

**SPEECH BY
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I would like to thank you for inviting me to speak to this august gathering of intellectuals of the Perak Academy. The theme “Malaysia – Challenge and Prospects” is very challenging for me.

2. That Malaysia has the potential to become a fully developed country there should be no doubt. Already in the short period of its independence, a mere 46 years, it has changed from an agricultural country with some tin mining into an industrialised country with 82 percent of its exports made up of manufactured goods. Its per capita income rose for 300 US Dollar to well over 4000 US Dollar during the same period despite the fact that its population grew from 5 million to 25 million.

3. The credit for this achievement must go to the first Prime Minister. He set the tone. It was he who chose cooperation between the races instead of confrontation, so that the country stayed largely peaceful and enabled development to take place.

4. The challenges faced by Malaysia are quite numerous, some internal and many external.

5. Internally there will always be the problem of maintaining racial harmony. While the majority among all the races are moderates who are prepared to make sacrifices in order not to strain relationship between the races, each race has a substantial number of extremists who want to promote racial interest even if confrontation and racial disharmony is the result.

6. Thus there is a substantial group of Malays who are bent on what they claim to be the Islamisation of the country. They wish to introduce what they conceive to be Islamic laws or the shariah which actually are not Islamic and can result in extreme injustice. They ignore the cardinal point about Islamic laws and that is that justice must be the end result. They do not care whether there is justice or not as long as the procedures are followed and the prescribed sentence is passed.

7. They also do not care regarding Allah's dislike for trouble-makers and the trouble they cause to society. Disregarding the multi-racial and multi-religious composition of Malaysia's people, they want to go ahead to implement their so-called Islamic laws regardless of the end results.

8. The majority of the Malaysian Muslims have so far resisted the demands of the extremist minority. But Malaysia is a democratic country and many fear that not giving in to the extremists may result in loss of support and the extremists may gain power. The result is a kind of retreat on the part of the many to placate the extremists and their supporters. Some of the weaker members of the moderate majority are already advocating compromises or even acceding to the views of the extremists.

9. The challenge is whether the true Islamists would hold their own against the deviationists and maintain the true interpretations of Islam so that Malaysia will not go the way of many Islamic countries where Islam has been hijacked by the extremists or they will maintain or even push back the deviationist extremists.

10. Another challenge comes from the Malay language nationalists whose nationalism is limited to upholding the Malay language only. For these people as long as the Malay language is spoken and used then they believe that the Malays have exhibited their nationalism and achieved success. Unfortunately saving the Malays and their culture depends more on the worldly success of the Malays in all fields, in the acquisition of knowledge, in their success in doing their work, professional or non-professional, in their businesses, in administration, in politics etc. Being in command of the Malay language alone will not ensure their success in life. And if they fail in life, their language might fail also, might even disappear.

11. They have to accept the fact that modern knowledge to day is available very much more in English than in Malay. To gain access to this knowledge they must have a good command of English. It is just not possible to translate publications in English into Malay simply because we do not have the qualified personnel. The argument that the Japanese and the Koreans did not acquire knowledge through English does not hold water. They have a good number of qualified personnel to translate and most of their highly educated people do have a command of English. They also have excellent interpreters who are able to translate technical subjects clearly and accurately.

12. The danger posed by the language nationalists is that they may succeed in persuading the Malays with the potential skills to ignore English and as a result the Malays would be left behind. They are already behind the others in so many fields. If they are not as well educated and skillful as the others they will be left even further behind, be backward, poor and narrow minded. They will very likely feel envy and jealousy for the non-Malays. Racial harmony would be threatened and Malaysia's progress will be retarded.

13. It is necessary for the true Malay nationalist to take the bull by the horns and promote the learning of English language as a means of advancing the Malays in keeping with the progress being made by the country. Fear of losing support must not lead to acceding to language chauvinism but to efforts to convince the Malays that their salvation and progress lies in their acquisition of knowledge and skills through acquiring the key to these i.e. acquisition of English. But the Malay language must be assiduously learnt and developed.

14. Yet another challenge faced by the country is that coming from Chinese chauvinists who seem not to realise that Malaysia is a multi-racial country and is not China. Actually Malaysia is unique in its treatment of non-indigenous people. It is only in Malaysia that Chinese education in the Chinese language is permitted and supported with Government funds. In other Southeast Asian countries, and indeed in most developed countries, Governments do not support Chinese education. Instead all education is conducted in the national language of the country. Yet in Malaysia although Malay is the national language other languages may be used as the medium of instruction in schools.

