



## REFORMING MALAYSIA

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Dr. Kua received his undergraduate and doctorate degrees from the University of Manchester, UK and he has taught sociology at that university as well as the University of Singapore.



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ORIENGROUP Sdn. Bhd

# REFORMING MALAYSIA

KUA KIA SOONG

ORIENGROUP

1993



*Published by:*

ORIENGROUP Sdn.Bhd  
No.20 (Mezz), Jalan Manis  
Taman Segar, Cheras  
56100 Kuala Lumpur.  
Tel: 03-9305422,9305433  
Fax: 03-9305466

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First Published 1993

**APB 726025**

*Printed by:*

United Selangor Press Sdn Bhd  
No. 8-10, Jalan Lengkongan Brunei,  
Pudu, 55100 Kuala Lumpur.

Price: RM12.00

ISBN:983-9048-24-4

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324 259508  
KUA

*Note: The cover of this book is printed on recycled paper.*

NASKHAH PEMELIHARAAN  
PERPUSTAKAAN NEGARA MALAYSIA

26 MAR 1994

*Dedicated to*

oppressed peoples  
untried detainees  
abused children  
battered women  
neglected disabled  
hard-core poor  
disprivileged students  
concerned engineers  
failed tenderers  
unacknowledged workers  
landless farmers  
small industrialists  
afflicted settlers  
unrepresented taxpayers  
captive tollpay<sup>er</sup>s ↷  
blockading natives  
endangered species

\* *Special thanks to Gurmit for writing the Preface to this book.*

For K. Das,  
*fighter, friend and fellow traveller*

*"I know many journalists squirmed in their seats as the minister screwed his grim face and blustered. Which Malaysian editor (excluding the few hardy souls whose papers carry no brief for the Government, like the DAP's Rocket, and Aliran Monthly), would congratulate the reporter for saying that Dr Kua was not really as dangerous a fellow as all that, that Dr Kua's best lines in a long array of well researched articles were not really quite as deadly as a well propelled battle-axe? Or quite as persuasive to the man-in-the-street as a well swung truncheon by a red-bereted Federal Reserve Unit Officer behind a plastic shield?"*

(K. Das, Foreword to *"445 Days Behind The Wire"* by the author)

K. Das was a former bureau chief of the Far Eastern Economic Review. He was one of Malaysia's sharpest and most prolific writers whose works included *'The Musa Dilemma'* and *'May Day for Justice'*.

He left us at the age of 64 on 19 December 1993.

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# PREFACE

*by Gurmit Singh K.S.,*

*President, Environment Protection Society of Malaysia*

Politics seems to be such a dirty word in Malaysia, especially in the eyes of the powers-that-be when it refers to questioning from ordinary Malaysians. And opposition politicians must always have ulterior motives or so it seems. Strange indeed is Malaysian democracy when the phrase "constructive criticism" seems to be reserved for praise.

The Malaysian mass media has been described by one journalist as of the "on-off" type - being on an issue when it suits its political patron. And, of course, blacking out matters that may detract or undermine the patron's interests, whenever so perceived by the gate-keepers. Self-censorship seems to be common.

Another weak issue in Malaysian public life is public accountability - it is either blithely ignored or at best exercised very selectively. And yet we march steadfastly towards Vision 2020! One wonders how the public interest will be served with almost pathetic notions of public accountability that currently exist.

The present collection of speeches and articles in this book by Dr Kua Kia Soong makes interesting reading - whether one agrees with his analysis or not. They have been made during the period that he has been the Member of Parliament for Petaling Jaya. As a PJ voter, I have a special interest in what my MP is saying and doing.

With his varied background and interests, the topics

covered are also extensive, including those mentioned earlier in this foreword. Readers may find certain information, especially within his Parliamentary speeches, rather interesting - particularly since the media has chosen not to publish it. Certainly, many of the topics covered in this book are ones on which many thinking Malaysians would like to see some positive action - and that too, the sooner the better.

An essential ingredient for active public participation in major national issues - be they the need for the Bakun Hydroelectric Dam or the manner in which hardcore poverty is being tackled - is the size of the democratic (or autonomous) space in society. My own perception is that over the last two decades this space has been under periodic siege. It would be a pity if this book is unable to utilise this space (limited as it is) to reach a broad spectrum of Malaysians.

One wishes that some BN MP would come out with an equally thoughtful collection! Or are they complacent that their views have been adequately ventilated and publicised?

*Petaling Jaya*  
*November 1993*

## INTRODUCTION

It was characteristic of the Mahathir regime to launch its 'Vision 2020' caper without any substantive reforms to go with it. Nor has it dawned on the Malaysian press to ask the pertinent questions.

'Vision 2020' was launched by the Barisan Nasional Government four months after its worst general elections performance when it saw its total votes plummet to 51.7 per cent, with two states falling into Opposition hands, Penang almost becoming a DAP-controlled State Government and just eight seats over its two-thirds majority in Parliament.

The BN could no longer pretend that it had the support of the urban electorate since the results in most of the urban centres showed that the MCA and Gerakan had only managed to win with UMNO votes. Furthermore, over 75 per cent of the Chinese electorate had voted for the Opposition Front, Gagasan Rakyat.

Thus after the 1990 general elections, the BN top leaders couldn't help berating the Chinese voters and demanding, "*what exactly do you want?*"

In fact, the majority of the Malaysian *rakyat* want nothing more and nothing less than fair play, greater



justice, democracy, human rights, and policies which unite, not divide the people. After twenty full years of the divisive New Economic Policy, they expected some substantive reforms for the future.

We can say that if it had not been for the Opposition's strong showing in the last general elections, the BN would not have bothered with this 'Vision 2020' caper.

It is only a caper because if we look at the BN Government's record since the last general elections - reflected in these selected articles by the author written between 1991 and 1993 - we can see that the BN has neither the sincerity nor the conviction to make good its promises.

## Democracy and Human Rights

The constitutional crisis between the Rulers and UMNO, among other things, brought into focus the absence of adequate checks and balances on the increasing concentration of power in the hands of the Executive, usurping the powers of the legislature and Judiciary.

Being a Member of Parliament and observing proceedings in the House at close quarters has allowed the author to pinpoint aspects of Malaysian Parliamentary procedures which are weighted heavily in favour of the BN Government and are far from fair and democratic.

The existence of anachronistic laws further stands

in the way of progress. How, for example, can we attain the objective of being an informed society when we have oppressive laws such as the Official Secrets Act, the Internal Security Act and the Printing Presses and Publications Act?

When even the world's pariah of all states, South Africa, has amended its Internal Security Act to be less draconian, the Malaysian Government's continued use of the ISA as a convenient weapon against political opponents and dissidents is unjustifiable. Nearly three years on, the BN Government has still not come out with the promised White Paper to justify the detentions under the ISA of the Sabahans alleged to have plotted to take Sabah out of the federation. The Emergency Ordinance was also used recently to arrest and detain a Sarawakian conservationist.

The attempt to muzzle the Opposition further by restricting the DAP's *'Rocket'* and PAS' *'Harakah'* to 'Members Only' shows that the Barisan Nasional is afraid of widespread distribution of information and legitimate opposition. This attempt to clamp down on *'The Rocket'* is another indication that the BN has been so rattled by the 1990 general election results that it would try to prevent the free circulation of the DAP's party organ, a right and freedom Malaysians have enjoyed since 1966.

## A New Deal For All Malaysians

One would have thought the two decades of divisive policies under the New Economic Policy would finally give way to a new blueprint to pull the nation together for the great leap forward into the twenty first century. Instead we got more of the same under the refurbished 'National Development Plan'. There seems no end to the quota system which has created so much discontent among the non-Bumiputeras, despondency in the institutions of higher learning and polarisation of Malaysian society.

The country would have welcomed bold reforms such as the incorporation of a 'merit and need' approach and some form of 'means testing' for those entitled to scholarships and loans. This would go a long way towards helping the less well-off and at the same time ensure that we do not sacrifice excellence. If the Government sincerely wants to help the less well-off without creating racial polarisation, there is no reason why it cannot devise schemes to benefit sectors or classes instead of race. Somehow such a race-free solution seems to have also escaped the cognizance of even those intellectual apologists of the Barisan Nasional who have been educated at high-brow universities in the West.

What possible justification could any Government give for allocating RM500 million for only the Bumiputera hard-core poor but not the Non-Bumiputera hard-core poor?

Another overdue reform is the recognition of the Malaysian Independent Chinese Secondary Schools' 'Unified Examination' Certificate in order that their graduates can enter local institutions of tertiary education and at least help to solve the problem of teacher shortage in the Chinese-language primary schools. This would also be a recognition of the contribution by graduates from these schools to human resource development in the country through all these decades.

Clearly such simple, rational and fair approaches are not in the interest of the Barisan Nasional which thrives on communalism for political survival. Besides dividing the people through their monoethnic political party mobilization, it is on the basis of Bumiputraisim that all the Mega projects being privatised today are awarded to those close to the Barisan Nasional. Bumiputraisim is simultaneously the ideology through which the ruling party, UMNO hopes to win over the Malay voters.

Another bold reform which would be welcomed by Malaysians after the scandals of the last twenty years would have been some Independent Monitoring Mechanism to ensure the fair and just implementation of the National Development Plan as well as to curb corruption, especially at the top level of government.

## Clean and Efficient Administration

The scandal at Tenaga Nasional, the privatised

electricity board, was first raised by the author during the first session of his Parliamentary term in November 1990. He relentlessly pursued this scandal at subsequent meetings and was vindicated in 1992 when the whole country, as forewarned, was paralysed by constant blackouts and brownouts including the total collapse of the National Grid on 29 September 1992.

It is a scandal that has all the hallmarks of the Barisan Nasional -- adhoc-ism, corruption, cronyism, mismanagement and cover-up. 'Black September' completely took the wind out of the Barisan Nasional's propaganda of economic efficiency and smart management.

During the author's first term in Parliament, scandals involving billions of the rakyat's monies have been raised by the Opposition at practically every meeting.

The Malaysian press must bear the responsibility for not following these through. Any one of these scandals, if they had been committed in some other country with a free and responsible press, would have led to the resignation of the Minister concerned. The TNB scandal, for example, provided the investigative journalist relatively easy trails which were not pursued at all.

## Public and Private Interests

The current crisis confronting the country's infrastructure -- traffic snarl-up in the main cities, dilapi-

dated sewerage system, lack of cheap and efficient public transport system, inadequate low and medium-cost housing for the less well-off, deteriorating public health service -- is being solved by the BN Government through privatisation.

The latest and largest privatisation contract so far, the RM6.27 billion sewerage project awarded to Indah Consortium, is a typical example of how the Barisan Nasional solves a failed public service through privatisation. And the mode of privatisation is just as typical, namely, no open tender; unjust tariff imposition for consumers; super profits for the concession holders.

In privatising the national sewerage system, the Government has admitted the deplorable state of the sewage disposal service in all the municipal councils. And yet, there is no mention of compensation for rate payers who have been paying rates all these years to non-elected and non-accountable local governments.

Privatisation projects, such as KTM (the National Railways) and land conversion to industrial and housing projects have seen grave injustices to urban settlers, who have been evicted from their homes often without adequate compensation. In many of these evictions, the police and municipal enforcement officers have assisted the developers rather than the settlers, many of whom have lived for years on the land.

Other privatisation projects such as 'Proton' are certainly responsible for the neglect of a proper, effi-

cient public transport system, which in turn has led to the traffic crisis in so many city centres today. In this as in other projects, the larger public interest has been sacrificed for the private interest of the minority elite who wield power today in Malaysia.

## Development and Social Justice

As the Member of Parliament for Petaling Jaya, the author has gone to the assistance of the people threatened by 'development' at Batu Arang, Sungai Buluh, Bukit Nanas, Ampang, Shah Alam, Petaling Jaya, Klang, the Federal Territory, Pulau Redang and elsewhere.

In many of these cases, he has seen gross injustice inflicted by developers, their gangsters, and enforcement officers with police connivance. Even when these settlers have had court injunctions, the enforcement officers have bulldozed the settlers' houses regardless.

