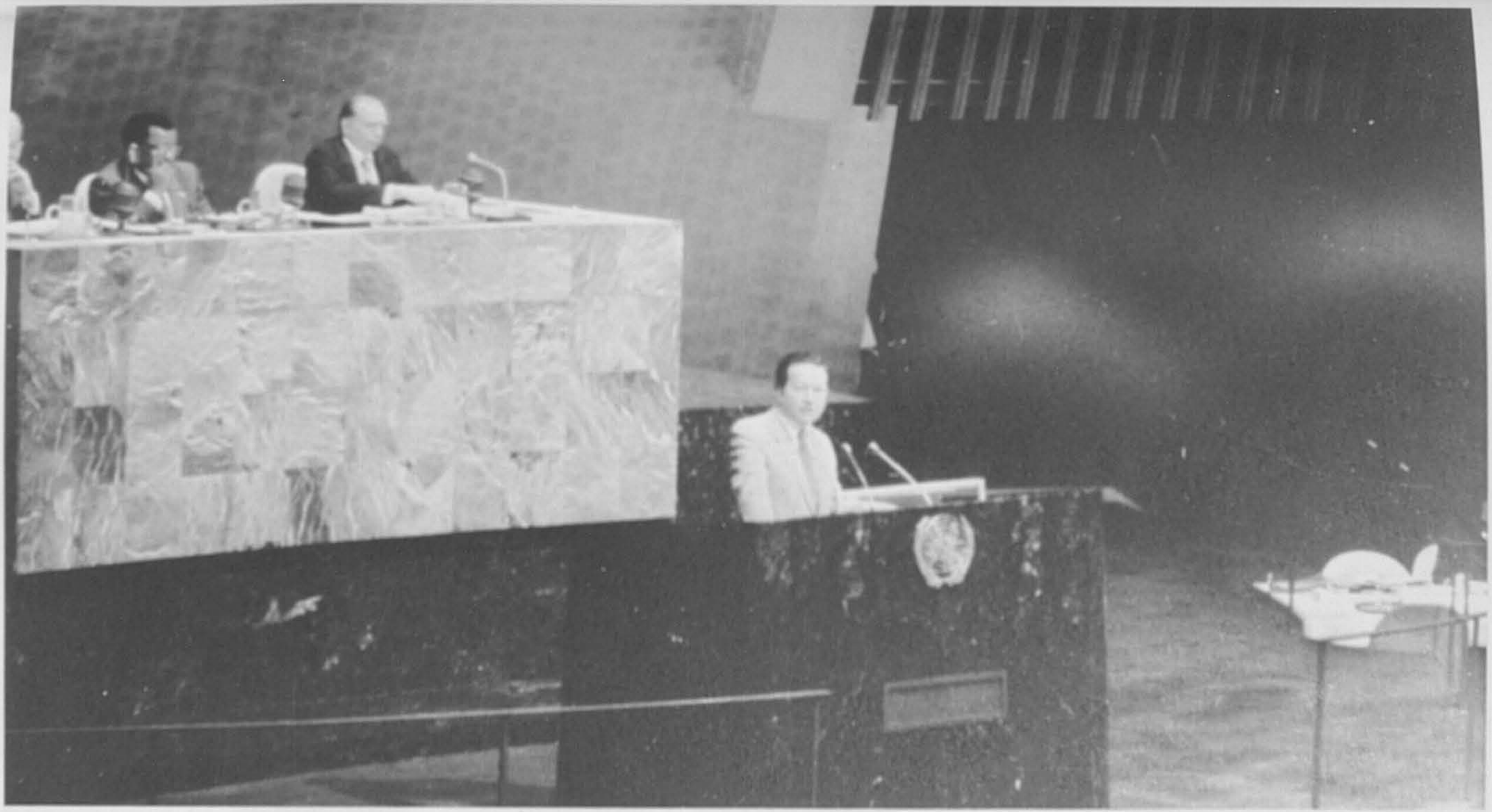
After reviewing in great detail the financial position of the Government and the need to consolidate further and ensure prudent management of resources of the Government, the public sector development expenditure for the period 1986-90 will amount to $74.0 billion.

Of this, the Federal Government expenditure will be $40.1 billion, the Non-Financial Public Enterprises (NFPEs) $28.9 billion, and the State Governments $5 billion.

The details of the Government expenditure by various sectors are to be found in the Fifth Malaysia Plan document.

The private sector is expected to play the leading role in the growth in the economy in the Fifth Plan.

Cumulative private sector investment is expected to



Speaking at the United Nations Assembly with intergrity and firmness for the fairness between the Third World and the developed nations.



A mark to start in redressing economic imbalance and in moulding the nation into the desired economy as designed by the New Economic Policy.



At launching ceremony of the nation's pride-Proton Saga.



The UMNO President- his leadership reflected the maturity and far sightedness of the Malay leadership.



At the rulers conference:- harmonious relationship between the Sultans' and the Government.



The King and the entire Cabinet members at the Merdeka Day celebrations. Since independence, the Government has ruled with two thirds majority.

amount to $73,397 million. The realisation of this target will mean that the share of private investment to total investment will rise from 50.4 per cent in 1985 to 61.1 per cent in 1990.

To assist the private sector, the Government, on its part, will create a more attractive and conducive investment climate.

In addition to continuously reviewing and modifying the existing regulations and administrative measures such as the recent amendmends of certain provisions of the Industrial Co-ordination Act (ICA), the Government will also promote additional incentives and measures as well as identify several opportunity areas where the private sector can operate either on their own or in joint venture with the Government.

The Government will continue to provide leadership to maintain a conducive investment climate.

To this end, transport and communications infrastructural facilities and services will continue to be improved and upgraded to enhance mobility and accessibility.

With respect to agriculture, aside from the encouragement for the private sector to participate as a partner in new land development, steps will be taken to allow for more flexibility in the use of agricultural land to promote greater private sector investment, particularly in food production.

To accelerate housing development, various measures, such as the establishment of one-stop agency and the review and updating of regulations, will be taken.

Labour productivity will be increased through training programmes to equip workers with skills required by the industries.

This Fifth Plan which is being tabled in this distinguished House contains strategies, policies and programmes appropriate to the current structural constraints and growing uncertainty faced by developing economies.

I believe that drastic situations require drastic measures.

There is not much choice left for us because uncertainty in the commodity market is no longer limited to one or two primary commodities, but has swept the board to include practically the whole range of items.

For instance, the price of palm oil declined by 61.1 per cent from $1,496 per tonne in April 1985 to $581 per tonne in February 1986.

The price of crude oil declined by 44.5 per cent from US$29.8 per barrel in January 1985 to US$16.5 per barrel in March 1986.

Prices of tin and natural rubber also declined substantially by about 33.2 per cent and 6.7 per cent, respectively, between mid 1985 to early 1986.

Since Malaysia is one of the most trade dependant economies in the world, fluctuations in the world trade, therefore, have a direct effect on us.

It is beyond comprehension that despite palm oil being nearly US$80 ($185) per ton cheaper than soya bean oil, demand for our palm oil continues to be weak.

This indicates clearly the extent of market control and market manipulations by certain groups.

I would not be too far off the mark to suggest that the world trading system is an inequitable system. Internationally, the sharing of benefits from trade has not been a fair one.

While the rich countries have benefited from sharp declines in commodity prices, the developing countries which produce the bulk of these commodities have to bear the brunt of this depression.

These rich industrialised countries are now paying some US$65 billion a year less for the same amount of raw materials they consumed in the last twelve months.

Their gain, however, is at the expense of the developing countries who are forced to pay high prices for manufactured goods.

Nevertheless we cannot waste our time bemoaning

the lack of consideration on the part of the rich countries.

While we haggle and argue with them, we must also look at ourselves and the things we can do to overcome our economic problems.

We have to take a second look at our strategy of overrelying on the productions of commodities in order to expand our economy.

We need to improve management expertise, reduce our cost, do more research and development and coordinate production so as not to be constantly faced with unmanageable glut situations.

We have to recognise that there is a limit to the capacity of the world to consume commodities. Producing more does not necessarily improve income but producing efficiently probably will.

And high prices only lead to a search for newer sources or to substitutes, both of which will be damaging to the commodity producers.

The international economic order is not a just economic order. One of the elements of economic justice is that producers of goods and services should be fairly and adequately rewarded for the cost and effort required to produce these products.

At the same time, the goods and services that they buy or import should also reflect the true value of these imports.

But, the economic might of the industrialised countries and the power of the transnational corporations and commodity traders have dominated the global markets for many of the products which are exported and imported by the Third World countries.

The prices of our commodities, with the recession, have slided to a level below the cost of production, but the prices of our imports of manufactured goods from the developed countries have not really declined, despite the low raw material costs.

This is clear case of unequal exchange and it is

detrimental to our terms of trade, and thus to our efforts to develop.

In reality, the industrialised countries not only possess nearly two-thirds of the world's wealth, but also control an even greater portion of it.

Third World countries are subjected to economic pressures from the industrialised countries from which there is no escape.

For example, the rise in the value of the yen, following the decision by the major industrialised countries to reduce the value of the US dollar so as to overcome the balance of payment problems among them has significantly affected Malaysia's external balance position.

The yen had appreciated by 39 per cent against the US dollar or about 40 per cent against the ringgit in mid February 1986 compared with that in December 1984.

The appreciation of yen has increased Malaysia's debt servicing obligations on its loans raised in yen.

As these loans accounted for 20 per cent of the public sector's debt, the increase in debt servicing is substantial.

The appreciation will also make import from Japan more expensive. Since one quarter of our import requirements come from Japan, the nation will need to pay more for the same amount of goods imported from there.

An item of interest is the expected appreciation of motor vehicle knock-down parts assembled in Malaysia.

All these are made worse by the pernicious practice of protectionism which is becoming more pervasive, rampant and entrenched in the industrialised countries.

Where is the justice in the approach which, on the one hand, encourages developing countries to industrialise in the context of the checks and balances of the market forces, while on the other, the markets of the industrialised countries are steadily closed to the exports of the Third World countries?

Our ability to compete in the international market

will ultimately depend on how far we can improve productivity in all sectors.

This is especially true in the light of limited resources, limited commodity market and greater number of competitors.

This calls for hard work, improved skills and efficiently, better management and greater use of improved technology in production.

The quality aspects must also be stressed and we must be prepared to pursue aggressively new market strategies.

Efforts much also be made to improve the quality of products through research and development.

At the same time, Malaysia must maintain its long-term strategic niche in the world rubber and palm oil markets and for that matter other export commodities.

Industrialists must also intensify their search for new markets. New marketing strategies through new marketing activities in new areas, such as within the Asean region and other developing countries, should also be adopted.

MODERATE GROWTH WITH STABILITY: The thrust of development for the Fifth Plan will be one of moderate growth with stability.

In view of resource constraints and imbalances, the strategy of moderate growth with stability will be pursued without resorting to large scale borrowing as in the past.

Towards this end, concerted efforts will be made to increase domestic savings, mobilise domestic resources, attract foreign investment and harness the available resources in the most efficient and productive manner.

In the Fifth Plan, various strategies will be adopted to stimulate growth.

The manufacturing sector has been earmarked to provided the growth impetus.

In stimulating industrial growth, the development of a few selected industries will be accelerated to maxi-

mise resource allocation and exploit the country's comparative advantage.

The economies of location will be given greater importance in the siting of industries, especially the large and medium sized export oriented industries.

In addition, more joint ventures with foreign corporations will be encouraged in order to launch Malaysia as a global marketer of manufactured products in the international markets.

Earning

In line with the National Agricultural Policy, the agriculture sector will be revitalised to increase farm earnings and be a productive source of employment as well as a contributor to economic growth.

Steps will be taken to allow more flexibility in the use of agricultural land in order to promote greater private sector investments, especially in local food production.

Tax incentives for the agriculture sector have been improved and large scale cultivation of paddy in granary areas, using modern techniques and managed by trained professional management teams will be encouraged.

In the cultivation of rubber and oil palm, emphasis will be place on raising the productivity of labour to meet increasing competition.

The private sector will be encouraged to participate as partners in Government sponsored land development schemes.

The cultivation of crops and the provisions of support services and programmes that will lead to highest economic returns will be emphasised.

Increasing the productivity of local labour through the fuller development of human resources is an important component of the strategy to stimulate growth.

Greater attention will have to be placed on the training of labour to equip them with highly productive skills required by industry, rather than on mere acade-

mic training.

Closer rapport between training institutions and the private sector will be encouraged to increase the relevance and cost-effectiveness of the training programmes.

To achieve rapid industrialisation and to improve the competitiveness of our products, greater emphasis will be given to research and development programmes.

Under the Fifth Plan, higher technology and strategic programmes that will boost industrial capacity and the technological capability of the country will be initiated.

More efforts will be made to foster and upgrade indigenous capacity and competence in scientific and technological innovations.

It must be emphasised here that the experience gained from the economic slowdown has also benefited us in that it enhances our ability to face the challenges ahead.

This will demand sacrifices, and, above all, a change in attitude.

We have to live within our means and not jeopardise and burden future generations with huge national debts.

We must sacrifice our short-term needs to ensure a better future for our future generations.

CONSOLIDATION OF PUBLIC SECTOR: The Fifth Malaysia Plan represents the fourth and final phase in the implementation of the Outline Perspective Plan.

Although the fundamental objectives of the Plan are similar to those adopted at the commencement of the Outline Perspective Plan, the strategies and policies will be adjusted to suit the circumtances prevailing in the latter half of the 1980s.

The public sector will no longer play a leading role in stimulation economic growth.

Steps will be taken to gradually reduce the size and role of the public sector through consolidation to ensure efficiency, accountability, and productivity in the man-

agement of government departments and public enterprise.

The determination of the Government to consolidate the public sector is reflected in the size of the Fifth Plan allocation as compared with the Fourth Plan allocation.

The Fifth Plan allocation amounts to $74 billion compared with $80 billion for the Fourth Plan.

More privatisation of government agencies and activities will be undertaken to trim down government participation in the economy and at the same time increase productivity and efficiency.

COMBATING RISING UNEMPLOYMENT: It is inevitable that with the economic slowdown, the level of unemployment will increase.

Current estimates indicate that about 684,200 will be unemployed in 1990 compared with 448,600 in 1985.

This means that the unemployment rate will be about 10.1 per cent in 1990 compared with 7.6 per cent in 1985.

The majority of the unemployed are expected to be new entrants into the labour force without work-related skills.

The Government will continue to take appropriate measures to reduce the level of unemployment in the country and continue to monitor closely labour market trends.

These measures include the construction of 80,000 low-cost housing units annually, converting mining land for agricultural purposes, construction of roads and minor works which are labour intensive, privatisation of selected activities, and training and retraining the unemployed in marketable trades.

Steps

The Government will also take steps to provide unemployed graduates with temporary employment by attaching them to government agencies or projects.

They will be paid a nominal wage and at the same time provided with job related skills.

Greater attention will, therefore, have to be placed on the training of labour in skills required by the country.

Industrialists and educationists in universities and technical institutes must formulate strategies and policies to increase the relevance and cost-effectiveness of training programmes.

Educational policies will de-emphasise the "paper chase" syndrome. The modernisation of the industry and the utilisation of more advance technology will require the right type of trained technical personnel.

All these efforts by the Government, however, will not be successful if support from the private sector and the people are not forth-coming.

At the same time, the work force must change their attitudes. Only prejudiced attitudes prevent the local unemployed from switching jobs.

They should not be too choosy about jobs and must be ready to take lower paying jobs.

Job seekers should be prepared to take risks and be willing to move to where the jobs are and not expect the jobs to come to them.

Therefore, the preference of job seekers for white-collar jobs will have to change, in line with the economy's greater requirements for skilled workers.

In addition, job-seekers will have to be more self-reliant, motivated, and competitive and should not demand wages which are inconsistent with their level of productivity.

Premature demands and agitations by worker will also lead to the failure of government programmes to improve the well-being of the people.

They should also cultivate the pioneering and entrepreneurial spirit and seek self-employment.

ROLE OF PRIVATE SECTOR AND DEREGULATION: It is clear by now that a very crucial requirement

for the attainment of our growth target for the Fifth Plan will be the response that will be forth-coming from the private.

I think it is not an exaggeration to say that if the private sector does not come forward to take up the growth opportunities that are forth-coming, then we will not be able to reach our growth target.

The Government has introduced various measures and schemes to encourage private investment over the last few years, but the response so far has been rather lukewarm.

I am afraid this does not augur well for the future if this trend is to continue for the entire period of the Fifth Plan.

If we ourselves do not have the confidence to invest in our own country, then if would be too much to expect others to do so.

The private sector must get out of its inertia, have a bold outlook and must be prepared to take the necessary risks.

It is also important for the private sector to give up its lemming instinct, that is of a tendency to follow others into the same lines of business until the activities are over-saturated.

What is required is much greater entrepreneurial spirit and drive to search and to break new grounds in business activities.

An imitative approach to business is not a lasting foundation for sound growth, and should be replaced by a greater entrepreneurial drive into new activities.

For its part, the Government is prepared to do all that is possible to deregulate the economy, in stages, so that the environment for private investment will be favourable.

The deregulation drive, in fact, has already commenced. The recent amendments to the conditions are required by the ICA and the more liberal equity guidelines for foreign investments, for example, are specific

measures that have been introduced to deregulate the economy.

Also the system of incentives are now under active review and will be revamped to encourage greater investment in the manufacturing sector.

The institutional superstructure for industrialisation, such as those which will strengthen our Research and Development (R & D) and training efforts, are also being reviewed.

All these and many more measures that have been proposed by the Industrial Master Plan (IMP) are being considered for implementation.

A Lot More Still To Be Done

The speech given by Dr. Mahathir Mohamad when presenting the motion on the Mid-Term Review of the Fifth Malaysia Plan in the Dewan Rakyat on Wednesday June 28, 1989.

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About three years ago, I stood before this august House to present the nation's development agenda for the period 1986-1990. The main objective of that agenda was to ensure long-term economic growth with stability.

In order to achieve this objective, I emphasised the need for each one of us to change our attitude and work hard in order to build a society that is progressive, positive-minded and self-reliant. The Government itself provided the necessary direction needed for such changes and adopted a positive approach in implementing the measures that were envisaged.

It is with great pleasure that I now table the Mid-Term Review of the Fifth Malaysia Plan for the period 1986 to 1988 so that we can assess the extent to which we have achieved our objectives, overcome problems and hurdles in our path and managed to build a resilient economy to face the challenges ahead.

Such a review is not something new. It has become a tradition mid-way through the implementation of each of our five-year development plans. However, this Mid-Term Review is particularly significant because it provides us an opportunity for not only assessing the achievement of targets set out under the Fifth Malaysia Plan, but also those contained in the Outline Perspective Plan (1971-90) as well as the New Economic Policy.

The honourable Members must, therefore, give earnest attention to this review in a positive and constructive manner so that we can better achieve our planned objectives as well as programmes under the New

Economic Policy whose time period will expire in about 18 months.

At the time when the Fifth Malaysia Plan was launched, the nation was in the throes of a severe economic recession. The nation's total income, for instance, declined by 7.9 per cent with the Government facing strains in its financial position. The recession also weakened efforts to create more employment opportunities, which consequently led to an increase in unemployment.

Within this pressing environment, there emerged doubts among certain quarters about our ability to recover from the impact of the recession. Some critics even attributed the problems induced by the recession solely to the inefficient management of the economy. They often forget that ours is an open economy, with more than one-half of our national income being derived from exports and therefore, a recession in the world economy has immediate repercussions with unanticipated effects on our economy.

The growth rates achieved in recent years clearly show that there is no basis whatsoever for the criticisms levelled against us. In fact, sound and prudent economic management on our part has resulted in output growth rebounding at a high rate and within a shorter time frame than what was anticipated earlier.

For instance, the growth rate last year was 5.7% per cent, the highest in the 1980s, compared with 5.2 per cent in 1987 and 1.2 per cent in 1986. In addition, the Government's financial position which had been under strain, recovered much earlier than we had expected, while the resource gap problem that characterised the period before the Fifth Malaysia Plan was launched, was also successfully overcome.

The main source of our economic recovery can be attributed to the strong growth of the export sector. The total value of exports in 1988 reached $55.3 billion or 55 per cent more than the level attained in 1986. This can be

attributed not only to the increase in the prices of our primary commodity exports, such as rubber, palm oil, tin and petroleum but also to production increases particularly in the modern agriculture and manufacturing sectors.

Manufacturing output grew by 12.8 per cent in 1987 and 18 per cent in 1988 prompted by the increase in both external as well as internal demand. The value of our manufactured exports in 1988 was a significant 75 per cent higher than the value achieved in 1986. This is an important development in the Government's efforts to strengthen the industrial base so that our economy is less dependent on the export of raw materials.

The rapid recovery achieved in the export sector also had a significant impact on the economy as a whole. The current account of the balance of payments began to show a clear surplus beginning in 1986 after facing continuous deficits since 1980. The financial position of the Government also strengthened significantly compared with the serious resource constraints that were faced in 1985 and 1986.

Bank interest rates have fallen to their lowest level since 1974. Per capita income, on the other hand, increased from $4,073 in 1986 to $5,070 in 1988. Consumer expenditure increased substantially as evidenced from data pertaining to the sale of consumer items such as refrigerators, television sets, motorcycles and passenger cars. In short, encouraging growth is evident in virtually all sectors of the economy.

The private sector has also played a significant role in achieving higher growth since 1987. This is evident from a number of indicators. In 1988, the proposed capital investment in projects approved by Mida, amounting to $9,094 million, was 131 per cent higher than that of 1987.

Imports of capital goods rose by 13.5 per cent in 1987 and 38.9 per cent in 1987 and 1988 respectively. Credit extended by the commercial banks to the private

sector also increased considerably. Furthermore, the number of proposals for acquisition of assets and shares received by the Foreign Investment Committee was much higher in 1988 compared with 1986.

Private investment recorded a growth rate of 23.5 per cent in 1988 compared with a slower rate of 6.5 per cent in 1987 and a sharp declined of 16.3 per cent in 1986. In fact, the growth in the private sector had been induced not only by the recovery in the export sector but also by the various positive measures undertaken by the Government to create a more conducive environment for both foreign and local investors.

The Government adopted a series of deregulatory policy measures necessary to promote private sector development. Accordingly, the Industrial Co-ordination Act, 1975 was liberalised by raising the exemption limit for manufacturing licensing and relaxing the foreign equity conditions. In addition, for the acquisition of assets, the threshold for obtaining the approval of the Foreign Investment Committee was raised to $5 million in order to facilitate and accelerate purchases and take-overs.

A number of monetary policy measures were also introduced in order to ensure the availability of sufficient funds at reasonable cost. Apart from these measures, the fiscal incentives provided under the Promotion of Investment Act 1986 was extended into areas other than manufacturing, namely, the agriculture and tourism sectors. The Government also reduced the corporate tax rate to provide added stimulus for private sector investment.

Foreign and local investors are showing keener interest and this augurs well for the maintenance of stable economic growth. Lately, the private sector has successfully captured global markets for products long marketed only domestically. The success of this policy is also evident in Government-owned companies. For instance, the national car has managed to penetrate the

international market. The Government believes that if the private sectors grasps the opportunity created by the various investment inducements and incentives already provided, it is poised to achieve even greater success. Of course, this will depend on the attitude of the private sector itself.

During the recession years, the Government took steps to reduce recurrent as well as development expenditures with the view to ensure a healthy budgetary position. Prior to this, the Government had borrowed heavily for development purposes in order to sustain high growth rates for the economy. If this expansionary stance had continued unabated during the recession, it would have raised the debt burden of the country substantially, as was experienced in a number of developing countries.

The reduction in development expenditure was a prudent step in view of the unexpectedly prolonged recession which imposed severe stains on the budgetary position of the Government. In addition, the growth prospects for the Malaysian economy at that time were still uncertain. The Government felt that if the original Fifth Malaysia Plan development expenditure allocation of $74 billion had been adhered to, this would have increased the country's external debt and given rise to the risk of slower growth for the future. In other words, it was more prudent to spend within our means. Thus, the development expenditure was brought down to $47.7 billion.

However, with the recent good performance of the economy, the Government has agreed to increase the total development expenditure to $57.5 billion. While these development allocation are comparatively lower than originally envisaged in the Fifth Malaysia Plan, they are considered sufficient for the implementation of projects until the end of 1990.

Of the revised development allocation of $57.5 billion, the share of the Federal Government is $32.86

billion and of the Non-Financial Public Enterprises (NFPEs), $16.4 billion. Of the total allocation for both the Federal Government and the NFPEs, the economic sector accounts for 76.17 per cent whereas 17.24 per cent has been earmarked for the social sector. In this regard, the share of the economic sector has been maintained at about the same level as when the Fifth Malaysia Plan was first launched, while the share of the social sector has been increased.

The Government will continue to give priority to rural development projects as well as the expansion of physical and social infrastructure. Malaysia can be considered to have one of the best infrastructural networks in this region. Nevertheless, considering the importance of an efficient infrastructure system for economic growth, greater emphasis must be given for increasing the quality of such infrastructure. Thus, the expenditure for infrastructure projects, such as roads, ports, railways, airports, water supply and electricity needs, is to be raised in order to support the expansion of the important economic sectors, particularly, manufacturing, tourism and agriculture.

However, during the period 1986-88, the performance of Federal Government agencies, in terms of utilising their development expenditure allocations was far from satisfactory. Therefore, efforts will be stepped up during the coming 18 months in order to ensure that the rate of project implementation is much higher than in the past.

The Government will continue to consolidate the public sector although substantial improvements in its budgetary position has been made since the period 1986-87. During the last two years of the Fifth Malaysia Plan, the current account of the Federal Government is expected to register surpluses, thus reducing the overall deficit of the Federal Government.

Currently, the overall deficit is considered to be at an acceptable level and much lower than the original

estimate of the Fifth Malaysia Plan. Given that the Government will continue efforts to reduce the country's external debt burden, the development expenditure is expected to be increasingly financed from domestic sources. Privatisation of specific projects will also be under taken with the view to reduce the financial burden of the Government, without adversely affecting development requirements to support economic growth.

In line with the consolidation efforts undertaken by the Government to improve public sector finances, the operations and performance of the NFPEs will be closely monitored. These agencies must reduce their dependency on Government outlays and rely much more on their own sources of funds.

On its part, the Government has decided not to establish any new NFPEs, particularly those that compete directly with the private sector. In line with the Government's aim to reduce the financial burden of the public public sector, privatisation efforts will be intensified. While there are a number of constraints at the implementation level, the extent of privatisation to date has been generally satisfactory.

The Fifth Malaysia Plan also highlighted the important role of science and technology, particularly R & D, in the socio-economic development of the nation. It was viewed as a major factor influencing economic growth. In this regard, an allocation of $400 million was earmarked for public sector research activities.

For effective utilisation of this allocation, a new mechanism known as the Intensification of Research in Priority Areas or IRPA, was introduced to attain a more co-ordinated and closely monitored research agenda in line with national development priorities. The mechanism has provided the frame work for mobilising scientific and technical manpower resources towards enhancing R & D activities in the priority areas indentified, and in promoting collaborative efforts within and among research institutions and universities in order to

reduce unnecessary duplication and wastage of resources. However, much more needs to be done to further streamline and strengthen the IRPA mechanism with the view to making it more effective, and in particular, creating linkages with the private sector.

Private sector participation in R & D activities, especially within the manufacturing sector, is currently minimal, in spite of the incentives provided by the Government. In order to achieve higher rates of growth in the industrial sector and the production of high quality goods that are able to compete in international markets, the private sector is urged to increase its involvement and investment in R & D. This can be done in several forms, such as in-house R & D activities or through collaboration with Government R & D institutions and the universities.

Since the implementation of the New Economic Policy beginning from 1971, satisfactory progress has been achieved in the eradication of poverty among the people and the reduction of imbalances among ethnic groups, especially in terms of employment and wealth ownership.

The objectives of the New Economic Policy have been formulated under the Outline Perspective Plan, 1971-90, in the context of rapidly growing economy, an essential prerequisite for expanding employment and income opportunities for the poor and the less developed regions.

Economic growth during the Seventies registered high average rates of 6.6 per cent during the Second Malaysia Plan period, 1971-75, and 8.5 per cent during the Third Malaysia Plan period, 1976-80. However, during the Fourth Malaysia Plan, 1981-1985, economic growth declined to an average level of 5.1 per cent. The recession experienced in 1985, in which economic growth was negative, continued to persist until the economic recovery in 1987.

Although the economic situation was less than

satisfactory during the early part of the Eighties, we can still be proud of the achievements in the implementation of the New Economic Policy.

The incidence of poverty in Peninsular Malaysia declined from 49 per cent in 1970 to a very low level of about 17 per cent in 1987. The progress made showed that the development programmes of the Government, especially in the rural areas, had an impact on the output and income of the poor such as rubber smallholders, paddy farmers, fishermen and estate workers. At the same time, the number of poor will be reduced since their children, who tend to receive better education, will seek employment in high-paying sectors including professional occupations. A number of socio-economic indicators also show that more people from the rural areas enjoy basic amenities, such as water, electricity and roads.

When I presented the Mid-Term Review of the Fourth Malaysia Plan before, I explained the concept of poverty used in this country. When we mention the poor in this country, their position is not as bad as those found in a number of other developing countries. Therefore, when the poor in this country experienced the effects of the recession, their condition was not as desperate as in some other countries.

In addition, the difficult conditions faced by them where temporary in nature. When the economy started to recover and the prices of commodities improved, their living conditions became better and our efforts to eradicate poverty will therefore be achieved, God willing.

The honourable Members can examine the detailed figures on poverty and income distribution among the ethnic groups and States as outlined in the Mid-Term Review of the Fifth Malaysia Plan. In this report too, the Government provides the information on the house-hole income used as the poverty line income for 1987, that is, $350 for Peninsular Malaysia, $553 for Sabah and $429 for Sarawak. The poverty line income and its methodology

has been explained to the members of the National Economic Consultative Council. Other information required for the deliberation of the council has also been provided.

With regard to the second objective of the New Economic Policy, that is, the restructuring of society, its achievement has been substantial when compared with the situation in the Seventies.

Bumiputera participation in the industrial and commercial sectors increased in percentage as well as absolute terms. Similarly, in the ownership of share capital in the corporate sector, the Bumiputera share increased from 2.0 per cent in 1970 to about 19 per cent in 1988.

Nevertheless, we have to recognise that the pace in increasing Bumiputera participation during the Eighties is not as rapid compared with that in the Seventies. This is due to the economic downturn, especially in 1985 and 1986, which brought about several problems such as unemployment and a decline in private and public sector investment expenditure. In such a situation, opportunities to increase Bumiputera participation either in employment or ownership of corporate wealth, were minimal.

Of the increase in the new paid-up capital of $20 billion during the period 1986-88, 21 per cent was acquired by Bumiputera individuals and trust agencies while 60 per cent by other Malaysian residents and 19 per cent by foreigners.

This resulted in the Bumiputera ownership share in the corporate sector during the period remaining unchanged at about 19 per cent by end of 1988.

Meanwhile, employment restructuring also did not show much improvement, with Bumiputera participation being mainly in the traditional agricultural sector, while non-Bumiputera participation was mainly in the secondary sectors of manufacturing and construction.

When the country was affected by the recession, there were people who were sceptical about the position

of the New Economic Policy in the development agenda of the nation, particularly with ownership restructuring. It is important to note that the New Economic Policy is not exclusively for the Bumiputera nor is it limited to equity targets alone.

The creation of employment opportunities and the provision of education and assistance to the low-income groups are equally important objectives of the New Economic Policy. These objectives were, in fact, pursued, even though the assets ownership of the Bumiputera was adversely affected by the recession.

There are certain groups who thought that the restructuring mechanism had affected economic performance by reducing private investment. There is, however, no evidence to support this allegation. The decline in private investment during the early part of the Fifth Malaysia Plan period was essentially a short-term reaction to the uncertainties in the economy and the adjustments that had to be made in response to reduce worldwide demand.

In this connection, efforts were directed towards improving growth and increasing competitiveness in the international marketplace. The Government for instance, had reduced administrative schemes and other fiscal policies to strengthen the investment climate.

There are others who regard the relaxation given to foreign investors as an indication that the New Economic Policy has taken a back seat. I wish to make it clear on the choices we had to make.

First, we can wait until we have sufficient capital to meet our target of equity ownership before allowing further foreign investments. However, this will mean that more people will be unemployed.

The second approach is to reduce the requirements for local equity participation in order to provide more incentives for foreign investment to increase industries which provide employment opportunities to the people.

The first option gives priority to the local investors

who are few in number. The second option emphasises the creation of more employment opportunities.

The Government chose the second alternative because the interest of the unemployed was more important than the interest of the investors. At the same time, the creation of employment opportunities also fulfils the New Economic Policy objective of eradicating poverty.

The approach chosen has accelerated the growth of manufacturing industries and tourism and consequently, overall economic growth, with the result that the country has not lagged far behind neighbouring countries in efforts to improve the living standards of the people.

Priority is given to economic growth because of its close relationship with the welfare of the people. Clearly, economic prosperity has a direct link with unemployment. During the recession, unemployment, including graduate unemployment, increased to 8.3 per cent of the total labour force.

If the Government is seen to be placing great importance on a hormonious worker-employer relationship, or in short, industrial peace, it is because we are greatly concerned about the unemployed as well as those who are presently employed. The lack of industrial peace can adversely affect the investment climate, thereby drastically limiting the creation of new employment opportunities for the unemployed.

Those who are currently employed should also share in the responsibility of maintaining industrial peace, since an economic recession not only reduces employment opportunities but also results in the retrenchment of workers. This we have witnessed in the recent recession, where a sizeable number of workers lost their jobs.

If we observe what is occuring in countries which have moved into the ranks of the newly-industrialised country or NIC, we cannot help but notice that industrial peace played a paramount role in fostering their devel-

opment.

As an outcome of such progress, wages in these countries have now risen to such levels that their entrepreneurs find it advantageous to invest overseas for cheaper labour. God willing, when our country becomes developed in an environment of industrial peace, all workers will paid be wages compared with that of the NICs.

On the basis of recent achievements and developments, I believe that the economy has fully recovered from the vagaries of the recession. Despite the presence of obstacles to international economic growth, I believe we will be able to overcome them.

On this belief, we expect the national economy to grow at 7.3 per cent for 1989. The income from exports obtained during the past few years will help to stimulate the domestic economy.

However, the economy is anticipated to register a slightly lower growth of 6.7 per cent in 1990, as a consequence of the lackening of world growth and trade expected for next year. Therefore, it is important to ensure that our export income is used to enhance the national productive capacity rather than being used overseas for short-term gains or to meet individual priorities.

In view of this growth forecast, our economy will register and average annual growth rate of 5.8 per cent during 1986-90, a level higher than the Fifth Malaysia Plan target of 5.0 per cent.

We will witness an economic structural transformation in the desired direction, within the context of further strengthening our national economic position. Early forecasts indicate that we will be able to achieve the long-term objective of absolute poverty eradication in Peninsular Malaysia.

What is particularly heartening is that the average income of all those in agricultural projects undertaken by the Government is well above the poverty level. In addition, the adjustments made in the past few years have

helped to raise productivity. This is especially the case for the manufacturing sector whose productivity is expected to grow at 5.0 per cent per annum.

Honourable Members, despite the achievements that I have just mentioned, it is unlikely that we will achieve the long-term target for the restructuring of society. The Bumiputera ownership in the corporate sector will at most constitute 20 per cent by 1990. Furthermore, as regards employment restructuring, occupational disparities among various ethnic groups will continue to persist.

Moving on the issue of unemployment, the unemployment rate for 1990 will be reduced to only 7.6 per cent compared with 8.1 per cent in 1988. We should bear in mind that the current number of unemployment is 534,700, and that the labour force is expanding from year to year. To create jobs for them, the economy must expand at a more rapid rate of not less than 7.0 per cent annually. Therefore, it is important for us to adopt development policies that will promote rapid growth of the economy so that the unemployment problem can be overcome.

The unemployment rate, however, will not be very much lower as long as Malaysians are too choosy in selecting jobs. While there exist thousands of job vacancies, thousands of workers are also unemployed. Meanwhile, foreign migrants have come into Malaysia to secure these available jobs. As a result of being too choosy, we fail to take advantage of the bountiful opportunities this country is endowed with.

Sustained economic growth is the prerequisite for the achievement of structural transformation and social development. In this respect, we should capitalise on the unique and positive attributes in our economy for the benefit of all. Meanwhile, measures to overcome various obstacles to growth will continue to be pursued.

Resource allocation is an important aspect in economic growth. It is important that the allocation is made

on the basis of efficiency and without wastage. The Government will ensure that financial resources for the private sector is adequate and made available at a reasonable cost.

