

The full text of Prime Minister and Umno president **Datuk Seri Dr Mahathir Mohamad's** address at the party's 38th general assembly at the Putra World Trade Centre in Kuala Lumpur yesterday.

International politics

WE ARE gathered here today in the midst of a world which has lost its direction. Man who has knowledge that he has landed on the moon; has the ability to communicate over vast distances; can see the smallest germ and measures the universe in terms of light years and other strange and fascinating things; this Man cannot manage the affairs of the world well enough to solve all its problems.

The politics of this world has divided the people into three blocs — all opposed to one another. If the West and the Communist bloc are not openly fighting each other, indirectly they war on each other using the Third World nations as tools.

Killings, kidnappings and blackmail are not only committed by criminals but by countries as well. That these things often affect innocent people makes no difference. There are countries which try to assassinate certain people by bombing their residences. At the same time, they criticise the terrorists and acts of terrorism.

There is much chaos in the Islamic world. Kidnappings and blackmails are the main weapons causing Islam to be smeared. While only a few Zionists are either killed or wounded in the 40-year Arab-Israeli war, Muslims themselves have killed more than a million Muslims with weapons provided by the East, West and Israel.

Economic imperialism

There are no fewer crimes in the economic field. More than 100 banks in the United States have gone bankrupt and a large bank in Britain is under go-

countries become more expensive.

Furthermore, the rise in the currency values of the lender-nations has caused the foreign debt of the poor nations to grow.

Politicking among major powers

The relations between the East and the West have never been cold. Whenever each makes a proposal for peace talks, one will accuse the other of having ulterior motives. Consultation becomes confrontation and accusations and counter-accusations.

When top officials of the East and West met in Iceland, the western Press predicted that the talks would not succeed. In addition, the leaders' attitudes towards each other was more of animosity than reconciliation.

When the talks failed, the news analysts said: "I told you so." And they patted themselves on the back thinking they were very smart. And the small nations shivered, worried that a nuclear war would erupt and wipe everyone out.

The fact is that the major powers know nuclear war would wipe them both out. Yet they keep on building up their nuclear arsenal. Therefore, they spend until their economy is affected adversely and with this, the economy of the world. But the ones which really suffer are the developing countries like Malaysia.

Although generally, all countries appear in an unhealthy position, not all are suffering. There are those which are progressing and are rich. In the final analysis, the progress or failure of a race depends on that race itself. Countries such as Taiwan and South Korea are able to achieve much

Future of Malays rests on Umno

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vernment investigations.

Directors of giant corporations are manipulating their own shares through insider trading; share-brokers are involved in various commercial crimes and drug trafficking. Junk shares are sold at high prices without considering the returns for investors.

Western countries do not want to raise taxes to finance their expenditure. Instead, they co-operate to get the rich exporting nations to raise the value of their currencies. With that, the value of the yen and the deutschmark have risen and have become a burden to the poor nations.

However, these rich countries still cannot reduce their imports. And the US-European economic ills have not been cured.

The worst sort of cheating is the depressing of commodity prices. Through modern technology, they raise the production of raw materials to reach a surplus state. At the same time, these industrialised countries use modern technology to reduce their dependence on raw materials from developing countries.

With increased production and reduced demand, the market is flooded with commodities which have no buyers. And because of this, commodity prices plunge.

We have heard of the saying, "the rich get richer and the poor get poorer." In society, usually when a man becomes rich, there will be poor people waiting to share this wealth. That is why when a miner becomes prosperous, there will be many business and job opportunities available. The Government also collects taxes which are re-distributed to the people through subsidies and projects.

However, the rich nations which depress commodity prices increase their wealth at the expense of the poorer nations.

Last year, rich nations profited by at least US\$70 billion because of the drop in commodity prices. Besides that, the poor nations again suffer losses because the products of the rich

while the rest of the world is experiencing an unhealthy trend because of the attitude of their people.

They are willing to work hard to ensure that their products can compete in quality and price with that of other countries. They are not affected by the lack of primary commodities or local market. They overcome all these through dedication, hard work and discipline which is fed by their culture, directly or indirectly.

Therefore, it is clear from their example that the rise and fall of a race depends on the values and qualities of the people. On the other hand, if the people do not work hard, all aid will be meaningless.

The country's policies

After winning the 1986 general election by a big majority, the Government focussed its attention on devising strategies to develop the country. Without any more interruptions from the opposition parties, we thought we could go on smoothly with our work. Internal and external policies were implemented firmly.

Although Malaysia is a small nation, we were firm in pursuing issues which we thought were fair (to pursue). We were active in debates and firm when dealing with issues affecting the world.