For example, at Kampung Sungai Bukit Putih, Ampang on 25 August 1992, the police ignored protests by the author and another wakil rakyat, who were both forcibly pushed out of a settler's house before it was destroyed. The press and photographers had been prevented from entering the kampung to witness this demolition.

In the relocation of urban settlers at Kampung Railway, Petaling Jaya/Pucung in 1992, the authorities communalised the issue by rehousing Malays at Pucung

first and then only the non-Malays further away at Balakong. By putting the settlers on the defensive using the threat of not getting a longhouse (temporary accommodation) at all, the authorities got away with not having to pay a single sen of compensation to the settlers.

At Subang Farm in 1992, 38 farmers working in an area of 600 acres were evicted by 'Tropicana Golf and Country Resort'. They had been paying rent all those years and had been productively earning foreign exchange for the country through exports of tropical fish, fruit and flowers. But they were evicted without any compensation when the land was bought over by the golf developer.

The siting of the Toxic Waste Management Centre at Bukit Nanas, Negri Sembilan has raised questions regarding the Government's industrialisation programme and democratic consultation with the people involved. The issue is still unresolved for the people of Bukit Nanas are today demonstrating to the whole country that development must go hand-in-hand with social justice, democracy and human rights.

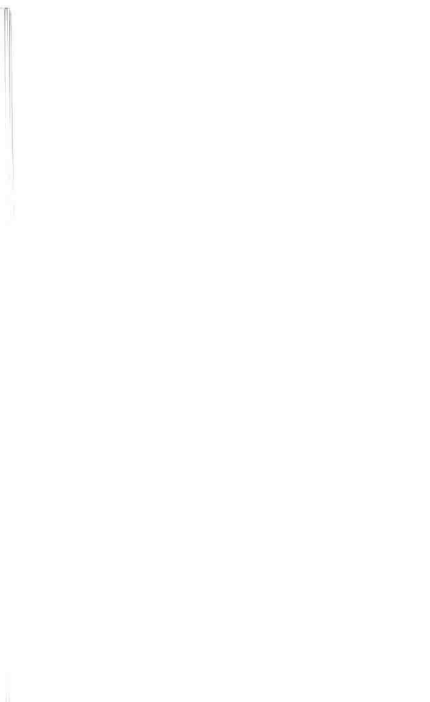
Finally, the fact that the Malaysian press has failed to address these vital issues is a sorry reflection of the Malaysian media today. It is this failure of journalistic responsibility which this collection hopes to redress.





I

POLITICAL INSTITUTIONS



## Chapter 1

# POLITICS OF THE SIXTH MALAYSIA PLAN

Politics is found in all societies, past and present. It is a characteristic and necessary feature, or process wherever societies have existed, prevalent in all groups and institutions and in the relations between them. It certainly exists in the public realm of the Barisan Nasional's economic policy since the history of the New Economic Policy has seen ever more scandalous examples of conflict of interest involving top BN leaders.

The BN and its media organs should therefore discard this silly notion of trying to portray their economic policy as being 'above' politics and that the whole country should just 'get on with it'.

In the first place, the New Economic Policy was promulgated at the start of the Seventies after the most intense political struggle between the emergent Malay state capitalist class and the UMNO Old Guard under the Tunku. May 13 must be seen in the context of that

struggle. As a Malay intellectual has observed,

*"the May 13 Incident was a form of coup d'etat directed against Tunku Abdul Rahman."* (Subky Latif, *Southeast Asian Affairs*, 1977).

Thus, this level of politics between those striving for economic and political dominance within UMNO is crucial for explaining how 'crises' like May 13 or October 1987 happen. The BN media may attempt to lie about it by blaming the Opposition or other dissidents as they did during the 1990 general elections, but in this high-tech information age, these lies will always be nailed sooner or later.

Throughout the NEP, this Malay state capitalist class heightened the tension of Malaysian politics through its ideology of bumiputraisim as it tried to maintain its dominance. That is the reality behind those periodic incidents when our otherwise harmonious ethnic relations seemed to break down.

The October Affair of 1987 was one such instance. And it was the most blatant and crude exercise of political power when innocent people, including myself, were arrested and detained without trial under the Internal Security Act. Among the charges in my detention order was that I had criticised the NEP at a forum!

In Malaysia today, being detained under the ISA has become an occupational hazard of not only Members of Parliament but also University lecturers, researchers, pastors, feminists, social workers and even septuagenarian educationists.

And as long as the ISA exists, there can be no vision of a brave new society at peace with itself. As long as the ISA and other injustices abound, there will be no political will to end fear and loathing. As long as there is no political will to end inequality, corruption, mismanagement, abuse of power and cronyism, the brain drain and flight of capital will never cease.

As long as the class interests of those in power take precedence over national interests, there will be politics over our economic policy.

## Politics of the NECC

Anyone who has followed the politics of the NECC from the start will know how the Barisan Nasional does the trick. The way in which the Prime Minister and his MCA, MIC, Gerakan Presidents have tried so hard since the release of the 6MP to discredit the DAP over their boycott of the NECC merely confirmed our doubts over the sincerity of the Government in setting up the NECC.

First of all, the NECC was actually to be convened while the top leaders of the DAP and other Operation Lalang victims were still detained without trial at Kamunting. It showed that the Government did not care for the views of the one million voters who support those incarcerated DAP leaders.

After the DAP decided to participate they were appalled, as the other NECC members were, by the

undemocratic way in which dissident views were left out of the sub-committee reports and the generally communalist politicking in the plenary sessions.

Was it not petty politics that saw the breast-beating over the prohibition of languages other than Malay in the proceedings? Why should language come in the way of a supposedly high-level economic forum to formulate an important national policy? Have Malaysians who are not so fluent in Malay nothing to contribute to the National Economic Policy?

Clearly, it was purely politics engendered by the chauvinist ideology of those in power. For if language could be such a big issue in the NECC, how is it that it is not now a big issue in the Malaysian Business Council? There are certainly tycoons in the Council who cannot express themselves fluently in Malay. How then do they contribute to this high-level business forum? I have heard that 'money talks' - can it be that money is the basis of so-called consensus?

In the event, it was not only the DAP that left the NECC, nor were they the first to do so. Reverend Paul Tan from the Catholic Church was the first to leave on 17 August 1989 when it seemed to him a fruitless and frustrating exercise. He was followed by the representatives from the Chinese education movement who were similarly unhappy that certain dissident points of view were left out of sub-committee reports although they had been agreed to during the meetings.

Then when Dr Mahathir let the cat out of the bag on

22 August 1990 by saying that the Government was not bound to accept all the proposals of the NECC, five more NECC members including the former Auditor-General and the Aliran President, also pulled out. PAS left after Dr Mahathir's indiscreet comparison of PAS with the CPM.

DAP found that the BN was never really serious about the NECC from the start. NECC members were denied essential data needed for meaningful discussion about the post-1990 policy. The fact that the Government did not appoint its top leaders into the NECC was another indicator of its insincerity.

We saw that whether the DAP was in or out of the NECC, Dr. Mahathir had no intention of accepting the NECC's proposals. He himself said in Singapore at the end of 1989, that the NECC would fail and that the Government itself would prepare the national economic policy after 1990.

The disagreements regarding the content of the 6MP between the BN Cabinet members themselves on the eve of the launching of the 6MP showed that the Presidents of the MCA, MIC and Gerakan had no say in the drafting of the Plan, never mind anybody else.

Finally, the NECC's most significant recommendations for an Independent Monitoring Commission and the replacement of the quota system by one based on merits and needs were left out of the Plan. It all confirmed our reservations from the start that the NECC was merely a political gimmick for the 1990 general elections.



The intra-BN politics regarding the NDP should also be noted as an inconsequential, frivolous and disgraceful sideshow. For we recall how the MCA and Gerakan Ministers, Deputy Ministers and other MPs had recommended this proposal for a Royal Commission to monitor the implementation of the Plan. Their subsequent rejection of the motion in the House calling for the same reveals the hypocrisy, the insincerity and lack of consensus on the policy. Those who follow the Chinese press will appreciate this BN charade of the MCA and Gerakan leaders' bravado in the Chinese community and their docility in Parliament and the Cabinet.

## Checks and Balances

The Opposition and other concerned Malaysians will never cease to expose the BN's unjust policies, scandals and other wrongdoings committed by the BN Government. The function of the Opposition in our Constitutional Democracy is to protect the rights and interests of the rakyat.

The last two decades of the NEP, especially the Eighties, have seen enough political, financial as well as moral scandals involving top BN leaders - the RM2.5 billion BMF scandal, the RM1.6 billion co-operative finance scandal, the EPF-Makuwasa shares transaction scandal, the UMBC shares ownership scandal, the Maminco London tin-buying scandal, to name but a few.

The Leader of the Opposition, speaking during the debate on the 6MP, gave the House the stunning reminder that even as the BN Government was ushering in the NDP, there were already ten new financial scandals including:

1. The RM72 million Masjid Tanah ammunition depot scandal;
2. The RM100 million KOBENA scandal;
3. The RM260 million Bank Pertanian scandal;
4. The RM200 million third Bank Bumiputra scandal;
5. The attempt by one person to control six banks through nominee companies;
6. The condoning of the illegal UMBC shares ownership scandal by the new Finance Minister;
7. The multi-million ringgit Tenaga Nasional Berhad scandal;
8. The Kumpulan FIMA privatisation scandal;
9. The RM4 billion UEM Johore Second Link scandal;
10. The multi-billion ringgit scandal of UMNO money politics.

With each passing day new scandals are exposed. Some never see the light of day in the BN-controlled media. Which investigative journalist took the trouble to follow-up the relatively easy trail provided by the 'Concerned Engineers' over the TNB scandal or the exploits of Datuk Bandar Kuala Lumpur as revealed by

the Member for Bukit Bintang?

## Truth and Reliable Information

The Malaysian press needs to look sharper, be more truthful in order that we have reliable public information which is sorely needed in a modern sophisticated society. We cannot harbour a culture of secrecy through laws like the Official Secrets Act and self-censorship of the local press. A robust, creative and dynamic society needs to thrive on free expression. Investors and business circles need correct and reliable information. The unpredicted fall of the Shah of Iran and even the more recent cataclysmic political change in the Soviet Union and Eastern Europe should be a lesson on the dangers of official secrecy and the politics of fear.

The TNB scandal, for example, has exposed gross corruption and mismanagement which has not only cost the country millions but also put the lives of our engineers and technicians in danger. Ninety per cent of TNB technicians and engineers are Bumiputra.

This particular scandal has threatened the industrial master plan and once again exposed the cronyism involved in the privatisation exercises. But while foreign intelligence reports are concerned at this danger of a breakdown in our infrastructure, this danger exposed has not been taken seriously by the Government and has been ignored by the press.

The cronyism that is rampant in the award of

privatisation contracts is leading to the greater entrenchment of a parasitic bourgeoisie living off rentier profits. The existence of such a class of rentier monopoly capitalists only serves to distort the market and ordinary Malaysians suffer from unfair determination of prices. The August Uprising by the residents of Cheras last year was an expression of the rakyat's outrage over this type of injustice.

## Mature Foreign Policy

To achieve the stature of a Nation that can hold its head high in the world community, the country's leaders must try to break out of their erstwhile culture of banana republicanism.

Such an immature attitude is evidenced not only in the quirks of foreign policy reversals but also by the refusal of the BN Government to abandon outdated laws and policies which shackle freedom, democracy and human rights. Transcending this erratic attitude is not only in the rakyat's interest but is also essential for maintaining stable trading relationships with other countries.

Our foreign policy must be based on stable, mature, principled considerations and not on the whims, prejudices or whatever complexes the Prime Minister may harbour. The recent tantrum over some uncomplimentary programme in the Australian media was unnecessary when we recall that a few years back a Malaysian

Minister actually urged the Malaysian press to churn out news stories in the Malaysian media which are uncomplimentary to the Western countries. There is no dearth of stories in the Malaysian media which are uncomplimentary to the West.