The role and function of the public sector will also be reviewed with a view to reducing the financial burden of the Government, eliminating wastage and raising efficiency. The management of Government-owned companies should place emphasis on returns on investments.

It will be incongruous indeed for the Government companies to depend on capital infusion year by year, since such a situation is unheard of in the world of the private sector. Nonetheless, programmes to develop the infrastructure which can support economic expansion and private sector growth will continue to be undertaken.

The development expenditure of Federal Government agencies and functions that will be and have been privatised during 1989 and 1990 is expected to stimulate growth of construction and manufacturing activities in the private sector.

In addition, to the construction of gas pipeline and the North-South Highway, planning is currently being undertaken to accelerate the implementation of various infrastructure projects in the Klang Valley, including highway and railway development to reduce traffic congestion between Kuala Lumpur and Port Klang.

In the north, a new highway will be constructed between Kulim and Prai to facilitate communication between the industrial areas and the port in Penang. Such developments are also being pursued in the eastern region where new roads will be constructed to link areas in the interior of Terengganu, Kelantan, Perak and Pahang. Similarly, in the case of Sabah and Sarawak, federal roads will be upgraded to reach the standard of roads available in the peninsula.

Malaysia is but a small nation, open to international

economic influences. Although we may not be able to insulate the economy completely from external influences, some avenues are still open to us to reduce their effects. In this regards, steps will be taken to diversify our exports and further strengthen the domestic market.

The attainment of more rapid economic growth is possible through greater contribution of the manufacturing sector. For this purpose, every encouragement will be given to industries which can expand rapidly, as well as those which are progressive and competitive. Efforts need to be made to diversify output and product design as well as the utilisation of finished products. The penetration of the new markets will have to be intensified. On the whole, the development of the manufacturing sector will continue to emphasise efficiency and competitiveness.

Such developments are contingent upon our ability to harness technology. The transfer of technology depends not only on the willingness of those transferring the technology, it also depend on us, the recipients, in our readiness to absorb and utilise what is being transferred. It is unlikely that technology will, as it were, fall into our laps of its own volition. Instead, it has to be assiduously pursued, studied and applied.

In this connection, banks in Malaysia should be farsighted and willing to finance industries which utilise technology and not give loans merely on the basis of the value of the collateral. Banks should have in their ranks technical officers who can assess projects utilising modern and new technology. Such a move will certainly increase the exposure to risks. But without accepting reasonable risks, it is unlikely that Malaysia will have its own technologically modern industries.

Adequate allocation will be made for research and it is hoped that the private sector will increased its research activities up to 25 per cent of the national research effort, as is the target in the Fifth Malaysia Plan.

Meanwhile, measures will be taken to bring about

awareness among the scientific and technological community in the public sector on the linkages between science and technology and the national economy, on the need to tailor a major portion of the research effort with industrial requirements, and on the importance of more interaction between the academicians and the private sector.

With regard to agriculture, the development of the sector should be viewed from long-term perspective, especially because the sectoral constraints are structural in nature. In the effort to revitalise the role of agriculture, attention will be given to the rehabilitation and restructuring of agricutural land, alongside increased activities on production and downstream research. Development programmes will also increase commercialisation and self-reliance as well as the more active participation of farmers. The same could be said about fishery activities. Traditional methods are no longer suitable. Both the government and the private sector should join hands to meet the challenges of the mass consumption era.

I would, therefore, like to take this opportunity to urge the private sector to play an enhanced and more effective role in raising the growth rate of the national economy. On the part of the Government, the necessary steps will continue to be taken to reduce the administrative and institutional practices that hinder private sector growth.

The New Economic Policy will continue to be given an important position in the agenda for national development. While waiting for the consensus of the National Economic Consultative Council, the Government will ensure that the implementation of is development programmes will be undertaken in a way that brings long-term benefits to all communities in this country.

In the effort to eradicate poverty, attention will be given to the various aspects of relative poverty among ethnic groups and location. Although the incidence of poverty has been much reduced, efforts will continue to

made to improve the living standards of the hard-core poverty groups. The most effective way would be to encourage the poor not to remain as merely passive recipients.

With regard to human resource development, emphasis will be placed on management and technical training in line with the economic development of the country. Positive values will be instilled among those in schools and other educational institutions as well as among adults. Good work ethics will be inculcated not only among the lower category of workers but also among the growing number of executives in our expanding economy.

Malaysia has successfully emerged from the recession with a more resilient economy. This can be attributed to the adoption of appropriate and well-structured economic adjustment policies. But this does not imply that we can afford to be complacent. Much more remains to be done in our efforts to restructure society, eradicate poverty and develop our human resources.

We have to deal with several challenges to ensure sustained economic growth. In recognition of this fact, I urge all levels of society to consolidate efforts and set aside individual priorities so that together, we may usher in greater progress of our society and nation.

National Politics

UMNO was formed 30 years ago and has since expanded and become strong under various leaders. All this was made possible by the unity and co-operation among its members. UMNO's stronghold, too, was enabled by the freedom enjoyed under the democratic system. Freedom in a democracy is responsible freedom.

As a leader aspiring to see the progress of UMNO as an organisation charged with calibre, he does not fail to advise UMNO members to maintain the party's integrity and understand the party's constitution and principles while acting on its behalf. He believes that actions beyond the code of ethics would bring about a similar reaction.

He said, "Therefore, we must be careful before we act in distinguishing between activities and leadership which uphold the integrity and interest of the party, from the activities and influences which would disrupt the party. Our rule and responsibility is based not on the struggle for the sake of struggling, but struggle based on the principles and integrity of the party."

In the course of UMNO's expansion, Mahathir is also well-known as sensitive to turbulence within the party. He asserts that any opposition or dissatisfaction should be voiced through the proper channels. The same goes for criticisms against a leader. Challenges and threats as a means towards this end would not be fruitful but in turn would result in disunity and chaos.

He does not want the incident where the Islamic religious body formed by UMNO decided to leave UMNO and form a new party, to repeat itself. Therefore, the Youth and Women's Movements were reminded to be cautious of their attitude towards the party. Admonition is only necessary when the deviations occur or is suspected.

UMNO was formed in 1946 with a singular objective, to oppose the formation of the Malayan Union, and not to fight for independence. As Malayan Union's aspiration was to fight for the rights of the Malays, it received maximum

support from the Malays. Unfortunately, according to Mahathir, the victory of the Malayan Union resulted in a new phenomenon. UMNO leaders, at that time, were not only bribed with special treatment by the colonialists, it also became a source of rivalry and ill-will among them. Nevertheless, this situation did not prolong to affect the struggle for independence. The situation, however, repeated itself when the nation achieved independence. This phenomenon not only threatened the stability of UMNO but also sowed the seeds of disunity among its leaders.

More importantly, every leader should realise the real objective of his struggle. He should be reminded from time to time of this concept to prevent him from being easily influenced by propagandas waiting to see the fall of UMNO. On him lies the trust to lead UMNO in the best possible manner, without evoking any chaos and the effects to be enjoyed together by the younger generation.

"UMNO does not exist for its leaders. All leaders are transient. They would go and be replaced by new leaders. But leaders and leadership are important for the organisation. A leader need not be defended because he is a leader. A weak leadership does not yield any benefits, similar to a weak organisation," asserted Mahathir.

It is a fact that every generation has an obligation towards its era. Therefore, it is important the leadership in a generation is in accordance with its time. He said this aspect is important because the leader and the aspirations of one generation could only be understood by that generation. He is confident that the younger generation could be charged with the responsibility to execute that task well.

Meanwhile, a study should be made to ascertain the reasons for the lack of the younger generation's involvement in UMNO. Is this accountable to UMNO's insolence and its indifference to the interest of non-members of UMNO? Or, is it due to the lack of perception of UMNO's role?

Perhaps, the new generation focuses its attention on

other fields and regards politics as unimportant. They may also assume that their rights and position would be secured and safeguarded forever by governments sympathetic to their needs. He cautioned that "actions taken today would mould the future".

Mahathir is also concerned of the ingression of western culture at an alarming rate which has a negative effect on the younger generation. It is an indirect cause contributing to the lack of interest among the younger generation in political involvement.

At the same time, there exists a competition between desire versus religion and culture. Desire which encompasses hatred and envy is more predominant in man than the influence of religion and culture. The situation becomes more crucial when those who purportedly struggle for virtuousness utilise desire, hatred and envy as their tools to achieve their own.

If religion becomes the focus of struggle, the virtuousness of religion would be omitted, instead the ignobility of others, said to neglect the practice of religious teachings, are projected. Mahathir despises such attitudes. He feels that religion should not be used as a propaganda to ruin someone.

Though, sometimes this method proves successful, it would not be permanent. They, too, would receive the same fate. Those who utilise weapons would be destroyed by weapons.

The strength of a party could be achieved if these negative elements are removed. Desire and ill-feelings are not a good basis for a struggle. For Mahathir, the basis of UMNO's struggle lies in patriotism and love for the nation, country and religion.

As mentioned, according to Mahathir's assumption, a true leader is a responsible person possessing the discretion to distinguish between the right and wrong. He is not a leader of self-interest seeking popularity.

Mahathir once said, "It is better that we be destroyed in the course of safeguarding the interests of UMNO's

supporters, the Malays and country, than be popular by leading our nation to destruction."

There is an evident distinction if we compared leadership during feudal times and now. The present day leaders encounter more challenges to their authority.

Allegations of contrivance or being used by the communists, socialists, using influence for self-interest, and the like are hurled at each other causing distrust on every leader. In such situations, leadership and its role in the Malay community is not easily understood as during the feudal era. In feudal times, leadership was not riddled with such complexities.

The king automatically becomes the leader with indisputable or incontestable powers. The loss of a king, due to natural causes or otherwise, would not affect the leadership as his successor is also a king or would be called king empowered with the same and absolute leadership rights. However, when this country chose the parliamentary democracy system of government and installed the king as a constitutional monarch, Malay leadership began to encounter problems. Nevertheless, according to Mahathir, this does not imply that democracy is bad for the Malays.

He further stressed that, in actual fact, the democratic system is better than the feudal system but the effectiveness of a system cannot guarantee the goodness of the system. Good results could only be derived if the system functions as planned and expected. To guarantee the smooth functioning of the system, the people must understand how the system operates under its limitations.

Since the government adopted the democratic system, leaders had mushroomed in great numbers. This is the implication of disregarding education as an important criterion for political involvement in the democratic system. The important factor is their ability to express effective and beneficial ideas. As a result, leadership has taken various forms.

As a leader concerned with the problems faced by the Malays, Mahathir is anxious should this phenomenon

continue and have negative effects on the Malay acceptance of national politics.

The Malay community is entangled in an indeterminate conflict. They are without direction, aim or purpose. If, during the years 1946 – 1957, their unity was so strong and they could pool support to achieve the objective determined by the leader, now they are divided into numerous factions clawing at each other.

Mahathir expressed regret at the attitude of a group of Malays using Islam as a propaganda to disrupt the unity of the party. If, before, the Malays were known as nationalists who love their nation, now there are some who say that being nationalistic is not parallel to Islam. According to them, nationalism is not necessary in Islam. What is important is unity in Islam, hence, they criticise Malay nationalists as unIslamic. Unfortunately, according to Mahathir, their claim does not unite the Malays as Muslims, but has divided and weakened them as the followers of Islam.

This propaganda is not restricted to Malays within the country but has spread to all over the world. This not only disappointed Mahathir but also would shake the confidence and trust of the Malays under the nationalistic leadership. Consequently, it created confusion and gave a negative impression of the Malay ability to lead the country.

The confusion was aggravated further with the emergence of various leaders and leadership patterns, from the young and old alike. The leaders employed diverse methods to draw support. This gave rise to a situation of intense rivalry among them. The Malays found it difficult to ascertain who was the true leader. Speeches and elucidations by each so called leader, was so convincing, that he could not but be accepted.

The opinion of others, too, do not lack in truth. But, these leaders do not see eye to eye. Each was trying to prove himself at the cost of the other. Therefore, the Malays found it more difficult to make a choice. A few leaders who were successful in acquiring the desired posi-

tions took easy the promises made. The pursuance of wealth through their influence and power was the ultimate importance to them. According to Mahathir, no matter who is elected as the leader, whether they are honest, successful, hardworking or otherwise, they are bound to draw criticism immediately after assuming their position.

Their leadership would be undermined by the propaganda of leaders not elected. These defeated leaders are never contented with whatever the newly elected leaders do. The authority of the new leader is increasingly challenged with criticisms taking various forms, either discretely or openly, directly or indirectly, through poison-pen letters or threats.

They would gradually be accepted no matter how absurd they are. Highly respected leaders, prior to their election, are doubted of their sincerity which finally leads to him proving their allegations right. His supporters would dissociate themselves fearing they may become involved in the downfall of their leader. Finally, falls the leader.

It has become customary for the Malays to revere the past deeds of former leaders. The more he is detached from power, the better his image. All his faults are forgotten or at least, not mentioned. But, if the laudations are effective and the leader returns to the political arena, the defamation process begins all over again. Again, accusations are hurled. And once again, his efforts are obstructed. Mahathir cites these incidents as impeding the progress of the Malay community in various fields. It is his fervent hope that every intellectual and leader join forces to reform and restore Malay confidence and trust in their leaders. Immediate measures must be taken to prevent this from becoming an echoing call gradually forgotten for the hope to revive Malay spirit rests with them.

Meanwhile, the role and contribution of the women's wing in the growth of UMNO should be recognised. Though the women's contribution does not receive wide publicity in the media, it does not imply that their contribution is not appreciated. Mahathir's advice to the groups

conspiring to ruin and defame UMNO is that times have changed and one must adapt to the evolution of time.

Then, it is easy to distinguish between foe and friend, but now it is an altogether difficult task. Sometimes, a friend who is regarded as faithful may turn out to be the propagator and critic of UMNO.

According to Mahathir, it is this subtle foe who is feared and difficult to detect. The foe's tactic of disguising as a supporter renders it impossible for UMNO members to detect them. The sympathetic attitude of these people influence some UMNO members to regard them not as foe intending to destroy the party but as an outside supporter.

As a manifestation of the situation, some UMNO members accept the support of these outsiders and later, the UMNO members in turn become their supporters when they criticise UMNO. UMNO's integrity is thus lost and it becomes an arena for the contention of opinions. Therefore, UMNO is no more the political party it was but has become a forum for open debate.

When this became the case, more leaders emerged with the intent to use that arena to seek influence, as Mahathir said, "They made various analysis apparently academic and they projected the problems and matters to be strived by UMNO, not only for the benefit of the Malays and the nation, but also for UMNO's sake. Unfortunately, at times their actions are far from what they preach."

This phenomenon did not receive a rousing reaction from political observers. Some were of the opinion that this action would ruin UMNO. Others who were influenced, urged UMNO to purge itself before attempting to unite and strengthen UMNO. However, many were still doubtful of the action. According to Mahathir, the change in attitude is not new and those who were still doubtful were told that UMNO is better off ruined than its image being tarnished by the outside elements.

Though his opinion was criticised as extreme, he nevertheless voiced it as it was the reality. He asserts that

present day UMNO members are more zealous to listen, read and protect not only the opinions of critics outside the party, but some even protect the critics themselves as if they were the leaders of UMNO. These critics and their supporters within UMNO live happily at the expense of UMNO's anxiety and weakness.

All this occurs because the Malays, including the critics and UMNO members themselves, do not feel oppressed as was the case with those who formed UMNO then. As a result, success threatens unity among the UMNO members and Malays, besides giving rise to other side effects. Mahathir believes the adverse effects would reinstate the Malays back in time where they were disunited, weak, oppressed and colonised in their own country.

Despite the prevalence of unity among the Malays and the members of UMNO, it would not be fruitful if there is no will and ability to compete in all sectors. Political power derived from strong unity can assist in competition, but political power is not the ultimate power to determine success. Ultimate power is the efficiency and capability to encounter all hindrances and pressures.

The belief that all problems could be overcome by political power is fictitious. As he said, "Political power may open avenues for us to gain knowledge, or venture into a business, or acquire a position. But whether we succeed in gaining the knowledge, make our venture profitable or perform our duties well could only be determined by us, through our efforts, perseverance and skillfulness."

Nevertheless, every leader has to face problems in the course of performing his responsibility. The most nagging problem is popularity. As a leader in a democratic nation, they may be unpopular if they do not utilise or more precisely misuse political power for their own gain.

Inducements to use political power to pave the way for opportunities would arise throughout, and also to ensure the success of that opportunity through political power. Problems would ensue from this practice whereby if political power is a tool to ensure the success of an oppor-

tunity, thus the loss of political power would mean failure of any opportunity given. According to Mahathir, those who use political power to overcome every problem or challenge, would fail miserably if he has no power. He feels that the abuse of political power would facilitate the enemy to achieve their aim and thwart UMNO and the Malays from continually holding political power.

The able and efficient do not view the absence of political power as a threat. They thrive and are indirectly powerful even in politics. In view of this, he urges every leader to use this opportunity, whilst they are in power, to equip themselves with the knowledge of all fields. They should be initiated and not rely on political power alone. The question Mahathir ask is, "Would UMNO as a responsible political party prevent the misuse of political power taking into account its consequences?"

Leadership in a democracy is a complex matter and contradictory to the principles and basis of democracy. The leader should lead, showing the way to his many followers. On the contrary, democracy requires that public opinion be adopted and followed. This carries the notion that if the supporters want something, the leader must submit to their wish.

Herein lies the confusions and problems of present day leaders. The need and aspirations between leaders and members are no more similar as during the UMNO era then. Time and situation have changed. The efforts of UMNO's foes and these changes have created a situation whereby the opinions between the members and leader not only differ, but are also in direct contrast to that of the leader.

The question is, should the leader follow blindly or also lead. Mahathir feels that a leader who yields to their every wish is not a true leader. He is an opportunist using public opinion for his own gain. A good leader in a democracy is one who is able to lead as well as be led. According to him, it is a difficult task to lead and follow at the same time but not impossible. The capability of a leader is based

on his knowledge. The knowledge enables a leader to evaluate rationally and accurately. If a leader is not an opportunist, his evaluation of a situation should be passed on to his followers so that the extra information will act as a guide. Therefore, the leader just follows but becomes a true leader in the context of democracy.

However, this method of leadership is difficult. They easily lose their popularity and may be ousted. Therefore, courage is an important criterion. Mahathir asserts that a leader who is not brave will hold on to what he knows as proper, but if he only adjusts himself throughout then he is a coward. Such leaders who are more concerned of their popularity would lead their followers to ruin.

He also reminds that leaders should not consider the act of opposing, be it public opinion or their subordinates', as bravery or leadership maturity. He is of the view that the act of opposing alone does not make a true leader. Courage must be based on the truth accompanied by rationality and sincerity.

It is, therefore, indisputable that Mahathir is a leader who bravely defends his opinions and implements them despite the possibility of controversies. The 1978 UMNO elections to elect women and youth candidates, to replace the old guard proved what he said. The election not only made history, but also gave an opportunity to the women and youth candidates to prove their ability.

At the beginning, those who were not in agreement with the idea created various possibilities. Some felt that the transfer of power from one generation to another should not be planned. Others were of the opinion that the determination of the heir to power should be done after the old guard steps down. Still there were those who thought that a change in power should be done democratically and not influenced by the present leadership.

Mahathir did not deny that the determination of the second leadership echelon, while the old guard still exists and holds power, could be influenced by the existing ideas and philosophies and impede the growth of varied and

radical ideas. But in reality, every party should have its constant and explicit principles. A radical change would altogether transform the party into a new party, losing its original identity and purpose.

Secondly, the transfer of leadership while the old guard still exists does not obstruct the penetration of new ideas and ways which are in line with the principles of the party. The new leadership would unfailingly bring about change, but the transfer of leadership method would retain the orginal identity and image of the party, preventing it from being used by those who do not accept the party principles but intend to utilise the energy and tools of the party to achieve their aims.

Do not discard tradition just because it is tradition and do not be easily taken in by everything new because it is new. This was Mahathir's advice. The UMNO organisation, based on the concept of democracy and unity among its members, is the vital aspect forging closer relationships and teaching them to accept defeat with an open heart. Thus the tradition must be maintained. He feels that they do not exist for us if they destroy tradition and as a result destroy the party we would eventually inherit.

Induced by anxiety and apprehension, and the emergence of an increasing number of critics among the youth leaders, who do not understand the historical evolution of UMNO, Mahathir proposed a plan to prepare oneself to take over leadership. This plan involves the systematic assimilation of UMNO's history and cause besides the effective basics of leadership.

In reviewing UMNO's strategies, it is obvious that the strategy of moderation and willingness to co-operate with other parties without affecting its aims and aspirations has contributed to the party's victory since 1951. It is an important strategy to him, as the fall of other parties, other nations, and countries are caused by greed and fanaticism. It is better for UMNO to be practical than idealistic.

The moderate path of UMNO is not a result of its lack of courage but based on rational consideration un-

briddled by emotion and desire. UMNO's moderation is that which helps realise the struggle for religion, nation and country. These qualities should be instilled in the young leaders to prevent evil elements attempting to disunite UMNO from influencing these leaders easily.

On the 'Malay' and 'Bumiputera' issues, Mahathir reminds the younger leaders to not openly accept challenges of foes by trying to prove that UMNO's racialistic spirit is stronger than theirs and demonstrate the successes achieved in the struggle for the interests of the Malays.

Such attitudes and behaviour would have a negative effect on inter-party relations and would be the topic of discussion for the enemies to intensify their propaganda to crush UMNO. Mahathir does not want the incidents of 1969 and 1978 to repeat themselves, whereby the defeat of a few UMNO candidates in the elections in that year, was a result of an attempt by various UMNO leaders to prove that Malay racialism was stronger than their foes, and ignored moderation, the very basis of UMNO's struggle.

As a devoted Muslim. Mahathir has not forgotten to deal with the role of Islam in determining the strength of UMNO. An aspect that calls for attention is the emergence of self-interpretation of Islam, interpretations not based on Islamic teachings. Modern interpretations based on emotions is dangerous, which may eventuate in disunity, dispute, confusion and the weakening of Muslims and their country.

In this regard, he illustrated the example of how nations and countries which embraced Islam much earlier and were strongly rooted in their beliefs could reject Islam altogether and adopt Communism, due to misinterpretation of the religion, according to the emotion and personal aspirations of a certain group. Some say Islam is true sosialism while others say it is an ideology. When confusion reigned, the anti-Islamic group seized power easily.

In the propagation of Islamic movements, too, there is competition. According to Mahathir, the real reason is not the propagation of Islam or 'dawkah' as it is known here,

but apparently to show-off that the movement by a certain person is more effective and more Islamic than the other. What is important to them is not the propagation of Islam but the appearance as one who propagates. Once again, the unity and brotherhood in the Islamic religion is ignored, even though it is a commandment of God. The important thing to them is their superiority over others, in their so called propagation of the Islamic movement.

As a result of the desire to show-off their competence and strength in the propagation of Islam, some of them have reached the stage of denying the teaching of Al-Quran as not in consonance with their emotion, and has taken on the self-translated versions of 'Firman', 'Hadith' and 'Sunnah'. Thus, arose groups desiring to reach heaven the easy way by committing criminal acts in the middle of the night. If not stopped, another group may want to show that it is willing to sacrifice anything for Islam, perhaps even committing murder.

This is the situation arising from competition among certain Islamic groups in Malaysia. Their action gives the impression that Islam is a strange, intolerant religion and cruel to the non-Muslims. Mahathir thinks that the Muslims should rid themselves of bad elements before trying to draw non-Muslims to regard Islam highly and accept its teachings.

Mahathir is more apprehensive of the influence of such elements on a number of leaders who have weak faith, which may cause a state of chaos. Such movements are not only dangerous to UMNO as a political party but also to Islam and all Malays.

Mahathir asseverates that he wants Malays to join forces to achieve unity, and hinder unwanted elements from destroying the integrity of UMNO. Leaders, too, should similarly work towards upholding UMNO's image.

Economy

A survey on the economic situation of the country by Mahathir revealed that since the implementation of the

New Economic Policy, bumiputeras have been more actively involved in various economic activities. The government has declared 1990 as the target year to achieve the objective whereby 30% of the country's economy would be controlled by the bumiputeras. Many bumiputeras have ventured into commerce but not many succeeded. This is but natural in the business world. Nevertheless, Mahathir is of the view that bumiputeras cannot afford a high failure rate due to the short time accorded to the achievement of the New Economic Policy.

In trade and industry, the government wants bumiputeras to establish industrial projects, acquire shares in industrial projects and assume the role of distributors of locally manufactured products. Terms and conditions providing opportunities and favourable to bumiputera participation in various activities failed to see a marked improvement in bumiputera performance and achievement in those fields. This was evident in the industrial projects approved in the years 1969 to 1975. Of all the projects approved involving an investment of $200.92 million, only 216 projects were bumiputera owned. Many of these projects were small projects and not 100% bumiputera owned.

In terms of share acquisition in industrial firms approved by the Ministry of Trade and Industry, the same situation applies for the 7-year period, from 1969 – 1975. The response to acquire shares was not encouraging despite the increase in equity allocation for bumiputeras. Of the $3,559 million proposed share capital, $911 million was allotted to bumiputeras. Nevertheless, only $22.5 million were bought and owned by bumiputeras. Individual and bumiputera company involvement was below government expectation, in view of the fact that only 37.1% investment was made out of $138.6 million shares allocated to bumiputeras in industrial implemented projects. The remaining 62.9% of shares allocated were bought by bumiputera institutions.

According to Mahathir, the poor response of bumiputera capital investment is due to the lack of surety on

gains from the investment. The business failure of bumiputera investors with small capitals would altogether destroy the small capital, similarly with investments that yield high profit returns but on par to expectations. Thus, Mahathir proposes Unit Trust investments rather than direct investment in a selected business.

This would minimise the failure of business as other businesses may flourish enabling small investments to be reinvested several times, as in savings. If investments through Unit Trusts incur losses, it would not achieve a high profit level, for example, in the share market, the share price of some companies drop from $1.00 to 20 sen but the Mara Trust share only fell by a few sen.

Bumiputera distributors only distribute products such as construction material, food and vehicles. This may be due to the lack of capital, expertise and business contacts. Mahathir expressed his regret at the attitude of some bumiputera groups who took advantage of the Ministry of Trade and Industry's practice of limiting 30% of the quota for bumiputeras, by distributing imported products ranging within that quota only.

Goods on which a quota is levied is only a small part of goods imported and the quota levied is but a temporary practice. Therefore, he encourages bumiputeras to trade and distribute goods of various sorts, as this is the only means through which the government's goal of creating a bumiputera business group would materialise.

In an effort to equip the bumiputeras to be on par with other races, who possess extensive experience and expertise in business and industry, the government would provide training and special guidance to bumiputeras. The National Productivity Centre was established to create a group of bumiputera managers and supervisors skilled in modern management techniques. Mahathir feels the bumiputera weakness lies in management. To succeed in business, the management skill is but a must for bumiputeras. The objective of the New Economic Policy would be achieved with the co-operation and contribution from all

quarters, namely, the government, private sector, organisations such as the Malay and Bumiputera Chambers of Commerce and Trade.

All programs pertaining to the development of the people should not be based entirely on government plans, instead on public opinion and what should be discussed and determined prior to it. The Second Malaysian Plan based on the New Economic Policy is over, but dissatisfaction still lingers on as the implementation of the program on restructuring the society has not guaranteed the stability and fortitude of the country.

The Second Malaysia Plan has given new life to development plans, especially rural development. Rural dwellers need more attention as they are left behind in all fields. Therefore, the Third Malaysia Plan was drafted to continue past efforts. According to Mahathir, the government would give priority to problems faced by the people, besides educating them to change their attitude according to modern values.

The society should take the opportunity to play their role in the development efforts to create a strong and united Malaysian nation. He also said that problems would arise until the end of the Fourth Malaysian Plan in 1985.

As a result of uncontrolled fertility rate, poverty became a problem, actuating the government to implement Development Plans such as the Five Year Plans. Although previous development plans could formulate programs towards elevating the living standards, until now no program has been organised on Fertility Planning as a measure to eradicate poverty and backwardness. Mahathir has shown keen interest on Fertility Planning, the basis of a healthy and active family in the modern Malaysian society.

The younger generation born in a healthy condition and given a sound education would become active and responsible citizens. Fertility Planning is not the sole responsibility and burden of the government, but is also that of the people. The human fertility problem is undoubtedly a personal problem, but it would become the

problem of the society and country as individuals do not live in isolation, they live within a society and nation. Therefore, the society should advise individuals in all matters, including fertility.

The increase in national income was a result of a decrease in fertility rate from 3.0% per year before the Second Malaysia Plan to 2.7% per year during the Second Malaysia Plan. He feels that the birth-rate should be given due observation from time to time, and to succeed in the control of birth-rate, the attitude of the society towards this issue should be changed to enable them to understand the government's policy of Fertility Planning.

Industrial growth and foreign capital investments are encouraged by the government, not to open opportunities to foreigners to seek wealth and control the country's economy but to create employment opportunities for the unemployed in the country. Besides creating employment opportunities, industrial ventures also yield other benefits for the country.

The people demand the provision of infrastructural, educational and other amenities by the government. To finance such amenities, taxes collected from business enterprises must increase. Hence, more enterprises should be set up to increase the collection of taxes from these ventures and distributed to the people. Taxes levied on companies without pioneer status is 40% with an additional 5% development tax.

The net profit divided among shareholders minus tax still brings profits to the government each time the investor purchases or pays for anything from his profits. The government derives more taxes should the entrepreneur use his profits to rent a house, for example, as the owner who receives rent from his house has to pay tax on it. The business enterprises contribute to the survival of all parties concerned, inclusive of the government, the entrepreneur, the worker, not to mention other businessmen right down to the coffee stall operator to the housing contractor.

The government cannot own a business as profits are

not guaranteed. In the case where a government owned business fails, the government has to foot all 100% of the loss. When the government faces a loss, public allocations have to be reduced. On the other hand, if the private sector owns the businesses, the government would obtain profits, and if it fails it becomes the burden of the private sector. The government need not produce the capital to obtain profits. The money used as capital could be utilised for the development of the country and aid the people.

The government should control the development of businesses and industries to ensure it does not cause problems for the society. Therefore, the government formulated the New Economic Policy. The government would be involved in industry but not with the intent to hamper the private sector's growth, instead the government would co-operate with the private sector towards a prosperous and wealthy nation and country.

Since the bumiputera economy became a national problem, many claim to know the reasons and the solutions to overcome it. Numerous methods have been adopted but to no avail. Every year, conventions, seminars and workshops are held without fail to deliberate on the problem. Many participants attending the discussions presented their proposals, which did not prove to be as effective as stated in their theses.

When their proposals failed, they presented many reasons to justify the failure, for instance, hindrances from the subordinates or government leaders. This situation aggravates dissatisfaction among the people who are already filled with hatred and ill-will towards those in high positions. Yet, there is no solution in sight to the problem.

The unbalanced economic situation between the bumiputeras and the other races, and the failure to achieve the status consistent with national development and the modern world, has become a problem for the country. This problem is not disputed anymore. Although it is the problem of one particular race, each time a policy is formulated or actions taken, the effectiveness and racial role

arises and the situation becomes muddled. It is further magnified as many goals have not been achieved successfully.

In economic discussions, poverty and wealth are interesting subjects. Slogans such as "the rich get richer and the poor get poorer" is fully backed by public support. Numerous economic arguments are poured forth to support the slogans by the materialist or socialist groups. These groups believe that happiness in life lies in material wealth. Supposing the poor become richer through increased income. this would be decried with such statements as that the money value has depreciated. The loss or deteriorating situation faced by the rich resulting from declining income due to high taxes or market conditions is left unmentioned. The reality that the poor has become less poor is not acknowledged. They are aware of the actual situation but are afraid to voice their opinions lest others may not like to hear it.

He believes that each time a seminar is held there are bound to be working papers which expose various weaknesses in policies and policy implementations. However, the point which attracts the attention of many is that "although the New Economic Policy aims to elevate the economy of bumiputeras, only a handful of them have enjoyed the fruits of the NEP."

When this point is raised, the story of a 100 bumiputera millionaires would surface, evoking undue hatred towards this group and it would be used to denote the failure of the New Economic Policy. The failure of the New Economic Policy was inundated with criticisms because they feel that only a minority bumiputera group has become rich while the rest have not benefited at all from the New Economic Policy.

Contrary to it, Mahathir feels that all bumiputeras have benefitted from the New Economic Policy. Prior to the New Economic Policy, the number of bumiputeras who received higher education was very small and those with post graduate qualification was almost nil. The implemen-

tation of the New Economic Policy saw more bumiputeras with higher education and higher income as compared to their parents.

Even though their income did not turn them into millionaires, it made them rich, viewed from the perception of the poor including their own parents. Therefore, the slogan that "the poor have become poorer" does not apply.

According to Mahathir, the situation may have occurred if the bumiputera came from a wealthy family and he should not have used the opportunities available under the New Economic Policy. He probably became poorer through the opportunity he acquired from the New Economic Policy. If this was the case, he should blame himself for using the opportunity not accorded to one from a wealthy family, as the opportunities under the New Economic Policy are solely meant for the poor to become rich.

Mahathir does not refute that there are the rich who are avaricious and oppress the poor worker, but in Malaysia various laws and measures have been formulated to prosecute the cruel and violent employers, and they have no option but to divide their wealth to enable the society and the poor to have a taste of it. The role of the wealthy should not be denied in order to project their ideology or fulfill their desires.

The perspective on rich and poor is important to correct the inequalities in the bumiputera economy. It is impossible to make all the poor rich at one time, as the rich and poor are inter-dependent on each other in Malaysia. Malaysia is a fertile country and rich with natural resources.

In Mahathir's view, happiness and the comforts of life are not based on material wealth alone, there are better values, for example, spiritual values, that could grant inner peace. The effect and role of material wealth should not be denied completely, rejecting all wealth and compaigning to destroy wealth and condemning the rich. If wealth is criticised as upholding materialism, and all efforts to seek

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wealth are a crime, the society would become confused and disarranged, in fact all bumiputeras will lose their sense of direction.

Hypocrisy would reign over all walks of society, even those who have become rich as a result of the implementation of New Economic Policy would denounce wealth as contradictory to the spiritual path. He stressed that if in 1990 there are still bumiputeras who have not become millionaires, professors or heads of departments, this does not indicate that the New Economic Policy has failed. Many have enjoyed the fruits of the NEP, at least a little.

Under the Third Malaysia Plan, the government proposed the establishment of a Bumiputera Investment Fund with an initial capital of $200 million. The objective of the Bumiputera Investment Trust is to acquire and hold in trust the shares allotted to bumiputeras under the New Economic Policy which will not or probably not be owned by bumiputeras.

The Bumiputera Investment Fund has been entrusted under the responsibility of Mahathir since 1976. He has taken into consideration two factors. Firstly, the $200 million allocated to the Bumiputera Investment Fund under the Development Budget of the government could be utilised fully and effectively towards the achievement of the objectives of the fund, consistent with the objectives and aims of the government policy. Secondly, the Fund would be entrusted with the responsibility of managing more funds derived from the government and other sources.

He further said that the Fund must be managed and maintained well to procure public confidence of the safety of their investment. The fund should also be capable of alluring savings from the bumiputera community as an addition to the sources provided by the government. To succeed, the Bumiputera Investment Fund is in need of support from strong, honest and effective management groups with a broad outlook.

As the biggest financial organisation in the country, it would help enhance experience and improve the efficiency

of the financial system especially with regard to the capital market. In view of the significance of the Fund, Mahathir decided that a group of experts from the financial and business circle should be informed of the establishment of the new body. He has requested Tun Ismail bin Md Ali, Governor of the National Bank of Malaysia, who at that time was heading a work force comprised of highly respected individuals for their efficiency and sincerity in the financial, business and management fields, to conduct a study on the structure and management of the Bumiputera Investment Fund. The Committee presented its proposal comprising six main characteristics considered important to the successful implementaion of the Bumiputera Investment Fund.

Firstly: The Fund should not have a limited capital to capacitate the purchase of unlimited shares by the bumiputera community.

Secondly: A strong, honest and effective management group should be formed.

Thirdly: The Fund should be established as a true business organisation with powers to invest in all forms of securities and loaning.

Fourthly: The Fund should act as a moving force in encouraging bumiputera savings.

Fifthly: The Fund should have the capability to hold and produce the sources for reinvestment.

Sixthly: To infuse confidence, the Fund should be responsible to the government to safeguard the funds provided by the government and derived from other funds.

