

# Malaysia's Dr. Mahathir takes on the Wall Street Journal's lies

by Mary McCourt

Malaysian Prime Minister Datuk Sri Mahathir Mohamad bearded the lions in their den Oct. 1 and 2, when he said in New York City that his government was going to expand its fight against drug trafficking and the liberal media. Dr. Mahathir told the United Nations General Assembly Oct. 2 that his nation would continue to hang drug traffickers, whatever their color or creed. "We would rather be unpopular in certain quarters than be hypocritical," Mahathir told the U.N.

Malaysia, along with Singapore, is the only nation in Asia actually fighting the drug plague, despite the massive growth of heroin addiction throughout Asia. Cheap heroin is flooding Asia as cocaine has taken over the U.S. drug market; Thailand, with a population one-fifth that of the United States, has just as many heroin addicts—500,000, according to an Oct. 6 cover story in *Newsweek's* international edition. Superabundant heroin is reportedly cheaper than beer in Bangkok. Malaysia has some 110,000 addicts, and Australia 30,000—among them, the daughter of Prime Minister Bob Hawke, who so self-righteously denounced Malaysia's execution of two Australian drug traffickers in July.

The fight is expanding. Mahathir announced at a U.N.-sponsored conference in Kuala Lumpur that a bill would be introduced at the October session of Parliament to allow courts to seize the proceeds from drug trafficking. "The proposed legislation, when passed by Parliament, will leave the traffickers with nothing," Mahathir said. Malaysia's drug laws have since 1975 included a mandatory death penalty for anyone convicted of trafficking in 15 grams or more of heroin or morphine, 1,000 grams of opium or 400 grams of cannabis. To date, 41 people, including two Australians and six from Singapore, have been hanged. Another 130 people, 21 of them foreigners, are on death row.

## Fighting for development

Malaysia is also fighting for economic development in the midst of international collapse. Dr. Mahathir took this fight right into Lower Manhattan, telling an Oct. 2 businessmen's meeting there that the *Wall Street Journal* has been conducting a sustained campaign to sabotage the Malaysian economy. The meeting was sponsored by the Malaysian In-

dustrial Development Authority and a private group, the American ASEAN Trade Council.

The *Journal*, whose editor, Robert Bartley, is a member of the Trilateral Commission, has been publishing articles "in order to undermine our economy," Mahathir said.

Dr. Mahathir said that the Malaysian government had noticed a "special trend" in which the *Wall Street Journal* published "scurrilous" articles whenever international meetings were taking place that might affect investment in Malaysia. In response to the most recent *Journal* attacks, Malaysia expelled two correspondents of the Asian edition of the *Journal* on Sept. 26, and banned it from Malaysia for three months. When asked whether the expulsion of the two journalists would have an effect on Malaysia's efforts to stimulate U.S. investment, Mahathir said, "It will have a very negative effect, which is what the *Wall Street Journal* wants to do." He said that the *Asian Journal* had published a negative article about Finance Minister Daim Zainuddin, just before a meeting last year of the Asian Development Bank. Another was published just before a meeting of the IMF, and the four current articles, published just before the IMF meeting in Washington, reported "nothing factual," he said. Dr. Mahathir has also long been critical of the reporting policies of the *New York Times*.

One of the "issues" exposed by the *Asian Journal* was the tin bought by the Malaysian government between mid-1981 and early 1982 in an effort to support prices. Dr. Mahathir announced Sept. 18 that Malaysia had tried to corner the market, but its efforts were undermined by a group of members of the London Metal Exchange (LME), who deliberately pushed down the tin price by selling forward at a lower price. "The LME cheated by changing the rules of buying and selling when the time came for its members to make good their promises," Mahathir said. Malaysia is said to have lost more than \$400 million and was left with 60,000 tons of unwanted tin.

"If Malaysia is suffering now, it is not because of our policies," he said. "It is because all commodities have now undergone a radical structural change.

"We are a small country, but we bow to no one," he

continued. "I know that efforts will be made by the press, the editors, to pressure the Malaysian government to do this and that," he said. "We will not be bludgeoned into submitting to this kind of pressure even if it means that the development of our country is going to suffer."