If the Government could not be consistent over its 'Buy British Last' policy and its Gulf policy, it should not overdo the posturing. For did the Government not beat a hasty retreat over the 'Buy British Last' campaign after the British got hold of some 'sensitive documents' during the investigations over the BMF scandal in Hong Kong? That policy had to be terminated ignominiously with the British Government obtaining one of the biggest arms sales in Malaysian history as well as other lucrative contracts.

Again during the Gulf crisis, when Malaysia could have taken a courageous stand on the side of peace, it had to succumb to US muscling and compromised on the side of war. What is needed to shore up the country's reputation in the world community is a consistent and principled foreign policy. But that is only possible as long as the country's leaders do not have skeletons in their cupboards which can be exploited by the Big Powers.

The true colours of the Barisan Nasional are seen when its power is threatened. The 1990 general elections exposed the BN's ruthless disregard for truth, their politics of fear and blatant racialism. The current Sarawak State elections have already witnessed the

BN's disregard for the democratic rights of Malaysians by denying an Opposition MP entry into the eastern province of his own country.

The wind of change sweeping through Eastern Europe, the Soviet Union and the rest of the world should serve as a lesson to the Barisan Nasional Government that they too must introduce meaningful reform to satisfy rising expectations.

We can never attain excellence and creativity while our basic freedoms, democratic and human rights continue to be suppressed. The Government can begin by repealing the ISA, for so long the symbol of an outdated insidious suppressive apparatus.

*(Paper presented at the Eleventh Economic Convention of the Persatuan Ekonomi Malaysia on 26 September 1991 at the Shangri-La Hotel, Kuala Lumpur)*



## Chapter 2

# GROWTH WITHOUT GLORY

The Government's 'Second Outline Perspective Plan 1991-2000' is a brilliant document of Barisan Nasional self-deception. It shows that the BN has failed to heed the views and opinions of concerned Malaysians who have expressed their dissatisfaction with the implementation of the NEP and have hoped for better things and guarantees in the OPP2.

In the first place, the BN has failed to address the most important problem of the way in which the NEP has served to divide Malaysian society and exacerbated racial polarisation. The OPP2 promises more of the same policy that we have suffered during the last twenty years, with only token references to 'non-Bumiputera' interests.

Secondly, it has failed to analyse the actual economic costs of the NEP. Consequently, the economic growth we have seen in the last two decades has been 'growth without glory'.

The OPP2 has disappointed Malaysians who had



hoped for the establishment of some form of Independent Monitoring Commission to ensure that there will no longer be the 'deviations' which have created havoc with ethnic relations in this country.

Malaysians who had hoped for a 'New Morality' that will make us all proud of living in a country that respects social justice, freedom, democracy and human rights were disappointed that the OPP2 only makes pious statements in this direction without positive commitments.

The BN has failed to address itself to the high national economic costs of the NEP created mainly by the political strategy of the ruling elite in UMNO when capital accumulation was hijacked by political and ethnic opportunists in UMNO with the support of their equally opportunistic bedfellows in the MCA, Gerakan and MIC.

### The Divisive Effects of the NEP

It is a well-known fact of Malaysian life that communal polarisation of Malaysian society has been exacerbated by the implementation of the NEP. This fact has been fully recognised by the former Prime Minister Tun Hussein Onn, by academicians as well as by the BN component parties, the MCA and Gerakan.

When non-communal approaches could have been used, the Government chose to communalise the issues of poverty and wealth holding. Consequently, not only

were Chinese New Villagers and Indian estate workers neglected but also other Bumiputera like the Orang Asli, Kadazans and Dayaks.

The Government could have easily identified socio-economic sectors for specific assistance or used fiscal incentives to carry out employment restructuring which would have been preferable, being race-free. Instead the Government chose a policy which fitted its political strategy of appealing to Bumiputeraism.

Not to be outdone at this communalist game, the MIC Big Chief recently suggested that Indians should be given a special niche for positive discrimination - a sort of 'Semi-Bumi' or 'Semi-Value' status. This was certainly a selfish suggestion by a shortsighted communal player who cares little for interethnic understanding.

In the process, as the results of the last general elections show, 48% of the Malaysian electorate are disaffected with the BN policies. These include the Bumiputera as was shown so clearly in Kelantan, Sabah, and also in Sarawak. Many others like the professionals so badly needed in the country's development have emigrated in disgust thus producing the brain drain only recently decried by the Vice Chancellor of Universiti Malaya.

The fact is, as we all know, the largest proportion of the 'restructured wealth' has gone to the elite who are well-connected to the BN leadership. As the OPP2 also points out, there is greater income inequality within the

Bumiputera community: The disparity between the top and the bottom income households for the Bumiputera is 9.2 times, compared to that of the Chinese, which is about 8.6 times. In 1986, it was revealed that the top 4.4 per cent of ASN investors held more than 70 per cent of ASN's total investments (*NST*, 28-11-86).

The collusion of business interests of the top BN leadership was clearly seen in the UMBC-Multipurpose Affair a few years ago when the corporate interests of the UMNO and MCA elites involved were finally maximised after they had stirred up plenty of communalist dirt about so-called 'Malay' versus 'Chinese' interests.

Furthermore, the Government's measurement of wealth using cash income alone is suspect for other factors like land ownership, government scholarships, services, utilities and subsidies should also be taken into account.

While countries like Japan, Taiwan and South Korea took the decisive but necessary step to implement land reform in order to develop their agricultural sectors and also to increase rural incomes, the BN chose uneconomic means and communalist arguments to try to allay rural Malay problems and satisfy the landed interests.

Besides such blatantly discriminatory schemes like ASN, which exclude non-Bumiputera, there are many other Bumiputera confines in the civil service, government agencies, housing estates, educational institu-

tions created by the racial quota system, which are intended to divide Malaysians, not unite them.

To these negative policies of the NEP period, the OPP2 does not propose a retreat or apology but presents policy implementers a blank cheque to carry on as before. Once more, the pledge that was also given in the NEP, that "no particular group should experience any loss or feel any sense of deprivation" is given without much conviction in the OPP2. But who will monitor this?

### Economic Costs of the NEP

While the BN Government prides itself on the economic growth enjoyed by the country during the NEP, we remind the country of the serious economic costs wreaked by the Government all these years.

The credit for the economic growth must be given firstly, to all Malaysian workers who have laboured under undemocratic conditions created by the BN; Malaysian entrepreneurs and industrialists who have invested in this country despite the obstacles put up by the Government during the NEP; and our rich land that has given us so many valuable and abundant natural resources.

Should we be proud of our level of economic development today?

That depends on which country we care to compare ourselves with. Those who strive for quality, excel-

lence and the highest moral standard just look toward the ideal and perform their best. There is simply no comparison. In contrast, the BN government behaves like the proverbial fool who prides himself for being better than the bottom of the heap. In other words, you cannot attain quality and excellence and high moral standards if you use backward countries for a yardstick!

If we consider that in the early Sixties we were economically ahead of Taiwan and South Korea in terms of per capita GDP, what is there for us to be so proud about today? Singapore, which does not have any of the natural resources we have, is way ahead of us. And today, the Malaysian Ringgit hardly does Malaysians proud when they go across the Causeway.

We can only thank our lucky stars that the developed countries have chosen the Asia-Pacific region for their investments. But instead of taking advantage of the conditions for greater economic efficiency through rational policies like the other little dragons, the BN leaders have squandered the country's considerable resources on the creation of more millionaires to bolster the 'racial ego'.

And for all the 'Anti-West' posturing by the BN leaders, foreign interests have been better served compared to local investors and industrialists. During the 'restructuring' exercises of the NEP, local non-Bumiputera interests lost out when government intervention into the market set share prices issued to Malay

interests below market price. The foreign companies managed to get a more 'real' market price since they were listed on the international market. This was pointed out in the MCA Political Seminar in 1980.

The Government's attitude toward our small and medium-scale industries (SMI) has been appalling. In all the NICs, these industries have been the basis for their subsequent industrialisation. But despite constant advice to the Government to give positive support to these SMIs, they have been ignored. When the World bank extended some aid to the SMIs in the mid-sixties, the Government did not extend it to the non-Bumiputera SMIs even though they made up 90% of this sector. It was only extended to the non-Bumiputera when this aid was not taken up.

In the mid-80s, State regulation impeded local investments in manufacturing, while opting for heavy industry when there were no ancillary industries. The costs have still to be counted. Apart from the long-term economic costs of the national car project, we must count the costs on the environment caused by exhaust emissions, devastation of forests for highways, traffic congestion and the neglected public transport system for the majority of Malaysians. A cheap and efficient public transport system should be an integral part of the country's programme to eradicate relative poverty and at the same time provide a more efficient and productive labour force.

When the Government decided to liberalise the

terms of investment for foreign investors in October 1986, it did not see fit to apply the same rules, if not better terms, for local investors. Foreign contractors were also given priority in the construction of highways, bridges, high-rise buildings and other prestige projects. Among the most idiotic of all these prestige projects must surely be the 'Snow Garden' in Shah Alam, which cost millions. Every West Malaysian should be ashamed to tell Sarawakians that there is in fact a 'Snow Garden' in the peninsula when the 'Pan-Borneo Highway' is in a worse condition than an estate road in Peninsula Malaysia!

The heavy dependence on foreign investments shows the failure of the NEP to develop and broaden the industrial base of the Malaysian economy. The country spends about \$5 billion annually in investment remittance abroad, or half of the annual deficit in services income.

The chronicle of scandals and failures of the loss-making public enterprises is ultimately an incalculable bill left by the NEP for the people of Malaysia. In the mid-70s, nearly all SEDCs were making losses. In 1981, the Minister for Public Enterprises revealed that out of 260 companies, 94 were making losses and 21 had yet to operate. (*Malaysian Business*, December 1981) For the SEDCs, interest costs on government loans were waived and they were exempt from profit tax until 1990.

In the sugar refinery joint venture with Phaltan

Sugar Works of Bombay in 1975, the Negri Sembilan SEDC lost RM30 million. The delinquent managers were not punished. Again during the Bank Rakyat scandal of the mid-70s, more than RM100 million was lost in fraud and embezzlement.

In 1983, of the 55,000 loans given out by MARA to Malay businesses, only 6,000 had been paid back (*NST*, 17-2-83). And in the 'Mother of all Scandals', RM2.5 billion were lost in bad loans by BMF to the Hong Kong company Carrian.

During the Tin Market Misadventure of the mid-80s, the Government risked enormous public resources for short-term gains instead of using such capital productively.

These billions lost put great strain on the economy which put us in a difficult situation during the international recession of the mid-80s.

This whole question of economic efficiency was never stressed, these losses were underwritten by the State's considerable economic resources because of the political rewards for UMNO. These business hand-outs were basically political patronage by UMNO leaders. This sort of practice merely encourages status seeking and wanton lifestyles, not wealth creation and generation. Of course they resulted in over-capacity and excessive competition and therefore the many failures.

The laments we hear in the OPP2 decrying the lack of a Bumiputera Commercial and Industrial Community are thus hypocritical, crocodile laments. For how



can the Government chastise the unsuccessful Bumiputera when the most 'successful' ones got where they are today through their political links and the State's intervention in opening up ownership opportunities in local and foreign companies?

These privileged Umnoputeras are what sociologists would call the 'parasitic bourgeoisie'. Their contribution to employment generation and economic diversification has been minimal. Much of their expansion has come from buying companies at good prices and selling when prices are high.

All along, the small Malay businessmen have resented competition from the State and the few large Malay capitalists, 'the Umnoputeras'. This complaint was heard again recently by Malay businessmen against the Johore SEDC.

### An Independent Monitoring Commission

The OPP2 is but an empty promise without the intention to set up an independent commission to ensure that all the deviations of the NEP will not be repeated during the New Development Policy.

The Malaysian people have lost faith in the integrity of the BN after the twenty years experience of the NEP. There is a big credibility gap between the BN's declared intention and actual implementation.

