

Buy British last! Malaysia fighting for its development

by Umberto Pascali

Last August, when British Prime Minister John Major signed five gigantic contracts—for a total of \$1.5 billion—with Malaysia during his state visit to Kuala Lumpur, one of the most prominent Malaysian intellectuals, Prof. Chandra Muzaffar, criticized the concession to a country, Britain, which was guilty of complicity in the genocide in Bosnia.

On Feb. 27, Professor Chandra—whose interview appears on page 15—commented on the decision taken two days before by the government to ban British companies from government contracts and to go back to its pre-1988 “Buy British Last” policy.

“There is an element of poetic justice in the decision of the Malaysian government to cancel all contracts with British companies,” the Malaysian media prominently quoted Chandra as saying. “Among the contracts affected will be those covered by the five memoranda of understanding signed during the visit of John Major. At that time JUST [Just World Trust, the foundation led by Chandra] had argued that . . . Malaysia should not offer huge, new business opportunities to British companies. We had pointed out that Britain more than any other western power was responsible for preventing the European Community and the United Nations from taking effective actions against Serbian aggression. This is why the Bosnian government itself singled out the British government as a government guilty of complicity for the genocide. It tried unsuccessfully last year to bring the British government to the World Court on this charge of genocide.

“Even in the last few weeks Britain revealed yet again its diabolical game in Bosnia. Working in tandem with Russia, it manipulated the situation in such a way that NATO airstrikes would not be carried out against Serb positions around Sarajevo. Britain, as a number of analysts of Balkan politics have pointed out, does not want to weaken Serbia since that country has played a crucial role from the beginning of this century in perpetuating the sort of ‘balance of power’ that Britain seeks to maintain in that part of Europe.

“Though the Malaysian government’s decision to boycott British companies was motivated by some other consideration, those of us who yearn for justice for the people of Bosnia would be justified in seeing it as a way of protesting against the British. . . .”

The British scandal

The decision of the Malaysian government was announced on Feb. 25 in a press conference given by Deputy Prime Minister Anwar Ibrahim in the prime minister’s department. At the same time Prime Minister Dr. Mahathir Mohamad had convoked British ambassador Duncan Slater to his office and delivered a message for his government, and Defense Minister Najib Tun Razak stated that his country will cease purchase of new arms from Britain. “We will abide by the cabinet decision and will no longer buy arms and equipment from Britain.” He said that the ministry will not entertain tenders from British companies and that it was looking for new suppliers.

Trade between Malaysia and Britain was worth \$2.75 billion in the first 10 months of 1993, while in the same period in 1992 it was \$2.4 billion. British investments were up to \$1.6 billion in 1992 from less than \$100 million in the 1980s. Over the last six years, Malaysia has awarded government contracts to British firms for about \$6 billion.

The Malaysian decision was the consequence of a crude anti-Malaysian campaign launched by the British establishment through their media using the codeword “corruption.” In particular the campaign was waged by the group of the media czar Rupert Murdoch, namely the *Sunday Times* of London. The campaign escalated with charges of corruption involving the Pergau dam in northeast Malaysia, a facility that is needed for the dramatically increased energy consumption of Malaysia and whose sabotage, for whatever reason, would have serious consequences.

In 1988 then-Prime Minister Margaret Thatcher got involved in persuading Dr. Mahathir to end the previous “Buy British Last” policy started by the Malaysian leader in 1981, shortly after he came to office. Thatcher and her entourage aggressively went after the Malaysian market and concluded a deal for the sale of British-made frigates and Hawk jets worth \$1.5 billion. That ended “Buy British Last.”

The allegation that began to appear more and more prominently in the British press and became the center of the British-pushed “scandal,” was that the aid grant of \$346.6 million given by Britain for the construction of the Pergau dam was connected to the arms contract. The “arms-for-aid” scan-

dal exploded in the Murdoch press.

On Feb. 20, the *Sunday Times* directly accused Dr. Mahathir of corruption. The prime minister was alleged to have been offered \$50,000 by the firm George Wimpey International for the construction of an aluminum smelter that never was built. Despite the weakness of the evidence, the *Times* ran with the headline: "Wimpey Offered Contract Bribes to Malaysian Prime Minister."