We criticised the Soviet Union for its invasion of Afghanistan. We openly supported the Mujahideen and gave their representatives aid and a place in our country. This was because we felt a bond of Islamic brotherhood and humanity.

In West Asia, we continued to support the Palestinian Liberation Organisation (PLO) as the sole representative of the Palestinians because we did not want splinter groups. Our stand is consistent.

In the Iran-Iraq war, we remained neutral because we wanted to see them achieve peace. We feel the war is only benefiting Israel and its allies.

Our attitude to the South

African regime is clear. We are totally against apartheid and we support black majority rule in South Africa.

We are not enemies with the United States or Europe and we do not want to be enemies with anyone except South Africa and Israel. But it does not mean that if we are not enemies we will stay silent if anyone commits atrocities. That is why we criticised the United States and Britain for their actions against Libya.

It is true that a small nation's stand will not rock the world. But a country and people with dignity will not keep quiet just because the atrocities are committed by a superpower. Justice does not mean being selective or afraid. In the same way, firmness does not mean we are selective on whom we should be firm with.

In the history of the Malay States, it was a custom to pay tribute (*bunga emas*) to more powerful nations. We respect customs but not all customs have to be perpetuated. Kowtowing to anyone because we are afraid or because of money is not a custom we should perpetuate.

The dignity of a people and the dignity of a country have to be defended. Otherwise, Independence is meaningless. What use is independence if someone can throttle us? What use is Independence if we are under someone's thumb.

We should not be arrogant or proud. We should be nice to others. We should be moderate and tolerant. But all this is based on reciprocity. We respect them if they respect us. This is the basis of our foreign policy. We are not a client State to anyone.

We are pragmatic and open. Unfortunately, many people take advantage of this. One step we took in 1981-82 was to allow free publication of newspapers, magazines and books. If today we find lots of publications, including writings which contain lies and wild allegations, it is because of our liberal attitude in 1981.

Our liberal attitude is based on the trust that Ma-

laysians are mature and know how to differentiate between diamond and glass. But if this liberal attitude of ours is abused, we will be forced to end the liberalism.

The Government does not like to use its power indiscriminately. Detainees who were no longer a threat have been released. Of more than 600 detainees before this Government took over, only 30 hardcore terrorists remain in detention. Do not think that because of this, the Government is weak. If anyone tries to create chaos, we will be firm in taking action.

Economy and finance

Since three years ago, we have tried to repair the country's financial position. We no longer borrow without taking into account the burden of the repayments. We have reduced government expenditure which in the past were very high. We have also tried to reduce the burden of paying salaries to civil servants by privatising some of the departments which the Government feels it should not manage.

The country's economic strategy needs to be changed in the light of the economic slowdown and the overall drop in commodity prices. Presently, countries producing manufactured goods, such as South Korea, Taiwan and Hong Kong, are enjoying a trade surplus. We are fortunate enough because we did not ignore the manufacturing industry when the commodity prices were still high. We have also further expanded on the basic industries and other manufacturing industries.

That is why in these times of low commodity prices we are able to sustain our manufacturing industry. We are now the major producers of electrical and air-conditioning components in the world. Our textile and clothing industry too have achieved tremendous success.

Among the heavy industries, the Proton Saga fac-

tory has high potential. Since it started production, it has not only attracted foreign importers but also international motor companies who plan to use the Proton factory to produce component parts for their cars.

The Proton factory has also helped local component manufacturing factories and other businessmen and entrepreneurs. Petty traders and hawkers have also benefited from our car industry.

Entrepreneurs and small businessmen

Attention has not been focussed on big businesses and industries alone. Traditional industries, petty traders and hawkers have also received help in the form of cash and other facilities, such as space and a location to trade.

Handicraft is also getting a better market together with improvement in quality. A handicraft centre, where the works can be sold, has also been built in the middle of Kuala Lumpur. The problem now is to produce more quality goods to meet the rising demand.

Such is the effort that is being done that local artists who did not have a place to display their works then, now have many places they can go to. Poets, too, can now attract people when they recite their works at some of the places prepared for them.

Non-traditional businesses and industries have been introduced by government agencies and have been well received by bumiputras. Some local fruits, too, are getting favourable response from foreign countries. Satay, which was once sold by the people who make them, can now be sold by anyone through the franchise system. In short, if there is a will, the opportunities will always be provided.

The importance of the New Economic Policy (NEP)

The economic slowdown has had an adverse effect

on almost all developing countries. A neighbouring country has, however, experienced an economic growth. This growth, among other things, is due to it not having any problems with the distribution of wealth among the bumiputras and non-bumiputras.