Dr. Mahathir has not only condemned the international press. On Sept. 18, he said in Kuala Lumpur that he feared that some local journalists and newspapers had been "brain-washed" by foreign mass media. "It is no longer necessary for the foreign press to subvert our life and values and culture. We ourselves have taken over this role," he said. In other countries, he continued, racialists, racists, and chauvinists were generally condemned by the foreign press. But for Malaysia, these same newspapers supported the racist and racist parties like the Democratic Action Party (DAP) and the Pan Malaysian Islamic Party or Parti Islam Semalaysia (PAS). He said that foreign Zionist-owned media were found to have helped the non-Malay racist parties disseminate statements overseas, attempting to undermine the Malaysian government.

### Wall Street's revenge

The *Journal's* reaction has been vicious. An editorial Sept. 29, titled "Mugged in Malaysia," lists the Malaysian policies which it claims "keep such countries as Malaysia needlessly poor." These policies—the Malaysian New Economic Policy—"all come down to massive government interference in the market, whether the commodity is tin, stocks or information," the *Journal* said. The Malaysian government has "tremendous discretionary powers over the resources of their country," the *Journal* complains, and especially has limited the equity of foreign investors in major businesses! The editorial concludes that Dr. Mahathir will not do well "courting capital in the great financial centers of the world," if he is going to defy the liberal press. "He would do better to skip New York and go take a look at the economic stagnation of Rangoon, Burma. That's where he's headed anyway."

With the same arrogance that has fueled Wall Street's presiding over the destruction of the U.S. economy, *Journal* associate publisher Peter Kann, also president of the Dow Jones International Group, said that, "It begs credulity that the *Wall Street Journal* should be involved in some sort of campaign to undermine investment in Malaysia, or any other country. We are a news organization, and all we seek to do is cover the news fairly and accurately."

Their "fairness" is well demonstrated in the next line of attack against Dr. Mahathir: "anti-Semitism."

In its so-called news article on the reporters' expulsion, the *Journal* Sept. 29 accuses Mahathir of, in July 1980, telling his party convention that "Jews controlled the Asian *Journal*," which he said was trying to give Malaysia a bad name. "Dr. Mahathir has referred to Jewish or Zionist plots to overthrow the government," the *Journal* said, "but he has

never produced evidence to support his claims." The *Journal* also derides a commentary in the government-allied *New Straits Times* of Malaysia, which, it reports, said the Asian *Wall Street Journal* "was Jewish-influenced and may have obtained information from Mossad."

A commentary in the *International Herald Tribune* Oct. 9, by London School of Economics faculty member Michael Leifer, accuses Dr. Mahathir of "obsession with interrelated Zionist-Jewish influence." First, Leifer cites Mahathir's support for Palestinian nationalism, accusing Mahathir making political hay of being a Muslim in predominantly Muslim Malaysia. Actually, Mahathir's United Malays National Organization roundly defeated the fundamentalist Pan-Malayan Islamic Party in national elections.

The basis for the anti-Semitic charges against the Mahathir government include statements by Deputy Minister for Home Affairs Megat Juned in September that the government had reason to believe that some members of some organizations, possibly linked to "the international Zionist movement" may have been receiving financial assistance from abroad to include anti-government statements in newspaper articles. In addition, Dr. Mahathir condemned Israeli policy in the Middle East in his speech at the Non-Aligned Summit in Harare.

The *Wall Street Journal* has only one real argument with Dr. Mahathir—and it is about his economic policy and nothing else. When he appointed a new cabinet in early August, Mahathir announced that its top priority will be to revitalize the national economy, with the two most important issues, unemployment and investments. Mahathir said that commodity prices were beyond the government's control and he expected them to remain at low levels so long as there are quarters manipulating prices in the international market. As it is, the government has to look to other areas to strengthen the national economy.

However, the Mahathir government has made changes in order to encourage foreign investors. On Sept. 30, Dr. Mahathir said that for new investments, from October 1986 through December 1990, companies can now be 100% foreign-owned, if they export 50% or more of their products from Malaysia, or 50% or more to Malaysia's free-trade zones. Foreign companies that employ 350 or more Malaysian workers will be able to hold whatever level of equity they apply for. However, if foreign equity is less than 100%, the proportion to be held by Malaysians should conform to previous rulings under the NEP (New Economic Policy), which calls for Malays to hold 30% of equity capital.

Also, the family of Malaysian Finance Minister Daim Zainuddin has signed an agreement to sell off its 50.58% interest in the United Malayan Banking Corporation to the government investment agency Pemas. The Zainuddin family interest in the bank, the third-largest local bank in Malaysia, has been used to scandal-monger against the Malaysian government.