The current wave of privatisation has seen more and more scandals. The desperate dash for quick profits

in the current property boom has already seen the jettisoning of the original intentions of the KL Structure Plan. Condominiums are sprouting up in city sectors without proper environmental impact assessments and green areas like Bukit Gasing, Penang Hill, the Sungei Buluh Forest Reserve are being converted into concrete jungles. Workers and their families who have lived in estates all their lives are kicked out unceremoniously when these estates are bought over by developers, as was seen at Ladang Sungei Rasa in Shah Alam recently.

The current scandal in Tenaga Nasional threatens to scuttle the Government's privatisation exercise. It is a scandal which shows that the non-Bumiputera BN leaders are equally involved in highly questionable conduct that must be investigated by the Anti-Corruption Agency. It is a scandal that threatens the entire energy policy of the Government and costs the Malaysian tax payer billions.

Therefore, we cannot be expected to accept the OPP2 on faith without such an independent monitoring commission. There must be strict guidelines to ensure fair implementation of the proposed policy and the composition of this Commission must represent a fair cross-section of Malaysian society.

The people need some guarantees that these promises will be adhered to:

- that the needs of all communities will be taken into account;

- that inequality within each ethnic community will be reduced;
- that hardcore as well as relative poverty will be seriously tackled irrespective of ethnicity;
- that the Government will strive towards a democratic, liberal, tolerant, progressive and caring society;
- that there will be moves toward an economically just and equitable society;
- that there will be prudent management of our natural resources and the ecology;
- that there will be better services and amenities to help the lower income group;
- that privatisation of state assets is not monopolised by the well-placed interests but is fairly and equitably allocated;
- that there will be a better representation of non-Bumiputera in public sector appointments.

## Necessary Conditions

Like the Prime Minister's '2020 Vision', the OPP2 lacks the moral courage and political will to suggest the necessary reforms to make the ideal a reality.

To create a united nation, the Government must have the honesty and sincerity to dismantle all the obstacles to unity, such as the Bumiputera/non-Bumiputera dichotomy; the Malay Bumiputera/non-Malay Bumiputera dichotomy; etc. Our policy makers

cannot be of any use if they cannot think up ways to eradicate poverty and restructure society by using race-free criteria. It is unseemly to watch the elite of the BN component parties jostling for racial quotas for their own selfish interests to the detriment of the peoples' interests.

To demonstrate its generosity of spirit and capacity for attracting talents and skills to develop the Malaysian Nation, the Government should learn from the NICs and try to lure back to the country all the Malaysian professionals who have emigrated. This is the real test of 'a nation at peace with itself', free of narrow-minded racial chauvinism and insecurity.

Socio-economic status should be the criterion for government assistance although merit, efficiency and excellence should not be sacrificed in the process. This applies to such areas as access to economic aid, education, housing and health. A Means Test is especially appropriate in the award of grants or loans instead of these being taken by the middle and upper class in the name of the Bumiputera.

To promote inter-ethnic harmony and to outlaw racism and communalism, the time is due for some form of Race Relations Act. Such a law is needed to prevent instances of racial discrimination and racism in the public and private sectors. Public institutions like the media will also have to conduct themselves in a more responsible manner.

The upliftment of the standard of living of the

people must be seen in the light of the democratic and human rights of the workers and farmers, fishermen and squatters. This is also consistent with the 2020 Vision of a "*psychologically liberated, secure and developed Malaysian society...a fully caring society and a caring culture...an economically just society...*"

If the BN Government really means what it says, then it should begin by ratifying the International Covenant on Civil and Political Rights and the International Covenant of Economic, Social and Cultural Rights; repeal the ISA; restore workers' rights such as their right to form a national electronic union. This would be a meaningful gesture towards the 2020 Vision.

But is the BN doing anything to give Malaysians these basic human rights? How can we be a "*nation at peace with itself, a psychologically liberated, secure and developed society*" when the Government arrests and detains its critics without given them the basic human right to be tried in an open court; when its workers are not allowed to form a national union; when they are harassed while trying to form only an in-house union?

If the Government is really concerned to help the lower income groups, it can bring about a Minimum Wage Policy, as has been suggested by the MTUC, the Chinese Associations and others. This will at a stroke uplift the living standards of the worst paid workers. Instead we see the Government helping the plantation

interests to perpetuate the low wages in the estates by encouraging foreign immigrant labour. Besides the long-term social consequences of this, it serves to depress general wage levels of Malaysian workers and does not encourage the transformation to high value-added activities as stated in the OPP2.

Besides economic liberalism, there should be greater social and cultural democracy. The Government should recognise the contribution of the Independent Chinese Secondary Schools to the educational and human resource requirements of the country all these many years. It could start by recognising their 'Unified Examination' Certificate, which is recognised all over the world but not in our own country. Degrees of universities like Nanyang, Taiwanese, Indian and other universities should also be recognised if they meet the accreditation requirements of the country.

To meet the imperative of developing the small and medium-scale industries, the various mother tongue languages should be allowed to be the medium of instruction in trade schools, vocational and technical institutes.

More local tertiary institutions should be set up to solve the serious drain on the services accounts through the vast numbers of overseas students. To be fair to East Malaysians, it is high time for a university and other tertiary institutions were set up in Sabah and Sarawak.

The more educated, qualified and enlightened population we have, regardless of their language stream, the

better for the country. However, the full and efficient utilisation of our human resources will ultimately depend upon a national policy guided by far sightedness, rationality, fair play and social justice.

*(Speech during the debate on the Second Outline Perspective Plan, June 1991)*

## Chapter 3

# CONSTITUENCY DELINEATION AND DEMOCRACY

To view the current constituency delineation exercise in its proper context, we must look at the cardinal principle of representative democracy of 'one-man-one-vote' as it has evolved and changed in this country.

The original Merdeka Constitution provided that in drawing up constituencies,

*"there shall not be more than a difference of 15 per cent in the number of electors of any constituency to the electoral quota"* (Articles 113 to 117).

The 'electoral quota', or national average, was defined as the number obtained by dividing the number of electors in the Federation by the total number of constituencies.

### The 1962 Amendment

This 15 per cent difference was not satisfactory to



the then Alliance Party and the Constitution was amended in 1962. This Act transferred the power to delimit parliamentary constituencies from the Election Commission to a bare majority of Parliament. This fundamental change has been described by Professor R.H. Hickling, the first Parliamentary Draftsman of Independent Malaya, thus:

*"The abolition of the powers of an Independent Commission smacks a little of expediency and expediency can be a dangerous policy...the Federation is intent upon destroying the relics of a paternal policy embedded in the original Constitution, under which a number of independent bodies (in addition to the Supreme Court) shared, with the legislature, the authority of the Federation."*

A new Thirteenth Schedule set out certain new features permitting a weightage of up to 2:1 in favour of rural constituencies. This effected a major change in the nature of representative government in the Federation.

Thus, from the difference of 15 per cent of the voters for one constituency to the national average as stipulated under the 1957 Constitution, those changes in 1962 enabled differences of 100 per cent in the electorate between an urban and a rural seat.

However, the practice during the Sixties saw even greater inconsistencies. During the 1969 general elections, for example, the Parliamentary constituency of Johore Tenggara had an electorate of 13,821 while the

Bangsar parliamentary constituency had an electorate six times as large, viz. 81,036! This meant that the Bangsar electorate were under-represented politically, for they could have had another five MPs representing them.

As the MP for Ipoh, D.R. Seenivasagam put it during the debate on the 1962 Constitution Amendment Bill:

*"What democracy are you talking about when so blatantly and so clearly you are giving yourself power to use, perhaps in a crude way, to give double vote to rural folk as against the urban population... Surely, there could be no greater violation of democracy as we know it or as it should be known, in this country."*

### The 1973 Amendment

As if this was not enough, in 1973 the BN Government introduced yet another Constitution Amendment. Originally, Section 2(c) of the Thirteenth Schedule had read:

*"The number of electors within each constituency ought to be approximately equal throughout the unit of review except that, having regard to the greater difficulty of reaching electors in the country districts and other disadvantages facing rural constituencies, a measure of weightage for area ought to be given to such constituencies, to the extent that in some cases a rural constituency may contain as little as half of the electors*

*of any urban constituency."*

The 1973 amendments deleted the words "*to the extent that in some cases a rural constituency may contain as little as one half of the electors of an urban constituency.*"

Thus at a stroke, the check against too great a disparity between urban and rural seats was removed and constitutionally, the Elections Commission can draw electoral boundaries in which ten rural seats equal one urban seat.

And these Constitutional amendments were only possible with the help of all the BN component parties. We must not forget this for the MCA and Gerakan often feign helplessness when confronted by their non-Malay constituents regarding UMNO's dominance.

The 1973 Constitutional Amendment also reconstituted the membership of the Dewan Rakyat. The 104 parliamentary seats in West Malaysia were increased to 114 seats.

Now if, according to Section 2(c) of the Thirteenth Schedule, "*the number of electors within each constituency ought to be approximately equal throughout the unit of review,*" then the Federal Territory of Kuala Lumpur should have 10 parliamentary seats. However, it was only allocated 5 seats while Selangor was allocated 11 seats!

In view of the increase in the electorate of Penang, Perak and Malacca, these states should likewise have had further increases in parliamentary representation

compared to what they were actually allocated under the Amendments.

Thus the average electorate per seat per state ranged as wide as 20,000 for Pahang to 45,000 for Wilayah Persekutuan. And if particular seats between different states were considered, there were discrepancies as big as a ratio of 1:6 in urban-rural weightage.

Before 1973, the changes in the number of constituencies for each state could be effected by a simple majority in Parliament. But with the Constitutional amendments, the Government ensured that the rural weightage and under-representation of the urban electorate would become difficult to undo.

There have been gerrymandering within states themselves. For example, from 1959 to 1974, Penang island had 14 state assembly seats while Penang mainland had 10 seats, reflecting the bigger electorate on the island. However, in 1974 there was serious gerrymandering when Penang island's state representation was slashed from 14 to 12 seats, while that of the mainland's (making up only 45.9 % of the state's voters) was increased from 10 to 15 state assembly seats.

The political reason for this gerrymandering in 1974 was clearly to increase the UMNO state constituencies in Penang to ensure that the Gerakan Government under Lim Chong Eu, who had defected from the Opposition to the BN, could be re-elected with the additional UMNO seats.

## The 1992 Amendments

The very process of this most recent Bill through Parliament demonstrated the Government's contempt toward Parliamentary democracy in this country. MPs first saw the Bill one day before it was debated on the 20 October 1992!

This Bill was firstly, a blatant political interference with the independence and integrity of the Election Commission. Under Article 113 (2)(ii) of the Constitution, the Election Commission is conferred the responsibility of reviewing the redelineation of constituencies at an interval of eight to ten years. But at the time of the Constitution Amendment in October, eight years had not lapsed for the Election Commission to begin its review.

If the Election Commission is independent, it would have discussed the latest proposals with the Opposition as well as with the ruling parties. But this, the Commission failed to do.

The swift manner in which the 1992 Constitution Amendments have been passed in the federal and state Assemblies has more to do with the design and plan of UMNO. Only a few months ago, the press reported that the UMNO Supreme Council had already decided on the establishment of 12 new divisions. And as UMNO divisions are based on parliamentary constituencies, it is clear how it has come about that 12 new parliamentary constituencies were proposed under the 1992

### Constitution Amendments.

Secondly, these Amendments destroyed the independence of the parliamentary civil service by doing away with the separate 'closed service' of the Parliamentary staff which exists in the Commonwealth Parliamentary system to protect it from political interference.

Furthermore, the proposed increase of 12 additional parliamentary seats none of which are for Penang state, is a purely political decision with no regard for the democratic redelineation of constituencies. For if the Government can justify the increase in three state seats for Penang because of the increase in the size of the electorate, then why is there no increase in parliamentary seats for Penang?

By giving its agreement to the unfair treatment of Penang through a failure to increase its parliamentary representation, the Penang State Government has traded away the democratic and political rights of the people of Penang under our federal system.