If we do not monitor the economic growth to ensure that there is little disparity among the races, or in other words, if we dump the New Economic Policy, the country's economic growth will increase rapidly. However, the NEP is our choice.

We do not want to be proud of a growing economy when, at the same time, the bumiputras are becoming poorer.

The Government's policy is still in the fair distribution of wealth among the races, even though the economic growth may be slightly affected. It is better to be late but safe.

Assimilation of Islamic values

Among the Government's most important policies are that of assimilation of Islamic values into the administration. The Government's top priority is towards values such as brotherhood, trustworthiness, discipline, honesty, justice, pursuit of wealth in the world through *halal* means, tolerance and other noble values.

Among the Islamic values is that we do not force others to follow us. Islam prefers persuasion to force. To paint a picture of Islam as a religion which is not tolerant, with no feelings and with cruelty is an action which smears Islam's good name and curtails its expansion.

In line with the assimilation of Islamic values, we have undertaken to clean up management at all levels.

After the economy deteriorated, a lot of unhealthy practices among businessmen and managers were exposed. Action was taken against those who robbed the *rakyat*.

Unfortunately, we could not trace and obtain proof against others. But we have

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not given up. We will ensure that all these cheats pay according to their crimes.

At the same time, the Government does not want to see those suffering from the depression being made targets of by the banks. Financial institutions have been advised not to be too tough or take legal action when demanding repayment.

The Government does not want to see businessmen and bumiputra industrialists prevented from expanding their businesses when the economy recovers.

Improvement of management in Government

Management in the Government has not been forgotten in our efforts to improve the economy. The most effective medicine is to reduce our expenditure to a level of affordability and increase productivity.

We can borrow as we did when we were wealthier but this would mean that we are pawning our future.

The privatisation scheme and trimming the civil service are aimed at reducing our expenditure. As far as possible, we will ensure that no one suffers because of this.

The Malays have so far been successful in politics. But in religion, social and economy, our achievements are unsatisfactory.

We have not succeeded in religion because we do not practise a lot of Islamic teachings. There are some among us who refuse to be friends, we go back on the trust people have in us, we are not tolerant, we do not value justice much and other such matters. That is why we decided on the assimilation of Islamic values.

In the social field, Malays always isolate themselves. In the course of this, we cannot influence anyone. We prefer to use our power to get co-operation rather than use friendliness for the same purpose.

To succeed in politics, social field and economy, interaction with other races is an important factor.

Our success in economy is limited. The 18 per cent achieved by bumiputras in the economy is due to government agencies. A small group of Malays have achieved wealth purely from business with the Government. Without the Government, Malays cannot compete. This is not the achievement we want and hoped for in the New Economic Policy.

Umno: The backbone of national politics

In Umno lies the aspirations of the Malays. All that we have today is because of Umno's struggles. We shoved aside the Malayan Union, we achieved Independence, we filled this independence with development, we improved our economy and Malays education through the strength we gained from Umno.

If Umno succeeded, it was not solely because Umno is an organisation based on nationalism. Nationalism is important in fighting for Independence and all political parties fighting for Independence are based on nationalism.

Furthermore, there are many other parties which have a stronger sense of nationalism than Umno.

But after Independence, many nationalistic parties could not serve their people well and bring progress. All kinds of ills affected them. The results were that freed from the shackles of colonialism, these people became worse off than when they were colonised.

Many of these parties then set aside nationalism and democracy. Many were split and disappeared just like that.

Malaysia because Singapore had been kicked out.

Communists continued terrorising after Independence. The Inspector-General of Police was assassinated in Kuala Lumpur and the National Monument was bombed. The Perak Chief Police Officer was murdered. Many security forces were killed or injured.

The Japanese Red Army took over the American International Assurance building. Racial riots occurred in 1969 and several areas in Kuala Lumpur were burnt to the ground.

There were tragedies and bad incidents in post-Independence Malaysia. But the Umno-led Government survived all these crisis. All crisis were temporary because of the efficiency of the Umno leadership.

As long as Umno remains strong, it will continue to overcome its problems.

The Umno philosophy is adequate to rule a multiracial country like Malaysia. It is Umno which brings stability to the country.

The late Tun Dr Ismail Abdul Rahman said that when the young generation grew up, they would create problems. They did not know the bitterness of Umno's struggle for Independence. They regard Independence and all its fruits as a normal thing. They will also have very high expectations.

What Tun Dr Ismail said is true. But he never realised the problems which would afflict Umno. Because the younger generation had to be given a place in Umno, certain older leaders were dejected.

The problem of Umno leaders today is that while they aspire to embrace the mountain, but alas, their hands cannot reach. Like a short blanket, it covers the chest but the thighs are exposed, it covers the thighs but the chest is left bare. Whatever we do, we will hurt our closest ones. This is the problem which afflicts anyone who leads Umno.