The Working Committee proposed that a three-levelled organisation would be the best suited to fulfil the objectives of the Fund. The present structure of the Bumiputera Investment Fund is made of its highest level, a foundation known as the Bumiputera Investment Foundation, formed under the Companies Act, as a Limited Company with security and without any share capital. The foundation received $200 million in the form of grants from appointed trustees.

The Bumiputera Investment Foundation, would wholly own an investment company called 'Permodalan Nasional Berhad' with its Board of Directors appointed by the Foundation's Board of Trustees. The role of the Board of Directors is the implementation of the foundation's policies in accordance with the principles and guide lines laid out by the trustees.

According to Mahathir, the company is known as 'Permodalan Nasional Berhad' because its function is to evaluate, select and purchase a good portfolio with good opportunities for growth. The shares would be held by Permodalan Nasional Berhad as a trust and would subsequently be sold to share trustees, and eventually sold directly to the bumiputera community. The paid-up capital for Permodalan Nasional Berhad amounting to $100 million would be paid by the Bumiputera Investment Foundation. The BIF would loan another $100 million to the company as an additional sum. Dividends and interests received by the Bumiputera Investment Foundation from the company would be reinvested in the company.

Permodalan Nasional Berhad would establish a share trust management company known as Amanah Saham Nasional Berhad or National Share Trust Limited, which would manage the funds' share trusts and shares sold to bumiputeras. The Foundation's Memorandum states specifically that it is responsible to the government through the Board of Trustees. In addition, the foundation's status assures that its sources would be held and reproduced for further investments.

Permodalan Nasional Berhad would form a management division of the foundation with business characteristics necessary to ensure success in subsidization. Shares bought by the company, from time to time, are from companies intending to sell their shares to the bumiputeras in accordance with the New Economic Policy and later sold to the share trust unit.

This share trust unit would use these shares to support share units issued for sale to the bumiputeras. As the share

trust unit has no capital limits, new shares could be issued and old shares redeemed at any time according to his discretion, therefore the managers of the share trust fund could issue as many shares as deemed necessary to fulfil the demand for saving, in the form of shares by the bumiputera community.

At the same time such shareholders would be allowed to redeem their shares at any time, as the managers have to buy back the shares when the need arises. Therefore, there is a ready market for shares issued to the bumiputeras. The establishment of the investment company, Permodalan Nasional Berhad, and share trust unit, would complete the process of share issuance to the bumiputera community.

The most important factor for the success and efficacy of the Bumiputera Investment Foundation lies in the management capability and honesty of the members of the foundation, its trustees, the board of directors of its subsidiary companies and its employees. To ensure the foundation is fully responsible to the people, the government through the Minister of Finance Incorporated is the sole permanent member of the foundation. Government interests in the foundation are undertaken by a small group of four ordinary members comprising the Chief State Secretary, the Chief Secretary of the Ministry of Trade and Industry, the Governor of the National Bank of Malaysia and Mahathir himself.

In selecting trustees of the foundation, the government is aware that the board of directors of trustees entrusted with the responsibility to safeguard the many sources of the foundation and implement its policies successfully, should reflect not only extensive experience in the fields of expenditure, trade and industry in the country but also the main services in the public sector.

Mahathir was appointed as the Chairman of the Board of Trustees while Tengku Razaleigh Hamzah, the then Minister of Finance, was appointed as Vice-Chairman. Other trustees included Tun Ismail bin Md Ali, Raja Tan

Sri Azlan Shah and Mr Geh Ik Cheong. Mahathir was confident that given the wide experience, honesty and sincerity of the trustees, it would be a source of strength and originality in the formulation of the foundation's policies, including keeping control over the management of funds and investments.

In the effort to increase payments and enhance growth to optimum levels, co-ordination of the evaluation system and research on the impact of socio-economic development is very important. Development planning and its implementation would not achieve its aims if evaluation is not accurate. Development planning and evaluation should be simultaneous in order for the results of the evaluation to act as the basis to improve the planning and structure of more concrete policies, to achieve the hope and aspirations of the people.

Mahathir is concerned that should the old evaluation system through the National Briefing Room be adopted, then the control over the course of the project and the physical material and economic aspects of progress are given more importance than the evaluation effects of the project as a whole. Project monitoring is important to ensure national development projects are implemented smoothly and any weakness would be detected and solved immediately.

National development is a complex process faced not only with political, economic and administrational problems but also with problems concerning social, thought and societal changes. Economic experts perceive development only as a process of economic expansion and progress rate.

Should this conception continue in national development planning and development analysis, a situation would arise whereby national economy would expand rapidly but the society particularly the poor would suffer and will be discontented with the government. Economic progress parallel to social and spiritual progress of the society would result in a meaningful and balanced development,

enhancing the stability of the country.

Analysis requires in depth socio-economic research. The research should not be limited to economic development, infrastructural development and other development manisfestations that could be measured in dollars and cents.

Mahathir is of the opinion that one of the aspects of development most difficult to assess is the involvement, commitment and participation of the society in development projects that were, are and would be undertaken by the government. Research on development analysis which does not focus on these problems, could not be classified as complete and in depth. Although the government has approved 20,000 development projects under the Third Malaysia Plan, it is still not known if the projects are actually beneficial to the people through full involvement.

Unity of the people is not an easy aspect to assess, as unity and good-will among the multiracial population begins from the heart. In the race and competition to pursue progress, conflict and misunderstanding among the people is a common matter. If the situation persists, development and progress would cause disunity. Unity is the basis for a country's prosperity and stability.

In an effort to improve the planning and development evaluation system, Mahathir feels that the various weaknesses found in the planning, implementation and evaluation of socio-economic development is due to the lack of serious research. This is the consequence of insufficient government officers involved in the evaluation of development projects. Therefore, it is extremely important to train their own research and consultation experts because it is these experts who would be able to see the problems from an economic and technical development angle, and internal problems such as attitude, values and norms of the society.

In relation to the problems pertaining to efficiency, attitude and the ability of administration officers, Mahathir feels the inefficiency of an officer results from inadequate training. The problem could be overcome by stepping up

their training. The problem now is the attitude of several officers who do not want to face new challenges, do not understand new problems and are not flexible in seeking new methods to solve the problem, adamantly pursuing conventional means.

Those with such posture are incorrigible unless they change their attitude and thinking. The strict monitoring and assessment of officers is another important condition in the effective management and evaluation of development efforts. The implementation and evaluation of development projects would be affected, should the weaknesses of officers be ignored.

To Mahathir, the efficiency of the administrative system is dependent upon its capability to dispense facilities and services allocated for the people as soon as possible without undue red-tape delay. The people should benefit from development to enhance their living standards. Development is not only seen through sky-scrappers, highways, vast rubber and palm oil plantations but its benefits and fruits should also be felt and enjoyed by the people.

Chapter 5

THE INTERNATIONAL FORUMS

IF in Malaysia, it is his aspiration to lead the nation and country, his presence as a Malaysian leader in international forums, has its effects on several international issues. His firmness in voicing Malaysia's stand in certain issues has convinced many.

More importantly, his firmness and conviction are supported by adequate substance, to present his views as that could be accepted, although at times his speech could be caustic and acrid. It is evident he speaks on his proposals and views on issues which concern all and constitute all aspects which, at times, others with similar interest cannot or do not voice out.

Through Mahathir, Malaysia was suddenly thrust to the fore in her attempt to voice universal issues. What is more gratifying is the fact that his views were well received in the international forums and by other world leaders.

It is not just Mahathir's appearance in the world scene representing Malaysia that does us proud, but his speeches that are based on the happenings in the international scene. The close scrutiny of every problem he voices is considered rather abrasive by those whom it is directed at and it has created its own ramifications.

Mahathir, in voicing his views in international forums bases it on the fact and truth, without considering the risks and negative effects of his statements. His very first view on the Commonwealth, for example, was that the organisation need not exist if it could not solve problems encountered by the world.

When he dealt on the Non-aligned Movement, he endeavoured to make all member countries ask themselves, has each country become a truly independent state,

uninfluenced by any big powers or do they act in accordance with the gunboat diplomacy, which he feels is still domineering.

He was the only leader who firmly stated to the world that the United Nations is not the Superpower Property. The statement was certainly an aspiration to other small nations who are members of the world organisation, often times frustrated with the attitude and role of the bigger nations, but are unable to give their opinions on the deceit and game of the bigger powers.

Mahathir's presence in the international arena, directly represents other members of the organisation disillusioned at the attitude of the superpowers acting in their own self-interests, ignoring the interest of other smaller nations.

Apart from his speeches in international conferences expounding on Malaysia's Foreign Policy posture under his leadership, his capability to emerge as a leader acknowledged at the international level in a short span of time is also an achievement all Malaysians could be proud of. This is a significant achievement in view of his little experience and involvement in activities or issues at the international level before he became the Prime Minister. Mahathir's exceptional quality lies in his capability to emerge as an outspoken leader.

At the onset of his leadership, Mahathir shocked the people in this country with varied policies, and vibrated international forums with his controversial views. He, at one time, refused to attend the Commonwealth Heads of Governments Meeting and questioned the purpose of the organisation.

In his speech in a conference in Nassau, Bahamas, he asserted that the Commonwealth should admit its failure to contribute towards solving problems faced by member countries, if not universal problems. He jolted the Commonwealth members to face increasingly challenging current realities and subsequently renew their roles to ascertain more effective attention to achieve their desired

objectives.

Today's Commonwealth is not the same as it was when it was formed. It is no more a club for countries founded by European emigrants, but has become a grouping of countries once colonised, persuaded to join the Commonwealth with promises of benefits and gains. These countries found that the Commonwealth failed to deliver the promises. Therefore, if the Commonwealth were to continue to exist, this organisation should produce tangible, satisfactory results, meaningful to its members.

Mahathir reminds that the organisation should observe the meaning contained in its name, "Commonwealth" or mutual prosperity, especially for the poorer member countries. Mahathir enumerates that Malaysia's experience in the Commonwealth has resulted in her non-confidence in the organisation. The spirit of goodwill prevalent at the time she became a member is withering with time, enveloped by various events that had occurred.

Malaysia, according to Mahathir, has no prejudice against the other Commonwealth members, in fact has always maintained cordial bilateral relations with them. The relations, cordial or otherwise, would still be fostered even without the Commonwealth.

One encouraging measure by the Commonwealth was the expulsion of South Africa. Mahathir feels that the expulsion of South Africa is a necessary move for all international organisations, as a step towards realising the South African people's freedom. His stand in the South African issue and the Malaysian Foreign Policy under his leadership is obvious and seriously uncompromising.

According to him, the role of the Commonwealth has not only changed but several concepts of justice and honesty which should be based on the understanding of equality have changed tremendously. Strength is the most important element determining international attitude today, namely economic strength, political strength and military strength. Strong countries, today, applaud and encourage abominable attitude and behaviour practised by

countries like Israel. Such violence should in fact be abhorred by all countries of the world.

International violence should be opposed irrespective of who commits it or on what grounds it was committed. Any rational government's action of approving and supporting violence by other governments is equivalent to demeaning international dignity.

Similarly, from the economic point of view, he observes how the poor nations' economies are destroyed by economic policies practised by the rich and strong countries. And how the influential countries pressurise their client nations to reject claims, such as the rights over Antarctica is another international issue effectively voiced by Mahathir.

Military supremacy is another means employed by the powerful nations to occupy neighbouring countries, apparently to protect themselves. The weaker nations have no alternative but to submit to their supremacy. Gunboat diplomacy, according to Mahathir, is still prevalent even in an age of advanced civilization. In fact, the situation is more appalling today than it was in the past.

This is the situation of the world today, where countries like Malaysia battle for their survival and future. They can unite in pursuit of security with other countries through voting. The perception that the method is effective is eroding, as the United Nations has been disregarded by the rich and powerful nations.

The problem of trade, too, particularly that related to Malaysia's role, is similar to that which is faced by most developing countries. Malaysia is only capable of producing primary commodities in the hope of marketing them in exchange for manufactured goods. But, in the last few years, the price of primary commodities has taken a plunge, in fact, at times it is far lower than the cost of production.

Mahathir enumerates that among the reasons for this situation is, firstly, the intense competition by the developed countries in the production of these materials by

subsidising their production and over-producing them. They, then, determine the price through the commodity market in their respective countries, where the membership is open to them only. Should there arise signs that their associates might face loss, they immediately change the rules of the game. In their attempt to influence prices, they spread rumours, with the aid of the Western press who conspire with them.

However, this does not occur in their market of manufactured goods in the poorer developing nations. The price of these manufactured goods is determined by the manufacturers. The price of manufactured products normally increases. This means that the poorer nations have to sell more of their primary products to obtain lesser manufactured goods.

Several developing countries, endeavouring to industrialise and export their manufactured products, are facing a similar fate. Protectionism practised by rich nations thwart the effort. Their attempt to penetrate the markets of developed countries, are met with competition pertaining to credit facilities, economic and political strains imposed by these advanced countries.

The retardation of economic growth in many countries today, stressed Mahathir, is caused by man himself. It is not only initiated by the oil producing nations, but the misappropriation of funds in advanced countries, huge military budgets, protectionism policies, over-production, diverse products and trade practices. These are the causes of economic recession experienced by the world today.

On the South African issue, Mahathir views the regime as the most disreputable government in the world. It approves what the world regards as morally wrong, the minority becomes the majority, and slavery is permissible. Like Israel, they do not respect international norms.

There is no limit to the racial atrocities in South Africa. The white regime still exists today. Why is this allowed? It is nothing more than the fact that those who criticise racial discrimination in developing countries, are

not prepared to act on the most nefarious racial regime in the world.

Although a small nation, Malaysia is firm in her stand and upholds her foreign policy. On the South African issue, for example, Malaysia has a lot to lose for her stand not to trade with it. Malaysia was willing to continue with the policy to ostracise South Africa to prove her antipathy towards the racial regime.

Mahathir rebukes countries capable of imposing economic sanctions on South Africa but provide numerous reasons for not ostracising a country practising racial discrimination to the extreme degree. Conversely, the advanced countries impose import restrictions on goods from the poor countries. The sanction which could result in the suffering of the poor nations is no concern for them. They reason that the blacks in South Africa would suffer if they acted thus.

The fact, to Mahathir, is that the blacks are already suffering. Choice is always painful and as a doctor, he realised this fact. Enduring pain for a while, he feels, is far better than allowing the misery to prolong. If sanction is the means to crush the despicable policy of apartheid, then sanctions must be imposed.

The countries concerned should impose it for universal interests without being influenced by self-economic interests, to ensure its complete elimination. Failure to do so implies that the countries involved are being pretentious and this would affect the role of the Commonwealth.

Based on this conviction, Mahathir regards that if the Commonwealth is to be more effective, not merely a holiday session away from problems encountered in their respective countries, it should act to overcome the problem. This conference should, in the least, reach a consensus on what could be done about South Africa. It should make positive contributions to recover the world's economic situation and attempt to transform all forms of discipline and attitude.

If the Commonwealth refuses to act firmly, it should

refrain from its pretentious attitude. It should admit its inability to contribute constructively to solve problems faced by its member countries, if not the world.

Malaysia's stand on the Commonwealth still remains the same. Mahathir himself is disappointed with the attitude and posture of several member countries, especially in matters pertaining to economic and political issues. Malaysia still evaluates openly its membership in the organisation, hopeful of effective, convincing benefit for mutual sharing. He, too, hopes the Commonwealth could assure that the rich member countries do not take advantage of the poorer nations.

These rich countries which have long since been members of the organisation, should change their attitude radically, if the Commonwealth were to become a truly esteemed organisation. Without such re-evaluation, according to Mahathir, it is better for it to become an English Speaking Club.

Apart from the Commonwealth, Mahathir also has his own views on the Non-aligned Movement. The present function of the Non-aligned Movement is to retain peace and economic balance. Although this cannot be disputed, the question is whether this movement is acting as a moving force to overcome injustices in economic relations or international issues.

After 25 years in existence, this is the most appropriate time to re-evaluate its stand and role. Is the movement still at the stage of promoting its principles or has it explored the path separating the various political blocs? Twenty five years ago, many countries in Latin America, Africa and Asia were colonies of various European powers. This was a one-way relationship, with the wealth of the colonised states flowing to the 'North' to enhance the power and influence of the colonialists.

Although all member countries today are free legally, nevertheless, the process of enervating the economic and political system, renders freedom meaningless. Therefore, many members cannot act independently because they are

gradually weakened, resulting in ruin if economic, military and political aid and support are withdrawn by the former colonialists of the non-aligned countries.

This is due to the fact that many Non-aligned countries do not have control over their income sources, and sometimes, over relationship with neighbouring or other countries. At times, member countries are used as proxies in the wars against another party, chessmen in the international game and battlefield to test weaponry equipment.

The disappointing fact remains that member countries in the Non-aligned Movement Assembly which aims to promote the establishment of a New International Economic Order (NIEO), are still burdened with foreign debt, smothered by protectionism and eventually become poor due to the high interest rates and foreign exchange, 14 years after the concept was proposed.

Is this what is meant by freedom? Freedom need not only be fostered and protected but its form need to be monitored. It should be handled as a separate institution. Except for a few big nations among the Non-aligned countries, the others seem powerless.

As a grouping, the movement's voice encompassing Latin America, Africa, Asia and a part of Europe will be heard loud and clear. It would then become the moral power holding steadfastly to the principles binding the organisation for the past 25 years. But, how often do the member countries speak as one voice?

Mahathir reflects how most Non-aligned countries, today, have taken sides or are biased in their views. A member country would condemn an act contradictory to international norms in accordance with a principle. When others act similarly, these countries, which are inclined to be in good terms with them, would criticise in a lesser tone or would keep silent completely.

Mahathir's stand in this matter is conspicuous. Member countries must continue to depend on moral obligation or take sides. Some quarters condemn international agreements on certain commodities and refuse to co-operate to

stabilise prices, but for other commodities produced and exported by them, they form cartels with other developed countries.

In this state of chaos, moral supremacy and the voice of the Non-aligned countries are rendered ineffective. Malaysia, instead, desires the Non-aligned Movement to emerge as a movement not succumbing to pressure from any party and does not choose the target of its views and stand on a particular issue.

Malaysia, for instance, condemns any military intervention by a foreign country and would censure all attempts to establish a puppet regime as a tool to uphold hegemony. Malaysia would continue to condemn all such movements whether in Asia, Africa, Europe or Middle East. Generally, Malaysia views the matter seriously should it occur anywhere near it.

Malaysia's posture is to condemn all attempts seeking military solutions to overcome all international issues and problems faced by neighbouring countries. In other words, Malaysia would oppose the policy wherever it appears in the international scene.

Malaysia believes, under the Mahathir leadership, that foreign countries cannot interfere in the internal affairs of a country. Malaysia may despise a regime of a neighbouring country. Malaysia may condemn the regime for its atrocities or injustice or violation of human rights, but Malaysia has no right to send its army to establish a government of its choice. Malaysia criticises such acts and has every right to support politically, the fallen governments in its effort to reinstate them.

Malaysia, therefore, feels the Non-aligned Movement should adopt a concerted stand in matters such as these. The Non-aligned Movement should condemn all invasions, either by the superpowers or one of the member countries of the movement, as a matter of principle. Only then would the movement obtain the authority and moral power, as a grouping of truly neutral countries.

The situation in West Asia is a fine example of the

Non-aligned Movement's incapability to act, even minimally, to solve it. Obstructions to the achievement of peace in this region is due to Israel's adamant rejection of efforts towards a political solution, involving the returning of the Arab land. Recognition of the Palestinian people's rights determines their future and the right to return to their homeland.

Israel could afford to remain unbending and repudiate all these because it has the support of the United States. Her acts of invasion and cruelties know no bounds. The world has witnessed the devastation in Lebanon. Her arrogance in exhibiting her military strength is repeated time and again. Israel is still free from any castigation, an act the United States has characterised as "the right to defend oneself".

In issues such as these, Mahathir feels the Non-aligned Movement could play a more effective role and be respected. In order to achieve this, member countries should reach a consensus to determine the stand to condemn all acts contradictory to international norms, either by a neighbouring country or the superpower.

More importantly, the Non-aligned Movement should always be based on universal principles of humanism, not on relations with neighbouring countries or on economic supremacy.

The Non-aligned Movement should emerge as a morally inspiring movement, in its struggle for international issues impartial to friend or foe, be it the violation of internationally agreed norms by the superpowers or member countries of the movement. Only thus, could the moral and credibility of the movement, as a power capable of determining a better world order, as was the objective of its establishment 25 years ago, be achieved.

United Nations: In Search of Vision

Below is a full text of the Prime Minister's address at the 39th General Assembly of the United Nations in New York.

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Mr. President, it is with special pleasure that I greet you, a distinguished son of Zambia and of Africa, as President of the General Assembly, and offer you my warmest felicitations on your unanimous election.

Yours is a heavy responsibility, Mr. President, as you guide our work during a very difficult period for the United Nations, and I want to begin by assuring you of the fullest co-operation of the Malaysian delegation in all your efforts because Malaysia's support for the United Nations is unstinting and unabashed. It is this support, Mr. President, which brings me here twice to address this Assembly although I have been Prime Minister of my country for only three years.

For far too long the United Nations has been abused, denigrated and ignored. For far too long now we have been hearing about the so-called tyranny and irresponsibility of the majority, about waste and "paper" resolutions and double standards. We all know that the United Nations is not without fault. But in the face of ignorance and bigotry, of myths and falsehoods, we must continue to proclaim our faith in what the UN at its best stands for – a world which is secure for all, just for all, prosperous for all and humane for all.

These were the ideals of international co-operation and justice proclaimed by the founding fathers of this institution – not a world in which only the rich and the powerful make the important decisions; not a world in which small nations fight proxy wars on behalf of big nations; not a world where might is right; not a world half-rich and half-poor, half well-endowed and half-

deprived. What has happened now to those ideals? We, who believe in them that the founder members of this organisation meant what they said when they proclaimed the Charter.

It is understandable that the excitements and the expectations of the dawn of 1945 will inevitably be tarnished in the cold light of experience over the last 39 years. But the sad truth is more than that. For the first 15 or 20 years of this organisation we did not hear anything about the disproportionate voting strength of small States – and there were small States – or about the tyranny of the automatic majority – and there was often an automatic majority. Instead we heard about the virtues of a more democratic international tie as exemplified in the United Nations.

What has happened to these sentiments? Were we naive to believe that those countries which loudly proclaimed such ideals in the early decades of this organisation did indeed believe in them? What then are we to make of the constant barrage of perverse criticism, of threats and denigration which have now become the fashion in certain quarters? It it because the United Nations cannot any longer be manipulated and manoeuvred?

Malaysia, for one, would like to believe otherwise. And yet we see the big powers continuing more and more to ignore and to belittle the United Nations. They have established a network of relationship outside the United Nations system to resolve world problems. They have formed their own economic clubs to which from time to time the developing countries are permitted to make their supplication.

But the clubs – like all exclusive clubs – essentially look after the interest of their members. In the meantime, in the economic as in the political field, the United Nations continues to be ignored. Indeed we witness something even more negative; namely, the threat to withdraw from certain UN agencies. Unhappy about the

direction and the leadership of these agencies, these threats are sometimes made under the guise of management or budgetary concerns.

To that I wish to respond: we, the small and the poor, also pay. What we contribute may not be much but in terms of our own budgets they are substantial – indeed sometimes even more substantial than the contributions of big nations. We do not like to see anyone squandering our money any more than the rich do. But what we would like to see is not savings through the destruction of the agencies but a thorough overhaul of the system to ensure that it is cost-effective and serves the agreed objectives.

Undermining the agencies is definitely not the way to tackle the problem. And so, let us all say: enough of this short-sightedness. Enough of cynicism. Enough of distortions and falsehoods. As we stand on the eve of the 40th anniversary of the United Nations, let us first of all pledge ourselves once more to the United Nations and, in that spirit, to a practical and realistic appraisal of where we can go on from here.

Looking back at the past four decades, I believe that from time to time we have succeeded in acting in the true spirit of the Charter. No one can deny that the United Nations has had its successes, and it still does much valuable work often in unspectacular ways. All these have been due to the consciousness that there exists an international community and that our national interest can in fact be safeguarded in the larger context of international interest. It is this consciousness that we must constantly cultivate.

The fact is that the further development of the United Nations depends, first and foremost, on the attitude of the major powers. It is they, more than anyone else, who are in a position to decide the future of this organisation. This is because the major powers cannot be ignored. The resolutions of the United Nations can be ignored – as they have been. The weak, developing

countries can be ignored – as they have constantly been. The question then is: do the major powers want the United Nations to become what it can become – a centre for resolving conflicting interests and a catalyst for peaceful change – or will they abandon it because they can no longer manipulate it?

But, of course, the responsibility is not theirs alone. The smaller nations are disillusioned at the ineffectiveness of the United Nations, which has been paralysed on so many issues because the major powers have prevented effective action. But Malaysia has always believed that just as the major powers must avoid alienating the smaller countries by their obstructive policies, so all the smaller countries must prevent the alienation of the major powers from the organisation through the wholesale imposition of decisions by majority vote.

Speaking as a representative of a small developing country, I am very conscious of the fact that a United Nations resolution which is obtained by majority voting along group, political or ideological lines will not in itself solve any problem. There is often a need for greater realism and restraint. More efforts can be made through the process of negotiation and consultation to arrive at solutions of principle, which are both realistic and practical.

But the principal must remain at the core of any solution. The United Nations, if it is to mean anything at all, must stand firm on principles, and there will be need for adjustments and compromise on the means, the processes, and the modalities. But there can be no compromise on principles. We, the smaller nations, cannot be blamed if we insist on that. It is hypocrisy to accuse us of being emotional or unrealistic, irresponsible or irrelevant only because those principles are now inconvenient to the major powers.

Mr President, may I turn now to another subject of equal importance to contemporary international and human relations. I refer to the misunderstanding which

is so prevalent in the Western world, fed by deliberate distortions by interested parties about what is happening in the Islamic world. The fact is that there is a resurgence of faith in the Islamic world as well as among other religions. Do not allow yourselves to be manipulated to fear this resurgence, even by the word "fundamentalist" which has triggered so many ancient suspicions and prejudices.

Yes, we are the Islamic "fundamentalists" because we believe in the fundamentals of Islam – in peace, tolerance and justice – and, yes, there are extremists, just as there are extremists everywhere in every religion and in every phase of history. Surely no one can deny that there have been historically aberrations in all religions and it is plain prejudice or deliberate distortion to allow these aberrations to determine our perception and our judgment. Let us ask ourselves: would it be fair to judge Christianity by the excesses of the Spanish Inquisition or by the obscenity of apartheid or Nazism? Would it be fair to judge Judaism by the preversities that political Zionism represents?

The answer is self-evident. The current revolution in Islam deserves to be judged fairly and objectively. I do not deny that violence and injustice and much which is against universal good values, have been perpetrated in the name of Islam. But the concentration on these aspects which, I repeat, are typical aberrations in any historical movement, to the exclusion of all others which are true and good, does harm to the world. It leads to misunderstanding, fuels suspicions and reinforces prejudices to the detriment of us all.

And yet, there are some who, for their own racist reasons, are only too prone to highlight and gloat over every excess real or imagined, which they can focus upon. If all the money, time and energy spent on distorting what is going on in the Islamic world is spent instead on a careful and objective understanding of one of the most important developments in the contem-

porary world, how much better we would all be! The great liberation movements after the Second World War could only be understood when people knew that Gandhi was not "a half-naked fakir", or Kenyatta a representative of the forces of evil and darkness, or Nasser an upstart, irresponsible trouble-maker.

Similarly, what is happening in the Islamic world today must be understood as a movement which seeks to consolidate political freedom, economic justice and cultural identity, a catalogue of values which everyone, if he is to be true to any notion of decency and civility, must surely support. It is not my purpose in these remarks to place the current Islamic resurgence in its historical context. There is a long and turbulent history of relations between Islam and the West, during which many prejudices became ingrained. What is more tragic is that these are now being revived and fanned and exploited by the Zionists to serve political ends. The great peoples of the Book – Jews, Christians and Muslims – have much in common with each other, have contributed much to human civilisation and have, surely, much more to contribute.

Why is it, then, that we should allow one of the most significant movements of our times – the resurgence of Islam – to be wilfully misrepresented and misunderstood? Who stands to gain from such misunderstanding? Why cannot we instead turn to each other and learn from one another, from our respective historical experiences, from our dreams and hopes and fears?

Let us find charity in our hearts, let Christians and Jews and agnostics alike find charity in their hearts – to recognise what is going on in the Islamic world for what it really is, a search for spiritual succour in a world that is confused and troubled. Let us be rid of hatred, of the anti-Islam propaganda of bitterness and prejudice that the Zionists continue to spew. I appeal therefore for understanding between Jews, Christian and Muslim.

Many Muslims today are disillusioned and shocked

over what they regard as contemporary aberrations in the Judeo-Christian traditions – and this has resulted in a resurgence of Islamic orthodoxy and extremism. The Zionist-inspired Western reaction to this Islamic resurgence as well as its aberrations, of intolerance and self-righteousness has further increased the separation and antogonism between the West and the Islamic world. It is time that we – all of us – put a stop to this. The contemporary aberrations in the Judeo-Christain tradition and likewise the contemporary aberrations within the Islamic tradition in a few instances must not be allowed to obscure their fundamental virtues. Let us study each other's true teachings. Let us be true to those teachings.

God willing, the great understanding that this will generate will help Jews and Christian and Muslims alike to contribute to, first all, peace in the Middle East, and to greater understanding in the world. I will, at the very least, stop the machinations of those with selfish and narrow racist ends who are seeking to exploit ignorance and suspicion and prejudice. It will be development of historic significance.

Mr. President, I would like to turn now to economic issues, and here my theme is consistency and fairness. For a long time, the banner of free trade was held high and the colonies of metropolitan powers were vigorously taught the virtue of free trade. At that time, and for years after our independence we could not export anything except primary commodities, and our markets – true to the lessons we had been taught – were open to imports of manufactured goods from the industrialised countries. However, now that we ourselves have learned the tricks of manufacturing and of exporting an insignificant number of goods, what has happened to the proud banner of tree trade?

It flies limply or at half-mast in the industrialised countries. We see quotas and other restrictions, so-called voluntary restraints and other threats and pressures. We even see our industrialisation policies which seek to

attract foreign investments by such devices as export incentives, preferential financing and so on being challenge. We also see, to our surprise, labour unions in industrialised countries which in the days of empire had not been in the least concerned about the lot of our workers – who were then certainly exploited – have suddenly become champions of our workers, urging them to demand for higher wages and improved working conditions, even though our workers have already gained better treatment since independence.

We wonder why this unusual concern? Is it coincidental that the result of the concern is less competitiveness of our products? You will forgive us therefore, if in the face of all this, we are a little cynical about the principles of free trade which you have been preaching and about the interest of your labour unions in the welfare of our workers. So I say: do not just preach free trade, practise it. Do not be so presumptuous as to think that you know better than our labour leaders on how to look after the interest of our workers.

We can compete with you freely and fairly in certain areas. These are usually low technology goods which in any event you, who are much higher up on the industrial scale, can best leave to us so that in turn we can import those higher technology goods which you produce. In this way we can all mutually fuel international trade which is an essential engine of growth and the only real solution to our poverty problem.

Mr. President, I want to turn to another area in which the comfortable and the rich industrialised countries still have the colonial mentality of wanting to lead us by the hand. During colonial times, much of our forests was cleared for timber and for planting rubber, oil palm, tea, sugar, coffee and so on. Little concern was then expressed about the environment.

Now as we seek to open up our lands for modern farming, for the generation of power and for industrialisation, a whole host of environmentalists from the

industrialised countries have decended upon us to agitate our people about preserving the natural beauty of our tropical forests and so on. Certainly, we want to preserve our forests. Certainly we want to maintain our clean atmosphere. But make no mistake: it will not be at the expense of the living conditions of our people.

We will not accept a situation where our rural people live in poverty and misery so that the rich, when they come by, can say "what unspoilt beauty," then tip the "happy" native children 10 cents for posing in front of a thatched hut, and then go their comfortable way. Preserving the environment requires money which we will not have unless we develop. We fully intent to develop and it is we, and we alone, who will make the judgment about environmental standards and about the preservation of our natural beauty which we, surely, more than anyone else have an interest in preserving.

Help the poor countries to develop economically and the environment will be taken care off. Being poor in a beautiful environment does not mitigate poverty. While on the subject of environment, I want to draw attention to yet another imposition on certain poor countries.

I refer to pollution at sea, specifically pollution in the straits which are regarded as international shipping routes. More specifically still, I want to refer to Malaysia's experience in the Straits of Malacca. In the days when ships were not so numerous or so huge, their passage through the narrow straits posed little problem to the littoral States. But now hundreds of these behemoths filled with all kinds of goods including dangerous chemicals and petroleum, clogged the straits.

Every now and then they collide with each other, spilling their contents into the sea. While tankers no longer clean their holds in the narrow waters, other ships still do. There is still a considerable amount of rubbish that is being discarded into the sea. The nett result is a filthy straits with patches of oil, pieces of

paper plastic and other rubbish. Eventually all these land on our shores, making them equally filthy.

In the face of these developments, the equipment and boats which Malaysia maintains to clean oil spillage, at considerable cost to ourselves, are no longer enough. New we have to actively consider sweeping the sea of the wastes and rubbish thrown or flushed out of ships. I believe that in the circumtances we are right to ask that the maritime nations and the shipping firms, which obviously benefit from using the straits, should help to maintain the facilities for keeping the waters clean. I have no specific formula in mind but I am convinced that the international agencies concerned must examine and make necessary provisions for keeping the waters clean.

The developing countries which face these straits should not be further burdened with having to equip and maintain costly facilities for dealing with oil spills and the extensive damage to fishing, sometimes for years. Nor should their polluted beach resorts from which they earn a few tourist dollars be cleaned entirely at their own expense. The ships generally belong to the rich and they must defray the cost at least partially.

Mr. President, I have in these remarks focused on a number of broad issues affecting the United Nations, the Islamic world and the developing countries. However, I shall be failing in my duty in this general statement if I do not also touch upon certain other issues which are pertinent as Malaysia looks at current developments in the world. Before doing so, however, may I take this opportunity, first of all, to express the appreciation of my delegation to the outgoing President who has carried out his tasks so admirably during the 38th Session of the General Assembly.

I would also wish to express from this forum, on behalf of the Government and the people of Malaysia, our warmest welcome and felicitations to the delegation of Brunei Darussalam as it takes its seat in the United

Nations – an event which has given us very special pleasure.

Brunei Darussalam is an adjoining neighbour of Malaysia and a fellow member of Asean.

Since January 7 this year, when Brunei Darussalam formally joined Asean as a full member, we have worked closely and amicably with her and we know that she will have many important and serious contributions to the work of this organisation. Malaysia looks forward to a future of close and fruitful collaboration with Brunei Darussalam.

Mr. President, as we survey developments around the globe, we cannot but be filled by a sense of foreboding at the downward spiral of international understanding of outrage at so much blatant injustice and even, alas, of cynicism at the wide gap between professions of principles and their practice.

Take the case of Palestine, which has been referred to for too long as an Arab-Israeli conflict. This is a deliberate misnomer, because the conflict is in essence and in reality an Israeli-Palestine conflict, the root of which is the adamant denial by Israel of Palestinian nationhood. To all those who insist on direct talks between the parties concerned, I ask: who are the parties but the Israelis and the Palestinians?

To all those who talk of democracy, freedom, self-determination and all the other lofty principles of justice and human rights, I ask: in the name of what can the people of Palestine be denied their right to their own independent homeland? Is it in the name of Israel's security, which can be assured, in any event, in many other ways? Can this be seriously argued by countries who at the same time are vociferous in condemning the Soviet invasion of Afghanistan and the Vietnamese invasion of Kampuchea? No.

The fact is that the Palestinians are being denied their freedom because Israel wants it so and she has the support of a powerful ally to enforce her will. Let us

avoid debating points. Let us avoid dredging minutiae of history. This is the basic issue. Despite the clear will of the international community and the undeniable rights of the Palestinian, Israel adamantly and violently opposes Palestinian freedom. If another State had done this, it would be rightly condemned – as Israel is by some – and rightly repudiated – as Israel is not – because of her powerful ally. And yet Israel and her friends attempt to portray her as the victim, the injured innocent! Sometimes it is also said that the Palestinians or more specifically the PLO, must first of all recognise Israel before – and let us bear this in mind – not before Palestinian independence can be accepted, but before the PLO can be allowed to take part in any discussion on Palestine's future: an explicit recognition of Israel by the PLO in return for which the PLO will be allowed an undefined future for Palestine.