15. Despite this unusual concession the so-called Chinese educationists keep on accusing the Government of Malaysia of wanting to abolish Chinese education.

16. Initially the Education Act provides the Minister of Education the right to change a Chinese school into a national school if there is a request by the parents of the students. Except for one case there had been no such conversion. But the Chinese educationists indirectly supported by the Chinese media kept on agitating the Chinese community about the possibility of the Government converting all Chinese schools into national schools.

17. To assuage this fear the Government amended the Education Act so that the Minister loses his power to convert Chinese schools into national schools. With this, Chinese schools without Chinese students or with less than 10 students have to be kept open, even when the parents would prefer going to national schools.

18. Still every now and again the Chinese educationists would agitate the Chinese community with suggestions that the Government is about to close Chinese schools. The Chinese media would report these reactions by the educationists.

19. The Chinese educationists remain a threat to racial harmony in Malaysia. If the main Malay Party, UMNO has not got a strong control over its members, the activities of the Chinese educationists can very well cause extreme reactions among the Malays and threaten the well-being of Malaysia.

20. And finally a major internal threat is still the disparities in the economic wealth between the different races. The NEP target is still far from being achieved. Here the Government is not to be blamed. Everything that could be done to help Malays achieve the 30 percent target has been done. Nevertheless as long as the Malays and other indigenous people remain largely poor, the feeling of insecurity and envy among them would remain.

21. In the professional field Malays have come up quite considerably. But not so in business. That there are some Malays in the top echelons is not satisfying to the Malays. The poor must have better income and there must be a bigger middle class.

22. The new urban areas are still not mixed. Too often they are exclusively Chinese. It is not deliberate on the part of the Chinese but urban property and living cost is too high for the Malay retailers. They prefer roadside stalls where no rent is paid at all. Even when franchising is introduced, there are few Malay takers.

23. Whatever may be the reason, this disparity and demographic distributions of the different races poses a challenge that has to be met if the effect of the different schooling for Malays and Chinese is to be overcome.

24. There are of course other internal challenges facing Malaysia but the ones that have been mentioned are the most important.

25. External factors have always posed threats to Malaysia but of late the threats and challenges have become more serious. The external environment is fast changing and Malaysia needs to tackle this if it wishes to grow and become developed.

26. In the years immediately following the Second World War, the colonies of the ethnic Europeans began to achieve independence one by one. Independence was interpreted as full freedom from interference in any way by the former colonial masters.

27. It was Sukarno who first pointed out that neo-colonialism was replacing colonialism. Economic pressure and media pressure were being used to perpetuate the control of the ethnic Europeans over the newly independent countries.

28. Still because of the Cold War, overt domination of these countries was avoided. The possibility of these countries opting to join the other bloc forced the two sides to seek the support of the independent countries instead of bullying them.

29. But the desire to dominate remained strong among the ex-colonialists. As Government were not able to interfere in the internal affairs of independent countries, citizen organisations were used. A new term was introduced – the Non Governmental Organisation – the NGO. They appeared to be impartial but the fact is that they were all organised by citizens of developed countries and their focus was mainly on the situations in the newly independent countries. They expressed seemingly legitimate concern over human rights issues and environmental issues.

30. Not being Government, they were free to enter the independent countries, to organise locals to take up these issues, and to finance them and the campaigns which invariably put the Governments of developing countries in bad light.

31. Although they succeeded in harassing the Government, the effect was still not satisfactory for the Governments of the ethnic Europeans. They wanted a more direct role. And so President Carter declared that the US has a right to intervene in the internal affairs of independent countries if there were human rights abuses or they were causing pollution of the environment. This was the thin end of the wedge.

32. Threats of cutting off aid and loans were used to bring the countries the US deems guilty of these offences into line. But these instruments were not powerful enough.

33. Soon more direct actions were used. Sanctions were applied which cut off supplies and banned trading with these countries. Then when the Eastern bloc collapsed, the right to interfere was extended to include failure to democratise the Government system, then to possession or possibility of possession of nuclear weapons. Then this was further extended to include possession of weapons of mass destruction.

34. But the threats were discriminatory and selective. Israel may commit atrocities, disregard international laws, develop and produce nuclear weapons and weapons of mass destruction and defy the international community and nothing would happen to it.