In fact, the Law Minister had claimed in his winding-up speech that the increase of 12 parliamentary seats was justified because the population growth in the seven states affected had exceeded the national average of 47,000 voters per constituency.

If we use his argument, then Penang should have at least one new parliamentary seat since in 1990, Penang already exceeded the national average with 50,838 voters per constituency. On the other hand, Perlis

should not have an additional parliamentary seat since it only has an average of 33,032 voters per constituency.

## The 1992 Penang State Amendment

The manner in which every state government, including Penang called emergency instead of ordinary State Assembly meetings to pass the respective constitution amendments to allow increases in state seats showed that they were doing so at the behest of their political masters, ie. UMNO. It further demonstrated the lack of independence of the Election Commission. For under the Federal and State Constitutions, the Election Commission has no right or power to demand any holding of emergency State Assembly meetings.

In the event, the historic defeat of the BN's Penang State Constitution Amendment Bill demonstrated to the people the relevance and importance of denying a two-thirds majority to the ruling coalition.

The BN has accused the DAP of being inconsistent because the latter opposed the increase of three state seats for Penang while proposing that if anything, there should be an increase in 11 seats. Is this stand inconsistent?

The DAP has said that a fair redelineation for Penang would be 13 parliamentary and 39 state assembly seats, based on the present ratio of 3 state seats in each parliamentary constituency.

However, the reality is that there is nothing the DAP can do to change the BN's plan of no increase in parliamentary seats for Penang. That being the case, the DAP proposed that if there is to be any increase in state seats for Penang, then there should be a proportionate increase, i.e. increase the ratio to 4 state seats for every parliamentary constituency.

Therefore, instead of the existing 33 state seats, there would be 44, or, an increase of 11 seats. And with 44 seats, this will give Penang an average of 12,700 voters per state constituency, which is still higher than that of Malacca or Negri Sembilan (10,600 and 10,800 respectively).

True to form, the BN has chosen to hide the reasoning behind the DAP's counter-proposal through its monopoly of the media by simply charging that the DAP is unprincipled.

## Conclusion

Thus for anyone to claim that general elections in Malaysia are fair, they must first ask whether:

- electoral constituencies are fairly and democratically delineated to uphold the democratic principle of "one-man-one-vote";
- eligible voters are given fair and reasonable access to register as voters;
- all competing parties have fair access to the national and public media.



It is clear that there must be a constitutional review to lay down a consensus for the percentage of rural weightage that is acceptable. We have to ask what is wrong with the 1957 Constitution agreement that there should not be more than a 15% difference between constituencies? Otherwise the gerrymandering that has been going on all these years makes democracy in Malaysia a farce. It is also clear that the Election Commission must be seen to be fair, made up of personalities who have earned the respect of the public for their independence as well as being representative of all parties.

*(Published in Aliran Monthly, 1992:12(12); Nanyang Siang Pau, 26 November 1992)*

## Chapter 4

# THE MALAYSIAN PARLIAMENT: Need For Reform

It must be clear to the public that this Eighth Malaysian Parliament is in danger of breaking down completely unless the immediate cause is identified and urgent reforms introduced. Besides the solution to this immediate problem, other aspects of our parliamentary democracy also require reform if Parliament is to represent the foremost representative institution in the land.

Already the Leader of the Opposition has been suspended, first for the remainder of the sitting, and now, for the rest of the year. The Government benches are calling out for blood and urging changes to the Standing Orders to allow jail sentences for non-compliant Members of the House! But they would be wise to view the matter in a mature way and not to make our system even more of an "elective dictatorship" than it already is.

Those who have been following proceedings since

the beginning of this Eighth Parliament will know where the immediate problem lies, namely, loss of respect for one of the two Deputy Speakers of the House. The moment a Speaker has lost that respect of a section of the House, Parliament proceedings become a farce.

## The Speaker of the House

The Speaker not merely chairs the entire Parliamentary proceedings, he or she symbolises the continuity and authority of parliamentary government itself. The office of Speaker dates back to the earliest days of the House of Commons in the late 14th century and he became increasingly the officer of the Commons, a guarantor of its rights and those of minorities within it against the oppressions of monarchs and ministers.

Thus when King Charles I entered the Commons to arrest five Members in 1641, Speaker Lenthall told the King,

*"I have neither eyes to see, nor tongue to speak in this place, but as the House is pleased to direct me, whose servant I am here."*

By the mid-18th century, the Speaker came to be seen as an impartial 'servant' of the House and it was another century before Speakers were invariably above the political fray.

Today in the House of Commons, the Speaker is

elected by the House of Commons from among its Members. Once chosen, he immediately resigns from his party. But he continues as an MP while in office, and if he wishes to remain Speaker for more than one Parliament, stands in his constituency as 'Mr Speaker Seeking Re-election'.

In Britain, no modern Speaker has been defeated at the polls. Indeed, a few have been re-elected without opponents from the major parties. The Speaker continues to fulfil his or her constituency duties while in office, though he cannot use the House to air grievances.

It is conventional for the Speaker to come from the party in office but the current Speaker of the House of Commons has broken even that convention - she is not only the first woman Speaker but she is from the Opposition bench.

Apart from the Speaker, the Deputy Speakers in the House of Commons are usually chosen from either side so that neither side is disadvantaged. In Britain there are three Deputy Speakers, while the Malaysian Parliament has two.

*"Members should feel," Churchill once declared, "that the election of Speaker arises, as it were, from the whole body of opinion of the House."*

Thus, the moment the Speaker fails to be 'above the political fray', he loses all semblance of respect from the House. He cannot hope to be respected as an impartial arbitrator of the Parliamentary debates.

The problem in this Eighth Malaysian Parliament is precisely that one of the Deputy Speakers, the Member for Ampang Jaya, is not mature enough to appreciate what the office of Speaker entails. He has not only been overtly biased against the Opposition inside the House, but has also played the overtly partisan propagandist outside the House and in his press statements.

Let the public judge for themselves: the Leader of the Opposition is suspended from the House until the end of the year for seeking clarification about his suspension during a two day extension of the House meeting. At the same time no sanctions are meted out against the Member for Pasir Mas for using obscenities, racist vulgarities and behaving like a gangster in the House.

### Highest Deliberative Chamber

Once MPs fail to appreciate this need for debate on the pressing issues of the day involving the rakyat's monies - eg. MAIKA or BMF - they would have abdicated parliamentary sovereignty in favour of elective dictatorship. When that happens, cynicism will set in and the people may turn toward extra-parliamentary means to seek justice. That responsibility to shape the future of Malaysian democracy therefore lies in the hands of the Government-of-the-day.

Malaysians must decide whether they want to

exercise their political sovereignty only once in four years when they vote in the general elections, or they want to see Parliament discharging its foremost representative function. The Opposition's attempts to debate the MAIKA-Telekom shares scandal during the last Parliament meeting and the suppression of the Leader of the Opposition by the Deputy Speaker in question has led to the rumpus we saw in the House.

The same suppression of the issue of the day was seen during the BMF scandal and Constitutional (Amendment) Bill in 1983, when Government Ministers chose to ignore these questions to which the whole country wanted answers.

### Other Aspects of Parliament

At this juncture when the nation is talking about a new direction of development into the 21st century, it is perhaps time for a Royal Commission to review the functioning of the Malaysian Parliament over the last 35 years and to consider its role in the 21st century. Do we have that maturity, or is Dr Mahathir's aim of being a society at peace with itself merely a dead letter?

The discerning MP will know that the need for Parliamentary reform includes Parliamentary procedures, practices and conventions to allow MPs to perform their role more effectively. On the other hand, Government leaders seem obsessed with only greater elective dictatorship, *viz.* to curtail rights and freedoms

of MPs, especially those MPs who speak up for the people.

Take the example of the Private Members (or non-ministerial) Bill provision in the Standing Orders. In the press, we heard the Speaker justifying Kit Siang's suspension by saying that the Opposition can put in a substantive motion to challenge the Deputy Speaker's decision.

Well, DAP MP Dr Tan Seng Giaw did exactly that and submitted a motion. But then everyone familiar with the Malaysian Parliament knows that there is as much chance of that motion coming up for debate as a blue moon rising. For under Standing Orders No. 15(1):

*"On every sitting day Government business shall have precedence over Private Members' business."*

The Government always makes sure that the Order Paper is full of Government business before any Opposition motion. This is the reality of the Malaysian Parliament today.

Opposition MPs' attempts to force a debate on the urgent issues of the day under Standing Orders 18.1 have likewise rarely succeeded. 18.1 stipulates:

*"Any member other than a Minister may at the time appointed ... rise in his place and ask leave to move the adjournment of the House for the purpose of discussing a definite matter of urgent public importance by reading the text of the motion approved by the Tuan Yang di-Pertua."*

It has become a standing joke that even if people are being detained, poisoned or massacred, the Speaker will invariably rule :

*"Yes, I agree the motion concerns a definite matter ... Yes, it concerns a great many people ... But, I don't think it is that urgent to necessitate a debate especially since the Government is already looking into this."*

In more mature Parliamentary democracies, they have tried to innovate by making their Parliaments more relevant and meaningful, such as by the establishment of Specialist Parliamentary Committees to enable MPs to specialise as well as to participate in policy making.

In Britain, there are 'Opposition Days' in every Parliamentary session. Twenty days of each session are allocated to the Opposition. Opposition spokesmen open and close the debates and ministers from the relevant departments respond. Furthermore, eleven days each session are set aside for private members' motions, with the choice of subjects left to the MPs themselves. Then again, the day before the House goes into recess is normally given over to backbenchers to initiate short debates, providing a further seven or so days for private members' motions.

## The Public Accounts Committee (PAC)

The composition and function of the Malaysian Parliament's PAC certainly leaves much to be desired.



The Standing Orders No. 77(1) actually provides for a PAC which could take part actively and meaningfully in ensuring high standards of financial accountability from the government, not merely regarding past but also present mismanagement of public monies:

*"77(1) There shall be a committee to be known as the Public Accounts Committee appointed at the beginning of every Parliament, for the examination of -*

- (a) the accounts of the Federation and the appropriation of the sums granted by Parliament to meet public expenditure;*
- (b) such accounts of public authorities and other bodies administering public funds as may be laid before the House;*
- (c) reports of the Auditor-General laid before the House in accordance with Article 107 of the Constitution;*
- (d) such other matters as the Committee may think fit, or which may be referred to the Committee by the House."*

So far, the PAC of the Malaysian Parliament has confined itself to dealing with only the Auditor-General's report tabled before the House. Currently, this is at least four years behind time. Thus the recent scandal over the ammunitions dump in Malacca is actually the result of the tabling of the 1987 Auditor-General's Report during the 1991 meeting of Parliament.

In fact, the powers of the PAC are wider in scope than the Auditor-General's and it does not have to wait

for the Auditor-General's report. It can go into areas beyond the jurisdiction of the Auditor-General, for example, co-operatives and banks which are in receipt or constituted with public funds, such as Bank Rakyat, MBF, MAIKA Holdings, etc. Furthermore, under Standing Orders No. 77(5),

*"The Committee shall have power to send for persons, papers and records, and to report from time to time."*

In the British Parliament, the PAC is by custom chaired by a senior member of the Opposition. This is a logical consideration since the PAC must not be afraid of stepping on the toes of Ministers and the rest of the Executive. And once in session, the committee's reports are debated on the floor of the Commons. The British Auditor-General's Office has total financial and operational independence from the government: none of its staff are civil servants and the Auditor-General himself is an officer of the House of Commons who reports directly to the PAC. He has a considerable degree of autonomy and can decide what departments and spheres of activity should be investigated by the National Audit Office.

There is another area for Parliamentary innovation. In the US Congress Budget Office, they have facilities for providing MPs with general economic and fiscal data **independently** of the Treasury. This makes sense since MPs cannot be dependent on those whom they are supposed to be scrutinising in the first place. But here,

Malaysian MPs do not have even basic research facilities.