This is insisted upon: never mind about the Fez Resolution of the Arab Heads of State, never mind about the Resolution of the UN Conference on Palestine, whose provisions about the security of all States in the Middle East are clear for all who wish to see. And yet, by the same token, have these supporters of Israel asked Israel for an explicit recognition of the PLO and for Palestine freedom? The answer is – no. Or even for an implicit recognition? Again, no. And, what is more, Israel has not only neither explicitly nor even implicitly recognised the PLO and Palestinian independence, she has quite explicitly and categorically rejected any possibility of dealing with the PLO or of any prospect of Palestinian independence.

In these circumtances, those who still point the finger of responsibility at the PLO cannot expect us to take them seriously. They have no doubt their own reasons for what they do but they cannot expect us to believe that it is remotely connected with any principle of democracy, justice or human right. As to Southern Africa, Mr. President, how can we adequately express

our outrage at the manner in which the rights – and even the lives – of black Africans are being treated?

At the risk of being misunderstood I venture to suggest that if white people are treated by a black Government or any Government for that matter, in the way that the black people in South Africa is being treated the entire world would rise up and take decisive action. And yet what do we see? Certain countries press into service all manner of arguments under sophisticated labels such as constructive engagement. They appeal for patience, they draw attention to practical realities and, in the case of Namibia, they even advance the almost incredible and totally irrelevant concept of "linkage" – arguments which they themselves would not tolerate for one moment if the victims of this monstrosity that apartheid and the racist regime represents were whites.

I urge these Governments to leap beyond oblique intellectualising, beyond calculations of economics or power politics to understand that what is at stake is a moral issue. How can you support a Government whose philosophy is immoral and whose methods are brutal and cruel. How can you justify denying the black people of South Africa a life of freedom and decency in their own land? History will judge you, and do not be outraged, that in the meantime, we are judging you too. Looking elsewhere in the world, Mr. President, it is ironic to see in Afghanistan the contrast between professions of lofty principles and actual practice.

In the name of good-neighbourliness and fraternal relations, a vicious and bloody war is being inflicted on the people of Afghanistan. This violation, like any other violation of the independence and territorial integrity of a sovereign nation, must be resisted. Malaysia has therefore supported and will continue to support, in whatever practical way we can, the struggle of the valiant Afghan people for their freedom and honour. That is why we have given facilities in Kuala Lumpur for the Mujahidin freedom fighters to have an office. That is why we con-

tinue to support the diplomatic efforts of the Secretary-General to seek a political solution to this problem.

Faced with the might of stronger neighbours, small weak States need to know that the United Nations will not allow them to be trodden over by the boots of invading armies. Everything else must depend on this fundamental right to freedom and sovereignty. Near to us in Malaysia, we see the same cynical manipulation of words such as self-determination and fraternal assistance and human rights in order to justify what cannot be justified, namely the Vietnamese invasion and continuing occupation of Kampuchea.

The Asean countries which had offered a hand of friendship and co-operation to Vietnam at the end of the Vietnam War in 1975, have opposed and will continue to oppose this blatant violation of Kumpuchea's independence and territorial intergrity.

The situation is ironic because Vietnam which once earned the high admiration of many for standing up in defiance and, finally, in triumph against overwhelming odds to uphold the right of the Vietnamese people to their freedom in their own homeland is committing now exactly what it had accused its adversaries of attempting to do: namely the imposition of its will be armed might against a smaller and weaker country. This tragic irony is compounded by the fact that Vietnam's Asean neighbours have categorically shown that they are fully ready to meet Vietnam's legitimate security interest.

A further irony is that the Asean countries in 1971 had agreed to the concept of a Zone of Peace, Freedom and Neurality in Southeast Asia and it is Vietnam's continued occupation of Kampuchea which is the obstacle to the realisation of a conflict-free neutral area untroubled by the rivalries of the major powers, which Vietnam also claims to be its objectives.

The choice between conflict and co-operation is Vietnam's. From the contracts and meetings, both public and private, that she has had with individual Asean

countries, Vietnam knows that Asean is flexible and sincere in our wish to bring the present conflict to an end, but we cannot and will not compromise on the right of the Kampuchean people to choose their own form of Government free from any external coercion. We will stay the course. The position we have taken is not only in conformity with United Nations principles and relevant resolutions but it offers a fair and honourable exit for Vietnam. It is now up to Vietnam to decide.

Mr. President, I would like to turn now to the subject of Antarctica, to which, I feel compelled to refer as Malaysia was one of the co-sponsors of this item at the last General Assembly. As we await the Secretary-General's study and the subsequent debate on this subject later during this session, I want to emphasise most of all that Malaysia approaches the forth-coming discussions with an open mind and with the hope that, by listening carefully to each other's concerns and views, we shall all be able to move forward together on this issue.

I also want to stress that Malaysia had raised this subject in a constructive spirit – to build not to destroy. We do not dispute the good that the present Antarctica Treaty System has done. But what we are seeking to build is broader basis and a firmer foundation for international co-operation in Antarctica which would be acceptable to, and in the interest of, the international community as a whole and which would thus ensure the long-term stability and effectiveness of the system. We have an open mind as to how that can best be brought about.

Of course, we have some ideas of our own: in the particular circumstances of Antarctica – a large land mass occupying some 1/10th of the globe's land surface, situated in a strategic part of the world, with a fragile ecosystem and possessing rich marine and, possibly, mineral resources, a part of the world, moreover, with no settled inhabitants and where, indisputably, there is no

recognition of the claims to sovereignty except between the seven claimants - we believe that there is at least a strong case for Antarctica to be in one way or another the common heritage of Mankind.

But we are aware that there are practical and legal realities – as well as a great deal of national sensitivities – which cannot simply be swept aside.

The United Nations has only begun to consider this question of Antarctica and all of us will therefore need to proceed cautiously and carefully. Hence, whatever Malaysia's views may be, we will approach the forthcoming discussions with an open mind and sensitivity to the concerns, views and interest of other member-States.

We earnestly urge a similar approach by all concerned. It is in that spirit that we have proposed the establishment of a Special Committee on Antarctica. It can be expected that the discussions on Antarctica which will take place later during this session will not be conclusive. Such a committee should build upon the discussion at the General Assembly and examine the subject in greater depth so as to arrive at a concensus on the objectives of a regime in Antarctica and the machinery to achieve such an objective.

Mr. President, one matter that needs constant serious attention is the drug problem. As we are aware the drug problem is international or global in character and knows no national boundaries. Thus no country can handle this problem single-handed. It requires a serious and concerted effort at the international level by all countries and international agencies concerned.

The present co-operation at the international level has not achieved much. There are many reasons for this, of which the lack of commitment and co-ordination among the various countries is a major factor. The lack of co-operation is due in part to the conflict of interest which may be commercial and economic in nature. It is also observed that some countries are reluctant to

implement the UN decisions relation to the prevention and control of narcotic drugs due to various factors, including the lack of political will.

This could also be because many countries do not consider their drug problems as serious, partly because of their outlook and partly because their problems are small. It should be noted that the drug problem not only brings with it criminal implications but, if left unchecked, can weaken and eventually destroy the social and cultural fabric of our societies.

It also has security ramifications that can threaten the very survival of a nation. It is for this reason that Malaysia has legislated harsh laws to curb the drug menace. Other countries may take exceptions to these laws but the best way they can help stop the harsh sentences on drug traffickers is by co-operating in the prevention of drug production and trafficking. We appeal to the world community to truly internationlise the prevention of drug trafficking.

Mr. President, I have in these remarks expressed my views openly and frankly. I do so because I take the United Nations seriously and I do not believe that these general debates at each Assembly should be an exercise in platitude or politeness.

We must mean what we say, and say what we mean. I have tried to do that, although in doing so I may have raised some uncomfortable feelings. Only frankness, an open mind, a willingness to work hard on the details of issues and to accommodate other views and, above all, a firm commitment to the vision of the Charter - a world of peace, freedom, justice and human dignity - will see us through the critical days that are upon us now. It is in that spirit that the Malaysian Government approaches its duties at, and to the United Nations.

The United Nations Is Not A Superpower Possession

Below is a section of the Prime Minister, Datuk Seri Dr. Mohamad's speech, at the 41st General Assembly of the United Nations, New York in September 29, 1986.

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For the past several years, we witnessed with full awareness the deterioration of the United Nations. Do we still want to witness the uncertainty in which the organisation is submerged, or should we act in accordance with the mutual objective to revive the United Nations?

If we observe the statements by many eminent and noted leaders of the world, during the United Nations' 40th commemoration, there was unanimity of opinion to prevent the organisation from facing similar fate as that faced by the League of Nations. History has revealed to us the reason why the League failed and its repercussions.

We, now, realise that the UN has become a meaningless ceremony for us to meet annually, speak, return and forget about it until the next session. If no truly constructive measures are taken to restore the situation, the organisation would continue to deteriorate, and the existence of the United Nations would be questioned. In the final analysis, if the organisation does not benefit anyone, then why do we bother to be its members?

To the majority of us, small and developed countries alike, a world without the UN is unthinkable. As a matter of fact, many countries are indebted to the United Nations Decolonisation Committee for their independence. To us, the United Nations is more than merely a symbol. The UN radiates a brighter tomorrow, upholding justice, peace, stability and prosperity for

mankind. Therefore, it is vital for the UN to maintain its relationship, expand its functions and refrain from being a tool for the interest of a country or a bloc.

Despite the suspicion that some countries could possess the UN, we should not forget that the very existence of this organisation is founded on our wants. The fact is, a small number of rich and influential nations usually possess the power to shape the UN behind the cloak of 'automatic majority', 'extremist', and 'wasteful'. If the organisation faces a lack of confidence, the responsibility lies on the superpowers who hope the UN would reflect their image and serve specific objectives for certain interests.

To convince further, the responsibility also lies with the small developing nations. Considerations based on ideology and politics do not contribute to any meaningful solution. As a small developing nation, we must be sensitive towards our responsibility, just as we hope the developed countries and superpowers base their decisions on issues of merit, directed by the principles of the UN.

It is essential for us to diminish the majority enjoyed to oppose a matter practically and realistically. More importantly, we should not allow ourselves to become proxy, make a decision based on ideological relations or the interests of a bloc, without regard for the principles concerned. There are some among us who contribute ideas towards these principles but keep mum when it is convenient to us and when the principle is trampled on. A few of us do not respect the principles, violate territorial treaties and the sovereignty of the small and weak nations, seek protection through force and military power. Let us, the smaller nations, execute our responsibilities as the members of the organisation with maturity, tranquility and equity.

It is not coincidental when a number of founder countries of the United Nations are increasingly dissatisfied with the UN as its membership expands following

the process of independence of the countries concerned. It is during this time, the issue of 'majority atrocity', 'automatic majority' of the third world opposing the interests of certain countries emerged. Meanwhile, it has become a trend, as in the past, among certain quarters to defame and tarnish, the UN's reputation with allegations of 'inflated-budgeting', 'extreme' and 'wasteful'.

In fact, it is easy and possibly damaging to regard that the organisation does not need to be improved and could not function more effectively. Of course, after years of accumulation, a part of the 'fat' has to be removed. Its effectiveness has to be reviewed from time to time, to broaden its functions. But the aim of improving the UN has to be based on the principles contained in its charter. The UN cannot run away from the ramifications of the world economic recession, to link the present financial crisis with the delay of payments from member countries is a denial of the real situation.

The present cash flow crisis is the effect of anyone of us denying that morally what is happening in South Africa could definitely not be defended. Nevertheless, it still exists because a few rich and powerful countries, capable of suppressing it, do not participate more meaningfully to end the evil system.

Although these countries condemn apartheid on the one hand, at the same time they extend assistance by not abandoning the policies based on the agreements governed by the laws of the concerned countries. No matter how derogating the laws and methodologies adopted by every member country, any effort to amend the law has to be made in accordance with the agreed procedures consistent with the existing system.

Any proposal that a member country, either large or small, could impose a condition for one side, only contradicts the spirit and charter of the UN organisation. The regulation and methodology founded on the basic concept of equality of nations, cannot be changed because it is the basis of the UN. Whatever our dissatis-

factions against the UN, the membership to this organisation requires us to accept certain basic principles and act according to the agreed regulations. The real issue cannot be regulated through majority voting rights. It is more the utilisation of time and the process to obtain understanding and consent, to solve problems faced by all the members.

Although we hear numerous criticisms on the ineffectiveness of the UN from certain circles, they remain quiet over the unsolved issues – failed not for lack of efforts but due to the various obstacles thwarting the execution of the UN's resolutions on these issues. Briefly, the failure is caused by the superpower attitude.

We are cruel, because in spite of our efforts for many years to eliminate the apartheid system in South Africa, it still exists, and blatantly violates every concept and principle of human civility.

Apartheid is a system of racialism aiming to maintain white minority power over the black majority. The recent developments in South Africa are evidence that the Pretoria regime could not be persuaded to abandon its apartheid policy. In fact, the regime is gradually and dauntlessly attempting to maintain and enforce apartheid. Therefore, continuing the policy of constructive agreement denotes the transmission of false signals to Pretoria.

Many questions are posed by certain countries, apparently sanctions are ineffective and only create economic difficulties on the front-line countries and worsen the condition of the South African blacks. It is an acknowledged fact that economic sanction would greatly afflict the African states and the black people of South Africa. But, surely, the degradation they suffer under the apartheid policy is far painful. If we truly endeavour, a lot can be done to abate the sufferings and expedite the results of the effort.

The South African black community and the front-line countries realise their situation. The colonial powers

have structured these countries' economies in such a way in order that they rely completely on South Africa. The Pretoria regime's requital is simple and effective. It is made more effective by South Africa's willingness to betray its relationship, especially the countries without a a coastline. In South Africa, this is aided by the rivals supported by several countries.

The Non-aligned Movement conference in Harare decided on the formation of the Unity Fund for South Africa. But the support of the western world and Japan was required to ascertain the effectiveness of the aid during the sanction in Berlin, whereby a huge air-force transportation was employed to penetrate the obstruction. Similar action and determination is required of peace-loving countries to solve the South African issue.

Eventually, the conceited government in Pretoria and its apartheid policy must be eliminated. Let us all help to put an end to it immediately. Let us be resolute in our support to impose sanctions on South Africa and ensure the front-line countries receive the supplies and aid provided.

The time has come for the countries upholding noble principles and forever ready to condemn and penetrate the apparently oppressed third world countries to implement what they voice. South Africa has to be freed. Namibia must be returned to its people, based on the 435 Resolution of the Security Council without any 'strings' attached. It is inconceivable, the Namibian people are held hostage for what is alleged as an 'evil act' by a totally different race.

The Palestinian issue is another matter the organisation failed to resolve, although the issue has, time and again, appeared in the agenda, since the establishment of the UN. The failure to resolve this critical issue has inundated the entire Middle East in turmoil.

The Palestinian problem began with the existence of Israel, which grabbed the rights of the Palestinian people. In view of Israel's existence through a decision

made in the UN in 1948, which was applauded and defended by the superpowers, it has become the responsibility of the superpowers, if not Israel, to applaud and defend the UN's consequent resolution on the same issue.

The past will not return and we must accept this fact. Similarly, too, is the case of the Palestinian people, a reality of their history, tradition, culture and identity. It is also a reality that the Palestinians have become refugees, and for two generations, they were born in refugee camps: afraid, tortured, bombed and dishonoured.

We, actually, are witnessing the banishment of the Palestinian people. Israel acts as it pleases with the support and protection of the superpowers, ever ready to foil any attempts of the international community to seek a just solution. It is obvious, without the superpower support, the UN cannot function. The boundary of Israel would continue to expand, outraging the Arabian world as they wish, and all Israeli actions, no matter how cruel, are ratified on the grounds of protecting national security.

The Palestinians, on the other hand, do not have similar rights as Israel, and the resources given are limited. At the same time, they have to face the media controlled by the Zionists. Therefore, the Palestinians, unlike Israel, have to fight for their rights and identity. In the process, the Palestinian fighters are condemned by the world disregarding the fact that Israel is the root of the violence; incessantly threatening, agitating and sacrificing the Arab race in the occupied territories and elsewhere, is obviously a policy based on violence.

Malaysia is also with the rest of the world in condemning violence. It is indeed a meaningful matter when the UN passed a resolution through consensus to oppose violence. Our attention should focus on violence committed by governments. Although we should not show favouritism in condeming violence, we should not

forget the fact that policies practised by Israel are based upon violence and encourage requitals based also on violence.

In major crises faced by the world, many countries ignore our pleas and cries. Our ability to act is restricted when a superpower is involved, and openly disregards all principles of the UN charter. But as a small developing nation, we must continue to voice our opposition against the violation of vital principles such as the sovereignty and integrity of a nation and territory. We, the small nations, are the potential victims.

The Afghanistan case, is an example. It is an independent state, a sovereign nation invaded and occupied by a powerful country. For Russia, a permanent member of the Security Council, one of the countries we hope would preserve the peace and security of the world, has instead infused fear in us. We must continue to condemn Russia and its puppet government.

The international community, too, should not acknowledge Vietnam's invasion on Kampuchea. As a matter of fact, the international community has repeatedly condemned Vietnam, but the country adamantly rejects all efforts of peaceful resolution. The egotism stems from strong superpower support to Vietnam. It is regrettable that Vietnam, which has struggled against a foreign power for a long time, now seeks to control a weak and small neighbour.

Just as we strongly support the Mujahidin fighters in Afghanistan, we also must stand together with the Kampuchean people in their struggle. Although Malaysia and other ASEAN countries respect the efforts of the Kampuchean fighters, led by Prince Norodom Sihanouk, we always are in support of peaceful solutions through negotiations. In this context, we urge Vietnam to reconsider the eight point proposal submitted by the Democratic Kampuchea Coalition Government.

Malaysia is convinced the eight point proposal contains the elements of a constructive negotiation

towards a peaceful and complete solution, emphasising the recovery of the country. The proposal also deals on free elections where all parties can participate. However, Vietnam seems intent on rejecting all the proposals, except its own solution, through military means.

In Central America, Mr. President, the superpowers and their representatives are also actively attempting to form the government and country consistent with their image by overthrowing, creating opposition and rebellion. Are the majority of the countries in the organisation wrong for condemning such acts? When there is an 'automatic majority', there is also a tendency on the part of the superpowers to automatically employ violence when they do not agree with the majority stand.

One of the difficult issues to monitor is cease-fire – an issue that has long perturbed the organisation. Evidently, the cease-fire problem would not be effective, unless the superpowers complete their negotiations to stop the proliferation and eventual destruction of the nuclear weapon.

Even now we have sufficient nuclear equipment to destroy the world. If ever we decide to annihilate the weapon, we would not succeed. We have created a situation continuously threatened by the nuclear effect and destruction. In this regard, doomsday might be nearer than anticipated.

If the future of human civilization relies on this "Balance of Violence", the situation is in fact frightening. We, in Malaysia, are characterised as uncivilised for hanging white drug traffickers, as we hang any other drug trafficker. But how do we characterise those who threaten to destroy the entire human civilization in order to achieve their war strategy?

Peace will not result if we waste resources on the production of nuclear weapons. If superpowers end the accumulation of nuclear weapons, we would not demand that they spend the money saved to eradicate poverty, famine or disease. They can utilise the money as they

wish, as long as they do not threaten the world by producing lethal weapons.

Since the United Nations General Assembly in 1985, the world's economic recession has further deteriorated. We have gathered in New York today, at the peak of the economic slow-down, especially that of the developing countries. The debt burden of the developing countries is now at the peak, whilst trade terms and conditions offered to us are also increasingly unsatisfactory.

We do not want to accuse the developed countries as the root of all economic problems of the developing countries. Nevertheless, it is undeniable several actions on their part aggravate our economic problem. When seven rich nations face trade imbalance, their solution is to increase the value of the yen and deutschmark. Many Southeast Asian countries are involved in huge yen loans. The increase of the value of yen itself has increased the yen loan burden of Malaysia by 60 per cent. Other countries are in a worse dilemma.

If the problem of Japanese goods pile-up in the North American and European markets are resolved by imposing high import taxes, the poorer nations might not find themselves in such a bad state. Instead, the re-evaluation of the yen has submerged our economy in chaos, while the Japanese imports to the North American and European markets are still unrestricted.

The developing countries rely completely on primary export products to obtain foreign exchange. Now, the price of all primary commodities has declined, some as much as 60 per cent. This is caused by several factors. Firstly, the emergence of new technology has resulted in the loss of the importance of the raw materials due to the production of cheaper synthetic material. At the same time, the new technology also could increase productivity. Apart from excessive production, the price of raw materials has declined due to the provision of subsidy in developed countries. Consequently, the developed nations also sell their primary commodities from their

stock.

Previously, we had to sell more primary commodities to import manufactured goods. But now, developing countries could not increase the sale of these commodities to pay for the import of manufactured goods which are increasingly expensive. Our government, too, face various problems to obtain foreign exchange to pay for the debts.

The price decline of primary products has diverse effects. The economic activity is slow or had to be stalled. It is during times like this the creditors would seek their victims. Therefore, how could we sincerely say that the rich and developed countries could not be held responsible for the economic suffering which we are undergoing? How could we feel, except anxiety, every time the Group of Seven meet?

The Challenge Of Peace In The Pacific

Full text of the Prime Minister's address at the Third Asia Pacific Roundtable, June 16, 1989.

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The fact that we have in this very room important men and women of thought and action from every band of the political spectrum bears testimony to the momentum of peace in the world and the Pacific today.

The momentum of peace cannot be taken for granted. Many of the most promising trends of the recent years can be turned around. Many things can still go wrong – through errors of omission, mistakes in calculation, failures in domestic and international statesmanship. We ought to be reminded that in international relations there are no brave and benign new worlds and no miracles. We would be foolish to presume that beyond the age of confrontation which we have all endured for so long lies, necessarily, a new era of cooperation.

At the same time, there can be no denying that for two generations has there been such a positive constellation of positive political factors in the global firmament. I put it to you that we have entered into an era of grant transition, affording immense opportunity, demanding of enlighted action and creative initiative. If we are up to the imperatives of statesmanship, the dictates of enlightened action and the challenges of creative initiative, there is every probability that the last decade of the twentieth century will – in political terms at least – be a much better one than what we have seen in the last 50 years. Again, we must guard against excessive optimism. But the auguries are good. Allow me to briefly outline some of the very positive and fundamental changes that have occured, sometimes at speeds that test our ability to clearly comprehend their contents and

their implication.

When historians write about the twentieth century, they will need to grapple with an explanation of the role that ideology played globally in the relations between so many nations over some eight decades, a conflict over ideas and systems.

There has of course never been a time when ideology has counted for nothing. There will never come a time when it counts for nothing. In the apparent death throes of the twentieth century's heroic age of Ideology, we can expect some ideological contention between the various believers of capitalism and between the various believers of the command economy. We might even expect on occasion sharp ideological altercation between the leaders and would be leaders of what has been the Great Ideological Divide. But it does seem a safe conclusion that because of the fundamental reassessment of socialism as a method, worldwide, and because of a host of other factors, we can at last expect the passing of the Age of Ideology to be less and less important in international relations – as pragmatism and the traditional imperatives of national interest come increasingly to the fore.

The second related positive factor is the process of internal reform and restructuring among the great and the big powers, the most consequential being the turning inwards of the great anti status-quo powers.

China was the first to institute a comprehensive programmes, which is called the Four Modernisations. The recent tragic events in China, not unconnected with the problems of economic success, are likely to tie the Chinese leadership down to internal pre-occupations.

The Soviet Union, under the ambitious leadership of Mikhail Gorbachev, is now already knee-deep in an equally comprehensive and very difficult programme of glasnost and perestroika. Japan too is in the process of fundamental – economic and societal – change. The European Community can be expected to be greatly

diverted by the process of single-market completion by 1992. There are many who expect the United States itself – under the cautious leadership of George Bush – to embark on internal re-assessment intended to re-establish its vitality and strength, and to re-establish what some have call the Pax Americana.

The two superpowers which have sacrificed substantially because of their strategic overstretch are in the process of strategic disengagement. Because the costs to the United States have been of a different order, its reconsideration of commitments and international activism will be of a different order. Because the Soviet Union has been the nation which has paid so dearly for its strategic overstretch, we have already seen dramatic examples of disengagement and retrenchment. Great changes are in train in Eastern Europe and in other parts of the globe. The transformation taking place in the Second World is well nigh irreversible.

We should be equally clear in our minds that the positive moves of the Soviet Union are largely the result of internal imperatives arising out of the nation-centric desire to improve the welfare of the Soviet peoples. This does not detract, however, from their positive impact on the global scene. Indeed, it provides more secure foundation than would such motivations as an unsustainable starry-eyed commitment to peace or ideology.

Because of all these factors, there are those who believe that Cold War between the political East and the political West has now come to an end. I prefer to cautiously believe that the rumours of the death of the titanic contest of systems which has been one of the central hallmarks of the twentieth century are somewhat premature. It is still too early to write the epitaph on the Cold War.

But who can deny that there is today a historic opportunity to once and for all put to an end a conflict which has engaged so many and so much of the passions of this century? No one can surely deny that

many regional conflicts are being actively addressed and we have entered a period of increasing detente. At the global level, there has been a fundamental reductions of tensions between the United States and the Soviet Union.

In the Pacific, the Cold War between Moscow and Beijing is largely at an end. Although the consequences of the events in China cannot now be fully fathomed in terms of international relations, we have in recent months and years seen some easing of tension between Beijing and Taipeh, between Beijing and Seoul, between Beijing and Hanoi, between Bangkok and Hanoi, between Thailand and the other countries of Indochina, and between these countries and Asean.

All this is tied to two other important realities: the realisation of the limited power that can come out of the barrel of the gun and of the virtues of extension by other means. In the course of time and since the dawn of the nuclear age, the very essence of power has been substantially transformed. What is more, this is increasingly being perceived by Governments and peoples.

There was a time when one scurvy-infested gunboat might have been enough to topple regimes. Let us not forget the consequences of four black ships upon Japan. A thin red line, backed by a thin line of naval power did play an unbelievable role in the creation of an empire on which the sun never set.

Yet in the world today, the might of the Americans was not enough in the case of Vietnam. The might of the Soviet was not enough in the case of Afghanistan. As many of us have seen with our own eyes, one solitary man can halt a column of heavy tanks. The two superpowers are at the peak of their military might, with almost godlike ability to obliterate every living thing on this planet many times over, even as their political power has been on the wane – in a world that has increasingly become multipolar and promises to be much more so.

Although the writing has been on the wall for decades, it is today writ in such large and bold letters that even the near illiterate and the myopic can now read the message.

The path of disarmament, armed preparedness and deterrence at lower levels of lethality and higher levels of sanity will by no means be easy. The military industrial complexed can be assured that never will swords be turned into ploughshares. But we can now expect most nations to subscribe to the concept of reasonable sufficiency. More and more Governments are likely to come to the conclusion that enough is enough.

Given:

* the increasingly prohibitive financial, political and other costs of war;
* the increasingly limited circumstances under which it will appear rational;
* the increasing difficulty generally of converting military capability into political power;
* the increasing pre-occupation of the big and superpowers in domestic developments and their increasing awareness of the comprehensive costs of military overstretch;
* the dramatic attenuation of the Cold War;
* the lessening of tensions at the global, regional and local plane; and
* the decrease in ideological fervour and passion,

we can reasonably expect fewer international wars and fewer international wars of size. There are two other reasons why there are grounds for being optimistic with regard to the surging tide of peace that is characteristic not only of the Pacific but also of other parts of the world.

The first is the demonstrable efficacy and virtues of war by other means and national extension by other methods. The second is the fact that we have entered and era most likely to be characterised by the primacy of economics.

The world has learnt many lessons from the Japanese with regard to business and management. Japan has also been an exemplary State with regard to one important strategic lesson: that the objectives of a State can be achieved through the use of economic means – to the great welfare and benefit of the subject State and, in most cases, to the benefit and welfare of the object State.

A case can be made that we have already moved into a period of "soft imperialism" where the foundations of a nation's power are more likely to rest on brains rather than brawn, on the creativity, energy and talent of its people rather than on the size of its population and the extent of its territory.

Increasingly, it can be argued, national prosperity and political power will hinge not on the lands that an army can conquer and the number of people that a nation can subjugate but on the degree of penetration of markets, the extent to which other peoples are reliant on one's financial flows, technology and domestic markets, the extent to which they are dependent on the products that one can provide and the services that one can render. Much of the virtue of this soft imperialism lies in the fact that the so-called target may aid and abet and certainly welcome one's political extension.

Again, there is need for caution because what is soft can become hard. Soft imperialism too can be perverted by the desire for pomp and glory, and by the will to dominate and to dictate. But conducted in an enlightened and therefore sustainable manner, this soft imperialism is not a zero-sum game. Indeed, it is a process that promises wealth of mutual benefit – because the interest of the expansionist power is inherently and critically tied to the comprehensive prosperity of the countries which are its targets.

If I am right and what we will see in the years ahead are increasing examples of economic expansionism and decreasing attempts at military expan-

sionisms, then we can expect much more of our future to be determined by the trading State rather than by the garrison and the military State.

This will contribute to the rise of the primacy of economics, a trend that cannot but come increasingly to the fore as ideological passions are dissipated, as the Cold War winds down, as resort to military means is reduced, as the big and the superpowers and the small powers turn increasingly to economic development and social welfare.

There are two other very important reasons why economics will pay and increasing role in the affairs of nations.

First, the world is likely to be forced to grapple more and more with a host of intractable international economic issues. The statistics testify to the fact that since the 1960s the trendlines for global economic growth and international trade growth have been on a clearly downward path. In the year ahead and in the years to come most nations will have to deal with the most serious economic issues because of the mammoth structural imbalances of the US economy, the primary engine of global growth since the early 1950s, which must be expected to lose steam. The problem of increasing protectionism, trade "blocs", currency volatility, international debt and the malaise of the large majority of developing countries will all take the time of our diplomacy and test the calibre of our domestic and international economic management.

The second reason is also altogether too clear: the rise of economic conflict. Many of the root causes of the present economic friction and of the future escalation of economic contradictions are plain. It is important here to note a central paradox of economic conflict at this point in world history.

Whereas in the case of ideology, political and military conflict, the struggle is most often and most intensive as between States that are not interdependent

and that are not close, it is in the inherent nature of economic conflicts that they will be most numerous and most intense as between States that are closely interdependent and deeply interpenetrated. Whereas ideological, political and military conflict has been essentially between adversaries and enemies, economic conflict is most likely as between friends and allies. Whereas in the era of ideological political and military confrontation what is crucial is the containment of adversaries and enemies, in an era of economic conflict the central task is likely to be the management of friends and allies.

What will be the outcome of escalated economic contradiction in a world where the traditional and great Communism-Capitalism, East-West conflicts are no longer the central frame of reference? How will the new lines of friction and contention be drawn when the old lines of division are blurred or are no longer fully operative?

I have warned against excessive optimism and the need, as always, for complete realism. I think I have hinted that there are dangerous elements in the evolving strategic picture which should be cause for serious concern. None of this detracts from the reality that this is indeed a time of opportunity. And history will not forgive us if, through, errors of omission, weakness of purpose, perversity of vision, we allow the opportunities for peace to slip through our fingers. Allow me to reiterate the need of the hour for enlightened action and creative initiative.

But what must be the elements of such enlightened action and creative initiative? As the Prime Minister of a small country, I feel it necessary to stress that one of the misconceptions that must be jettisoned at the start is to believe that the smaller States have no role or no significant role to play. To be sure, in the great affairs of men, few can make a difference. But all must try. If it can be said that acquaintanceship with power tends to corrupt, it can also be said that a sense of powerlessness also

tends to corrupt. The first is the corruption of power. The second is the corruption of powerlessness.

I believe that there is no nation that is too small to contribute to peace in the Pacific. In this regard I am reminded of the incient Arab saying that if each man sweeps before his door, the whole street will be clean. At the very least, each nation can contribute to peace if it puts its own house in order, if it develops its national resilience and if it seeks the dignity and chooses the high ground of independence. We can so much more – without waiting for a nudge from the big powers, at the behest of our own persuasion.

In South-East Asia itself, a part of the world that has been characterised for much too long as a region in turmoil, we have seen how a group of five States went about to create a secure zone of peace and freedom for themselves. Since memories are short perhaps I should remind you that in the mid-1960s what is now the Asean Community consisted of States many of which did not even know each other, disliked each other or were in a state of confrontation, cold confrontation or even hot military conflict. In a creative act of regional reconciliation, the Asean Five decided to create a different world for themselves.

What exists today is a community, now expanded to six nations, where there is securely in place a structure of understanding and trust, goodwill and active co-operation unprecedented in the history of South-East Asia. There were many obstacles in the way and more than just hiccups. But what we have now firmly established is a Pax Aseana, the more remarkable because it is a peace without an imperium. It might also be noted that the Asian Community constitutes three quarters of South-East Asian real estate. It is where three out of four South-East Asians live and where more than nine tenths of South-East Asian income is generated.

Among the things we have done is to firmly establish an effective code of inter-State conduct based on

the principles of peaceful co-existence. Central to that effective code are mutual respect for the sanctity borders and absolute intolerance of military aggression. Asean's horizon from the very beginning was South-East Asia as a whole. Its purpose from the very beginning was to turn a region in turmoil into a region of peace and co-operative co-existence. It was for this reason that we could not tolerate and had to oppose the Vietnamese invasion of Kampuchea.

Today, we must continue to be patient and to ensure the total removal of Vietnamese troops from Kampuchea. There is now every confidence that this will be done by the end of September. It is important that Hanoi's word be kept. The traffic cannot move until the obstacle is out of the way.

Even as we wait patiently, it is essential for the Asean States to now hammer out the acceptable modalities and the most appropriate institutions. We must stand ready to launch the second phase of regional reconciliation, to achieve our ultimate objective: the creation of a South-East Asian system of States that are at peace with each other, involved in a dynamic and vigorous relationship of mutual respect and mutually beneficial co-operation.

We must not be at sixes and fours. The mountain of distrust and misunderstanding must be removed. A divided South-East Asia is not in the interest of any regional State. It is in the interest of all South-East Asia that we secure a healthy balance of forces, a system open to the world composed of States which are economically prosperous, socially dynamic, strategically secure, domestically at peace and politically at one.

To ensure all this and to prevent hegemonism from any quarter, we of Asean must be prepared for a comprehensive and creative engagement of all the large powers. And we must be prepared for the comprehensive and creative engagement of Burma, Vietnam, Laos and Kampuchea.

I strongly urge all the external powers – from the north, south, east and west, from the First, Second and Third Worlds, from the mature States of Western Europe and the new, dynamic States of northeast Asia – to come to South-East Asia to play legitimate and constructive role that will be to the benefit of all. I also support fully the objective of transforming Indochina from a battle-field into a marketplace, a process in which we in Asean can play an active role, but a transformation nevertheless that has to be accomplished by the States of Indochina themselves.

I have stated that so much depends on the removal of Vietnamese troops. That the Vietnamese must do. But Asean must be prepared to play a fully constructive role in the removal of that roadblock and to ensure the emergence of a Kampuchea that is independent, neutral, non-aligned, and very importantly, peaceful.

It would be a tragedy if there is a return to genocidal policies. The Kampuchean people have suffered enough. We must all do our utmost to prevent the outbreak of civil war.

The comprehensive political settlement that we must work determinedly towards must be one that is moral, that is viable and that is productive. Such a solution must recognise the realities on the ground, in the region, and of international politics. Such a solution must secure a meaningful place for Prince Norodom Sihanouk.

As the Prime Minister of a small State, I have necessarily stressed the role that the small States can play with regard to the process of peace in the Asia-Pacific region. As a realist, I must emphasise the great role that the great powers have to play in the process of reducing tensions, building confidence, and resolving conflicts. Important though they are, the contribution that the great powers make must extend beyond the creation of better atmospherics.

The United States and many other States have

poured a great deal of cold water on the Soviet Government statement on the Asia-Pacific region of April 1986, Mr. Gorbachev Vladivostock's speech of July 1986, his speech to the Indian Parliament of November 1986, his Merdeka interview of July 1987, his Krasnoyarsk speech of September 1988 and his United Nations speech of December 1988. To be fair, there are elements in each of these initiatives which are cynically self-serving of Soviet interests, worthy of a place in the recesses of the Cold War. The Krasnoyarsk speech was made at a critical juncture in the US-Philippines negotiations over Clark and Subic. How are we to treat the proposal that Hiroshima be the Helsinki of the Pacific? Many of the proposals thus far put forward are deserving of a great deal of cold water and hot indignation.