35. The bitterness and anger in the Arab and Muslim world over the atrocities committed against the Palestinians mounted, but these reactions were ignored. Muslim Governments were in no position to do anything to help the Palestinians.

36. Eventually groups of Muslims came together to act on their own. They fought in Bosnia, in Chechnya and in Afghanistan. Still no one cared. And so on September 11 they destroyed the World Trade Centre in New York and part of the Pentagon in Washington.

37. That unleashed a new wave of attacks against Muslims and Muslim countries in the name of anti-terrorism.

38. Today Afghanistan and Iraq are occupied. More people are being killed and cities destroyed. But far from reducing acts of terror, these actions have only increased the possibilities of terror attacks.

39. The world is now living in fear. Instead of tackling the causes of terrorism, attempts are made to secure the world from terror attacks. Huge sums of money are spent on security measures. Ships and commercial flights are checked by armies of officials and flights are frequently cancelled. Every now and again warnings of impending attacks are issued which disrupts political, commercial and social life. And then despite all these measures bombs would explode where they are least expected.

40. There is no way every place or building, every public utility, every gathering of people or of leaders, or indeed individuals innocent or otherwise, there is no way they can all be absolutely protected and secured. There are truly millions of targets for acts of terror. The terrorists actually succeed when security measures are taken, and when warnings are made of impending attacks. This is because all these measures and reactions cost enormous amounts of money and disrupts economic and other activities. The price of oil for example has shot up from 22 US Dollar per barrel to 45 US Dollar, and will likely go up some more.

41. The cost of doing business will go up and up as provisions are made to secure everything and to insure. But there is still no guarantee that the world will be free of terrorist attacks; now or in the near future or in the distant future even. If security is relaxed the attacks may take place again.

42. Instead of dealing with the causes of terrorism, attempts are being made to democratise all the countries in this world in the belief that it would stop terrorism. This is a pipe dream, especially when democratisation is through forced regime change. Changing the Governments of Afghanistan and Iraq has not resulted in democracy. But this foolishness will go on not really because of democracy but because of the internal politics of the powerful countries.

43. We can expect fear of terror attacks to continue to blight the world, especially the economy of the world for a long time. We can expect heavy handed policies to change Government by the powerful to continue. Malaysia like all the small countries of the world must learn to handle this environment of fear and threats by the powerful.

44. Malaysia is a trading nation. With trade amounting to two times the GDP, Malaysia is very vulnerable to anything that affects world trade. The WTO should be good for Malaysia, as its objective is to facilitate trade. But it can also result on imports from certain countries to flood the Malaysian market and undermine

local industries. Large multi-nationals and giant foreign banks can also enter the domestic market and force local industries and banks to go under.

45. In the past Malaysia could depend on foreign investments. Today other countries with cheaper costs are drawing investments away from Malaysia. The opening up of China and very soon India can result in Malaysian products becoming uncompetitive in the world market. This can have serious effect on Malaysia's economy, dependent as it is on trade.

46. These are the challenges within and outside the country. But Malaysia has time and again overcome many challenges, both internal and external. It is quite likely that Malaysia would still be able to handle challenges in the future.

47. In the past Malaysia had always adopted its own and often unorthodox solutions. It is obvious that Malaysia's solution of the racial problems did not follow conventions. Its affirmative action, Government / private sector cooperation under the concept of Malaysia Incorporated, privatisation, supply-lead development strategy, budget priorities, industrialisation, Look East, South-South Cooperation, and a host of other Malaysian policies and approaches are not orthodox or conventional. Certainly the most striking is Malaysia's handling of the currency crisis and the Stock Market collapse of 1997 – 1998. Condemned by the whole world as naïve, it is now regarded by the highest authorities as a viable alternative to the standard IMF solution to currency devaluation.

48. For as long as Malaysia faces challenges calmly and is prepared to reject conventional solutions unless they are really capable of overcoming the problems, and failing which Malaysia would resort to its own well thought out solutions, the prospects for Malaysia in the near future remains good.

49. They say people or countries deserve the Governments they get. So far the people have chosen their Governments wisely. It is likely that they will continue to do so. If for any reason the people decide to inflict on themselves incompetent Governments, then the prospects for Malaysia will be less fortunate. The choice in this democratic country is really with the people.