During the last decade, the British PAC has unearthed not a few scandals to embarrass the Government-of-the-day. In Malaysia, our Government does not seem to have developed the maturity or openness to allow this basic gesture.

## Conclusion

These shortcomings of the present Malaysian Parliament must be addressed by the whole country if our Parliament is not to slide into anarchy through the elective dictatorship of the Government-of-the-day.

The suspension of the Leader of the Opposition from the House until the end of the year is as dangerous a precedent as it is unjust. I have pointed out several areas of the Malaysian Parliament which require reform but the most pressing and crux of the present crisis lies in the continuance of the Member for Ampang Jaya as Deputy Speaker.

His failure to live up to the conventions in keeping with the office of Speaker makes him unfit for his role. As long as he persists in that Office, as long as the Speaker has lost the respect of the House, the Malaysian Parliament will never be at peace.

*(Published in Nanyang Siang Pau, 10 June 1992; Aliran Monthly, 1992:12/7)*

## Chapter 5

### THE MALAYSIAN PARLIAMENT: More Questions Than Answers

The role of Parliament in a democratic system is not only to make laws. It is also meant to be the institution where matters of public interest and constituents' grievances are raised and thereby the executive is made to account to the people.

That is why 'Question Time' is an integral part of parliamentary business during every day that parliament is in session. Debates and questions take up more time than any other activity. Through parliamentary questions, the Government can be brought under scrutiny and the civil service kept on its toes. According to Erskine May, parliamentary questions have two main objectives:

*"to obtain information and to press for action."*

In the Malaysian Parliament, MPs are allowed twenty questions for oral answers and five questions for written answers during each session. With 180 MPs in the House, this can add up to more than 50 questions

on the Order Paper for each day. So in reality an average of only ten questions or so will make it during Question Time, which is the first hour of the parliamentary meeting. MPs whose questions are ordered after that do not get the opportunity to pursue further with a Supplementary Question. They only receive a written reply.

In Britain, MPs enter a ballot to determine the ordering of questions but in this country, it is left to the discretion of the Parliamentary secretary. And whenever any question from the Opposition appears within the first ten questions, it is like a windfall.

In Britain too, Ministers come to Parliament to reply on major policy issues. In Malaysia, the Ministers' Gallery is usually empty except for the days when the Government needs its two-thirds' majority for a Constitutional Amendment or when Parliament gets televised on Budget day and the Royal Address.

A rare exception was when the Finance Minister Datuk Anwar Ibrahim came personally to reply to the recent questioning of Bank Negara's loss of more than RM10 billion. Even so, he failed to provide the information demanded by the House regarding details of the loss but chose to score political points against the Opposition and claiming that this was privileged information of the Central Bank's.

The Energy Minister Datuk Samy Vellu was noticeably absent when MPs wanted to question him on the September 1992 Blackout and subsequent energy

crisis. But the Minister who is consistently absent from Parliament most of the time is the Transport Minister Datuk Ling Liong Sik, who failed to come even after the two Airport Fire Disasters and the Port Klang Disaster.

In Britain, the Prime Minister himself comes to Parliament to answer questions each Tuesday and Thursday that Parliament is in session. But in Malaysia, the Prime Minister not only rarely appears but even schedules his overseas trips to coincide with Parliamentary sittings.

This all goes to show the cynicism and low priority that our Ministers place on Malaysia's Parliamentary Democracy. The vast proportion of ministerial replies during Question Time are read out by their deputies or parliamentary secretaries.

## Questions Under Standing Orders

In the first place, the value of Question Time is very much limited by the length of time set aside for oral questions and the inability of MPs to compel Ministers to be more forthcoming than they wish to be. For a start, as already mentioned, the Ministers themselves do not come to answer and their deputies and parliamentary secretaries merely give glib replies. There is practically no opportunity for MPs to protest against evasive or unsatisfactory answers or pursue an issue as the Speaker invariably passes on the next supplementary question

to some other MP.

But even before one's questions reach the Order Paper, they would have been screened first by the Parliament Secretary. Many questions are disqualified for various reasons under the Standing Orders of the Dewan Rakyat. These are best illustrated by some actual examples from my own experience:

On 15 July 1993, I asked for any proof or evidence in the hands of the Government regarding the 'plot to take Sabah out of Malaysia'. This was rejected under Standing Orders 23(1)(f) regarding 'secret information'. The same reason was given to deny my query regarding the names, age, gender and place of detention of ISA detainees as well as my request for a list of defence purchases in the last five years.

On 21 August 1991, I wanted to know what proportion of scholarships, loans for certificate, diploma and degree courses given to Bumiputras have been given to children from poor households. This was rejected under S.O.23(2) because apparently it was likely to *"promote feelings of ill-will or hostility between different communities in the Federation or infringe a provision of the Constitution or Sedition Act."*

Another question asking for the numbers and proportion of Malay, Chinese, Indian waged labour and their respective earnings on 4 May 1992 was rejected based on the same stipulation of the Standing Orders.

Colin Nicholas in his analysis of official statistics on the Orang Asli (*Orang Asli Official-Speak. Aliran*

*Monthly* 1992: 12/9) has shown how information given in response to Members of Parliaments' questions over time do not add up to the truth. Furthermore, my question on the breakdown of the indigenous minorities according to the different ethnic (tribal) groupings on 4 May 1992 was likewise disqualified under Standing Orders 23(2)!

How such information regarding the actual population of the various tribal groupings of Orang Asli in this country is *'likely to promote feelings of ill-will or hostility between the different communities'* baffles me.

But this is the way information and official statistics are perverted in Malaysia. Those familiar with previous Malaysia Plans will know that some statistics with ethnic breakdown were provided. Now it would seem that such statistics, which are vital for social and economic restructuring, have suddenly been deemed by the Powers-that-be to be *'likely to promote feelings of ill-will or hostility between the different communities'*, including a request for figures on student enrolment into institutes of higher learning according to ethnicity. (30 April 1993)

For that matter, another question I asked on 6 May 1992 regarding why the hard-core non-Bumiputera poor were not entitled to the RM500 million government assistance was disqualified again under Standing Orders 23(2) even though the Government has declared that poverty eradication is irrespective of race.



Many questions regarding scandals in various development projects are disqualified with the glib reason that these are 'affairs of the State Government' and thus out of the province of the various ministries. Some of my questions disqualified included the building of a condominium in Taiping's 100-year-old park and golf course (21 October 1991); querying the number of states which had exceeded their timber quotas (21 October 1991); asking how the Downtown Project and University Towers condominium in Petaling Jaya were approved (21 October 1991).

Considering the fact that none of the municipal councils are elected councils, it means that it is very difficult for the public to probe these scandals when the political appointees within each council jealously guard their privilege.

## Access to Information

In May 1985, the British Parliament passed the Local Government (Access to Information) Bill with all-party support. This law forces local authorities to increase public access to full Council and committee meetings, to open up sub-committees to public scrutiny and ensure that documents are available to those who want to see them. Those familiar with the way local government is run in this country will know the urgent need for such legislation.

The need to replace the widely criticised Official

Secrets Act (OSA) with a Freedom of Information Act has been constantly voiced by concerned Malaysians ever since the campaign against the OSA in 1986.

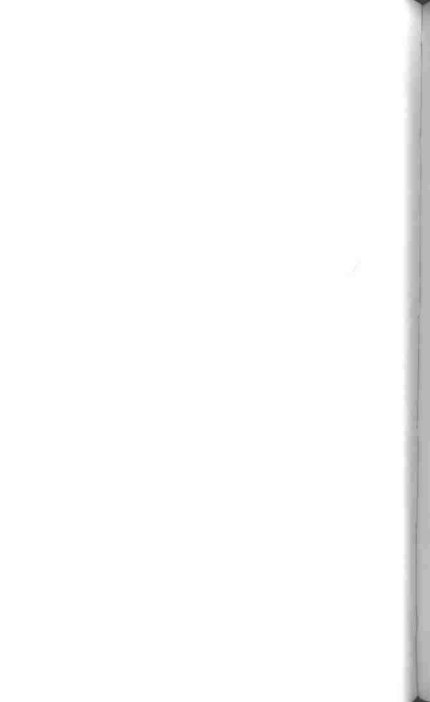
With all these deficiencies in Malaysian institutions with regard to access to information, one can only marvel at the recent speech by the Finance Minister Datuk Seri Anwar Ibrahim at the Conference on 'Communication, Technology and Development, Alternatives for Asia' when he said, among other things:

*"We believe that the growing maturity, openness and sense of confidence among Asian societies will enable us to forge viable alternatives to the present order..."*

*"Asian nations must work collectively not to suppress information but to ensure that their values, opinions, cultures and history become integrated into the communication media..."*

*"The search is not and must not become a means to perpetuate the tyranny of a ruling minority upon the ignorant masses."*

*(Published in 'Rosa Sinensis', Journal of The Resource & Research Centre, SCAH, September 1993)*



## Chapter 6

# BRING BACK ELECTED LOCAL GOVERNMENTS

The Prime Minister has declared in his 2020 Vision:

*"the challenge of fostering and developing a mature democratic society, practicing a form of mature consensual, community-oriented democracy..."*

A fine ideal which all who love democracy and human rights will welcome. A good place to start to realise this ideal is to bring back local government elections which were suspended on 2 March 1965 during the Confrontation crisis. The then Alliance Government promised to restore elected local authorities *"the very moment peace is declared and the Emergency regulations are withdrawn."* (*Straits Times* 2.3.65)

Political scientists like NW Norris have pointed out that this was an underhand Alliance move to preempt Opposition chances to establish local control. During the 1959 general elections, the Alli-

ance polled only 51% of the votes and the MCA was on a steep decline in the urban areas. In most of the important local authorities, the Opposition was in control.

Consequently, the Federal Government 'took over' Kuala Lumpur in 1961, Seremban in 1965, and in 1966, the Georgetown, Malacca municipalities and the Johore Bahru, Batu Pahat town councils were also taken over. By 1965, there were some 3,013 elected councillors in the country.

## The Royal Commission

The Royal Commission under the late Senator Datuk Athi Nahappan, which was formed to report on the local governments, recommended that while the management of local authorities needed reform, the elective principle should be retained and restored:

*"There is a strong force supporting democracy in local government."* (Royal Commission, para 231)

It further concluded:

*"that despite the inherent defects of elections on party basis they should be allowed to survive and continue for cogent reasons. Political tolerance is a great asset in any society. It is more so in a society with plural communities."* (para 572)

During the Parliamentary debate on the Royal Commission Report, Datuk SP Seenivasagam of the PPP brushed aside the arguments against elected local

governments, such as charges of maladministration:

*"It is common knowledge...that some of the biggest swindles are perpetrated in the State Governments and, I regret to say, in Federal Government circles...Does this mean that we have got to abolish the State Governments and the Federal Government...?"*

He emphasised the greater likelihood of corruption in an appointed structure.

However, such a call for participation and progressive devolution was not heeded by a government which was committed to the centrally controlled "restructuring" of the New Economic Policy.

The recommendations of the Royal Commission were not made public and the Tunku's pledge to restore elections was not fulfilled after 1969 when he was overthrown in the 'coup d'etat within the UMNO'.

## Self-Government

Many younger generation Malaysians are not aware of this history of our democratic institutions and it is time we reminded them of our democratic heritage.

In fact, the very first step in our country on the way to self-government was the creation of elective local government, namely, the Kuala Lumpur Municipal Elections in 1952.

At Independence, we inherited a commitment to local government and avowed confidence in the democratic process. Appointments to political office was a

colonial practice which post-Independence Malaysians should have discarded long ago.

It is time we reminded the Government that in today's world, the trend is toward decentralisation and devolution. As our society is getting more developed, democratic principles of representation and accountability at the local community level become urgent.

### No Taxation Without Representation

Petaling Jaya is a good example of a Malaysian municipality in which the ratepayers are demanding accountability and representation. It is just another local authority in Malaysia where the democratic principle of 'No Taxation Without Representation' is not followed.