It is important that good, negotiable proposals are not contaminated by the company of suggestions that are clearly mischievous, or that will be seen to be mischievous and thoroughly cynical. It is essential that the initiator is fully sensitive to the interests, perspectives and sensitivities of the other party. It is important that neither party is thrown on the defensive. It is crucial that no initiative is seen to be intended specifically for that purpose.

At the same time, many of the moves of the Soviet Union should not be rejected in toto and are worthy of the most serious consideration. Mr. Gorbachev's suggestion of prior notification with regard to big naval exercises and for "the joint elaboration of measures to prevent incidents in the open sea and the airspace above it", for example, deserve serious study. And there truly are possibilities for measures to enhance confidence and to guard against accidental military clashes arising out of miscalculation, misperception and technical mistakes such as we have seen in the Gulf.

Apart from prior notification of major military manoeuvres, there are possible measures to increase "transparency" through information exchange. A hotline

between the headquarters of the two superpower military establishments in the Pacific and regular dialogues between their military personnel could be of some use; the first in the context of crisis situations, the second in order to reduce the present level of ignorance and prejudice on all sides.

Let me conclude by reiterating that we are poised at a point where we can go beyond confrontation to something better. But we cannot move from here to there if minds are closed. If we are unwilling to think new thoughts, and if we take into a transformed world that will be the 1990s all the heavy intellectual baggage of the age of confrontation.

It has been said that advice is something that the wise do not need and that fools will not take. Assuredly, those who will not be counselled cannot be helped. I hope that I have not sounded the incurable optimist. I believe that meeting such as this can play a most constructive role in generating new ideas, in reducing prejudices, in subverting ignorance, in creating new atmospherics – and in coming forth with advice on how we can all move forward. I have every confidence that individually or as a group you can play a meaningful role. We must move effectively forward with regard to confidence building and conflict reduction in the Pacific and the wider world. Upon this will hinge the judgment of history and our hopes for building a better future.

Asean And The 21st Century

Full text of the Prime Minister's address at the Institute of South-East Asian Studies, Singapore, 1988.

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I would like to thank the Institute of South-East Asian Studies for inviting me to deliver this Singapore Lecture, the ninth in your series. It is indeed a great honour for someone who is not an economist and who is not a retired statesman to be invited to speak at one of the most celebrated events of the Institute.

The subject of this Singapore Lecture is related to the future. My fear is that economists and politicians, retired or otherwise, are about as good as foretelling the future as those who rely on the stars and tea leaves. Practising economists have the aid of the most sophisticated models and the most sophisticated and complex theories. The members of this profession have the advantage of being able to rely on the staple of their trade, the two hands. On the one hand, this. On the other hand, that. Unfortunately in predicting the future, even two hands are often not enough.

I should of course not be too tough on the economists since the members of my own profession – and here I am referring to the medical profession – do not have an enviable record either. Like the economists, politicians too have some advantages when it comes to discerning the future. They are in a better position to plan the future and execute it. If they fail, the profusion of words that constantly issue from their mouths are likely to confuse and cause a lapse of memory among those who hear them. In any case, politicians can modify their predictions as they go along. In the end of course they are never too far wrong.

Still the wise politician always hedges his bets. And so I would like to remind you that the one thing we

must expect about the future is to expect much that we don't expect.

I would like tonight to reflect a little on two quite unextraordinary thoughts about the future. The first is that the world has entered with some fanfare into a historical era of transition and its attendant uncertainty. This is the second transition – the first was when all empires had to be dismantled after the war. Mankind has reached a historical turning point rich with political possibilities but replete also with serious economic threats.

The second is that in shrinking world no one will be allowed to escape the consequences of the changes the world is going through. There will be winners and there will be losers. There will be those who will be caught in between and who will be squeezed. Some will not know what hit them. Whichever it may be life for everyone will not be quite the same again.

It is therefore necessary for us to fully grasp the critical elements of continuity and transition and to respond quickly, flexibly, with creativity and strength, to the opportunities that will present themselves as well as the challenges that will be hurled at us.

To do this we have firstly the task of comprehension. The second is the challenge of action attempting to do the right thing at the right time and in the right way which is extremely difficult in the best of times.

The task of comprehension in an age of uncertainty demands that we wear no blinkers and have no illusions. It is especially important to ensure that we are informationally rich and analytically well endowed. It is incumbent upon us to be prepared to confront new realities and their logic however discomforting they may be preconceived notions. This does not mean the abandonment of our personal and national, regional and global ideals, far from it. But it does mean the need for quick and continuous re-assessments of our objectives and ideals in response to quick and continuous changes in

our external environment. Knowledge, because it is power, is an essential ingredient for our survival.

The challenge of action confronts us at all levels: the national level, the regional level, the inter-regional level and the global level. Comprehension without action is about as fruitful as action without comprehension.

My remarks this evening focuses largely on the external environment of States. But I feel I cannot let the occasion pass without stressing the central importance of action at home; the criticality of continuous reform and reconstruction within our respective national borders.

The Primary determinant of our fortunes in the challenging days ahead, as in the past, will be our own national resilience. The most important helping hands we can rely on will always be the ones that are at the end of our own arms.

As for action beyond our shores, there is every need to be realistic. The nations of the Asean community – influential though they may be must realise the limitation of their influence. There is only so much they can expect from their trading partners but beyond that they will have to rely on themselves. In the new developmentalist world which is emerging, ethics and friendships are not to be relied upon too much.

At the same time it would be foolish for us to be negative in thought and action in the international arena. it would be a great tragedy if we are oblivious to our potentialities – oblivious to what we can get from and what we can give to the world if we can summon the will and the statesmanship, the guts and the grit.

We in Asean and indeed everywhere else must remember that the 21st Century is not some far distant time. It is no more than eleven years away.

A proper sense of time is important for we should not waste our time on fascination possibilities – the emergence of Japan as number one, the surge of China to number two, the possibility of a "Super Europe" stretching from the North Atlantic to the North Pacific, of a

fortress America from the Arctic to the Antarctic, of the actual dismantling of the nation State or even the very destruction of a viable habitat for the survival of the human race itself. All these can come to pass. But not within the space from now to the 21st Century.

What actual great challenges of change, then can we expect the world to throw up in the next 132 months? Because history will not bow to Mahatma Gandhi's plea that there be more to life than increasing its speed, the changes that we need to deal will come thick and fast. Fortunately, a large proportion of them have and will continue to be positive structural trends whose course and contents are already clearly evident and clearly constructive of a more prosperous, peaceful and stable world.

Amongst the most hopeful of these changes must be the big swing to the Right: in the countries of the left the modernisations and perestroika, and in the countries of the Right privatisations and deregulations. By comparison to what is happening now in the market economies, Malcolm Forbes with his capitalist tool is leftist.

These developments – internally generated, self determined, an expression of the wishes and the will of their own people – have undermined totally any faith in the permanency of ideologies and systems. Nothing is scared anymore. Economic atheists have now taken over everywhere.

Of course it is possible to envisage circumstances in which the trend will be reversed. But this is most unlikely in the forseeable future. Certainly from the frozen wastes of Siberia through Eastern Europe, Central America and much of Asia there has been an erosion of faith amongst the faithful. Dogmatic Marxism and the traditional command economic system as a method is on the retreat in the minds of men and in their actions.

I think it was Rousseau who said that there is nothing more powerful than an idea whose time has come. Some may paraphrase it by putting it the other

way round, that there are few things more powerless as an idea whose time is over. The time of rigid central planning and regulation of economies is over.

To be sure, there could be negative elements in this trend. It can be carried too far. The switch from trading in real goods to trading in paper, including non-existent money, is one of them. Trading in corporations and not trading through corporations is another. But the ascendancy of pragmatism over dogmatism, the declined in "the age of ideology" in the traditional historical sense, the reduction in the play of passion and the complication of dogma in international relations all augur well for the world community as they will for Asean.

Pragmatism's rise to power in the People's Republic of China initiated the transformation of many key elements of the 70-year "war" between the so-called "East" and the "West", a war which began with the Russian Revolution in 1917 and shaped much of the history of the world in the 20th Century. Pragmatism's rise to power in the Soviet Union and likely changes in the national priorities of the United States and elsewhere threaten to eventually put an end to the "war" in the remaining years of the twentieth century.

As is the case with all protracted conflicts in world history, an ending comes with a redefination of national priorities. This is often tied to sense of psychological and material exhaustion (on the part of at least one side to the conflict) and a realisation (on the part of more than one side) that there are other more important battles to be fought, different dragons to be slain, new powers and constellations to relate to.

It is a fact that after the Second World War neither the United States nor the Soviet Union settled down to a peace economy as did the defeated powers: Japan and West Germany. Because of the narrower economic base of the USSR, it has been forced to sustain a quasi-war economy with the result that Soviet missiles can deliver at this instant a million-ton TNT equivalent load to any

place on earth with impeccable precision whilst Soviet agriculture cannot produce quite enough for Ivan's dining table. The United States too has paid a high price, as evidenced by massive deficits and erosion of its leadership position.

In the context of new global and domestic realities, passions and priorities, the decline of the 70-year war can be expected to have major effects on the lives of practically everyone everywhere. Already we see tremendous effects on Iran and Iraq, Afghanistan, Cuba, Angola, Namibia, Palestine, Israel, Kampuchea, Vietnam and a host of other arenas and theatres.

Even the humblest student of international relations will notice that both the military superpowers were in political decline even as they achieved the peak of their military might. Because of the momentum of military production and the mad scientists who are forever devising newer and better ways of killing and destroying, the build-up of military weaponry will continue; but this will not slow down the rise in the power of moral and immoral suasion, as evidenced by the Western-originated transnational pressure groups, the power of economic arm-twisting in their various forms and the uninhibited role of the media, to name a few.

Conventional war as an instrument of policy has become increasingly illegitimate, increasingly costly and increasingly ineffective in producing the required results. War is no longer a glorious activity to which even nobility would contribute the flower of its youth. Today, in the eyes of the individual, in the eyes of the world community, and often in the eyes of the very perpetrator, war has, frankly, a bad odour.

There was a time when wars could be won at what may be termed a reasonable cost. It is no longer is. Even the richest oil nations can be bankrupted by a few days of hurling ballistic missiles at each other. In the end there is little to show – no new empires, no subject people and no new sources of wealth to plunder. Power-

ful nations have invaded and conquered only to negotiate ignominous retreats with nothing to show except a long list of casualties. Conquest is a messy business is an age where people matter and where the masses will not simply lie down and submit.

I am not saying that we have or we will ever reach that condition where swords will be turned into ploughshares and men will war no more. Man is a contrary creature. There is a madness in him which leads him into doing extraordinary things. Despite the obvious futility of war in this day and age, there is no certainty that a mad man on a mad impulse would not precipitate a war. And so we have to keep our powder dry and like the Scouts, we have to be prepared.

Empires and conquests may no longer be the acceptable things they once were but a willingness to fight and defend oneself and render aggression costly and unprofitable are essential to sustain modern mores or the proper behaviour of nations, big and small. The problem in what level of preparedness. Only acknowledged enemies can determine this, that is if they can talk with each other. Some of them are at last talking to each other.

I have little doubt that the increasing realisation of the decreasing utility, power and the application of conventional military force, the turning inwards towards domestic reform, the reduction in the push of ideology and perhaps the thirst and the need for a period of peace and tranquility in important quarters have all conspired to produce an outbreak of peace in 1988. One might be excused for thinking that for the first time in a long time the world is being confronted by a peace epidemic of sorts.

War, it has been said, has its own momentum. Peace too may possess that quality. I would expect that in the 1990s, although new brush wars may break out, the peace momentum will continue.

It might also be noted that just as war has is awe-

some consequences, peace too will have its enormous threats and problems as powerful nations seek to use other weapons to manipulate in their favour. This is what we are really concerned with.

Pragmatism's assault on archaic ideologies has resulted in what might be called the "modernisation of the five kingdoms". It started off with China's Four Modernisations. Then came glasnost and perestroika in the Soviet Union. Because of the force of other factors we are now seeing the second opening of Japan, a process that in terms of domestic change may rival the Meiji Restoration.

Now the European community is about to create a single, market with free movement of people, goods and money throughout Europe by 1992. The process of the modernisation of the five kingdoms will be complete when the United States launches its own programme of internal reform and reconstruction. The Americans who have been so engrossed with their own success and are not quite capable of imagining that others too can be successful have finally awakened to the facts of life. An inability to complete and massive and intractable deficits have contributed towards this realisation. Still for the moment more ideological and economic reforms are needed in the US than anywhere else.

What is the modernisation of the five kingdoms all about? It is about economic prosperity and developmentalism as they affect the people rather than the State. A powerful State is no compensation for citizens living in backwardness and poverty. Today a State is only meaningful if it is able to provide its people with real prosperity and rights. The power of the leaders and the strength of the state no longer bring glory and respect for a nation.

The 180-degree turn that China took under Deng's modernisation and the glasnost and perestroika of Gorbachev are as motivated by developmentalism and economic needs as are the unification of Europe and that

of the US and Canada. Of course Japan's single-minded drive for prosperity since its defeat in World War Two needs no analysis. All these switches in policies are intended to give their respective peoples a better life.

If the Russians and the Chinese are willing to reduce their arms unilaterally it is because they know that supporting a modern military machine is debilitating for the economy of even the richest nation. If they need any convincing they have only to look at the Allied-enforced Japanese policy of minimal expenditure on arms. Clearly any country wishing to prosper must spend less on defence, and to do so they must have less tension in the world.

That developmentalism itself has reduced tension and stopped war is obvious. But it must be remembered that peace is sought not for itself but for the sake of economic development and national prosperity. In the past the prosperity of the big powers had always been largely at the expense of the poor. Nations were conquered so that their wealth could be plundered. It was an easy and an acceptable approach when wars were glorious and empires respected and admired.

But will the desire for economic development in the post-imperial period lead to yet another rape of the poor? The answer could be yes. The poor may have to pay so the rich can prosper. The truce among the Five Kingdoms is consequently fraught with danger for the unsuspecting poor countries of the world. The array of weapons at the disposal of the Five Kingdoms are as numerous and as varied as their military weaponry and they are just as effective. Aid, loans, markets, GSPs, currencies, labour unions, media, transnational pressure groups, non-tariffs, technology, investment funds and knowhow, global corporations and a host of other institutions can be manipulated to ensure that the development of the five is achievement, if need be, at the expense of the poor.

We see how the poor are made poorer through bor-

rowings. Some have profited from the loans but most have been forced into the equivalent of debt slavery of old. By pushing up the value of the currencies of the NICs, immense economic gains can be achieved by the rich. If that fails, there is always protectionism to fall back on. If as a side-effect of revaluation, the debts of some poor countries are doubled, that is too bad. The fluctuation in the currencies of the world manipulated not just by powerful Governments but by the equally powerful commercial banks of the West must have driven a number of Finance Ministers and central bankers in the poor countries out of their minds.

In the centuries of exploitation of the natural resources of the rich countries, vast forests were denuded to make way for farms and cities. Now suddenly the value of these forests in the protection of the environment is realised. Do the rich countries reafforest their land in order to restore the ozone layer? Of course, not. The poor countries are told not to log their forests even if that is their sole revenue earner. If in the process the softwood producers in the rich countries have the market to themselves, this is just coincidental.

But the poor can take heart. The Five Kingdoms may have to compete with each other so fiercely that there may be room or opportunities for the poor to reap some benefit in between. However, much depends on the South's reading of the situation and their willingness to act. They say when elephants fight it is the mousedeer that gets trampled on. But an alert and nimble mousedeer should not only escape but should gain something as well.

Poor as they may be the countries of the South together still constitute a huge market. But the key word is together. Alone their individual market is too small to influence the attitude of the rich. It is therefore important that the countries of the South at least present a united front, if not unite.

The States of South-East Asia have already opted for

regional grouping. It must be admitted that Asean was not intended to counter the pressures exerted by others. It was really a political grouping to facilitate problem-solving between neighbours. But nevertheless the grouping should prove convenient for countering the pressures from the North. So far Asean has proved effective in the political field. It has not been so successful in economic co-operation. Yet now it has to face new economic challenges resulting from the modernisations of the Five Kingdoms and their stress on the economic betterment of their people.

The GATT experience and the Uruguay Rounds may be a foretaste of what is in store. Just as in politics, the rich and the powerful can totally ignore world opinion even when alone, it is equally certain that they can and will ignore the world if need be should anything be proposed that is not in their interest.

Already the Group of Seven has taken it upon themselves to shape the world's economy. A unified European economy together with an economic union of the US and Canada working through the Group of Seven would be even more powerful.

Perhaps an economically powerful Russia and China can provide an alternative for Asean, but that will be a long time in coming. There is no certainty that they will not exert their own kind of pressure in order to achieve the economic gains they are seeking.

Closer regional economic co-operation within Asean is now imperative. Asean member countries must learn to complement rather than to compete. In agriculture, the climate and other natural attributes have forced us to be competitors. But manufacturing can be planned for complementation and yet remain mutually profitable. No country in the world can manufacture everything that it needs. By choice it has to buy from other nations or face retaliatory measures. Asean countries must accept that even if each can manufacture all its domestic needs, it is economically cheaper and more profitable to cater to

the whole Asean market. With a big domesic market it will be a better position to export competitively its products.

But Asean is not the only regional grouping in the developing world. In South Asia, Africa, and Latin America there are also regional organisations which for the moment are still political in character. A link-up of these groupings in the economic field would make the South more capable of playing a role in the world's economy and even in the inevitable economic wrangles between the emergent kingdoms of the north.

The South Commission has been set up to look at the potential and possibilities of greater economic intercourse between the countries of the South. There is no way they can stop trading with the North but a fair proportion of the trade in goods and services can be redirected to the south for mutual benefit.

There will be tremendous obstacles. Dumping, aid and grants by the rich North are but a few of the obstacles to trade between the South. But if there is a will, a resolve to correct an unfair and inequitable wealth distribution, many things can be done. At the very least the treat to buy South will push the North to sell their goods and services at more reasonable prices.

I am not suggesting a trade war between the South and the North as a solution to the new threats consequent upon the swing to the right in the Five Kingdoms. Such a war cannot be won by the South. But the fact is that the fortress mentality in Europe and America and the desire by the Soviets and China to go for economic growth as well as Japan's already overwhelming economic power requires some adjustments by the regional groupings of the South.

Asean has so far shown the greatest promise. The region has adjusted itself to numerous pressures from outside and some debilitation internal problems. But the countries of Asean will need to do more if they are not going to be deprived of their growth potential in com-

petition with the developmentalist strategies of the new North.

There is no doubt that a more united Asean with a single common strategy will be more safe than separate strategies devised and implemented by each member State. Also Asean together with other regional groups of the South would be in an even better position. Confrontation is not necessary. Every effort must be made to co-exist and to benefit from the new turn of events in the North. There are many things that can be done. But the most important of all is for the member countries to get closer together and for the regional groupings of the South to do the same.

Till the end of the century the whole world must rearrange itself. The nations of the world did a good job when the first transition took place with the shedding of the global empires of the West. Now the nations of the world must do an even better job in order that the end of the 70-year war will see the shaping of a better and less oppressive world.

Many of our ideas on politics, economics and social affairs are out of date. They are out of date not because they were ill-conceived in the first place. They are out of date because they have been correct and effective and they have change human society so much.

When Marx wrote "Das Kapital" rich individuals personally owned and controlled what he called the means of production, the capital, land and labour. It was an inequitable world and an unjust society. But even as Marx suggested ownership of the means of production by the State in the interest of people, the capitalist were rushing to correct the extreme exploitation that they practised.

They succeeded to well. Indeed they lost control of the process. More and more the profits of a capitalist system became distributed among the people. It took the Russian communists seventy years to acknowledge that their laudable objectives have been achieved by their

rivals - the capitalists. The acknowledgement was painful. But with the acknowledgement, a whole new era must begin.

We are living in the beginning of the era. We are still sceptical. Will the leopard change its spots? Will die-hard communists sworn to spread the creed throughout the world really give up their ideological mission? We are not completely sure. But the process that has been started cannot be easily stopped or reversed. Like the capitalists who liberalised their ownership and control in order to counter the spread of communism, the communists are likely to lose control of the liberalising process which their leaders have started.

We do not know for certain where this will end up. But for the next few years before the century ends we are likely to have more peace in order to build quite literally a new world. It will be a more truly interdependent world where decision-making on the management of the world's economy will not be confined to a new major powers.

Decisions must involve greater participation – a democratisation of nations rather than just people. I see a need for strengthening the UN system in its role in economic and social developments, in securing peace and the mitigation of such global problems as drugs, terrorism, environmental degradation and refugees. God willing, we will have a more comprehending world able to act positively to meet the problems posed by the latest age of transition.

Chapter 6

EXECUTIVE VS JUDICIARY

DISPUTE with the judiciary is one of the most unique incidents in the history of Mahathir's leadership. Malaysia, for the first time, witnessed a critical dispute between the ruler and the judiciary. Mahathir has disputed incessantly against the judiciary.

As Mahathir is the foremost leader of the country, therefore, the conflict was said to be between the executive and the judiciary or the government and the judiciary, although in actual fact it is a conflict between an individual and the method of judgement. If Mahathir was not a leader or not a Prime Minister, would the dispute have occurred? Is it because Mahathir has no law background like his three other predecessors, thus causing the conflict? More strangely, in the conflict between the two parties, Mahathir is not only the contender, the Prime Minister and Minister of Home Affairs but also the Judicial Minister.

Therefore, the judiciary and the legislature is under his direct control as the Minister of the Judiciary. As the Minister-in-charge, he is not only responsible for the operation of the agency or in this case the institution under him, but also its weaknesses and strengths or its effectiveness, and the welfare and development of the institution.

This dispute could be equated with the conflict between an employer and his employees. It is not an issue of delegated powers and its role between the executive and judiciary. Therefore, the scope of discussion in this chapter could be seen in a better light.

In the allegation against the Lord President, the government presented various reasons for Tun Salleh's suspension from his position. The cardinal reason was Tun Salleh's move of sending a letter to the His Royal Majesty,

the King, and the Malay Sultans, stating his apprehension of the criticisms against the judiciary by the Prime Minister.

This is the primary reason evoking a series of actions between the two disputing parties. Although there may be other contributing factors to the conflict, obvious or concealed from the public, the letter by the Lord President to the King erupted the conflict, exposing it to public knowledge.

Every event in life has its reasons and normally these reasons are inter-related. In this case, Tun Salleh's letter was the main issue of the dispute at hand. It need not necessarily have begun from the letter alone, as every incident has its own history of evolution.

It was evident, in this case, the letter was only a continuation of the existing friction. Statements from the involved parties on their roles, elucidated the situation surrounding the judicial system in the country. One such statement was made by Mahathir in Kuantan on September 7, 1987.

In the statement, he criticised certain quarters in the judiciary for blatantly voicing their opinions on politics, judges who remark on political issues outside the courts, particularly on the need for a review of the Federal Constitution.

Mahathir is aware of his restricted rights on matters pertaining to the judiciary, but it is the right of those who lead the institution. Mahathir feels that judges should refrain from voicing opinions on politics as it causes problems, if the case concerning an opinion is brought to court. According to him, the people are aware of his posture on the matter and it is difficult for him to adopt a neutral attitude. Judges as a matter of fact, should not voice their opinions openly if they had their own stand. What has happened now is parties which are supposed to remain neutral and uninvolved in politics, are participating in politics and in fact, attempting to influence the course of the country's politics.

Similarly, too, in the case of government officers who may have their own political opinions, but are not allowed to give suggestions on the do's and don'ts' in politics. According to Mahathir, the proposal to review the Constitution by the government opponents and involvement of the judges in this matter raise doubts as to on whose side they are. This situation should not have occurred as it creates unhealthy elements in the execution of justice in the country.

"We have decided that judges should not interfere in politics and there is no reason for them to interfere in political affairs beyond their jurisdiction."

Mahathir expounded that he had to criticise the judges for acting beyond the limits of their responsibility. He realised many people did not criticise these judges for fear of violating the law. However, he did not criticise them while in the process of administering justice in the court. They were only criticised outside the courtroom when they made political statements.

It is clearly conceived that there is a tendency among certain groups to create confusion on the supposed role of the executive, policy maker and the judiciary in a democratic country. According to him, cabinet ministers cannot act as judges in administering justice and similarly, a judge cannot play the role of a minister in politics. If this tendency continues, it would confuse the people as to who really administers the country and who administers justice.

Tun Salleh's initial reaction to Mahathir's statements was, "I do not want to be dragged into the arena of public debate on the Prime Minister's statement that judges should not make open statements of their political views and I, too, do not want to make any comments. It is better to let this matter alone. There would be no end if I were to counter remark, in fact it is not right for me to react merely based on press reports." This appeared in the New Straits Times Press on September 11, 1987.

The President of the Bar Council, Param Cumarasamy, in his statement on September 8, 1987 in the New

Straits Times said that although the Bar council welcomed the Prime Minister's proposal on the rule of law through power delegation, the council was unhappy over his statement concerning the role of the judiciary. According to him, the Council felt that the Prime Minister had a misconception over the role of the judiciary and rule of law.

In the statement, he expressed his conviction that Mahathir's opinion was based on a statement made by one judge, in a seminar on law, concerning the constitution of the country. The Bar Council President felt that the constitution charter of the nation is the right of the country and its citizens. Therefore, every citizen has the right to state his or her opinions. It is not under the monopoly of politicians for their exclusive discussion.

According to him, the constitution is the highest law of the land, therefore judges have a bigger role towards it. The power to interpret the constitution is vested in the judges who pledged to uphold the law. It is not uncommon of judges to speak on the law at any academic gathering as it is a traditional role, and they should not be considered as interfering in politics. He asserted that the people would not lose their trust on the judiciary as claimed by the Prime Minister. Instead, trust on the whole system of government would be obvious, if there exists a difference in the rank and role of those exercising their resposibility and power.

He stated that the views of the judges are derived through learning, understanding and their experience which shapes and forms the constitution. Apart from the statement by the Bar Council President, a statement was made by the Sultan of Perak in his capacity as the former Lord President, on September 20, 1987. It could also be considered as fulfilling the theme of this essay on the conflict between the executive and judiciary.

According to him, the conflict between the legislature and the judiciary could be avoided if every party understood their respective power and responsibility. For instance, it is not the function of the judiciary to state their opinion on what should constitute the law. If this occurs, it

is a deviation from the traditional role, and it would lead to a law by man rather than a form of regulation by the legislation. It is also not within the power of the court to impede the course of the legislature although the law is unpopular. By doing thus, it weakens rather than improve the democratic process.

In his speech in Kelantan the following day, he gave a different interpretation. According to him, the government would ensure that every branch of service execute its duties in accordance with the stipulated functions to avoid duplication of the jobs from time to time.

Following the Prime Minister's statement, the President of the Bar Council again expressed his shock and regarded seriously the Prime Minister's view that the judiciary is a branch of the government service as a misinterpretation. He asserted that the judiciary is not a branch of the government service, as in the case of the police, army or public service.

Judiciary is, in fact, one of the three bodies constituting a government, apart from the legislature and the executive. It does not function under the command of the executive like the public service, police or army. Only in a totalitarian state does the judiciary functions under the orders of the executive.

As a result of opposing views on the role of the judiciary by the Prime Minister and others concerned, the leader of the opposition, Lim Kit Siang requested the Prime Minister to give assurance that government involvement would not affect the freedom of the judiciary. This was caused by the Prime Minister's critical statements during his visits to the various states in the Peninsular.

In a seminar on 'The law and the society', judge Harun Hashim proposed that the Senate or Dewan Negara be revamped to include Chief Ministers, State Council Speakers and 20 appointed members to play a more effective role. He, too, proposed for a fixed date for elections to reduce politicking and save the taxpayer's money.

In the seminar on "Malaysia's Constitution after 30

years", where the proposal was made to review the constitution, judge Harun Hashim also stated that it is not the intention to formulate a new constitution.

All these statements aroused polemics among those involved in the legislature and judiciary. In addition, the entire forum centred on Mahathir's counter-statements against views of prominent figures in the legislature, in the recent past.

Mahathir himself acknowledged that lately his administration faced problems with the judiciary, more so when many government decisions were constantly challenged in court. According to him, if this situation persisted, it would create problems in the administration.

In Mahathir's view, the decisions were politically inclined and he felt it is in conflict with the roles that ought to be played by those involved. In other words, it challenged the role of the executive.

In a series of visits to various states and private meetings with UMNO leaders nationwide, Mahathir openly stated his views on incidents which he considered as challenging the authority of the executive, especially in cases where the government was defeated in court.

It was based on these incidents that he decided to amend the constitution to define the specific roles of the executive, legislature and judiciary, as different bodies in the government. According to him, no one can foresee the decisions of a judge as it depends upon the judge's discretion.

When a decision has been made and everyone has the right to bring the government to court, therefore indirectly, the government is no longer the determinant, every decision could be challenged and probably rejected. Thus, the government is no longer the executive power, which is now taken over by another party.

In this situation, Mahathir felt it created a situation for the government to elucidate and make specific laws for the reference of each jurisdiction and the responsibilities of the three bodies constituting a government, to monitor

equitably and satisfactorily.

The conflict here is a result of the perception of a national leader towards several decisions by the court, regarded as obstructing the execution of his leadership responsibility. Meanwhile, the legislature viewed a decision of the court as the right of a judge to solve it. This conflict of views later developed into the dispute between the executive and the judiciary on the execution of responsibilities in the respective fields, regarded by Mahathir as impeding his role as a leader.

The judiciary, on the other hand, felt that the decisions arrived at during a hearing was their right to ascertain based on the facts presented, and which required justice to arrive at a decision or solution.

The question is how could these two jurisdictions exist where they feel they are not bogged down by the decisions of the other organ. A judge, for example, deems it unnecessary to make a decision based on the need of the executive. Instead, every decision must be made within the precincts of the legislature without considering the motives.

The executive, meanwhile, requires that the decision not hinder its administration or the introduction of a plan. It is obvious that the conflict of opinions concerning the liberty between the judiciary and executive is but that arising from the decisions of the court, which could be regarded as politically inclined or involving political figures or parties.

In criminal or other cases, which do not directly involve the jurisdiction of the admmistrator, there arises no doubts on the role of each body. The question is, how does justice play a part in a decision, if in a decision the government was found to have been prejudiced in the implementation of a plan.

The government's expectation of non-interference is when a judge involved in the decision-making, arrives at an acceptable decision or at least one that is sanctified by the administrator. If the judge arrives at a decision contradictory to the government's need, it is considered as an

indirect interference.

In this regard, it is not a written expression of hope but perhaps only the government's desire to see every decision, at least based on all the facts required in the context of the legislature and in the context of fulfilling the requirement of justice itself, to not interfere in the decision or plans of the government.

Normally, cases involving the government would be brought to court by the opposition parties or other opponents. When these cases are brought to court by the opposition or anyone with the intention to refute, challenge or stop the implementation of a project, it would be considered as an effort to interfere in the jurisdiction of the executive.

To Mahathir, this power is a right obtained in the process of democracy through majority vote. Mahathir felt that every plan decided and implemented by the government should not be refuted or brought to court, but if the tendency is allowed, it means the right of the administrator granted through majority vote would shift to the judiciary.

It is still a disputable matter. For example, when the government proposed the Fifth Malaysia Plan and when it obtained the approval from parliament, decided to implement several projects contained in the plan, the opposition later detected several weaknesses in the implementation. Therefore, they decided to stop the government's efforts in that direction.

Opposition made in parliament, for instance, do not stand any chance of victory, therefore their only hope is to refute or stop the plans of the administrator by bringing it to court. What happens if in their endeavour to bring it to court, they present convincing reasons and facts and the judge rules in their favour? Thus, plans for implementation by the government, would be thwarted by the court's decision. If this happens, how would the government utilise its power to implement a plan?

An example is the writ of summons served by Lim Kit Siang as the opposition leader against the government's

proposal to implement the highway project costing more than three billion ringgit. In his summons, Lim Kit Siang stated that it was unjustifiable for the government to sign the contract with a company, United Engineers Malaysia, with a paid-up capital of only 2 ringgit for a project worth three billion ringgit. Furthermore, United Engineers Malaysia's major shareholder is UMNO itself.

As a result of the summons, Lim Kit Siang obtained an interim injunction against any contract signing. The fact is, although Lim Kit Siang's efforts failed to stop both parties from signing the contract, he initially succeeded in stopping both parties through the High Court order.

As as individual and tax payer, and at the same time as the opposition leader, he succeeded in preventing the government from implementing a project, regarded as beneficial to the people. To overcome the hindrance, the government had to appeal to the Supreme Court.

In the initial stage, the High Court issued an interim injunction to postpone the agreement. Later, the Supreme Court decided that the plaintiff had, in fact, no right to prevent the government from signing the agreement with United Engineers Malaysia or whomsoever, to implement the highway project.

From the two judgements, an interim injuction and later the decision to revoke the injunction, it could be seen how the court acted to uphold justice, representing the rights of an individual to challenge a governmental plan whilst another judgement reverted the government's right to implement a project considered to be of necessity.

The problem here is the obstruction to the administrative flow by the first judgement, which was later found unwarranted by the Supreme Court. It is evident, that Mahathir felt there was an interference from the beginning in the execution of his duty as administrator. Obviously, he was right, when the Supreme Court revoked the injunction by the first court as unjustifiable.

In several statements by Mahathir, he did not state that the obstruction to the administrator's jurisdiction was

usually done at the Supreme Court or High Court level only. In general, he only stated that there were impediments in implementation or judicial interference in the jurisdiction of the administrator.

In Lim Kit Siang's case, challenging the government and United Engineers Malaysia, Mahathir's expectation was the rejection of the application from the very start by the court. Then the signing of the contract and the construction of the highway project would not have been suspended unduly.

The above case occurred on August 18, 1987, when Lim Kit Siang issued his summons on the government and United Engineers Malaysia in the High Court of Penang, which later rejected his application. He later appealed to the Supreme Court which ordered an interim injunction be issued and the right for an early trial.

To settle this matter, United Engineers Malaysia and the government appealed to the High Court to revoke the interim injunction and disregard the summons on the ground that the plaintiff has no right to do so. Unfortunately, the application by the government and United Engineers Malaysia was rejected by the High Court. Therefore, the interim injunction did not allow United Engineers and the government from signing the contract. The government, then, appealed to the Supreme Court which finally decided to grant permission to the signing of the contract.

Although the Supreme Court finally acted in favour of the government, Mahathir felt it was a waste of time and a deliberate act by those who wanted to take advantage of the liberal policy and the purported right of a tax payer. Even though the final judgement did not yield any benefits to them, they are contented to achieve their political motive of dragging the government to court. In view of the decisions or allegations without evidence, therefore, Mahathir felt the need for certain changes in the structure of the constitution, especially that which linked closely to the role of the judiciary.

His conviction of the need for amendments to elucidate the role of the judiciary became more apparent, when in recent years there seemed to emerge an opposition against the government, whereby cases filed by the opposition parties obtained sympathetic verdicts from the judges.

The UEM case was merely the result of diverse understandings and interpretations among the judges handling the case. This meant that there would come a time when many decisions in cases concerning the government would be made based solely on the discretion and interpretation of the judge presiding over the case.

Therefore, the role and effectiveness of a government is no longer determined by majority vote, but is determined by the judiciary. There would always be a minority group dissatisfied with all government measures, and would drag the government from time to time to court, in spite of the government's mandate to rule and execute its reponsibilities.

This minority group has the right to bring the government to court to determine if the government can implement a plan or project. What happens if a judge decides against the government, or a judge consciously or unconsciously is influenced by his personal desire to oppose governmental plans or projects? And should this occur, how could the government play its administrative role?

Thus, Mahathir perceived the need to elucidate the inconsistencies to avoid cases like the UEM. He regreted at the attitude of certain quarters who often used the right to interim injunctions for their own interests. Although the right to an interim injunction is valid and a necessity, it should not be abused.

In a statement, while officiating the 8th Malaysian Law conference in Kuala Lumpur in November, 1985, he expressed how such actions demean the law. Mahathir asseverated that the right aims to uphold justice and not to defeat the law or deny the truth. Instead, today, there are numerous such attempts to defeat the law. This occurs because the concerned parties place more importance on

the legislative aspect, rather than principles of the law. According to him, laws are formulated to fulfil the need, but because the formulators and the advisors of law are incompetent, conflicts on the interpretation of the law arises.

It is hoped, through such conferences, participants could exchange views and formulate new laws, to fulfil the current needs of the society and nation. Justice and law would be meaningless to us unless there exists an efficient and effective legislative system. The legislative system could function effectively and efficiently if all concerned perform their duties in accordance with written or unwritten rules.