A Malaysian insider told *EIR*: "Obviously the British establishment had decided that they had to hit Malaysia. The pretexts—the dam, the bribe, and so on—are not important; in the hands of the British, 'corruption' as well as 'human rights,' 'environment,' and other pretexts are just weapons to be used against whoever could resist their control. The truth is what [Lyndon] LaRouche and *EIR* have been saying: The British feel that Malaysia, with its refusal to get indebted with the World Bank and to stop its development, was becoming a danger. . . . To a limited extent it is acceptable that Malaysia and other Third World countries are in the condition to buy some technology from the West, but it is not acceptable that those countries go out of control. It is what you call technological apartheid."

Another observer noted: "Now one question that is still open is: What has been the role of Lady Thatcher in all this? She and her entourage have played the role of the friend of Malaysia, or the 'soft cop.' But it is naive to believe that internal fighting in the British establishment goes beyond a certain point. After that it is the collective interest of that elite that dictates the policy. Actually it is very likely that the group of Thatcher—on whose honesty I wouldn't bet my fingernail—participated very actively in engineering the corruption campaign, while adopting a soft attitude to confuse the Malaysian leadership."

Murdoch and 'colonial brains'

In his press conference, Deputy Prime Minister Anwar Ibrahim, who is also finance minister, stressed: "The British media may have their own political agendas but we detest their patronizing attitude and innuendos that the governments of developing countries, particularly a Muslim-led nation like Malaysia, are incompetent and their leaders corrupted. . . . Personally I am disgusted with the attack on the person of the prime minister who, while leading Malaysia in its current most rapid and successful period of economic development, has not amassed wealth for himself. . . . We believe the foreign media must learn the fact that many developing countries, led by brown Muslims, have the ability to manage their own affairs."

Anwar explained: "The Pergau hydroelectric project, which has been singled out for attack, was implemented to meet our fast-growing energy requirement, for both household and industrial consumers, in coming decades. As a matter of fact, we are already facing occasional power shortages because of our rapid industrial development."

Dr. Mahathir explained the decision to ban British firms from government contracts: "We have learned this from the West. They have so often used economic weapons to force us to become democratic, to respect human rights and the environment."

Dr. Mahathir targeted with particular gusto Rupert Murdoch. The Australian media boss had already been attacked last year when he bought the Hongkong-based Star TV, an important means for British cultural warfare in Southeast Asia. At that time Dr. Mahathir stated publicly: "Why has Mr. Rupert Murdoch bought 64% of Star TV for \$500 million? If he is not going to control news that we are paying to receive, then what is it?" When asked who was leading the campaign against him, Mahathir said: "I believe one of the media is owned by Rupert Murdoch. . . . Some in the British media have colonial brains."

Seeking a Renaissance, avoiding the 'bubble'

The interview with Professor Chandra that follows this report makes it clear that a strong group in the Malaysian leadership and intelligentsia is devoted to much more than some generic form of "development." This could explain the ferocity of the British reaction. This reporter's distinct impression after a few weeks in that country is that this group is working very hard on one key point: how to spark a Renaissance. And this is being done explicitly by trying to give a universal contribution from Malaysia, not just for their country but for the world. In a speech delivered at the conference on Asia in the 21st century, Anwar Ibrahim stated: "An industrial nation must have much more than factories. At the heart of an industrialized society is brain power—the pool of scientists, technologists, inventors who translate human creativity and scientific ideas into tangible good. The factories and the machines are in fact the last stages of the total development work. Real industrialization requires a scientific culture that has become indigenized by permeating the fabric of society and becoming inseparable from it. Asian countries, with a few notable exceptions, have yet to attain the level of development where the manufacturing sector is driven by an indigenous scientific and technological culture."

In parallel to this need, Anwar Ibrahim warns against the danger of the "bubble economy," i.e., the financial speculation run under the aegis of free-market dogma which can deliver a country to the criminal hands of City of London and Wall Street usurers. It is what Chandra calls the "get-rich-quick bubble economy." It is necessary to discipline "sectors that are highly susceptible to excessive speculation, sectors where greed can create a fragile bubble economy. Such bubbles eventually burst, throwing the entire economy off balance, erasing all the achievement and derailing growth." Asks Professor Chandra: How can the desperate need for development be reconciled with the avoidance of a society based on greed? Probably this is the reason why there is so much interest in Malaysia in the ideas of Lyndon LaRouche.