While they see services in the area deteriorate, PJ ratepayers are asked to pay rate increases which are exorbitant. In fact, there is strong evidence to show that MPPJ's current assessment rate revaluation exercise contravenes the Local Government Act.

The performance of councillors during the Council meetings leaves much to be desired. Some have not bothered to attend Council meetings. Those that do, do not ask pertinent questions that PJ ratepayers want to know, such as questioning the assessment rate increases; the unfair parking charges; the approval of projects which encroach on PJ's green belt, eg. Bukit Gasing; the unjustifiable foreign excursions by councillors; etc.

The only issues that get aired during council meetings are those that involve divergence of interest between the councillors themselves, such as who is getting a particular lucrative contract, or what criteria are used for selecting councillors to go on these foreign excursions.

There are councillors with dubious backgrounds, including the MCA candidate for Petaling Jaya during the 1990 general elections, who was declared a bankrupt a few days before polling day and against whom many police reports have been lodged regarding unprofessional breach of trust.

The public, the press, the wakil rakyat do not get to know about all other business which do not get aired during these council meetings. The agenda is not available to the public, nor are the public allowed to attend sub-committee meetings. From the full-council meetings it is clear that sub-committees like the Privatisation Sub-Committee need to be scrutinised closely. At one meeting, the councillors in a particular sub-committee themselves did not agree with the minutes taken at that meeting!

When the DAP Members of Parliament and State Assembly representatives first attended the MPPJ monthly council meeting, for example, the meeting was adjourned after only 25 minutes because they did not want the issues to be aired in the presence of Opposition representatives!

There is no doubt that the appointment of council-



lors breeds inefficiency, discontent and political alienation, a symptom not conducive for the mature democracy we are aiming for in the 21st century Malaysia.

## Public Accountability and Decentralisation

In a democratic society, taxation cannot be justified without representation. Ratepayers must be represented on the body which determines how that money should be spent. It is a fundamental precept of parliamentary government which is equally applicable at local-level government. This is to satisfy the requirement in a democratic society for pluralism, participation and responsiveness.

Local government forms the third tier in our federal structure of government. As our society becomes more sophisticated, our citizens are also becoming more concerned for their voices to be heard at the local level. Local authorities can be considered the primary units of government.

Firstly, certain services which demand local knowledge, greater coordination and policy integration are more efficiently handled through local authorities.

Secondly, local authorities can initiate and innovate solutions to some societal problems such as health, housing, welfare, schools, birth control, literacy, public transport, recycling, in ways which are more imaginative than if these were handled by a centralised authority.

Thirdly, involvement in local government pro-

motes and encourages political education in its widest sense among grassroots people. In the modern state, many social groups such as women and manual workers are under-represented and local government can provide them with the channels to air their concerns.

At the local level, voters have a better ability to influence decisions. Their representatives are more accessible and thus more accountable. This dispersal of political power is more healthy in order to diminish the tendency of states toward centralisation and authoritarianism.

It is noteworthy that during pre-war Germany which allowed Hitler's rise to power, the drift toward authoritarianism was facilitated by weak and vulnerable intermediate bodies between the government and the people. This should serve as a lesson for us to avoid such a trend and instead to strengthen our hard-fought democratic institutions and rights.

*(Published in Aliran Monthly 1993:13/5, Nanyang Siang Pau, 26 February, 1992)*



## Chapter 7

### SWING AGAINST THE SULTANS

The fortunes of Malaysia's Rulers are turning again. The last time Malaysia's Constitutional Monarchs took a serious bruising was in 1983 when the Government of Dr Mahathir proposed a Constitution Amendment Bill which sought to "assume" that Royal Assent has been given 15 days after a Bill has been presented to the King.

The Mahathir Government is now embarking on a further erosion of the sultans' positions by removing their immunity from prosecution. This latest opportunity for Dr Mahathir was provided by the indiscretion of the Johore sultan, easily the most cavalier of all the sultans, who roughed up a field hockey official recently.

The normally obeisant press has been publishing royalty-bashing letters and articles for weeks running concerning the Johore sultan's tyrannical exploits as well as other sultans' unscrupulous business methods.

The implications of this recent political development go further than the system of constitutional monarchy itself.

The position of the Malay Rulers has traditionally been part and parcel of 'Bumiputraisim', the ideology of the dominant party, UMNO, which justifies the special privileges accorded the Malays in every aspect of Malaysian society. 'Bumiputra' literally means 'princes of the soil' and the Malay Rulers are the symbols of 'Malay dominance', the political principle of UMNO.

The survival of these feudal structures and symbols is in part attributed to the British who learned through the early Malay resistance to direct rule, that capitalism could coexist with these feudal structures. In fact, the colonial state revitalised the previously weak sultans, especially with new state revenue impositions after British intervention in the Malay states. WR Roff quotes the Governor's despatch of 1893:

*"To unify and classify the government service of these states, great care must be taken to leave full scope for the employment of natives, especially the native aristocracy."*

Religion became inseparably bound up with communalism in Malaya. The increased status of 'Malay religion and customs' in the charge of the Malay Rulers was meant to compensate for the loss of their sovereignty upon colonialism.

The sultans were provided with personal allowances, elaborate palaces and a privy purse at state expense. At the same time, the British left the subsidiary conferment of rank, title and allowances within the royal courts to the sultans themselves. This, of course,

was to give the impression that the colonial power was 'observing Malay custom.'

After the war, the Malayan Union proposals were intended to transfer the sultans' jurisdiction to the British Crown and grant citizenship to the non-Malays. This had been motivated partly by the fact that the Malay Rulers were (in the eyes of the British) tainted with having collaborated with the Japanese during the war, and partly by the fact that the non-Malays had played a big part in the anti-Japanese resistance.

Among other things, the Malayan Union proposed to abolish the need for the Malay Rulers' formal assent to legislation. But although the British had quickly bullied the nine sultans into signing the treaties, their subsequent revolt against the Malayan Union with the organised strength of UMNO made the colonial power change its mind. Consequently, the Federation of Malaya proposals set the tone for Independent Malaya:

*"That these states are Malay states ruled by Your Highnesses; the subjects of Your Highnesses ... occupy a special position and possess rights which must be guarded."*

Since Independence, the Malay Rulers have provided the symbol of Malay Special Rights while UMNO has been the Executive of this ideology. But the logic of capitalism has finally caught up with such feudalist trappings.

The New Economic Policy (NEP), implemented in the Seventies, has provided the vehicle for the 'UMNO-

putras' to attain a corporate stature that is unrivalled, under the umbrella of affirmative action to 'restructure' Malayan society to enable greater Malay participation in the economy.

Not unexpectedly, the NEP has created inter-factional rivalry among the Malay elite. The split in the dominant Malay party, UMNO into UMNO Baru and Semangat 46 in 1987 was unavoidable. The recent struggle over the control of the Malay Chambers of Commerce further reflected the contradictions between the big Malay corporate interests and the smaller Malay businessmen.

Throughout the NEP years, the Malay royal families have also become involved in the amassing of economic opportunities. They have extra-special privileges in areas of land, timber concessions and other business dealings which are bound to cause resentment among the 'Umnoputras'.

The Sultan of Pahang's timber concessions have recently been unceremoniously exposed in the local press. It was also revealed at the last Parliamentary meeting that the companies of the Pahang prince and that of the Negri Sembilan royal house are the local agents that would cream off RM320 million in commission for the purchase of Russian MIG 29s. Members of the Negri Sembilan royalty own Antah Holdings which was awarded the RM1.4 billion water supply contract with Biwater without tender.

It was therefore only a matter of time that the

Umnoputras would grow impatient with these feudal privileges of the Malay rulers. Dr Mahathir has waited for this opportunity provided by the Johore sultan. If this was truly "*the last straw that broke the camel's back*", then Mahathir has picked a poor excuse.

For the 'last straw' was surely when the same Johore Sultan killed a golf caddy in 1987 while he was the reigning monarch of the Federation from 1985 to 1990. This was revealed at the last Parliamentary meeting for the first time. Dr Mahathir's Government not only put a blanket on the press at the time but it was the same Monarch's 'hurt feelings' a year later upon receiving the former Lord President Tun Salleh Abas' letter which led to the latter's sacking in 1988.

This latest episode in Malaysian political history, without a doubt, fits into the new Umnoputra's scheme of things. But with the removal of the ideological underpinning that the Malay Rulers have traditionally provided UMNO's 'bumiputraisim', this will no doubt be a liberating influence on the consciousness of the Malays in Malaysia and one hopes, on Malaysian politics in general.

## The BN Media's Sultan Bashing

In their frenzy to bash the sultans during these last few weeks, Dr Mahathir and the BN media have exposed more about their actions than they have done in a long time.



It is certainly a refreshing change to see the BN-controlled press and mass media revealing item after item of this Pandora's Box. The Malaysian public should indeed know about all instances of abuse of power. Malaysians should long have had access to all such information that is in the public interest.

But the Malaysian public also want to know all about the other abuses of power by the Umnoputras and their cronies in the MCA, MIC, Gerakan, PBB, SUPP, PBS, USNO ... For are there no BN ministers, deputy ministers, Chief Ministers, Mentris Besar, Excos, MPs, SAs and other leaders who have gained from these royal privileges such as land, timber and AP concessions?

Are the royals the only ones with a stable of cars? Can we say our Government leaders are without a blemish regarding this fetish for cars? Are the royals the only ones who monopolise the first ten numbers of car registration plates? Does the BN press not know of any Chief Minister who has been behaving like royalty in this regard?

The Ascendent Umnoputras may not care too much about the honorific titles bestowed by the Rulers, but every Malaysian knows that these datukships are the climbing aids for the shameless carpetbaggers in the MCA, MIC, Gerakan and the lesser BN elite.

But unwittingly, in their zest to cut the sultans down to size, the Government and their media have only exposed their untruthfulness to date.

Firstly, they have as much as admitted that if the

sultans had consented to the 1993 Constitutional Amendment Bill, then none of these unsavoury exposures of the sultans would have been highlighted.

Secondly, the Barisan Nasional leaders have not seen fit to answer the one question in everyone's mind, namely: Why have these serious cases of wrong-doings been kept from the public all these years? In this is seen the use and abuse of the Malaysian press by the Barisan Nasional in all its nakedness.

The Barisan Nasional and its organs of mass media certainly have not changed. Leopards do not change their spots overnight. They continue to warp Malaysian reality, to shamelessly exclude the Opposition's views from the national media and to print untruths and half-truths.

The truth of course is that on this issue of wrongdoings by the Rulers as with the principle of equality of all persons before the law, the Barisan Nasional could never hope to beat us at consistency.

As long ago as 1984, was it not the DAP's intrepid advocate of justice and human rights, Karpal Singh who was suspended from Parliament for two years for bringing up the case of abuse of power by the same Sultan of Johore? Which other Malaysian has been more courageous in challenging royal abuse of power all these years before it was the hunting call of the BN Government?

Who can forget the hysterical cries for blood by the supposedly 'loyal subjects' in 1987 when Karpal pointed

out that the Sultan of Selangor had contravened Article 42 of the Federal Constitution by saying that he would not pardon anyone sentenced to death for drug trafficking?

As a reminder to the BN Sultan Bashers today, during that controversy,

- UMNO Selangor called on the Sultan to ensure that Karpal be prevented from setting foot on Selangor soil ("*supaya Timbalan Pengerusi DAP pusat itu dihalang menjejek kaki di mana-mana bumi negeri tersebut.*");
- Deputy Prime Minister Ghafar Baba took a very serious view of the fact that His Majesty's royal proclamation had been questioned in public ("*memendangkan titah baginda telah dipersoal di khalayak ramai.*");
- Vice President of UMNO Datuk Abdullah Badawi demanded that Karpal ask for royal pardon ("*sebagai rakyat negara bersopan, ketatasusilaan dan adat beraja yang didokong sejak turun-temurun.*");
- UMNO Youth vowed to make Karpal prostrate before the Sultan ("*akan membuat Karpal Singh sujud kepada baginda Sultan.*").