Co-operation between all parties involved in the judicial system of the country is important and they should respect and understand the problems of the other. Mahathir asserts that arrogance does not exist in law. Such attitude reveals one's own weakness. The right to an interim injunction becomes more meaningless when it is used for political gains. The liberal attitude of his government has created a new phenomenon, where many government proposals were challenged by the opposition impeding the smooth functioning of the administration.

Though obtaining interim injunctions is a common characteristic in most democratic countries, the incidence in Malaysia indicates a dissatisfaction towards several aspects of Mahathir's policies. Whatever the reasons, Mahathir was firm in his decision although he respected the freedom of the judiciary.

He has asserted that he does not expect the courts to adopt a pro-government attitude only pro-constitution and pro-law. He hopes the judiciary would be free to make any decision, without fear or favour. It should be based only on the requirements of the constitution, the law and equitable rules. If this be the case, the judiciary would always be respected.

Several incidents in the recent past, not only constituted of challenges in court but also statements by certain

quarters constantly challenging Mahathir's authority as a leader. Criticisms from the Bar Council, the former Lord President and former national leaders, were also factors contributing to the crisis between the leader and the judiciary.

Proposals and insistence to review and amend the constitution, although not an altogether new issue, was constantly voiced, by those with self-interests. The former Prime Minister, Tunku Abdul Rahman and Raja Azlan Shah, the former Lord President, were among those who made proposals from time to time, on the need for review of the constitution to reflect the social reality and the aspirations of the multiracial society.

The Sultan of Perak, for example, said it was time for the constitution to be reviewed after more than 30 years of independence. Tunku Abdul Rahman proposed the establishment of a tribunal to try the royalties who commit offences. In fact, the opposition parties such as PAS, often raised the matter of amending the constitution and the introduction of an Islamic Constitution. 'Aliran' as a social movement proposed, on its part, for changes in the constitution. Though many voiced their proposals, nevertheless they did not clarify specifically the kind of change they expected from the amendment, whether it should be a total amendment or only certain sections needed to be amended.

It cannot be denied that the proposals of those with their own views and specific interests, although are sincere would be construed by the government as an attempt to undermine the government's authority. The Mahathir leadership realises the need for this, but it should not be done merely to fulfil the aim of a particular group.

He reminded the intellectuals to not act as though they represented the majority. Furthermore, this group recently made several allegations with the intent to erode public trust in the government. They claimed to have equal power as the government chosen by the people through the elections, by defaming the government leaders, and other

allegations without a shread of evidence.

Similarly, this applies to a group Mahathir characterised as not criticiseable in the execution of the national administration. When they voiced their stand openly, it would create confusion and would be considered as an interference in political affairs by the people. It is more apparent when it is related to the constitution, because the responsibility of reviewing the amendments or changes is vested with the politicians who are given the mandate by the people through the election process every 5 years.

Mahathir felt that the judiciary perceived its role as one that cannot be criticised, although the former Lord President, Tun Muhammad Sufian Hashim had said that the executive, judiciary and law formulators should co-operate and monitor each other. Nevertheless, it is evident that the law makers and the executive were often criticised but not the judiciary.

Conflict of opinion on issues pertaining to the amendment of the constitution and the role of each, as administrator, formulator and the judiciary strained the situation further. Mahathir felt that any steps to involve the government in the review of the constitution would incur allegations from various circles, ultimately resulting in more problems and strain.

Those who sought the review and amendment of the constitution constituted those who had a background in law, a minority group fearful of standing in the elections to gain power. This group realised that they did not have the power to do as they wished. Theréfore, they proposed the formation of a commission to review the constitution, as this would grant them an opportunity to participate. They did not state who should be members of the commission, but definitely, judges and experts in law.

Mahathir did not view the proposal by the groups a problem to the government, because if the government deemed it necessary for the amendment of the constitution, it could do so with the 2/3 majority in the Dewan Rakyat. But, the government felt that although the constitution had

been in existence for more than 30 years, it could still play an effective role and fulfil the aspirations of the people in this country.

Mahathir would not submit to pressure from any quarter, or amend the constitution according to their wishes. Sanusi Junid, the Minister of Agriculture in Mahathir's cabinet, criticised those who proposed the amendment of the constitution. They were, instead, advised to come up with ideas to develop the country further. According to Sanusi, if the government yielded to the demands of this group, then nothing could be maintained in the constitution, as each had their own set of demands. The government would not be able to satisfy all citizens ever.

In September, 1986, Mahathir in his capacity as the Minister of Home Affairs, annulled the distribution permit of a foreign newspaper, 'The Asian Wall Street Journal', for 3 months and deported two journalists of the press, based in Kuala Lumpur. However, in November, 1986, the press headquartered in Hong Kong succeeded in their appeal to the Supreme Court, which regarded the deportation and revocation of the work permit of one of the journalists as wrong. According to the Supreme Court, the work permit of the journalist was inequitably revoked. Finally, the government withdrew the injunction to distribute the newspaper and the deportation of the two journalists.

Another shocking case of the law was when 'Aliran' succeeded in nullifying the Minister of Home Affairs' order to disallow the social movement to publish its monthly English newsletter in Bahasa Malaysia as well. The judge presiding over the case felt that if a person wanted to convey his message in two or four languages, and if he is willing to pay for it then it is his right. The judge added further, the permission to publish a newspaper should be granted based on what is to be published. But if he committed an offence, he would be punished.

As a result, an amendment to the Printing and Publi-

cations Act was made by Mahathir in Parliament on December 3, 1987. Among others, the Act granted absolute powers to the Minister of Home Affairs to use his discretion whether to permit a publication and printing licence to continue with its operation.

The amendment, too, emphasises that if the Minister is confident that the publication would threaten national security, his decision could not be contested in any court of law, under any circumstances. Mahathir also said the government hopes to formulate a law that could not be interpreted as one wishes. Through the amendment, the publishers and importers of printed material would know what is of interest to the country.

Mahathir's leadership years too witnessed the opposition DAP party's resoluteness to bring cases involving Mahathir's administration to court. It is another means of gaining popularity. Apart from the UEM case, DAP's legal advisor, Cheah Kam Chew, brought Petronas to court for consenting to the government's proposal to buy over Bank Bumiputera in the effort to save the bank, facing bankruptcy as a result of misappropriation of loans amounting to more that 2.5 billion ringgit to a group of Hong Kong business sharks.

In his summons, Cheah asserted that the action taken by Petronas violated the Petroleum Act. He, however, failed in his attempt to stop the government's effort to save Bank Bumiputera. This was due to a retrospective amendment to the Act made by Mahathir. Nevertheless, Cheah's summon was dismissed with costs incurred by the government. An observer of the law said, for more than 30 years, the court has pronounced many verdicts in favour of the government. Suddenly, the government feels a reversal of the situation, a liberalism in the judicial system. This certainly is a problem to the Mahathir administration.

Another controversial case was the detention of the Vice-President of DAP and the Member of Parliament for Jelutong, Karpal Singh, under the Internal Security Act. In the trial, the High Court Judge, Peh Swee Chin released

Karpal on the grounds of insufficient documents to warrant the detention by the Minister of Home Affairs.

After his release Karpal Singh was redetained a few hours later, on his way home to Penang. Many felt that this manner of detention was unfair as Karpal was just released by the High Court. The government should have waited for the appeal to the Supreme Court and if the Supreme Court found Karpal's release a mistake on the part of the High Court judge, only then he should have been re-arrested. But, Mahathir felt that as the Minister of Home Affairs he was vested with the power to re-arrest Karpal Singh.

The dispute between Mahathir and the judiciary climaxed with the Group II case which brought to court the rivalry problem in UMNO. The flow of events from the case was the climax of the dispute between two parties and was the talk of the nation.

The uncompromising attitude of this group to solve the problem, not only eventuated in the declaration of UMNO as an unlawful party but also involved many people who were dragged to court for their actions. Their obstinacy managed to bring to court former national leaders, who felt emotionally involved in the old UMNO struggle, like Tunku Abdul Rahman Putra and Tun Hussein Onn.

The action of Group II brought Razaleigh to their side, which resulted in Razaleigh's political dissociation from the formation of the new UMNO. Indirectly, Group II could be considered responsible for destroying the Malay political institution, and acted as a catalyst in terminating Razaleigh's political career. No matter what anyone says, it is indisputable that the climax to the dispute between Mahathir and Tun Salleh Abbas as the Lord President, is closely linked to the case brought by Group II to court. The Group II's action had widespread implications and destroyed those involved, one after another.

In his letter to the Prime Minister, published by the press on May 29, 1988, Tun Salleh openly said that in his meeting on May 27 with the Prime Minister, The Deputy

Prime Minister and Chief Secretary of State, Mahathir mentioned that he (Tun Salleh) expressed his stand on the UMNO case, that would be brought to the Supreme Court. According to Tun Salleh, the allegation that he took sides in the UMNO case was not true and he denied it absolutely.

The Prime Minister's statement issued later by the Prime Minister's Department, denied any announcement or remark by the Prime Minister regarding UMNO, as mentioned in Tun Salleh's letter and as a matter of fact, all statements by Tun Salleh to the press on his taking sides in the UMNO case were merely his assumptions. Whatever the reasons provided by the two sides to rectify their views, a matter which constantly flickered in the minds of the people was the ploy behind the action to dismiss Tun Salleh from the post of Lord President.

Tun Salleh himself had said in a statement that he proposed the UMNO case of appeal be judged by nine Supreme Court judges when he returned from performing his 'umrah'. The question was why was there a need for nine judges to preside over the case. Although it was not contradictory to the codes of the court, yet it indicated an intrigue in Tun Salleh's proposal for a tribunal of nine Supreme Court judges to hear the case.

As the case of appeal by Group II involving UMNO was a critical issue of interest to all citizens, therefore Tun Salleh considered it justifiable that a case of national interest should be presided by all nine Supreme Court judges. This reasoning is acceptable. But, if we look at the events surrounding the conflicts between Mahathir and the judiciary, many judges in the Supreme Court were unhappy with the statements by Mahathir. They regarded it as a mockery and a blow to their authority as the responsible body for the legal system in the country.

Their dissatisfaction against Mahathir's statement was transformed into their readiness to support Tun Salleh's move to send a letter to the King. With the support of all these judges, Tun Salleh wrote a letter to the King, about

the criticisms on the judiciary by the Prime Minister.

The letter and its copies sent to Their Highnesses, the Sultans, had reflected badly on Tun Salleh. This is an astounding matter in the history of King-subject relationship in this country. If a Lord President could not write a letter to the King without incurring his wrath, what would possibly happen if an ordinary subject wrote a letter to the King.

The rationale here is that if most of the judges supported Tun Salleh's move to write the letter to the King, concerning the statements by Mahathir against them, therefore, if the appeal case of Group II was tried before them, there is a possibility they might win the case. In other words, the appeal by Group II to revive old UMNO might be consented to.

Apart from it, many of the judges involved had their own views of the statements made by Mahathir. They were fully aware of the play of other forces in the political rivalry in UMNO between Razaleigh and Mahathir. The judges who would be involved in the hearing of the appeal case of Group II, also realised that Tun Salleh Abas' predecessors, too, had made statements against Mahathir.

Therefore, they felt there would be support to whatever verdict they arrived at in the Group II case. Besides, they too realised the hope of UMNO members, opposing the Mahathir leadership and formation of the new UMNO, on their decision.

Whatever assumptions or possibilities that could be made of the stand and decision that would be taken by majority of the judges hearing the case, one evident fact was Mahathir's unwillingness to face the risks of the tribunal.

As Mahathir has stated in his previous statements, no one could predict the verdict of a judge, because the ultimate decision depends upon the judge's discretionary powers.

What would be the consequence if the judges arrived at a verdict to allow the revival of the old UMNO, and

found that the decision of the High Court judge was a misjudgement? What would happen to the new UMNO? What would be the implications of the movement nationwide to register members for the new UMNO? And, what would be the implications of the victory by the Group II, if the verdict was in their favour?

The nation would be submerged in a situation of crisis if the Supreme Court ruled the old UMNO a lawful organisation and the new UMNO has to be dissolved. If this occured, the entire implication and risks would confront Mahathir and other leaders of the new UMNO. In fact, it would be a great blow to the people who pledged to support the new UMNO.

Similarly, with the re-entrance of the new UMNO in the National Front, another reshuffle has to be made and diverse problems and implications would arise if a verdict to revoke the High Court decision was made. Should this occur, besides the dissolution of the new UMNO, Mahathir and his cabinet ministers have no alternative but to step down.

This would be the consequence, if a decision contradictory to that of the High Court was made in the appeal case of Group II. Mahathir wanted to elude this risk. And if it was true, Tun Salleh Abas' dismissal was based on the grounds of Tun Salleh's own assumption, that apparently he was dismissed for taking sides in the UMNO case.

For Mahathir, the UMNO case is not an ordinary case but which involves the future and reputation of his leadership, and the future and honour of the new UMNO.

This may happen, if Tun Salleh's statement holds water regarding the assumption that he might take sides in the Group II appeal case. Although he denies it, Mahathir feels the inclination for such a possibility. Should this occur, consequences would be as stated earlier, the apparent attempt of the law to contain an action considered contradictory to majority wishes, or at least, as opposing a selection system practised by UMNO in the context of democracy in this country.

Viewed from any angle, the results obtained by Mahathir in his contest with Razaleigh was a decision already made by UMNO members, after an intensive compaign. Unfortunately, the Group II refused to accept the decision in which they too were involved in, in the initial stages of the campaign, when the results of the Mahathir victory was announced.

When they were dissatisfied with the results, they sought other reasons to bring the case to court, unwilling to wait for the three-year period before another election, as stipulated in the constitution of the old UMNO. They, then, found the perfect reason in the legal context, to bring UMNO to court, and that is the non-registration of several branches. This evidently revealed a betrayal of the mutual understanding present during the campaigns, prior to the election.

To satisfy their desire, after failing to achieve their goal through campaigns with the defeat of their candidate, they resorted to court action on the matter of illegal branches, in spite of indirect agreement through their participation and involvement in the campaigns prior to the election.

The decision to expose a matter that had been accepted and agreed upon, although not in black and white, before the contest was but merely to vent their frustration on Mahathir's victory. If they were truly honest and sincere to uphold the truth, the decision to bring the matter to court should have been done before the election and, not after the defeat of their candidate, in the hope that a re-election would be held. It is not so much a matter of redressing UMNO, but seeking another opportunity for election.

They not only betrayed the mutual understanding to allow the 1987 elections but also against the UMNO tradition of compromising with the decision of the leadership election. The decision to bring the matter to court was merely to fulfil the aspiration of Group II.

As a consequence of their foolhardiness, UMNO was

found unlawful by the High Court. As a matter of fact, anyone interpreting the case directly would arrive at a similar conclusion. Even before the decision was announced, many in UMNO had predicted it. Albeit pleas and advice to Group II against the action, they ignored them because they felt their stand and principle were right.

When the High Court passed the sentence on a group of members, acting on their emotion and ego, that destroyed the entire institution of struggle, therefore, Mahathir took the initiative to restore the situation by forming the new UMNO. Thus, the efforts to revive the old UMNO was a futile attempt. But the same group, later, professed their desire to revive old UMNO, by appealing to the Supreme Court.

If the Supreme Court had acted in their favour, the decision would have granted an opportunity and advantage to a group of UMNO members, who from the very beginning had acted emotionally.

If this had happened, would the Supreme Court decision be considered fair, whereby it contradicted the High Court decision. If the Supreme Court decided to act in favour of Group II, is it then justice, when the whole hubbub was in fact caused by this group, a group of members who violated the tradition and the UMNO system of struggle.

Briefly, due to several technicalities, from the legal aspect, that could be translated in accordance with a judge's vein, a wrong could become right, disregarding the actual purpose of the act and its implications.

This was Mahathir's dilemma when he decided to dismiss Tun Salleh as the Lord President. He acted thus as a leader and not as a legislator. He did not want to take the risks with wide ranging implications, should the Supreme Court decide in contradiction to the High Court decision.

The measure was taken as the issue at hand was not economical, criminal or the rights of an individual, but one that determined the future and struggle of a party which is

an institution of the Malay race. If there should occur a contradiction of decisions, who would guarantee that there would be no rivalry, animosity and the like between the supporters of the new UMNO and old UMNO.

Of course, this was only a negative presumption, but it could become a reality, as the law is based on translations and interpretations of a judge or a group of judges. In this matter, the final decision was made through a simple majority. On the other hand, if an assumption was made that the Supreme Court, to be led by Tun Salleh Abas at that time, was similarly opinionated as the High Court decision, the issue of dismissal would not have risen.

Later, in the process of dismissal too, there was a continued conflict between Mahathir and the judiciary. Among the allegations made in the proposal to form a tribunal to investigate Tun Salleh's position was that, Mahathir did not observe the regulation required by article 125(3) of the Federal Constitution. The article stipulates that the King should appoint a tribunal and make a representation on the misconduct of Tun Salleh to the tribunal, and until a trial is held, suspend the Lord President from his post.

In the suspension case of Tun Salleh, there was an uproar due to the assumption that Tun Salleh's suspension, on the advice of the Prime Minister, was done before a tribunal was formed. Therefore, according to Tun Salleh's lawyers, the formation of a tribunal made without the representation was not legal constitutionally. But, the Attorney General clarified that all actions were within the Constitution. According to him, the problem is Tun Salleh's lawyers were not present at the tribunal, were they present, they would have received the letter and would have found that all actions were taken in accordance with the constitution.

According to Tan Sri Talib, the representation was forwarded to the King by the Prime Minister, through a letter dated May 25, 1988. The letter contained four charges against Tun Salleh Abas. As article 125(3) of the

Federal Constitution did not specify the format of representation to the King, the authorities were free to use the format deemed appropriate to forward the representation.

The important factor is clarity of presentation, completeness and comprehension by the King. As the legal advisor to the government and the King, he drafted the charges in the English language, in view of the possibility of the appointment of foreign judges in the tribunal.

Tan Sri Abu Talib clarified to the High Court judge of the existence of the representation. During the meeting between the Prime Minister and the King at the National Palace on May 4, 1988. His Highness handed a letter from Tun Salleh to the Prime Minister, expressing His Highness' concern of the contents of letter, and requested that necessary action be·taken.

According to Tan Sri Abu Talib, the Prime Minister did not act immediately, but sought his advice and he told the Prime Minister that as the Attorney General he could not act as required, except that action be taken according to article 125(3) of the Federal Constitution.

In a letter, dated May 5, from the Prime Minister to the King, he expounded the matter and informed him that the judge concerned could only be terminated from his post if there was proof of his misconduct or other reasons incapacitating the execution of his duties.

In his presentation, too, Tan Sri Abu Talib later referred to the letter from the King, dated May 25, 1988, where His Highness stated that he has considered the representation by the Prime Minister on the same day and agreed to a tribunal to investigate and report to His Highness the matter according to article 125(3) of the Federal Constitution.

Therefore, on the advice of the Prime Minister, the King suspended the Lord President from his post effective from May 26, 1988. When the representation was made to the King, it was mandatory for him to form a tribunal. The formation was effected through a letter from His Highness to the Prime Minister on May 25, 1988. The Prime Minis-

ter, too, made further representation through a letter dated June 9, to the King regarding Tun Salleh's misconduct, which later became the fifth charge under investigation by the tribunal.

According to the Attorney General, the additional representation was not an issue as there was no set format or method specifying the representation, and it was not wrong to do thus. Article 125(3) did not interdict further representation concerning a judge referred to a tribunal for investigation. The additional representation depended upon whether the judge continued to commit offences.

When the King received it, he commanded that it be referred to the tribunal for the same purpose. Therefore, through his letter dated June 11, 1988, the Prime Minister advised His Highness that the appointment of tribunal members and His Highness was acted in accordance with the advice of the Prime Minister, as stipulated under article 40(1) of the Federal Constitution.

It was evident that article 125(3) of the Federal Constitution was observed fully. A representation was made, a tribunal was formed, the Lord President was suspended and finally members of the tribunal were appointed in accordance with article 125(3). However, Tun Salleh's application for an injunction to prohibit the tribunal from meeting, discussing, proposing or executing its function, failed to obtain an immediate decision from the High Court Judge presiding the case, Datuk Ajaib Singh.

Tun Salleh's attorneys, led by Raja Aziz Addruse acted immediately by appealing to the Supreme Court to give a decision to his client's application on the grounds that if the tribunal was not stopped while awaiting the High Court Judge's decision, which has been postponed, his application would possibly become a matter of academic discussion, if the tribunal completed its duty.

The Supreme Court which sat unexpectedly that evening, received the application from Tun Salleh's attorney and decided to prohibit the tribunal from making any proposals, reports or advice in relation to the findings of

their investigation to the King. The application and decision in the Supreme Court was made after the High Court Judge refused the postponement of the tribunal's sitting.

The Supreme Court judges involved in issuing the injunction to interdict the tribunal, emphasised that their unexpected meeting on that Saturday evening was a responsibility to uphold justice. However, their decision of July 2, 1988, was annulled when the Attorney General agreed to disregared the interim injunction.

The Tribunal was not only given the right to present all its reports to the King but also decided to dismiss Tun Salleh Abas as Lord President. Tun Salleh's suspension involving all technicalities of the formation of a tribunal although only remaining an academic discussion today, nevertheless, was a crucial element in the conflict between the executive and the judiciary which reached a climax.

Whatever crises that would be faced by Mahathir, none would equal that with the Lord President. Although there are signs of the involvement of the King in Tun Salleh's dismissal, Mahathir's involvement in the conflict is indisputable.

It may be a command that he needed to execute as a Prime Minister, as advisor to the King, but many felt that the crisis with the judiciary was a continuing matter in Mahathir's leadership career.

Future history would determine the extent to which the crisis has eroded the rights of the people in voicing an opinion freely, or to what extent the crisis would erode the democratic integrity of the nation, based on the three branches of a democratic system, practised by Malaysians for more than 30 years.

Mahathir has attempted to interpret the law according to the layman's understanding or on what is recorded and approved by the parliament. Nevertheless, it was totally unexpected that the problem of interpretation could create a new phenomenon in the conflict between the executive and the judiciary in this country.

Although a judge once said, "We need not interpret based on what is passed by the parliament, but every decision is based on the interpretation and discretion of a judge presiding the case."

Nevertheless, the interpretation should be based on the reality of the actual power. A judge has absolute power to make any interpretation in making a decision on a case, but after the decision has been made, the judge has no further power in the case.

The question of whether the decision would be accepted, observed or opposed, depends on the situation of a case. As was evident, this is among the several cases decided by the court but which continue to create conflict of interpretation due to diverse interests.

Chapter 7

THE RAZALEIGH – MAHATHIR CONFLICT

IF Mahathir's early involvement as a politician began with his profession as a doctor and he later became a member of Parliament representing the state of Kedah, Razaleigh Hamzah appeared in the political arena as a technocrat and an innovator of many fields involving Malays in the economy. He was under the personal guidance of Tun Razak and was a leader who could balance the influence of PAS's stronghold in Kelantan at that time.

From the corporate aspect, he emerged as the Executive Chairman of PERNAS, the Executive Chairman of Bank Bumiputera and also as the Chairman the of Malay Chamber of Commerce until he was entrusted with the responsibility to manage the country's most expensive product through Petronas.

As a result of his widely exposed involvement in economic affairs and the corporate world, Razaleigh later emerged as a revered architect of the national economy. When Hussein Onn assumed national leadership, Razaleigh was appointed as the Minister of Finance in his very first cabinet post.

Prior to this, Tun Razak had announced that the Executive Chairman's position held by Tengku Razaleigh is equivalent to a post in the cabinet. A far younger person than Mahathir, Razaleigh too had his own political ambitions. It is ambition that moulds a leader.

However, ambitions uncontained through rational thought and deed could produce negative effects. In the effort to achieve the ambition, there are many considerations to be taken into account. The political situation of UMNO before the mid-70s, was a political movement submissive to the leadership. Any attempt to project self-

leadership qualities would immediately be identified by UMNO members.

In many respects, he viewed Mahathir as the main contender. For Mahathir who was well-versed in the complexities of the political game, he only observed and waited for the right time to make a victorious challenge. During the rivalry in the initial stages, between Ghazali Shafie and Mahathir, Razaleigh and Musa Hitam emerged as the potential leaders of UMNO in the future.

Many circles including foreign observers, gave high hopes to the two young leaders, anticipated to lead UMNO in time to come. If in the rivalry between Ghazali Shafie and Mahathir, Mahathir's victory over Ghazali's calibre and intellectualism was evident, Musa could overshadow Razaleigh's charisma in the two contests between them.

In 1981, while Hussein Onn was still the Prime Minister, and when he was expected to announce his resignation as the Prime Minister, Razaleigh was the first to declare that he was ready to serve at a higher level. If there was a contest, he was willing to offer himself to serve UMNO and the nation as the Deputy-President of UMNO.

Although, it was expected that Mahathir would not be challenged and would occupy the leadership throne of UMNO without much effort, he was not without his opinions on the 1981 campaigns. Prior to this, Razaleigh had stated that he would not challenge Hussein Onn and Mahathir if they still wanted to retain their posts.

The early signs shown by Razaleigh indirectly reflected his attitude and capability to win the contest for the Deputy-Presidency. But why did Mahathir, from the very beginning, adopted a partial attitude against Razaleigh? If viewed from the aspect of popularity, Razaleigh was the only Vice-President with the highest number of votes.

In 1975, Razaleigh was second only to Ghafar Baba and the third placing went to Mahathir in the contest for the Vice-President's post. In 1978, during the general elections, PAS was ousted. In the contest for Vice-

President during that year, Razaleigh was placed first, followed by Ghafar Baba and Musa Hitam. Mahathir, meanwhile, was elected as the Deputy Prime Minister and with that as the Deputy President of UMNO. He won without contesting that year.

It may be considered superficial, if a reason was given as to why Mahathir did not choose Razaleigh, because he himself was once defeated by Razaleigh in the contest for Vice-Presidency. Sometimes, sentiments could overcome political rationality. What actually happened, which apparently aroused Mahathir's negative attitude towards Razaleigh were several political efforts and lobbying in UMNO in 1973, after the demise of Tun Dr. Ismail.

At the time, Tun Ismail was the Deputy Prime Minister and Deputy President of UMNO. He was replaced by Hussein Onn with the appointment of Hussein Onn as the Deputy Prime Minister and also as the Deputy President of UMNO, he had to vacate the position he won, as the Vice-President of UMNO.

Razaleigh and Mahathir were only members of the Supreme Council. Mahathir returned to UMNO during Tun Razak's time, after his expulsion from the party. He obtained the highest vote in the Supreme Council. He failed in his attempt for the Vice-President's post in that year. Meanwhile Razaleigh who was only maintaining his seat in the Supreme Council was elected as the Vice-President to fill the post vacated by Hussein Onn.

His victory was the beginning to a prolonged rivalry and indirectly created friction between Razaleigh and Mahathir. Many anticipated that as one who obtained the highest placing in the Supreme Council, Mahathir should replace Tun Hussein.

Many theories which are public knowledge in UMNO, on why Razaleigh was chosen by Tun Razak, was because Razaleigh's supporters and Razaleigh himself convinced that one way to ensure UMNO's victory in Kelantan against PAS, was by placing him in a secured position and guaranteeing his political future in UMNO.

Therefore, this would convince the voters in Kelantan that as a foremost leader of the country, Razaleigh and the Kelantan UMNO under his leadership should be trusted, to replace the PAS leadership, which failed to bring about the aspired achievement, particularly developing the state of Kelantan.

Razaleigh himself was confident his appointment to the Deputy President's post would strengthen his influence not only at the state level but also at the central level.

When this was proposed to Tun Razak, to appoint Razaleigh to the post vacated by Tun Hussein, with emphasis on the future of UMNO in Kelantan, Tun Razak said to Razaleigh that the position rightfully, according to hierarchy, belonged to Mahathir as he obtained the highest number of votes in the UMNO Supreme Council election.

Tun Razak was said to have asked Razaleigh to discuss the matter with Mahathir. Mahathir, at the time, was in Kedah. In a meeting between Razaleigh and Mahathir, Razaleigh was said to have told Mahathir of the problem encompassing the appointment of the Vice-President. He added that Tun Razak had agreed to appoint him to the position. However, Tun Razak had requested him to consult Mahathir on the matter first.

Mahathir viewed his leadership in UMNO as important to realise his political ambitions. Nevertheless, trust and submission to the leader were also important. Therefore, he told Razaleigh that if Tun Razak had agreed to appoint Razaleigh as the Vice-President, he would not object.

Tun Razak had hoped for a negotiation between the two. To avoid misunderstanding on Razaleigh's appointment, Mahathir nominated Razaleigh's name in the Supreme Council meeting, to be elected to replace Hussein Onn's seat.

Thus, Mahathir was saved from political embarrassment and disappointment, when he nominated another candidate to fill a post which was supposedly his.

From his appointment, as the Vice-President in that

year, Razaleigh began to strengthen his political influence in UMNO. In 1981 and in 1984, he contested for the Deputy Presidency. In 1987, he contested for the Presidency.

It was obvious there were several incidents during Razaleigh's capacity as the Minister of Finance, whereby he acted beyond the powers possessed by the Deputy Prime Minister, which at that time was held by Mahathir. For example, many policy matters on the country's finance, which were indirectly under the administration of the Deputy Prime Minister, were not referred to Mahathir. When questioned, Razaleigh said that he had met and discussed it with the Prime Minister.

During the time when the Ministry of Finance under him sponsored a dialogue, Razaleigh invited several important ministries to attend the session. He enquired the whereabouts of the Minister of Trade and Industry, at that time, held by Mahathir in his capacity as the Deputy Prime Minister.

A high ranking officer from the ministry said that his Minister could not attend because he was also the Deputy Prime Minister. It is evident from this, negative attitudes were already existent since the beginning of the Mahathir - Razaleigh relationship.

During a trade delegation to the United States led by Mahathir when he was Minister of Trade and Industry, Razaleigh too was there to officiate the opening of a Bank Bumiputera branch. It was later apparent, there were differences of opinion in the speech on trade promotion between the two.

Perhaps, it was due to this Mahathir felt the need to select a Deputy who could see eye to eye with him in the execution of his duties. Therefore, he decided to support Musa in his first contest with Razaleigh.

It is an indisputable fact that it was Mahathir's support that gave Musa absolute victory over Razaleigh that year. If not, the actual situation would have been difficult to predict. Hussein Onn himself, in his closing speech

while officiating the assembly, laid more emphasis on matters pertaining to education, the ministry under Musa, and with it signalled to the delegates his choice between the two.

Razaleigh's readiness to compete with Musa in 1981 and Musa's readiness to contest Razaleigh in that year paved a new era in the UMNO leadership election after independence. Indirectly, 1981 was the turning point to the entire disputes, friction and the situation of UMNO today.

When the party broke up in 1981, the feeling of brotherliness and co-operation could not be restored. Instead, intense politicking continued for the next three years until 1984, when the two contested for the second time.

In the 1984 elections, Mahathir conceived that Razaleigh not only contested Musa but also opposed Mahathir's leadership in UMNO. Mahathir's opinion, especially during the 1983 UMNO General Assembly, clearly articulated his support for Musa as the Deputy President, to work as a team. The disclosure was ignored by Razaleigh who decided to contest Musa for the second time.

In 1984, Razaleigh not only opposed Musa but Mahathir's entire cabinet. Although he lost, he managed to obtain more than 500 votes. His potential to acquire so many votes was a stimulation to him to prove to UMNO members his stronghold in the party, despite the fact that more than 90 per cent of the cabinet members, including Mahathir, supported Musa with various facilities involving party and government machinery, directly and indirectly.

Therefore, Razaleigh's triumph in 1984 was more a personal victory. The number of votes he obtained indicated his ability to maintain his popularity. In the cabinet reshuffle after the contest, Mahathir still retained Razaleigh but as the Minister of Trade and Industry.

The whole phenomenon in UMNO at that time could be linked to the contest of 1981 and 1984, resulting in Razaleigh's stay and Musa's resignation. From 1981 until the resignation and contest in 1987, the main episode in

UMNO's politics evolved around two prominent figures, Razaleigh and Musa.

If today there seems to exist a peaceful situation, it is the result of their acting. If there exists an apprehensive atmosphere in UMNO since the past few years, it is caused by the two. The ultimate solution still lies with Mahathir, who during his leadership takeover in 1981, had attempted to experiment between political rationalism and balance of political power, and the firmness of his political actions. This has created confusion.

Even if Mahathir had decided to support Razaleigh in the first election, it is uncertain if this situation could have been avoided. In fact, at that time, Razaleigh's opponents had spread rumours and political propaganda that if he won the contest against Musa, he would only take nine months to oust Mahathir. This would have been achieved through a conspiracy with several component parties in Barisan Nasional, who were his strong supporters at the time.

This could have been merely a fabrication of those who intended to defeat Razaleigh in the 1981 campaign. It could not have been true. However, if there was any truth in it, Musa, whom Mahathir decided to support, took more than six years to attempt to oust Mahathir. This is a far longer period than the 9 months it was alleged Razaleigh would have taken.

However, in politics many incidents and events could not be predicted until they occur. Thus, all that has occurred remains to be pondered upon more carefully by all in future.

In the 1987 elections for the highest position, Mahathir had from the very beginning requested all UMNO members to foster unity within the party and comply to the tradition which has been the pillar of party strength, to avoid split and power struggle among the members. This would debilitate the Malays and Islam, creating choas in the country.

According to him, disunity within the party as a result

of unhealthy campaigns would eventuate in the selection of a leader without the full support of UMNO members. He, too, reiterated emphatically UMNO's inability to split because it would only weaken the Malays.

"We must fight to defend the position of the Malays and Islam in this country. We cannot afford to be disunited as we are still weak. Just because the Prime Ministership is held by a Malay and there are a few millionaires, it does not mean we are strong enough to discard unity. UMNO does not exist for any individuals, not for Tunku Abdul Rahman or Tun Abdul Razak, or Tun Hussein Onn or even Mahathir for that matter. UMNO exists for the Malays. It is our responsibility to defend the rights of the Malays, the rights of Islam, the nation and people."

As a leader, he perceives the importance of upholding party tradition to retain stability in UMNO. However, as one who is in power and in the process of being challenged, his opinion was viewed obsolete by many, especially those who claim to be the champions of democracy. They feel that the rights and freedom in a democracy, to challenge a position either in the lower or higher echelon of the party is not in violation of the democratic principles practised by UMNO.

Of importance to them is the freedom to contest and the conviction that any contest, even at the highest level, would not split the party. Therefore, Mahathir's proposal to defend the status quo of the present leadership was considered as an effort to protect his own position. To some members, it is only important to support their candidates, to ensure their success, disregarding the call from the leadership to unite and stabilise the party.

Mahathir, however, feels that every action, even in the context of democracy, should be undertaken with responsibility. Everyone should uphold his responsibility in spite of the freedom to act. Each and every one should be fully aware of the consequences of his actions and realise that we are actually in a process of struggle for the nation and country.

Therefore, every party should be cautious and ask themselves if their actions help achieve the objectives. This is important. Otherwise, the democratic process would be abused to achieve individual goals, overlooking party unity.

Mahathir himself admits it is not wrong to contest a position, even at the highest level, if it is done moderately minus the unhealthy actions while campaigning, such as spreading rumours and slanders.

In a speech while officiating the UMNO Divisional Conference, Mahathir said, "Inter alia, that a party president with 55% of the total votes would not be strong and irrespective of who wins, the victor would be weak for he does not command the respect and perhaps co-operation of his opponent's supporters."

According to him, UMNO's leadership history has thence far occurred without any planning. When Tunku Abdul Rahman pioneered the path towards independence, he never thought of becoming the Prime Minister. Similarly, other prominent leaders of Malaysia never planned to become Prime Minister. It was all the will of God and one becomes the leader when his turn comes.

He has decisively stated to UMNO members that as long as they support him, he would continue to serve and if the party members do not want his leadership, they should inform him without attempting to oust him.

Razaleigh, on the other hand, as a contender stressed that his aim of co-operating with Musa Hitam, is to assist in resolving the various problems plaguing the country. He and Musa are working for the interest of the party and nation. According to him, the co-operation between the two would not affect the party adversely.

"UMNO does not belong to anyone, we have the right to bring changes. UMNO members should not assume the party election as a sign of personal conflict. On matters pertaining to the leader, compromise and the position contested are not important, what is important is the strengthening of the party and seeking the betterment of

the future. We are not acting with enmity or with the intention to ruin the society."

He feels that UMNO's strength today is due to the various changes, in terms of actions and thought, experienced by its leaders at all levels. Therefore, any change in leadership would not split the party. It is a natural phenomenon and no one could stop it. He asserts that UMNO and the National Front practises the concept of freedom and democracy. Democracy, according to him, is protecting the rights of every individual and it also results in stability and political development.