There is no compromise to Umno's philosophy. It cannot be disputed. It is apt for a multiracial country where the bumiputras, particularly the Malays, need protection and aid.

But when there are those among us who choose to set aside tradition, and when several members place personal ambitions ahead of the ambitions of their race, the philosophy is threatened and can no longer ensure Umno's success.

The fate of a race is decided by that race itself. Al-

The effects of the Government moves are now being felt. Our reserves have risen compared to three years ago. Development expenditure under the Fifth Malaysia Plan has increased from \$37 billion to \$48 billion. We have saved \$2 billion because projects where we signed agreement did not have to be cancelled.

Projects in the past were merely social projects. Roads were built without consideration of returns. The same goes for telephone services, ports, education, health and other services. If payment is required, it was nominal.

The Government financed these services through taxes from other sources — income tax, export and import tax, sales tax and road tax. At a time when administration costs were low, we could pay off through these taxes. But now, costs have increased manifold. Therefore, part of the service costs have to be transferred to the private sector or the Government collects some payment for certain services.

The Government will not and cannot get back all costs. Even if privatised, there has to be subsidy because the private sector cannot bear all costs with the payments it receives. That is why we are willing to lease Malayan Railway for only \$1.

Dignity of the race

The dignity of a race cannot be defended merely by asking others not to look down on that race. What needs to be done is to prove that this race has noble values and ability to succeed.

We want Malays to achieve success in business on their own capabilities. If the Government helps, it is only for the initial stage to pierce fields monopolised by other races. Realising this, we tried to identify the problems faced by Malays in various fields. We find there are serious weaknesses in the ways of Malays.

To overcome these weaknesses, the Government plans to hold courses on a wide basis to expose and introduce the Malays to the values and attitudes that are preventing them from succeeding and how they can overcome these.

Training camps, trainers, the curriculum and type of course have been selected for this purpose. In the first phase, top political leaders and civil servants have taken part in these courses.

The emphasis in these courses is self criticism — not criticising others. After knowing ones own weakness can one remedy these weaknesses. The practice of criticising others is not encouraged because people will not change on others criticisms. So far, the results of the course are satisfactory.

It is hoped that these courses will give birth to Malays who are more resilient, responsible and dedicated to their responsibilities.

If we achieve our aims through these courses, Malays especially will not depend on the Government and political power to ensure their success. They will succeed based on their own capabilities. With this, their future will be assured.

On the other hand, Umno has a philosophy which has enabled it to bring peace and prosperity to its people and country. Umno has built a platform of co-operation with other races and political parties because it is not extreme. Umno gives priority to peace and does not condone extremism. Umno respects and holds firmly to parliamentary democratic principles and concept of constitutional monarchy.

The product of this is that Sabah and Sarawak joined the peninsula and Malaysia was formed. The various races and ethnic groups live peacefully and there are no riots unlike in other countries.

Rural and urban development has been intensive. The end result was job opportunities for our youth and graduates who are flooding the labour market.

It is a fact that we have faced many challenges and threats. Opposition parties mushroom in the democratic system sponsored by Umno. At one time, a neighbouring nation had a confrontation with us. The PAP in Singapore threatened the peace with its slogan of "Malaysian Malaysia."

Pakistan broke off relations with us because we supported India. We were regarded as neo-colonialists because we supported the western powers at that time.

Within the country, Kelantan threatened to secede from Malaysia. Sarawak, under a certain leader, ignored federal leadership and Sabah was in a frenzy when some of its people threatened to pull out from

lah will not let down a race which works and is dedicated. But Allah will not help change the fate of a race if that race does not work to change its fate.

Umno, as an important group in the Malay community, cannot divorce itself from being involved with the fate of the Malays.

And it is a fact that the formation of Umno and its constitution recognise and accept responsibility for determining the fate of the Malays, Islam and country.

Conclusion

History is witness to Umno's and its members and leaders role. History will praise or criticise Malays according to their successes and failures. We know that history holds in high esteem Umno's achievement all these years.

It is now up to us to ensure what history will say of us today and in years to come. Remember, none among us, including myself, are important.

There is not one Umno member or leader who is important, whatever their post. This organisation, Umno, is important as a body which will change the lives of Malays. Without Umno, there is nothing anyone of us can do no matter how clever or smart we are. Therefore, we should think deeply about our role in today's assembly.

Don't let history, the younger generation, our children and grandchildren run us down because we allowed lust to control us and disrupted their future. I pray that we shall have a successful assembly. I pray that God will guide us.