While officiating the Tanjung Division of UMNO, Razaleigh said that every candidate who offers his services at the various levels of the party is an experienced, matured and tested leader. They have trod along with the party and have been actively involved for many years. According to him, it is unnecessary for the candidates to be professionals or degree holders. The important aspect lies in their active involvement in the party.

He also stated that the climax of the election would attract the attention of investors and others within the country and overseas, but there was no need for apprehensiveness, because according to him, anyone chosen by UMNO is accepted by majority members of the party.

In relation to UMNO, the democratic system and principles of the party in the election process have proved it. Every member could speak out his mind no matter how acrimonious it is. Before the official announcement was made, Razaleigh's participation was a conundrum and topic of query in the local dailies. Is he contesting for Presidency?

As a matured and experienced individual, Razaleigh has the skill to not project his profound interest on the president's seat. While officiating the Segamat Division UMNO Assembly, the entire delegation at the assembly were anticipating his announcement challenging Mahathir as the President. In fact, Musa, in his speech to the assembly, had openly expressed his support for Razaleigh should

he contest for the Presidency.

Nevertheless, as a leader who has contested twice for this significant post in UMNO, Razaleigh artfully suppressed his true feelings and aspirations. Musa's statement could not rouse him to announce his stand. Although prominent figures in UMNO who were his close and trustworthy associates knew long before his decision to contest for the Presidency, yet no open announcement was made to UMNO members until the closing day for nominations.

Finally, after 131 out of 133 UMNO divisions held the General Assembly, Razaleigh received 30 nominations for the president's post while Mahathir received nominations from 88 divisions. Razaleigh's nominations were mostly from the state of Johor and Kelantan, his political strongholds constituencies. This is a new phenomenon in the politics of UMNO because there exist courage among members to disclose the choice of candidates for leadership in years to come.

Reflecting upon on the nominations for the Deputy Presidency in 1984, there appears an apparent change just within 3 years. In 1984, hardly 25 divisions nominated Razaleigh for the Deputy Presidency against Musa who was the then Deputy Prime Minister. In 1987, he received far more nominations to contest for presidency. This is either an indication of a shift in taste of the UMNO divisional members towards Mahathir's leadership or due to a strong coalition between Razaleigh and Musa which enabled him to obtain 37 nominations.

If these nominations were received due to the Razaleigh – Musa alliance, it evidently did not depict the real situation of Razaleigh's strength at the time of the nominations. It, instead, is the sharing of the balance of influence between the two. Similarly, with 88 nominations for Mahathir, it does not portray the true strength and popularity of Mahathir, especially when taking into account his results of the April 24, 1987 contest.

Therefore, the nomination process is still a confusing phenomenon in the politics of UMNO. It could also be

that the representatives chosen did not follow their divisions decision, as is often articulated by the UMNO leadership today, which enables them to make a new allocation in the Amendment of the UMNO constitution, where every nomination from the divisions for the President's or Deputy President's post, would enable the candidates to receive 10 bonus votes. Or, probably, many of the divisions including those that nominated Mahathir as President, do not want to be recognised as the divisions aspiring to oppose the leadership, in the April election.

If this was an indicator or yardstick as to why the nominations for Mahathir was received from 88 divisions, whilst the actual number of votes won does not reflect the total nominations from the divisions, it reveals a sort of hypocrisy among UMNO members, in nominating at the divisional level or there was a betrayal among the representatives who where given the mandate by the divisions to make the choice.

Whatever the real significance of the nominations from the divisions, it was evident, many UMNO divisions were afraid to express their views and opinions openly against the election campaigns. The 37 divisions that nominated Razaleigh, meanwhile, could be regarded as bold in expressing their views and opinions confidently and without apprehension of counter-actions. They did this to express their feeling and opinions in accordance with the democratic process.

Such actions are far superior than the hypocritical attitude of the divisions which did not vote for Mahathir but nominated him during the divisional assembly.

Razaleigh's justification for his decision to contest for the presidency was that it was motivated by the UMNO members' request for a change in the leadership pattern. According to him, he never once questioned the Prime Minister's leadership and his mammoth projects.

UMNO members felt that the country's leadership had to be changed to rescue the country from further economic crises and increasing debts. The bad economic

situation and choatic state of the party were the major reasons inducing his decision to contest for Presidency. He pledged to rectify both the matters if he and his supporters won in the election for party leadership.

In a closed meeting with UMNO members in Terengganu, Razaleigh alleged that Mahathir wanted to remain as Prime Minister until the next election. He said that he was informed of the matter by the Deputy Prime Minister, Ghafar Baba, during a luncheon at his house in Kuala Lumpur, after attending a cabinet meeting. Ghafar, later, advised him not to contest for the presidency.

He highly appreciated Ghafar and Mahathir's willingness to support him if he contested for the Vice-Presidency. But Razaleigh viewed this as proof of the Prime Minister and his Deputy's confidence in his ability. Unfortunately, UMNO members, especially the representatives wanted him to contest for the number one post. Therefore, he could not comply to the wishes of Ghafar and the Prime Minister to not contest for the presidency.

Mahathir, while officiating the Kubang Pasu Division Assembly, avouched that he would not allow his removal from his present post but would continue to fight if challenged or forced to back down. According to him, he had always conceded that when it was time he would resign but he would not tolerate any attempt by any groups to displace him. When he was challenged, he would fight it.

Many political observers felt that one of the factors contributing to Mahathir's firm hold to his position, as the President of UMNO and Prime Minister, is the challenges and pressure by the Razaleigh – Musa faction, who wanted his immediate resignation.

Political observers believed that this was why Mahathir felt the need to remain in his position. According to them, Mahathir wanted to step down with dignity. When the avenues to do so were blocked with challenges, he was left with no alternative but encounter the challenges posed.

Mahathir is undaunted by challenges. He, as a matter of fact, plays along to the rhythm of his opponents if

challenged. Razaleigh and Musa failed to observe this tendency and their challenge indirectly enhanced Mahathir's determination to hold firmly to his post.

In any culture, when a person is continuously pressed and challenged, he would respond to the challenge even in a weakened position or at least defend himself. This was the result when Mahathir affirmed his intention to remain in his position even if he won with a majority of one extra vote. His statement shocked many, especially Razaleigh and Musa. They hoped to intimidate Mahathir through a convincing majority in the election, and drive him to his resignation.

It was later obvious that the alliance between Razaleigh and Musa although appeared strong, was not enough to challenge Mahathir's position. When the results were announced, both of them lost in the contest. Razaleigh was defeated by Mahathir by 43 votes, while Musa lost to Ghafar by 41 votes.

Apparently, the alliance between the two prominent figures, who were once foes, was not strong enough to change the leadership history of UMNO, although their co-operation in the effort to take over power was almost a legend in the politics of UMNO.

During the intensive and dramatic campaigning, the supporters of the two provided various grounds for the co-operation between them, besides proving that their enmity was only political in nature while they remained good friends. Their supporters compared their unity in the campaign against Mahathir as a blessing based on the Al-Quran, that the Almighty God has united them in their struggle to oppose Mahathir in the election.

Unfortunately, the supporters of both parties had forgotten that the cordial relations between Musa and Razaleigh was meant to ruin someone or deteriorate a situation or undermine the stability of a party.

Therefore, the alliance between Razaleigh and Musa in the 1987 election was a hyprocrisy. It is impossible for anyone who had followed the political developments to

accept without question the reality and solidity of the alliance between the two and their supporters for the past six years.

Among many supporters of the two including their trustworthy associates, there still exist a suspicion and doubt over the alliance. Although it appears strong, every close supporter of the two foes turned friends know that it is a marriage of convenience.

When the goal to oust Mahathir was achieved, the conflict between the two, temporarily stalled, would begin again. This was plainly seen just after the elections and when the court declared UMNO as unlawful, where their stand was no longer congruous. The alliance was nothing more than a pact to fulfil their respective interests.

Razaleigh opposed Mahathir using his theme and manisfesto 'Opposition Against Economic and Political Deviations'. During the campaigning, Mahathir received caustic criticisms and his leadership was characterised as autocratic. According to his critics, he apparently rejected advice by his colleagues in the party and professionals in the government, leading to hasty decisions.

His opponentss criticised similarly, stating that Mahathir's strong supporters disregarded opinions they did not favour on matters pertaining to the party, and that he alienated himself from several groups in UMNO. The way he solved economic problems and the business scandals which were exposed during his leadership also tarnished his image in the eye of the critics.

Allegations of misadministration, corruption and favouritism were the major topics in the campaign against Mahathir. His critics disputed the way he handled the Bumiputera Malaysia Finance scandal dating back to the 70s and accused Mahathir of attempting to conceal something. They also criticised the secret operation supporting tin prices although the decision was made during Hussein Onn's Prime Ministership.

The allegations of favouritism was based on the huge profits enjoyed by several close friends of Mahathir from

the economic gains. The supporters of Razaleigh and Musa, used Daim Zainuddin, a close friend and an influential advisor to the Prime Minister as the target. They claimed that Daim took advantage of his capacity as a government servant to enhance his business interests. They repeatedly raised the attempt by Daim to take over United Malayan Banking Corporation (UMBC) when he became the Minister of Finance. The decision to purchase it was made before he became the Minister of Finance. He was not involved when the cabinet discussed the matter.

They also criticised Daim for selling the bank to PERNAS for $349 million. allegations against Daim created effects to the extent that some claimed Mahathir silently admitted the Minister of Finance was becoming a threat in the dispute between him and the Razaleigh – Musa faction.

They, too, alleged that the unsystematic planning of heavy industrial projects and public works ultimately burdens the people. They pointed to the Dayabumi Complex and the national car project as examples. However, their statements were denied by Mahathir. He parried the allegations as false and groundless as these could possibly crush party unity.

"Where is our honesty, in the elections for positions in the party we accuse a person as being bad and corrupted, while in the General Elections we deny it." Mahathir commented this on the support of those who challenged him, during the General Elections. During that elections, UMNO and the component parties in the National Front stood firmly in support of him against threats to the government from opposition parties.

For Mahathir, the unity of UMNO and the National Front is more important than the personal aspirations of some quarters. Prior to this, on April 6, 1987, while launching the Investment Committee of Malaysia and the EEC in Kuala Lumpur, Razaleigh said, "The sure signs of our economic recovery and estimated increase of private and public sector consumption are the major factors which

make the European Economic Community's markets more attractive to Malaysia."

According to him, other contributing factors are the increase in the value of several European currencies as compared to the American dollar. He hoped the EEC countries, would not only be important export markets for Malaysia, but also the source of technology and management expertise stimulating the growth of the manufacturing sector. It was his conviction that the committee established which aims to increase European investment in this country would have long term gains for both parties.

The statement by Razaleigh in his capacity as the Minister of Trade and Industry was made two weeks prior to his contest with Mahathir. Evidently as a cabinet minister, he was confident of the economic future of the country. However, in his campaign nearing the election, he inter alia stated, "Without blaming anyone, the political leadership in power today should boldly and with responsibility admit the reality, that the economic slow-down in our country in the past few years, was caused by the declining foreign and local investments. The gloomy investment climate resulted from the political and economic deviations that are taking place. If this investment climate is not restored, the flow of our currency could not be controlled. Foreign and local industrialists are afraid to invest, establish or expand their industries here."

"Although incentives were offered to attract foreign investors, the response was far from satisfactory. In fact, our local investors are more interested and confident to invest overseas. Obviously, the stability of the government, the overwhelming victory of the party in the 1986 elections, the scheme to attract foreign investors and the development of the country's infrastructure are less successful in wooing investors to our country."

"It could therefore, be concluded that the failure to woo investors was due to the lack of confidence and trust in the political leadership currently in power. If we analyse the development record of this country in the 1980s, we

would be able to see that the economic decline we are experiencing is the result of the economic deviations of the political leadership."

"Between 1981 – 1985, we witnessed increasing prodigality and unsystematic economic planning which failed to yeild profitable returns. Instead, the luxurious projects became a burden to the country and people. The present UMNO leadership governing the nation is in unfathomable financial problems. The decrease in current balance of payments and the capital outflow exceeded $15 billion in the years between 1979 and 1985. According to estimates, the World Bank caused the increase in foreign debts to $51 billion now. The repayment of the loan now requires more than $7.4 billion a year, a sum exceeding the returns from petroleum exports."

Razaleigh further stated that the foreign debt of the country had increased tremendously between 1981 and 1985. Within a short period, the total exceeded $34 billion. This was caused by the launching of mammoth and luxurious projects undertaken through central planning in accordance with the wishes and direction of the leadership. In fact, all these projects were planned beyond the budget through the commitment of various bodies such as HICOM and the Malaysian Highway Authority.

All loans to finance the colossal projects had to be guaranteed by the government, as directed by the leadership. The leadership also directed that the implementation of these projects be expedited through the turnkey method. Thus, projects to be completed within a longer duration based on financial constraints were directed to be completed within a much shorter period.

Unfortunately, Razaleigh was defeated after the intensive campaign with Musa. Many felt Mahathir's victory with a small majority did not reflect the actual opinion of the UMNO divisions. Eighty-eight divisions had originally nominated Mahathir but Razaleigh succeeded in garnering almost 50% of the votes. Many representatives were obviously influenced by the effective campaigning,

and voted disregardful of the nominations by the respective divisions.

Razaleigh was however fated to lose to Mahathir. As humans, we can only do our best, but God decides.

Razaleigh and his supporters also admitted that voting was done systematically and fairly. Therefore, they accepted the election decision of the UMNO General Assembly on April 24, 1987, after the most intensive campaigning in the UMNO leadership election history.

Two days after the results were announced, Razaleigh stated that his future in the government lay in the hands of the Prime Minister and he was prepared to accept whatever decision. He vowed to support the Mahathir leadership re-elected by the UMNO members. However, the support should be reciprocal.

Razaleigh accepted the decision of the delegates although he expected to emerge victorious. He advised his supporters to accept the decision made in line with the democratic principles.

Razaleigh also asserted it was the prerogative of the Prime Minister to determine if he was required in the government.

Razaleigh felt that Mahathir's action of dismissing several cabinet ministers who supported him in the elections was unjustified. However, every one should admit that the right to appoint a minister is the prerogative of a Prime Minister.

Therefore, the question of whether the dismissal was a hasty decision does not arise, because as a leader he acted after careful consideration. In the 1984 elections for example, although his Deputy urged Mahathir to dismiss his political opponents, he did not act immediately. His willingness to retain his political foes evoked friction between him and his deputy. As a result his decision after the 1987 election, took into account both the matters, namely, to retain those who lost as a compromise in the party or expel them to iron out the impediments in his administration.

In this regard, they were expelled not from the party but cabinet positions, as it was his indisputable right to appoint whom he deems suitable. Victory within the party does not automatically grant a position in the cabinet. Razaleigh regarded the rumours that he and his colleagues would form a new party to oppose UMNO as nonsensical, asserting, "I would die as a Muslim and a member of UMNO."

When asked to comment on Mahathir's marginal victory, Razaleigh said that the power and wishes of the majority must be respected. As far as he was concerned he would extend his assistance and co-operation. He added that the co-operation should be reciprocal. According to him, he and his supporters would co-operate on condition the present leadership extend good-fellowship.

On May 1, 1987, the newspapers reported the resignation of Razaleigh and Rais Yatim as the Minister of Trade and Industry, and the Foreign Minister respectively. His grounds for the resignation were that he could not accept the way the leadership administered the country. He could not return to the government even if requested unless the Prime Minister changed his ways.

According to him, the government and the UMNO leadership should change and accept changes. Political observers felt the resignation of both Razaleigh and Rais Yatim was an appropriate action because of their intensive challenge during the campaigning for party leadership. It was impossible for Mahathir to reinstate them for the second time in the cabinet.

Therefore, their resignation was not only wise in terms of the principles of their struggle but was also parallel to the actions that would be taken by Mahathir. As a matter of fact, it is better for them to resign before they were dismissed.

Two weeks later, at a gathering in Muar, Razaleigh asserted that he and his supporters would act if the party leadership discarded their advice in various matters. He said that the action was not intended to disrupt the party

but would follow proper channels. He further added that this group had similar objectives.

Mahathir's reason for the dismissal of the cabinet ministers who opposed him was their irresponsible action of leaking government secrets during the election campaigns. This was the main criterion for dismissing the ministers involved, who incidentally were on Razaleigh's side during the campaign.

But Razaleigh felt that, at least, Abdullah Ahmad Badawi should be retained in the cabinet because he garnered more that 60% of the votes. Therefore, it was not warrantable for the leadership to disregard the mandate given by the representatives and this would only arouse disappointment among the members and disunity in the party.

However, many political observers believed this was not the actual reason for Razaleigh's concern over the dismissal of several members of his faction from the cabinet. There appears to be a motive for his visits nationwide immediately after the elections.

Although he seemed to accept the decision of the members, his visits after the elections indirectly created a restless situation among UMNO members, who regarded the disunity that resulted during the campaign as a continuing process. The visits, apparently, undertaken to thank members who voted for and did not vote for him, was not a proper measure when the wounds were still fresh.

The visits evidently failed to rectify the disunity that existed. Though, initially, the political motives for the visits were denied, later it was impossible to conceal them as they continued for more than a year after the April, 1987 elections.

The visits by Razaleigh, consequently created a new tension in UMNO's development after the elections. It not only reflected continued disunity in the party but also the challenge by Razaleigh's supporters who questioned the validity of the decision by the delegates during the UMNO

General Assembly on April 24 by dragging the matter to court.

The political observers felt that Razaleigh should have waited for the next elections in 1990 to run again for presidency before making any attempts to undermine the political stability of UMNO. This would afford the UMNO members the time and opportunity to re-establish cordial relations between their supporters.

Those involved in the last campaigns would have enough time to restore the after-election atmosphere, which eventuated in the two opposing factions in the party. Thus, both the factions would respect UMNO and would not dare defy or muddle the situation when the highest leadership of both factions show loyalty and elude friction for a while.

The defeated group should grant an opportunity to the victors to run the party in accordance with the power and mandate vested on them through the decision of the election. The tranquility of UMNO would enable the government to focus on several crucial issues particularly problems faced by the Malays.

The New Economic Policy ends in 1990, therefore detailed planning is a requisite to achieve the objective. Efforts should, at least, be heightened to achieve the New Economic Policy in its final stages of implementation. Proper plans should be designed to continue the New Economic Policy to ascertain the achievement of its objectives even if it requires an extended period.

In 1990, the Sixth Malaysia Plan would be launched taking into account the conclusion of the New Economic Policy. A new policy to further the aspirations of the New Economic Policy should be formulated. A general election would be held in 1991, at the latest. The political power of the Malays has to be maintained and this could only be guaranteed if the Malays unite and support UMNO and the National Front as they have always done. During the 1990 - 1991 period, the nation's economy should be restored. To achieve this, a peaceful and stable climate should prevail.

The government must be strong and effective to convince traders and entrepreneurs. The administrative process of the country should be devoid of impediments so that it is able to make the efforts to restore the economy.

Politics and politicking should be reduced so that political stability could convince all parties. Unfortunately, a few groups in the Razaleigh camp viewed 3 years as a very long time for them to achieve their political ambition to gain power, or at least to see the leader they support rise to power.

For them, the ultimate consideration was how to achieve their goals and aspirations, despite the fact that their decisions and actions could eclipse the situation in UMNO or the Malay politics and the political stability of the nation.

In their ardour to gain power, they rejected majority consent through the electoral system in UMNO held every 3 years. Immediately after the UMNO General Assembly, Razaleigh's supporters designed an action to create problems for the winning party.

The actions included among others, holding gatherings and visits throughout the country, to impel a re-election of the Supreme Council through court action. In order that their plan succeed, they worked on the allegation that some branches were unlawful and so identified even before the General Assembly. This was the ground on which they launched their new political strategy. The problem of several illegal branches which emerged before the General Assembly created an intense political polemic to the effect that some divisions were directed to hold Divisional meeting for the second time.

Generally, there was an agreement that the matter would not be stirred to enable the smooth operation of the 37th UMNO General Assembly. Both groups partook in the campaigns setting aside the question of illegal branches aroused by a group of UMNO members.

As a matter of fact, some of those who initally voiced the issue of illegal branches felt that the matter should not

be pursued further before the elections, when they saw the possibility of victory for their candidate. In anticipation of victory for their candidate, no members made the illegal branches an issue for their campaign. Their entire attention was focussed in ousting the leadership, with varied allegations and slanders to realise their goals.

In their opinion, if their candidate Razaleigh won, then the issue of illegal branches need not be aroused. Throughout the campaigns, the group that brought up the issue of illegal branches was confident of victory for their candidate. When the division with an illegal branch holds a General Assembly and nominates Razaleigh as the Presidential candidate, those who evoked the issue of illegal branches remained silent, because this is tool enough for them to bring down the existing UMNO leadership.

Therefore, dragging UMNO to court was their second strategy, should the need arise. They proceeded with their second strategy only after the results were announced. Their main reason for dragging UMNO to court was to fight any deviations, in the interest of UMNO members and the Malay race.

Their action was incited by the defeat of their presidential candidate. Their pledges and oaths that their action was actuated by the need to uphold the principles of struggle of the party were merely political stratagems. They were suddenly regarded the champion of their race by some of their supporters. Their successful attempt of nullifying UMNO was regarded as an astounding victory.

Razaleigh himself declared them as the champions fighting to rectify the deviations in UMNO. Although every action could be disputed, the group which dragged UMNO to court evidently exercised their rights as UMNO members, betraying the mutual agreement and the tradition of UMNO based on the consensus of every decision in an election.

When the High Court rejected their application for re-election, but pronounced UMNO as an unlawful organisation, the group made an appeal when initial efforts to

form a new party failed. When their appeal was referred to the Supreme Court, its decision was in unison with that of the High Court's. The group, therefore, had no other alternative to restore the situation.

It was believed that the majority of those expelled who joined the Razaleigh camp after the elections would not have continued their support for Razaleigh if Mahathir had compromised by re-appointing them in his cabinet.

Their continued support for Razaleigh was merely an expression of dissatisfaction at their dismissal. Despite the fact that this group comprised leaders with many years of active involvement in UMNO, and who understood the powers of a President and Prime Minister, when a decision contrary to their decisions was made, they failed to exhibit their loyalty to the cause of UMNO, especially to comply with the decision of the UMNO delegates.

This phenomenon was a good lesson to UMNO members particularly Mahathir, in evaluating the loyalty of those involved. It was also a valuable lesson to all in that it revealed how certain UMNO leaders, seemingly fighting for the interests of the nation and country, did not uphold what they advocated for when positions were stripped. They reacted by retaliating and challenging the power of the leadership.

The actions by Razaleigh and Musa are examples of the incapability of high ranking leaders in UMNO to accept their loss of power and position. It also reflects UMNO's failure to instil in its members the principle of loyalty in its 40 years.

If UMNO leaders of equal ranking with Razaleigh and Musa act similarly, it is not surprising for other UMNO leaders supporting Razaleigh after his defeat, to act thus. The Razaleigh faction filed a writ of summons on the New UMNO leadership, for compensation for their efforts in the interest of UMNO. They demanded not less than 250 thousand dollars, because only such an amount could be considered equivalent to their successful venture of entombing an institution fighting for the cause of its peo-

ple. Furthermore, the value of the United Malays National Organisation declared unlawful by the court, is definitely worth more than 250 thousand dollars.

Political observers also felt that besides awarding more than 250 thousand dollars, all those involved should be conferred with titles far more esteemable than any that was ever awarded to the brave of the country. This was in view of their unparalleled success and bravery in this decade.

In the 40 years of its existence, UMNO could never be threatened by the opposition party or anyone aspiring to destroy it. On the other hand, the success of Razaleigh's supporters was evidently extraordinary to disregard their contribution. However, the extent of the cynical opinion of the political observers to be considered could not be determined.

Besides efforts to drag UMNO to court, the activity to gain supporters for Razaleigh continued. A series of gatherings debating on various issues were held to ensure their group's continued appearance in the political arena of the country.

Once again, the expulsion of several figures of their camp, from the cabinet was blown into a big issue. Razaleigh questioned the dismissal of cabinet members who were from his group, despite the fact that they won seats in the Supreme Council.

Not all consequences they encountered resulted from the decision of the delegates or the counter-actions of the Mahathir leadership. It was a destined fate. Their reaction not only revealed their continued opposition against Mahathir but their failure to accept fate.

They would probably accept fate if their popularity, position and power were left untouched. Therefore, it was not regarded as the destiny of fate but as a political manoeuvre of their foes. The ability of every man has its limitations, or his uphills and downhills, but they would not accept this fact. Probably fate had determined that Musa Hitam could only shine as Deputy Prime Minister and

Deputy President of UMNO. Nothing more than that.

The desire to reveal the situation is indirectly beyond their powers and capabilities. Similarly too, is the case with Ghafar Baba, who was cast off-stream the UMNO political current for more than 10 years, but because his stars began to shine again, he has now emerged as a foremost leader of the country.

This is due to the indeterminate cycle of fate. Therefore, any attempts to challenge justice and decision amount to the rejection of fate. Many who acted thus understood the fluctuation of their political career, which is as natural as the high and low tides of the sea.

The sudden unwillingness to accept the fact is very unfortunate in the history of UMNO's cause. When a group of UMNO members with the aid of several strong supporters of Razaleigh, especially Marina Yussuf, brought the case to court to annul the decision of the UMNO delegates of April 24, 1987, and demanded a re-election, Razaleigh kept silent. Musa and a few of his supporters criticised and rejected the action initially.

Razaleigh's involvement in this matter was in question. However, it was easily assumed that Razaleigh approved it. Although he denied any such involvement, if it was true he did not approve of the action of his supporters challenging the UMNO decision in court, he as the leader involved would have persuaded them to refrain from such attempt.

If it was assumed that they were dogged and refused to heed Razaleigh's advice, evidently Razaleigh was incapable of influencing his own supporters. His leadership, therefore, could not guarantee his capability to control the actions of his supporters. What would happen if he had won in the elections?

The riotous behaviour of his supporters would become more prevalent and would Razaleigh be able to contain it? If Razaleigh could not control a small group endeavouring to destroy an institution fighting for the cause of their own people, how would he manage if he won and was faced

with the rivalry for power in UMNO and the cabinet, among his supporters?

If it was true Razaleigh did not approve the action of his supporters, who was the influential figure in Razaleigh's group who commanded or cancelled any proposals or directions and the decision by Razaleigh? Or, perhaps Razaleigh himself saw several advantages and disadvantages in his supporters' action of dragging UMNO to court.

Consequently, he readily became an observer than to be involved either in support of or opposing the action. If this was the case, Razaleigh was counting on the gains from the action. To say that he was ignorant of and could not control his supporters was illogical. The actions of his supporters following the April 24 decision, was in fact not based on logic. It was rather an emotional outburst of frustrations actuated by Mahathir's action of dismissing them from the positions they occupied.

UMNO was dragged to the court every time there was a General Assembly. There are bound to be illegal representatives and this is due to the fact that UMNO has more than a million members in eight thousand branches. Within a period of two months all the eight thousand branches must meet to elect their representative to the divisional meeting. The Secretary General could not monitor the meetings of all these branches or divisions, and he could certainly not determine if every member attending a branch meeting was a legal UMNO member or otherwise.

Or, if the member had membership in UMNO and if he had paid his membership fee for the year, had he de-registered himself as a member of another branch before he registered himself as a member of the present branch and so forth. Similarly is the case with the meeting conducted at the branch and divisional levels. Was it conducted in accordance with the procedures of the meeting set by UMNO? Who would guarantee the strict adherence to procedures and regulations to ensure a truly lawful meeting?

What UMNO practises is the plain acceptance of the

information provided by the branches and divisions. If any quarter claims of deviations, the matter has to be solved at a higher level, even at the level of the Supreme Council.

According to the UMNO Constitution, the Supreme Council's decision is final. The issue of the 30 unlawful branches was also determined by the Supreme Council. Every member of UMNO who accepts the Constitution of UMNO should accept the Supreme Council's decision in this matter as final. Those who do not accept the decision of the Supreme Council as final, connotes that they do not accept the conditions set in the UMNO Constitution. If they do not accept the Constitution of UMNO and the Supreme Council's decision, therefore, they should not be in UMNO.

The actions undertaken obviously rejected the decisions and conditions stipulated in the Constitution of UMNO. Therefore, any reasons presented after, especially after the decision of April 24, including dragging the case to court, was based on specific interests, and never to uphold the principles or the like. More than a million members of UMNO decided to comply with the decision of the Supreme Council before the 1987 election and after that election.

No member of UMNO possesses the mandate to allow the matter to be dragged to court. The capability of the group that dragged UMNO to court could not be belittled. When the court pronounced UMNO as an unlawful organisation, they immediately pointed fingers at the party leadership, blaming it on the party's advocate, despite the fact the decision of the court lies only with the judge who presides over the case.

They attempted to fool the representatives of the 1987 UMNO General Assembly by disregarding a democratic decision achieved through an electoral process. They directed the blame on Mahathir, for not activating UMNO through Section 70 of the Association Act. Those who dragged the case to court and refused to accept the judge's decision were not regarded. They wanted the UMNO

leadership to dance to their tune.

Raja Aziz Addruse was said to be shocked that there was such a clause in Section 12(3) of the Association Act. Obviously, they entered the arena unprepared and were afraid to lose. They rejected all decisions by the party leadership or his representatives or even the court, except their own decision.

Razaleigh too pointed his finger at Mahathir to use his discretionary powers as Prime Minister, of Section 70 of the Association Act. Razaleigh's political action after the 1987 elections was atuned to the rhythm of the group that dragged UMNO to court. Only time would decide the consequence of the action. UMNO's political history would continue, UMNO would live on without Musa, Razaleigh or Mahathir.

Razaleigh's political course is now at the crossroads. Razaleigh has gambled away his political future. Before we wait for history to decide the political course of the Malays, we would find that Razaleigh's politics were determined by his mutual action with Group II. The actual cost of the group's action was nothing more than Razaleigh Hamzah's political career.

Chapter 8

THE SECOND PHASE

FROM the political destiny to the policies brought by Mahathir that we have discussed earlier cover several aspects of crises in his leadership era, his leadership pattern and the politicking since he took over national leadership.

The political destiny would continue to be the foundation of the Mahathir leadership in the future. The difference is, nine years ago the expected destiny failed to fulfil several objectives due to unavoidable challenges and impediments.

Therefore, to achieve the entire aspirations, ambitions and dreams towards the nation, country and religion, Mahathir requires a second phase for his leadership. It is difficult for anyone to predict how long Mahathir intends to retain his power. He, however, shows no sign of relinquishing his position in the nearest future.

Those who harbour immediate political ambitions do not desire to see Mahathir rooted to his position and power today. We would find that his entire leadership actions in time to come would be based on political incidents, challenges or other obstacles he encountered in his nine-year rule.

Within a life cycle, he has witnessed almost all forms of actions, challenges and opposition that a leader in Malaysia has to face, in his nine years of leadership. Mahathir not only witnessed the conflict between judiciary and himself or his dispute with the royalty during the constitutional crisis, but also opposition from his close allies who turned his political enemies determined to oust him.

In the administration, he views bureaucracy as a hindrance to his move to enhance the course of administration itself. The world economic recession which is beyond

anyone's control and planning, as well as the internal conflict in the component parties of the National Front leading to intense friction in UMNO, have taught him to be cautious in the face of several unsuccessful projects.

Therefore, in the followimg era of the Mahathir leadership, we would be able to see several important characteristics which would continue to create a new phenomenon in administering the society.

Some aspects that could not be rejected based on his bitter experiences throughout his reign, are the efforts to develop a nation towards a more dynamic direction, to move the country towards an industrial era, create a more united society and enhance rural development.

Based on these same aspirations and ambitions through his experiences, it is obvious his determination to fortify his approaches in time to come, either by stabilising his politics or enhancing economic development or planning a better destiny for the country would be an approach different in its implementation methodology from previous times.

If at the early stages of his rule, he adopted a liberal attitude as an approach to develop and know the Malaysian society, it later became evident that the liberalism he intended to portray in achieving his leadership ambitions emanated a new phenomenon from what was expected. As a result, his liberalism was taken for granted and given varied interpretations, followed by actions beyond the limits that he had meant. In other words, his intended liberalism was taken advantage of by his enemies or opportunists who wanted to project their interest, and in the process deliberately doubted and obscured the aim of Mahathir's liberalism.

Consequently, democracy was used liberally to the extent of foregoing traditional values. Similarly, the criticisms and continued propaganda criticising the course of his administration under the patronage of the liberalism he emphasized, disrupted almost all aspects of the administrative course he had expected.

Therefore, the subsequent phase would witness strict actions in diverse fields or at least provide elucidations without obscurity in the undertaking of actions or interpreting a matter. On the role of the judiciary, for example, he wishes to clarify that there are certain fields which should come under the predominance of the executive, and thus should be handed over to the executive body.

The firmness and explication which may be regarded as coercion, would become a palpable phenomenon in the next phase of his leadership. Liberalism practised in the initial stages of his leadership would be replaced by firmness. This is not only important but also necessary to restore the situation to a clearer and more stable state.

Mahathir's fault in the past was the need he felt to emerge as a popular liberal leader, without realising that liberalism would produce negative attitudes if not contained. To move a society towards durability and to instil the spirit of development requires not only a continued proclamation and assertion but also continued firmness in action. Otherwise, a negligent and weak nation and society would not stand up to the call of the leadership to move towards development and face the challenges of life.

Therefore, to overcome the problem of complacency, Mahathir views the firmness in implementation without much wavering and politicking as a prerequisite to develop the Malaysian people. Lessons learnt in the past could be taken as an example of how success is quite an impossibility in the absence of firmness.

The rise of the Koreans, for example, was not the result of a liberal policy, but shaped through an autocratic pattern of government. Furthermore, it adopts a fully disciplined militarism. It would, otherwise, have been a difficult feat for the Koreans to achieve the honour and progress they have acquired today.

Democracy and liberalism without concise explication would lead to obscure polemics or behaviour. Mahathir's approach in the second phase towards developing the society, would strictly define individual roles and their

responsibility parallel to the aspirations of his leadership.

His political foes who have walked out of UMNO, stand rooted to the slogan 'Struggle for the Nation and Country'. Although their cries are thunderous, evidently it is easier to face them outside than to have them in UMNO under him.

Nevertheless, the absence of political enemies who have isolated themselves and declared a principle of struggle different from his without further compromise does not connote that the political crisis in the party he leads would end. The younger leaders in the party would evince their zealousness to project themselves to attract his attention and the majority of the members, in the hope to be elected as the foremost candidate of the party.

In their zeal to project their leadership, Mahathir would find their actions contradictory to the ultimate aims and aspirations of his leadership. They would be more compromising with the firm policies of Mahathir, to fulfil the objective of their political struggle.

If the separation of his past political enemies could be used as a yardstick to measure their loyalty to the party tradition, the same question engulfs the younger leaders. Their loyalty would become apparent when they too lose their position and power.

Evidently, the actions of Mahathir's political foes today were induced by their loss of power and position and not by the desire to fight for the interests of the nation and country. Furthermore, their actual struggle is to obtain absolute power.

If Mahathir is accused of being an undemocratic leader or that he has formed a party diverging from the UMNO principles of struggle established 40 years ago, then the actions of his political enemies are far different from what is practised by UMNO members in the history of the party's establishment.

They not only evinced their disloyalty to majority decision and defied compromise with the party leadership but openly betrayed the principles of the party based on

the tradition of agreement and patience in awaiting the normal leadership election process, without personal interests beyond that which has been stipulated in the constitution.

Mahathir unrelentlessly attempts to protect UMNO from destruction, through the action of several supporters of his opponents, the former UMNO leaders who are the instigators of the whole phenomenon of betrayal in the politics of our country today.

The entire uproar, clamour, cries and allegations by them were but tactics and deceit to return under Mahathir's leadership. They felt that Mahathir may seek a compromise in view of their apparent strength. They are capitalising on their protest, cries and allegations to solicit what they have lost.

If their initial struggle was to constrain Mahathir to step down as leader, but eventually they would hope and rejoice that at least their friction and dispute would result in a favourable position and remuneration for them.

This was their actual intention, because they realised the difficulty inherent in fighting from outside a large Malay union, except that they are willing or satisfied to act merely as political anarchists throughout their struggle. On the contrary, in view of the influence that comes with the power they held previously, it is impossible that they would be contented with the power politics of Kelantan or Johor only, as a long term strategy, awaiting Mahathir's voluntary resignation.

They are aware that the waiting process would be prolonged. Therefore, they could not possibly maintain their popularity and in addition, would be out of issues to base their struggle on. Furthermore, their charisma as leaders is now beginning to erode.

In many respects, Mahathir's political enemies, within the party or outside the party, admit the fact that it is difficult to find someone with a strong personality to replace him. At least, apart from themselves, they feel there are no successors who could comprehend the political situation

prevailing today to sustain the social and economic stability of the country.

Moreover, Razaleigh and Musa are awaiting the opportunity, to confront the other, when it arises. They are not only traditional political rivals but also would not possibly pave the way absolutely if the same opportunity arises before them.

The 1987 election alliance is an apparent hypocrisy. Any strategy or action, at that time, was directed at their political enemy who was leading the nation. But, when the time comes, when the opportunity to assume leadership arises, they would seize at each other's throat before taking over leadership.

The final play of politics by both these political figures is obvious although on the surface there appears to be a tendency to co-operate and the potential for co-operation in time to come. In fact, sincere co-operation expected of the two political foes of Mahathir is only a delusion.

If at the onset of Mahathir's leadership, Malaysians witnessed the affectionate embrace between Mahathir and Musa, the affectionate relation between Razaleigh and Musa today is in fact a fatal embrace. Though they admit that the tension and friction prevailing now would lead to disunity and frustration amongst the people, nevertheless it does not curtail their efforts to achieve their political strategies.

Their dreams and aspirations for power are so urgent that the importance of reunification or a larger unification of the Malay race through UMNO has become a minor consideration.

When the two political rivals of Mahathir could not unite with earnest sincerity, then neither one could marshal adequate support to shatter Mahathir's political course in time to come. The past incident should be a lesson to give hope for the future, in that the alliance between the two political enemies of Mahathir could not be looked upon with any hope.

Mahathir should be given credit because since the

inevitable rift, he has adopted and practised audacity in voicing his opinions and his sometimes controversial actions.

If he were fearful of facing challenges, his speeches and communication with the people would not have been through the bold measure of SEMARAK. His conviction in his moderate policies under implementation, although is a continuous debate among people of all walks of life, is a requisite for him to ensure that the hopes and objectives of his ambitions are attained.

Mahathir would not yield to his political rivals and there is no reason for him to be disappointed, so long as he is clear of what he intends to do, without being obligated to anyone, particularly his political enemies.

The second phase of his leadership should reveal the firm stand of non-acceptance of threats or criticisms intending to ridicule his leadership, but communicate the readiness to counter any opinion founded on the social and political reality of the country. The absence of continued constancy and firmness in defending his policies in the future would only result in confusion as was the case during the entire era of his leadership in the first phase.

Therefore, besides the contained strategy manipulated towards the expected direction, Mahathir and his loyal friends in his cabinet should be able to provide clear revelation to the majority of the people ready to accept and welcome his opinions and orders to facilitate them to execute it.

It would not be easy, in the future, when there exists a section of people who feel uninvolved in Mahathir's policies, not only as individuals but also as groups, to bring necessary changes in line with the winds of change initiated by Mahathir.

In many respects, we can say that in encountering the impediments and challenges posed to his controversial leadership, Mahathir is fortunate to successfully emerge as a leader untainted or affected by frenzies targetted at him.

Various forms of emphasis are required to create con-

fidence in his leadership front, compromising cabinet ministers, members of parliament and state councils, and everyone appointed to hold important positions. The moral criterion as a prerequisite value for leadership selection is crucial to ascertain that leaders who wish to assist Mahathir, and the people's representatives who desire to serve, are selected based not only on popularity but also their innate character and moral value.

In comparison, during his past era, nominations were taken lightly in appointing a candidate at the lower rank to the line-up in his own cabinet. Non-emphasis on moral values has created a fear, in view of the involvement of individuals in responsible positions, in various scandals is not in harmony with the 'Clean, Efficient and Trustworthy' slogan.

The incorporation of Islamic values in the administration, and the personality of the administrators under him, and Islam as a yardstick or criterion in their selection as candidates who would assist in the realisation of his entire dreams, is a necessary requisite.

The effectiveness of the incorporation of Islamic values in furthering Mahathir's policies in time to come, would be felt deeper, if Mahathir explicated the Islamic values he wishes to inculcate in the society under his leadership.

The 'Clean, Efficient and Trustworthy' slogan, although a general slogan, should always be emphasised as a guide derived from the Islamic philosophy of leadership, in order to avoid obscurity between the Islamic values and that considered universal. As a Muslim leader, he should, in his next era, resolutely state that some of his actions are based on the Islamic rules.

Furthermore, as a Muslim acknowledging the universality of Islam which in itself encompasses life, he should not hesitate to stand as a patriot, leader of a nation and as a Muslim leader.

The second phase should emphasise more on effective contribution by his cabinet members. Every cabinet

member should be encouraged to contribute positively, consistent with the ideas he desires to project. They should be discouraged from seeking popularity, which does not yield any positive actions.

Cabinet members should emerge as leaders capable of introducing change, having understood his leadership philosophy, and not more slogan hailers reverberating what he says. There are various patent weaknesses in the actions of several of his past cabinet members, some of whom still remain in his cabinet. It is their zeal to achieve their political ambitions rather than co-coperate to achieve his policy implementations.

The leadership in the second phase should ensure that those in the cabinet should act as pillars of strength to his leadership, and not turn invaders shrouding behind his slogan hailing without any positive contributions.

Similarly, the state leadership which is only capable of producing a good SEMARAK and which does not contain positive development values should be monitored, if not terminated immediately. Some leaders at the state level would give their undivided support to all his speeches, even before they understand the message he attempts to impart.

Such state level leaderships should be changed when the opportunity arises, especially in the forthcoming elections. The achievement of leaders at the state level should not be evaluated on their ability to gather the number of people at every SEMARAK gathering. On the other hand, emphasis should be placed on the effort to develop the rural communities in their respective states, besides the economic, politics and other factors.

Their capability to reduce prodigality and the failure of projects besides attracting investments and sustaining the state treasury income, should be the criteria for promotion. Political power, which is far easily attained than moving their state towards progress, should not be stipulated as a criterion.

Thus, cabinet ministers and chief ministers who brag more than act and wheedle than work, should be identi-

fied, to make the incorporation of his leadership policies from the higher level to the lower level, a reality. Without the earnest support and assistance of his responsible cabinet members and the leaders at the state level who understand his leadership aspirations, the second phase would fail.

Morality, firmness, the ability to realise his ideas, reduced politicking are some of the characteristics required of cabinet ministers and chief ministers under him. Otherwise, all his efforts would be threatened, as a result of the confusion created by the leaders under him who failed to stimulate self-confidence as a leader.

The over-involvement of the cabinet members and the state leaderships in a political grand-design for their long term political interests should be limited to a minimum, to enable the successful implementation of the second phase. More importantly, he should, without the awareness of those involved, endeavour to form an organised superseding front to take over national leadership in the future, particularly UMNO itself. Due to past leadership experiences since the time of Tunku Abdul Rahman until Mahathir assumed leadership of the nation, it could be proved that the way was paved before a leadership take-over to avoid any friction or rivalry which finally injures the political course of the nation.

This does not mean we reject a democratic election process. But, there should exist a willingness to avoid the reiteration of tragic events in the leadership election of UMNO in the future.

The next era of the Mahathir leadership should project a leadership front capable of realising the expectation of every Malay and citizen of this country. It is indisputable that in any situation and time, every leader would face rivalries in the effort to take over national leadership, and in the effort to project their personality to be accepted by the society and their supporters. It is hoped the zeal and tendency towards this direction would not obscure the noble objectives of struggle for the religion, nation and

country.

What had happened in Mahathir's past leadership era was a rivalry incapable of assaying the real objective and priority, in the rivals' fervour to pursue their ambitions. The outcome was disunity and loss to the entire nation.

We are not implying that in the second phase, Mahathir should reveal the future leaders, but it is his responsibility to contain friction and disunity which almost undermined the integrity of the Malay race. Only through this measure, UMNO's endurance could be protected to become a permanent institution of the Malays.

Sabotages, challenges and impediments would not only prevail among the members of his party or his other political rivalries but also among the component parties of the National Front. A form of monitoring and re-organisation should be undertaken in order that the National Front leaders, who feel they possess absolute power over parties under their leadership, do not act in detriment to the political stability of the National Front and reflect an irresponsible image of the Coalition Party.

There are some leaders in the highest echelon of the National Front whose actions are blessed by the Coalition Party's leadership irrespective of their advantage or contribution to the society and country. It is more detestable to see some top ranking leaders in the National Front with avaricious deportments, which reflect the existence of a parasitic leadership among the component parties in the National Front.

These leaders may feel a strength in their relationship with Mahathir, and callously create crises in their parties. They should always bear in mind that their time, energy and budget should be directed towards their office as a cabinet minister or as a leader at the state level, not dissipated on their efforts to resolve the crises within the party they deliberately create.

Their action to demonstrate that only they are powerful does not benefit the National Front, but tarnishes Mahathir's leadership as incapable of containing the crises.

Mahathir should emphasise that continued politicking and the failure to contain the crises in the component parties is in fact a failure on the part of the National Front. Although compromise is the best solution to maintain political stability, expulsion is sometimes a need to show the conviction to purpose of a struggle, in order to achieve.

Actions based on political considerations do not yield much positive contribution to the society. On the contrary, it would result in a feeling of apprehensiveness to whatever actions Mahathir pursue in the second phase. One important factor that should always be borne in mind is the mental attitude of today's society under his leadership, is different from what it was a decade or two ago.

The difference does not only mean a maturity in evaluating but probably also a willingness to turn every political incident or his policies as an experiment. Although the loyalty of the UMNO members is still strong, any failure to contain the weaknesses would subject his policies to experiment in the judgement of his leadership in the forthcoming elections.

Should there occur a rejection, it is not due to their willingness to accept change but the liberal thinking which regard the experiment as a characteristic of the maturity of a society. Mahathir's leadership interest and effectiveness lies in containing such pattern of thinking.

Such matters are unavoidable unless there is a firmness of decision in the implementation of his every policy. Therefore, the efforts of all concerned geared towards realising his ambitions should be complete from all levels of the society, otherwise it would not fulfil his aspirations within the limited time.

The development and changes in the society, no matter where they head, would not succeed with the desire of a leader but must be motivated and involve the participation of the entire or a large section of the society. It is Mahathir's responsibility to propel the Malaysian society towards the future.

If his failure during his past leadership era was the

result of sabotages, politicking, recession and other such factors, in the second phase of his leadership he should endure through all the challenges, with the implementation of his truly organised programs.

When the policies are announced or slogans reverberated, it should be perceived by all sections of the society. Should this not be the case, the slogan reverberated would not achieve its objectives. In view of the weaknesses of the incorporation of Islamic values, the 'Clean, Efficient and Trustworthy', and 'Leadership Through Example' slogans, greater emphasis on and monitoring of every policy and slogan in the second phase is a prerequisite.

It was earlier stated that what the Malaysian people need after 30 years of independence is not liberalism with varied interpretations, but a continued firmness in the implementation. Otherwise, Mahathir's ambitions and aspirations would remain a dream.

As a nation enjoying democracy only recently, there are bound to be weaknesses. Such a society requires a definite form of leadership in driving that society towards further development.

In Mahathir's speeches, he constantly asseverated on the abuse of the democratic privilege. Though the objective of the New Economic Policy has yet to be attained, the over-zealousness to become the democratic champion has obscured the real objective of New Economic Policy. Similarly, in the desire to become the champions of democracy, the party elections were used as the arena to practise freedom, without regard of the consequences. Therefore, it is Mahathir's reponsibility in the next phase of his leadership to ensure that democracy thrives on with a more concise definition.

If the result of the campaigns and election in 1987 failed to unite the party, therefore any election challenges in the future should be able to test the members' steadfastness. If not, the disunity would not only recur but may not be salvaged.

Mahathir's political destiny now moves into the

second phase. Mahathir will win not because he reveals to Malaysia and her people a repent or new Mahathir but the real Mahathir. Despite the blemishing scars, he accepts every challenge because his actual objectives are far more important than succumbing to the opposition. Mahathir has crossed his political destiny from the 'Malay Dilemma', to the second phase.

Malaysia with Mahathir would only become a successful nation if her people reject the existing status quo, as an exchange for developmental progress despite the challenges. However, before we step into Mahathir's second phase, every citizen of the country has the right to ask, how much toll do we have to pay?

A SUMMARY OF POST 1990 GENERAL ELECTIONS

ALTHOUGH two years had passed since the completion of 'The Second Phase' and the 1990 General Elections, there were no new major political developments, and many of the policies remain the same with the main rivals coming from Mahathir's own party.

Since the UMNO elections in April 1987, political activities by Mahathir's opponents became more obvious. They succeeded in getting UMNO being declared illegal by the court. Eventually they formed Semangat 46 as a political party in preparation for the forthcoming general election. The general election was one of the ways for Razaleigh and his followers to achieve their political ambitions.

Razaleigh started an intensive campaign and within two years produced astonishing results. He not only went round the whole country to meet the citizens but also formed an alternative to the ruling coalition Barisan Nasional, under the leadership of Mahathir. The understanding between Semangat 46 with PAS, Berjasa, Hamim and Parti Rakyat Malaysia (PRM) was a serious collective challenge to Mahathir.

Razaleigh's success in attracting the DAP to form the 'Gagasan Rakyat', convinced many that the 1990 General Election would present the most serious challenge to date for the governing alliance. Razaleigh himself was confident that he would be able to defeat Mahathir through the 'people's court'. Lim Kit Siang, the DAP's secretary general, through his speeches sounded very convinced that the time for change, has arrived and particulary the fall of Mahathir was inevitable.

The DAP had its 'Tanjung II' project which was

designed to politically capture Penang state. The understanding between Razaleigh and Lim Kit Siang was that, if the combined forces, Gagasan Rakyat, won the elections, Razaleigh would become the Prime Minister while Lim Kit Siang would be the Chief Minister for Penang. The understanding between Razaleigh and Lim Kit Siang gave hopes to certain quarters, particularly to those in the opposition parties, to achieve their ambitions.

Towards the General Election several political incidents happened which further added to the already tense atmosphere. There were whispers among the opposition that Parti Bersatu Sabah or PBS would withdrawn from the Barisan Nasional and team up with the opposition but this was neither confirmed nor denied by Razaleigh. Lee Lam Thye, DAP's assistant secretary general suddenly resigned from his post and this posed a challenge for the DAP in the forthcoming general elections. Meanwhile Musa Hitam from UMNO Baru announced his retirement from politics.

Together with the other political incidents and after almost one year of anticipation Mahathir finally announced on 4 October 1990 that parliament would be dissolved the next day, 5 October. Nomination of candidates would be held of 11 October while polling day would be on 20 and 21 October 1990. Mahathir on the other hand had started campaigning two years ago in an effort to solidify UMNO's machinery.

Being a meticulous planner, Mahathir was confident that he would not only win the election but the time was now right for him to seek a new mandate given by the people four years ago. He was almost forced to hold the General Elections much earlier than the dead line, October 1991, to prevent a split which might occur in the coming UMNO elections to be held in early December 1990.

While having to face the strong challenge from the opponent parties, Mahathir realized that UMNO Baru have not recovered from the 1987 political ordeal. He not only saw the strong alliance between his opponents but also

politicking in his own party has not stopped. The opposition parties had formed an agreement among themselves to contest against the Barisan Nasional on a one to one basis without hindrance from one another. This was something which had never been done before.

Mahathir viewed the strength of the opposition as a serious threat although his party was well-prepared for the general elections. It was believed that he was able to sense some of the opposition's movements.

Before the dissolution of parliament, many quarters predicted a wide change in the nominations of candidates and state leaderships, but their predictions were wrong.

Mahathir felt that the general election was not the time for massive changes. All Menteri Besar and Chief Ministers were retained although some ought to be replaced for their poor performance. Almost 90% of the Barisan's members of parliament and state assemblies were retained. On the whole he did not want to take any risks especially among the state leaderships.

The opposition agreed to post candidates for straight fights against the Barisan Nasional. This was to prevent the votes being split between more than two candidates in one constituency.

Based upon their confidence in the opposition, PBS withdrew from Barisan Nasional a few days before polling. This action by PBS shocked political observers, although it was not entirely unforseen. Mahathir expected the withdrawal of PBS but not the timing of the withdrawal. Two weeks before parliament was dissolved, Mahathir invited Datuk Joseph Pairin Kitingan to join the trip to South Korea. What disappointed the leaders of Barisan Nasional was that PBS withdrew only after the nomination of candidates.

This meant that Barisan Nasional and its alliance USNO (United Sabah National Organisation) led by Tun Mustapha Harun would not be able to pose any opposition. It was agreed that of the 20 parliamentary seats in Sabah, PBS would compete for 14 seats and USNO 6 seats. The

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PBS's withdrawal was a moral boost for Razaleigh and his alliance. It gave encouragement and confidence to his supporters. Razaleigh's supporters, particularly from DAP, who represented the non-Malays were very happy by PBS's action. It provided additional pressure for changes particularly for Lim Kit Siang's ambition to capture Penang where most of the citizens are non-Malays.

Mahathir and the other leaders of Barisan Nasional were alarmed. He immediately made the decision to establish UMNO Baru in Sabah. His deputy, Ghafar Baba, was sent to Sabah the next day to set up UMNO Baru and to help USNO's candidates as well as the other independent candidates who are willing to co-operate to oppose PBS.

During the last few days of campaigning, when the mood of the opposition was high, Razaleigh made a mistake while visiting Sabah to praise PBS's withdrawal from Barisan Nasional and his support for the opposition. He arrived wearing a Kadazan's headgear which was said to bear a resemblance of a crucifix. This resulted in a controversy although Razaleigh himself did not know what the implications were from the wearing of the headgear.

The Barisan Nasional with the mass media under its control, took the opportunity to give extensive coverage of the incident and proclaimed that Razaleigh was pro Christian. The theme of campaign for both alliances before this incident was based on development and performance was later highlighted on religion. Christianity development under Joseph Pairin in Sabah was the main topic. The mass media gave the impression that Joseph Pairin only became active with church activities since Razaleigh's visit and not since the time he came into power together with Mahathir.

In a democratic country like Malaysia, where the citizens are made up of several races and religions, the tendency to use religion as a campaigning issue is a cause of much concern. It would not yield benefit but instead

implant disharmony and instability among the people. Nevertheless, the exploitation by the mass media which was pro Mahathir was not something new. It was also an action resulting from anger by the Barisan Nasional. Racial and religious sentiments had already existed for a long time. It was not a proper action to take towards building an advanced and harmonious country. The exploitation of religion in Penang almost caused Barisan Nasional to lose the state. DAP won 14 seats, only three seats short for them to form the state government. They also won six out of 11 parlimentary seats.

In Kelantan, the criticisms of Razaleigh caused anger. The popularity of Razaleigh in Kelantan cannot be denied. When some quarters tried to project Razaleigh as pro Christian the people of Kelantan showed sympathy for him. This accusation and propaganda, in fact, worked against Mahathir. The group under Razaleigh's leadership together with PAS swept clean the parliamentary and state seats in Kelantan.

The former Menteri Besar of Kelantan, Tan Sri Mohamad Ya'akub, conceded the defeat and voiced out that UMNO in Kelantan ought to be restructured if they want to remain and succeed in the future general elections. He did not foresee such a defeat but he maintained and remained confident that UMNO will have hopes in the future.

The opposition leaders was shocked by their success. Although some of the opposition leaders was confident of forming the state government, they did not believe that they could sweep clean all the state and parliamentary seat in Kelantan. As for Mahathir, the win by the opposition was due to the strong local sentiment (strong parochial sentiment). "The people of Kelantan wanted a Kelantanese to lead the State Government". With this big win, it gave PAS and Semangat 46 an opportunity to combine forces to form the next state government.

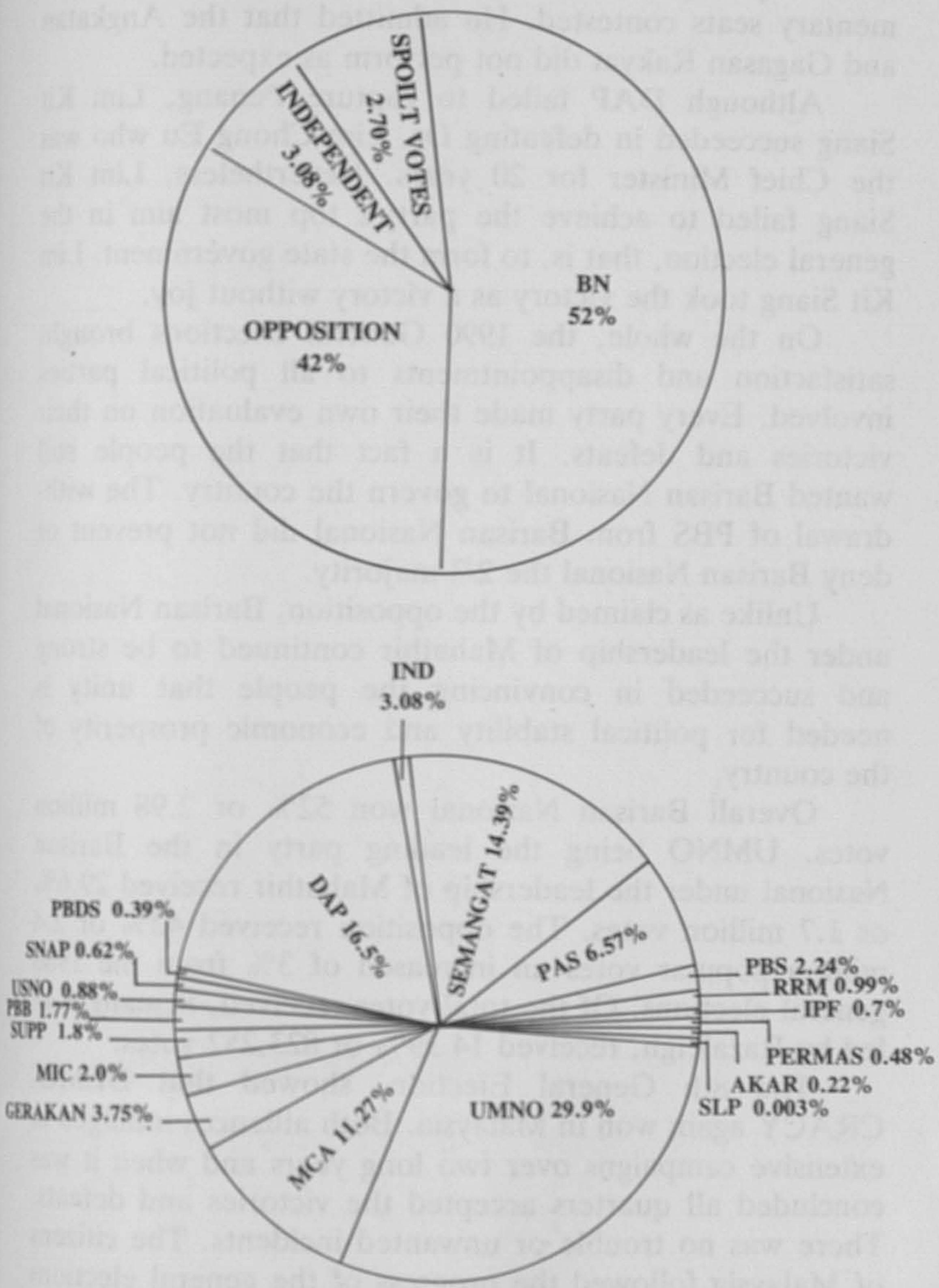
Indeed it was a fact that the 8th General Elections surprised all quarters. Mahathir himself failed to destroy

TALLY – STATE ASSEMBLIES (351 SEATS)

STATES	Seats	Barisan Nasional	Opposition DAP	Opposition S46	Opposition Pas	Opposition Berjasa	Opposition Total
PERLIS	14	14	–	–	–	–	0
KEDAH	28	26	1	–	1	–	2
KELANTAN	39	–	–	14	24	1	39
TERENGGANU	32	22	–	2	8	–	10
PENANG	33	19	14	–	–	–	14
PERAK	46	33	13	–	–	–	14
PAHANG	33	31	1	1	–	–	2
SELANGOR	42	35	6	1	–	–	7
NEGERI SEMBILAN	28	24	4	–	–	–	4
MALACCA	20	17	3	–	–	–	3
JOHOR	36	32	3	1	–	–	4
TOTAL	351	253	44	19	33	1	98

TALLY – PARLIAMENT (180 SEATS)

States	Seats	Barisan Nasional	Opposition DAP	S46	Pas	PBS	Ind	Opposition Total
PERLIS	2	2	–	–	–	–	–	–
KEDAH	14	14	–	–	–	–	–	–
KELANTAN	13		–	7	6	–	–	13
TERENGGANU	8	6	–	1	1	–	–	2
PENANG	11	5	6	–	–	–	–	6
PERAK	23	19	4	–	–	–	–	4
PAHANG	10	10	–	–	–	–	–	–
SELANGOR	14	11	3	–	–	–	–	3
F.T. (KL)	7	3	4	–	–	–	–	4
NEGERI SEMBILAN	7	7	–	–	–	–	–	–
MALACCA	5	4	1	–	–	–	–	1
JOHOR	18	18	–	–	–	–	–	–
LABUAN	1	1	–	–	–	–	–	–
SABAH	20	6	–	–	–	14	–	14
SARAWAK	27	21	2	–	–	–	4	6
TOTAL	180	127	20	8	7	14	4	53


SPOILT VOTES
2.70%
INDEPENDENT
3.08%
OPPOSITION
42%
BN
52%
IND
3.08%
SEMANGAT 14.39%
DAP 16.5%
PAS 6.57%
PBDS 0.39%
SNAP 0.62%
USNO 0.88%
PBB 1.77%
SUPP 1.8%
MIC 2.0%
GERAKAN 3.75%
MCA 11.27%
UMNO 29.9%
PBS 2.24%
RRM 0.99%
IPF 0.7%
PERMAS 0.48%
AKAR 0.22%
SLP 0.003%

Semangat 46. Meanwhile Razaleigh accepted the people's decision with disappointment. Semangat 46 under his leadership only succeeded to win eight out of the 59 parliamentary seats contested. He admitted that the Angkatan and Gagasan Rakyat did not perform as expected.

Although DAP failed to capture Penang, Lim Kit Siang succeeded in defeating Dr. Lim Chong Eu who was the Chief Minister for 20 years. Nevertheless, Lim Kit Siang failed to achieve the party's top most aim in the general election, that is, to form the state government. Lim Kit Siang took the victory as a victory without joy.

On the whole, the 1990 General Elections brought satisfaction and disappointments to all political parties involved. Every party made their own evaluation on their victories and defeats. It is a fact that the people still wanted Barisan Nasional to govern the country. The withdrawal of PBS from Barisan Nasional did not prevent or deny Barisan Nasional the 2/3 majority.

Unlike as claimed by the opposition, Barisan Nasional under the leadership of Mahathir continued to be strong and succeeded in convincing the people that unity is needed for political stability and economic prosperity of the country.

Overall Barisan Nasional won 52% or 2.98 million votes. UMNO being the leading party in the Barisan Nasional under the leadership of Mahathir received 29.6% or 1.7 million votes. The opposition received 42% or 2.4 million popular votes an increased of 3% from the 1986 general elections. Of the total votes received, Semangat 46 led by Razaleigh, received 14.39% or 823,252 votes.

The 8th General Election, showed that DEMOCRACY again won in Malaysia. Both alliances indulged in extensive campaigns over two long years and when it was concluded all quarters accepted the victories and defeats. There was no trouble or unwanted incidents. The citizens of Malaysia followed the progress of the general elections with calm and maturity. The system of democracy in this country gave its advantages and disadvantages as a system to assure the future of the people.

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In Kelantan, the criticisms of Razaleigh caused anger. The popularity of Razaleigh in Kelantan cannot be denied. When some quarters tried to project Razaleigh as pro Christian the people of Kelantan showed sympathy for him. This accusation and propaganda, in fact, worked against Mahathir. The group under Razaleigh's leadership together with PAS swept clean the parliamentary and state seats in Kelantan.

The former Menteri Besar of Kelantan, Tan Sri Mohamad Ya'akub, conceded the defeat and voiced out that UMNO in Kelantan ought to be restructured if they want to remain and succeed in the future general elections. He did not foresee such a defeat but he maintained and remained confident that UMNO will have hopes in the future.

The opposition leaders was shocked by their success. Although some of the opposition leaders was confident of forming the state government, they did not believe that they could sweep clean all the state and parliamentary seat in Kelantan. As for Mahathir, the win by the opposition was due to the strong local sentiment (strong parochial sentiment). "The people of Kelantan wanted a Kelantanese to lead the State Government". With this big win, it gave PAS and Semangat 46 an opportunity to combine forces to form the next state government.

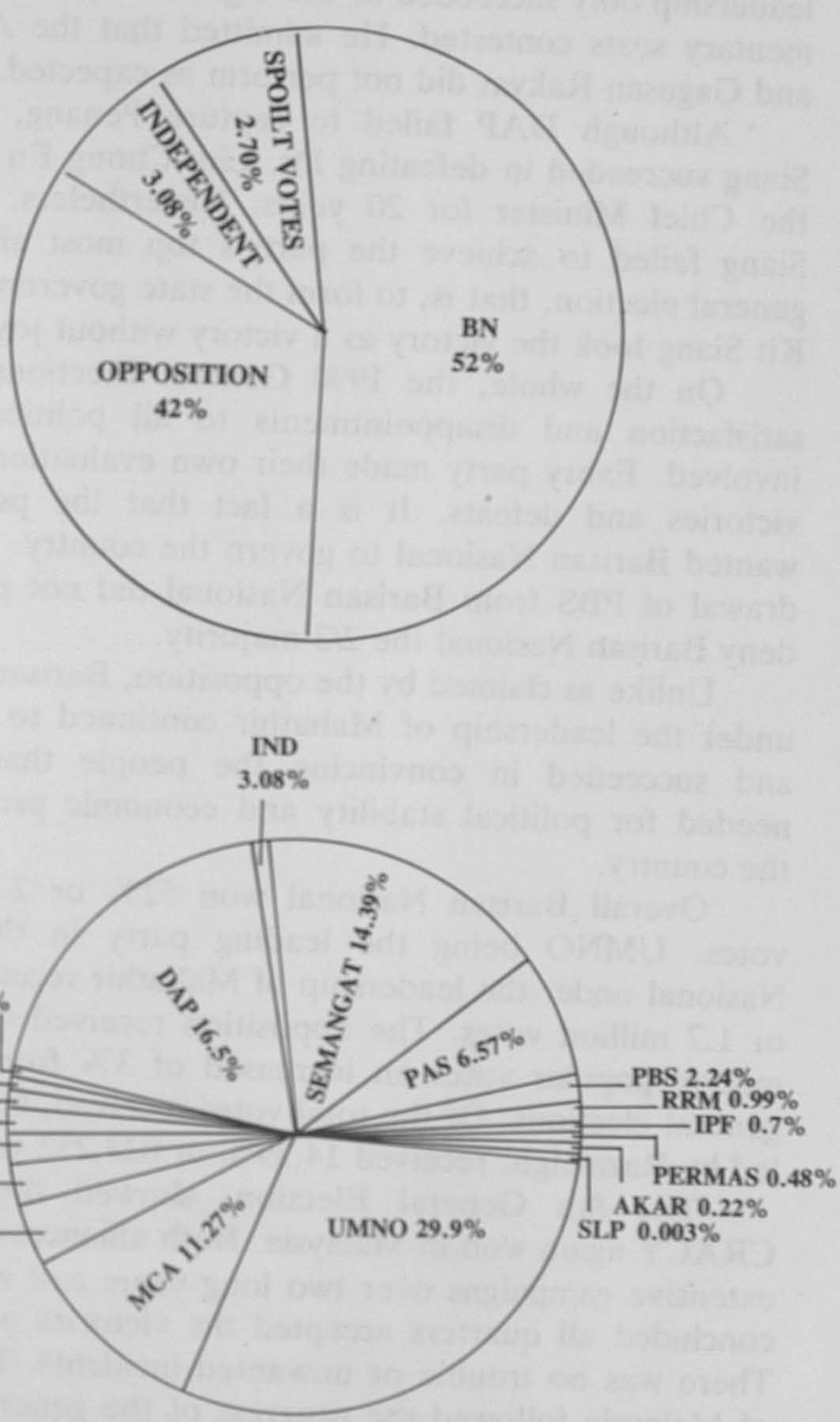
Indeed it was a fact that the 8th General Elections surprised all quarters. Mahathir himself failed to destroy

TALLY – STATE ASSEMBLIES (351 SEATS)

STATES	Seats	Barisan Nasional	DAP	Opposition S46	Opposition Pas	Opposition Berjasa	Opposition Total
PERLIS	14	14	–	–	–	–	0
KEDAH	28	26	1	–	1	–	2
KELANTAN	39	–	–	14	24	1	39
TERENGGANU	32	22	–	2	8	–	10
PENANG	33	19	14	–	–	–	14
PERAK	46	33	13	–	–	–	14
PAHANG	33	31	1	1	–	–	2
SELANGOR	42	35	6	1	–	–	7
NEGERI SEMBILAN	28	24	4	–	–	–	4
MALACCA	20	17	3	–	–	–	3
JOHOR	36	32	3	1	–	–	4
TOTAL	351	253	44	19	33	1	98

TALLY – PARLIAMENT (180 SEATS)

States	Seats	Barisan Nasional	Opposition DAP	S46	Pas	PBS	Ind	Opposition Total
PERLIS	2	2	–	–	–	–	–	–
KEDAH	14	14	–	–	–	–	–	–
KELANTAN	13	–	7	6	–	–	13	
TERENGGANU	8	6	–	1	1	–	–	2
PENANG	11	5	6	–	–	–	–	6
PERAK	23	19	4	–	–	–	–	4
PAHANG	10	10	–	–	–	–	–	–
SELANGOR	14	11	3	–	–	–	–	3
F.T. (KL)	7	3	4	–	–	–	–	4
NEGERI SEMBILAN	7	7	–	–	–	–	–	–
MALACCA	5	4	1	–	–	–	–	1
JOHOR	18	18	–	–	–	–	–	–
LABUAN	1	1	–	–	–	–	–	–
SABAH	20	6	–	–	–	14	–	14
SARAWAK	27	21	2	–	–	–	4	6
TOTAL	180	127	20	8	7	14	4	53


SPOILT VOTES
2.70%
INDEPENDENT
3.08%
OPPOSITION
42%
BN
52%
IND
3.08%
DAP 16.5%
SEMANGAT 14.39%
PAS 6.57%
UMNO 29.9%
MCA 11.27%
PBDS 0.39%
SNAP 0.62%
USNO 0.88%
PBB 1.77%
SUPP 1.8%
MIC 2.0%
GERAKAN 3.75%
PBS 2.24%
RRM 0.99%
IPF 0.7%
PERMAS 0.48%
AKAR 0.22%
SLP 0.003%

Semangat 46. Meanwhile Razaleigh accepted the people's decision with disappointment. Semangat 46 under his leadership only succeeded to win eight out of the 59 parliamentary seats contested. He admitted that the Angkatan and Gagasan Rakyat did not perform as expected.

Although DAP failed to capture Penang, Lim Kit Siang succeeded in defeating Dr. Lim Chong Eu who was the Chief Minister for 20 years. Nevertheless, Lim Kit Siang failed to achieve the party's top most aim in the general election, that is, to form the state government. Lim Kit Siang took the victory as a victory without joy.

On the whole, the 1990 General Elections brought satisfaction and disappointments to all political parties involved. Every party made their own evaluation on their victories and defeats. It is a fact that the people still wanted Barisan Nasional to govern the country. The withdrawal of PBS from Barisan Nasional did not prevent or deny Barisan Nasional the 2/3 majority.

Unlike as claimed by the opposition, Barisan Nasional under the leadership of Mahathir continued to be strong and succeeded in convincing the people that unity is needed for political stability and economic prosperity of the country.

Overall Barisan Nasional won 52% or 2.98 million votes. UMNO being the leading party in the Barisan Nasional under the leadership of Mahathir received 29.6% or 1.7 million votes. The opposition received 42% or 2.4 million popular votes an increased of 3% from the 1986 general elections. Of the total votes received, Semangat 46 led by Razaleigh, received 14.39% or 823,252 votes.

The 8th General Election, showed that DEMOCRACY again won in Malaysia. Both alliances indulged in extensive campaigns over two long years and when it was concluded all quarters accepted the victories and defeats. There was no trouble or unwanted incidents. The citizens of Malaysia followed the progress of the general elections with calm and maturity. The system of democracy in this country gave its advantages and disadvantages as a system to assure the future of the people.

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