To cap it all, MCA Youth leader and Professor of Visionary History, Datuk Yap Pian Hon gave his considered opinion that "...*Karpal does not comprehend history.*"

And who can forget that Karpal's valiant act to summon the Sultan of Selangor to court in September 1987 was one of the detention charges against him

when he, with other DAP leaders were arrested and detained under the ISA during 'Operation Lalang' that same year?

As the DAP Secretary-General Sdr Lim Kit Siang reminded the House during the debate on the 1993 Constitution Amendment Bill, Parliament owes Sdr Karpal Singh a grave apology.

All who witnessed the debates in Parliament not only on the 18 and 19 January but also on the motion censuring the abuse of power by the Sultan of Johore in December last year will be in no doubt as to the consistency and cogency of our position.

As democratic socialists, we believe in the equality of all persons before the law. We are against all abuses of power including those by monarchs, ministers and their minions. As Members of Parliament who have pledged to 'uphold the Malaysian Constitution', we are bound by our conscience to ensure that the Constitution is upheld. Sdr Karpal Singh pointed out this important technical point of Article 38.4 regarding 'the consent of the Rulers'.

During the debate and even before that, the DAP called on the Government to first settle this vital constitutional point by calling on the King to seek a Supreme Court interpretation. Once this question is settled, we would have no objection to supporting the 1993 Constitution Amendment Bill.

To listen to the recent breast-beating by the BN leaders and their quislings in the media about equality

and the rule of law, you could be forgiven for thinking you were dreaming!

The Barisan Nasional has been consistent on only one score - the naked pursuit of power and economic interest. For the BN Machiavellians, human rights, justice, equality, democracy, the rule of law can all be compromised to serve the purpose of the Barisan Nasional.

We have seen this on so many occasions but more recently during the OSA Bill in 1986, Operation Lalang in 1987, the assault on the Judiciary in 1988, the dirty tricks in the 1990 general elections.

Today, it is clear that the contradictions between the economic and political interests of the Umnoputras and the sultans have reached a peak. This is another of history's ironies as well as the logic of capitalist development under the New Economic Policy. You could call it the nemesis of the NEP.

*(Published in The Rocket, Vol 26/1 1993; Nanyang Siang Pau, 22 Jan 1993)*

## II

# ENERGY INDUSTRY



## Chapter 8

# SCANDAL AT TENAGA NASIONAL

The scandal at the privatised electricity board Tenaga Nasional Bhd was first raised by the author during his first speech in the Malaysian Parliament in the budget debate of 1990. The next three chapters are excerpts from parliamentary speeches right up to the collapse of the National Grid on 29 September 1992.

From these it will be evident that the responsibility for the energy crisis which blew up in mid-1992 must be laid firmly at the door of the Minister of Energy, Post and Telecommunications who misled the country all along. After reading these forewarnings, the Minister's attempt to explain the crisis as the result of 'unexpected upsurge of demand' and to blame the September 1992 Blackout on 'an act of God' will sound as flimsy as false hair.

From these parliamentary speeches by the author it will also be clear who is profiting from the ruination of the energy industry in this country and the nature of



reform which is essential for ensuring the success of the nation's industrial strategy. On the contrary, the energy crisis has provided an opportunity for interests close to the top to set up 'Independent Power Producers' to build one multi-million station after another. There are now plans to revive the once discredited Bakau Dam project.

## TNB: Pathology of a Privatised Industry

"It has come to my notice - and I believe this information from the 'Concerned Engineers' has also been sent to the Prime Minister and Finance Minister as well as the Ketua Pengarah of the ACA - that there have been some disturbing goings-on at TNB (Tenaga Nasional Bhd) and the House expects a satisfactory answer from the relevant Ministries. These include allegations that:

- Contracts have been concluded without proper financial and technical evaluation;
- Mr. Tara Singh Gill, Pengurus Besar (Projek Utama) of TNB has no experience in power generation and operations and has never worked in a power station prior to his appointment at TNB;
- Mr. Gill instructed the Generation Projects Department to award all civil engineering consultancy to MINCO, a consultant company whose Pengarah Urusan is Mr. P. Ganendra, without a tender;
- Mr. Daniel Jesuthasan, as Ketua Jurutera Projek and later as Ketua Jurutera & Pengurus Besar

Kendalian, TNB, approved inexperienced and unqualified contractors to work on steam turbines and boiler works, that this resulted in damage to boiler fans and steam turbines at Perai (Unit 4 & 6), and that this has been hushed up;

- TNB's trained technicians are now redundant because contractors are doing the work at ridiculously high prices ( a case is quoted of the Paka Station fiasco in which 'Tetracon' quoted at M\$250,000, but after the damage to the steam turbine 3C, the cost became M\$ 25,000,000);
- The Danish consultants who investigated the boiler tubes in Perai and Port Dickson found the welding work, which had been done by Tetracon was not carried out to specifications, that this report was hushed up, and that although 'Tetracon' is supposed to be blacklisted it continues to get the contracts at the expense of more qualified bumiputra subcontractors;
- The former station superintendent at Port Dickson power station was made Managing Director of 'Tetracon' on retirement, a practice which indicates criminal negligence as well as corruption for, if retired civil servants are allowed to join companies which do business with their previous government departments, this surely encourages corruption;
- In the supply of 7 units in the Gas Turbines Project amounting to 740 MW of power, the Board of TNB as well as the Finance Minister were deceived. The

whole contract given to NEI-ABB Gas Turbine Ltd (UK) was overpriced at RM\$1 billion when recently, GE-USA received an order for a 932 MW gas turbine power station in Korea for only US\$ 200 million;

- An additional order of gas turbines costing nearly RM\$1.5 billion was justified by TNB because of a supposed shortfall in power by 1992, however, a Corporate Planning Department document '*Reviews of Generation System Development 1991-95*' and related documents clearly indicate that there is in fact no power shortfall anticipated in 1992;
- NEI Parsons was awarded the Connaught Bridge Combined Cycle Extension project even though NEI Parsons had never packaged a combined cycle power station before, and even though the company had performed poorly in Port Dickson and Singapore before, the subcontractor for the project was again Tetracon;
- Even after a Cabinet decision to award the 'Rehabilitation Project' to the Indian Government consortium, the contract was given to Bharat Heavy Electricals Ltd through MIC connections.

There are therefore vital questions of accountability which must be answered by the Ministries concerned, of contracts involving billions of tax payers' money when there have been no detailed studies and adequate evaluation of the need for expansion of generation capacity.

These alarming questions certainly call for an independent investigation into the running of TNB. There are clearly questions of suspected corrupt practices for the ACA to investigate."

*(Excerpt from Speech on the Budget Debate, Malaysian Parliament, 17 December 1990)*

## The Minister Misled Parliament

"We have strong evidence to show that the Minister for Energy, Posts and Telecommunications has misled the House regarding the scandal at TNB during the policy stage of the budget debate.

This scandal exposes the abuse of power, gross mismanagement and corruption involving the Ministry, TNB and top leaders of the MIC which threatens to scuttle the entire industrial plan of the country. This scandal will also ruin the whole privatisation exercise which is only beginning.

In the process, valuable resources involving billions of ringgit which are sorely needed to eradicate poverty and develop many underdeveloped sectors in Malaysia are being squandered by dishonest Government leaders. This has affected the morale of technicians and engineers in TNB, whose lives are put in danger through the unprofessional practices of those responsible in TNB. They are also the victims of this corruption.

In his reply to the questions I posed in the House during the budget debate, the Minister for Energy, Post and Telecommunications made the following points:

- (i) **The Minister claimed that a letter written by some concerned engineers of TEN and addressed to the Prime Minister regarding corrupt practices in TEN was purportedly written by a disgruntled Director of TATA (Malaysia) Industries:**

Members of the House would have seen the letter by the Director of TATA Projects Malaysia in *The Star* of 11 January 1991 in which he said:

*"We would like to categorically state that TATA (Malaysia) has no knowledge of this letter and we feel that we have been unjustly implicated and all allegations made are absolutely untrue."*

The Minister owes the House a clarification for his misleading allegations.

- (ii) **The Minister claimed that his only relationship with Bharat Heavy Electricals (BHEL), the company given the Rehabilitation Project and other projects, is that his *nenek moyang* came from India:**

If this is the case, why did the Minister need to have Mr. Thamburaj, General Manager of BHEL, as his tour guide on his numerous visits to India? Can he explain why he had to visit BHEL's headquarters in New Delhi

for a private visit with the Chairman of BHEL, Mr. Gupta, General Manager-International, Mr. Guha Tharkuta and Mr. Thamburaj?

Does this explain why BHEL is getting projects on a negotiated basis? And why is the counter trade aspect not pursued despite the Malaysian Government's stand on Indian companies being given projects on a counter trade basis?

**(iii) The Minister claimed that the reason why the 740 MW Gas Turbines Project was overpriced at RM\$1 billion when a 932 MW gas turbine power station in Korea only cost US\$200 million was because the Korean job involved prototype machines and that our local project was a turnkey project:**

The readily available document, *Gas Turbine World 1988/89*, showing competitive bids on the market proves that the Minister's claim is absolutely false because based on this brochure, the 7001F machine was already in operation in the United States in 1988. In other words, it was a proven machine.

The fact is that the Korean job was also a turnkey contract. Furthermore, it was a contract for a Combined-Cycle plant, which involves gas and steam. There is thus the additional cost of a boiler, whereas the Malaysian contract is for pure gas turbines. Therefore, the Malaysian contract should have cost much less!

Whether it was a buyer's or seller's market, both

would have faced the same market conditions. But even if we assume they were facing completely different conditions, the difference would still not be so great as to be double the cost!

It is clear that the Minister had lied to the House. The Minister should therefore tell the House:

How did TNB pay an additional RM500 million? Where did the RM500 million disappear to? Can the Minister produce the accounts on this deal? This can only mean that corruption has taken place in the process and we certainly hope the ACA will investigate this.

**(iv) Why did TNB go for a tender totalling 740 MW in the first place?**

The study by LLN's professional engineers, "*Review of Generation System Development 1991-95*" (LLN Jabatan Perancang Pembangunan, Mei 1989) shows that we only need 400 MW.

According to the LLN Diary, there was already an over-capacity of 80 per cent in 1989. So why do we still need 400 MW more?

Another LLN Report (June 1989) on the installation of 2x100MW at Pasir Gudang and Paka stipulated that this was the maximum needed.

**(v) Regarding the award of the 7 Gas Turbines to NEI-ABB, the Minister claimed that none of the tenderers satisfied the delivery requirements of**

**12 months and that the best offer was 18 months:**

Again the Minister has misled the House on this question. For if the delivery and commissioning of the gas turbines were so urgent, why did not LLN stipulate the requirements in the tender documents before the tender was released? Can the Minister explain why the tender did not specify the 12 months delivery requirement to the tenderers until after the tender submission and why were the tenderers evaluated on that basis?

Will the Minister deny that the 12 month delivery requirement was only mooted after NEI-ABB's post-tender offer and the fact that NEI-ABB had lost a tender in Indonesia and so had those lower-rated machines available? And that based on this urgent requirement, the tenderers were not invited to present and discuss their terms of delivery and relevant prices to match this post-tender requirement?

LLN ordered the tenderers after the NEI-ABB post-tender proposal was submitted to offer gas turbines of lower power rating when it is known that the larger the gas turbine the better the power and cost performance which will result in larger savings for the LLN. Otherwise, why is it that NEI-ABB which has 130 MW gas turbines did not make an official tender bid like all the other reputable bidders?

It is Government and World bank procedure that post-tender offers are not accepted since this is obviously cheating and not proper in international tenders. The Minister must therefore explain why the LLN did



not call the tenderers for formal clarification and to confirm the delivery of 12 months but instead asked NEI-ABB to offer.

We have a document to show that Mitsui/GEC-Alstrom had written to the LLN (and the French Trade Commissioner officially confirmed to the Minister) that Mitsui/GEC-Alstrom could comply with all the requirements of the LLN and especially the 12 months delivery before the LLN awarded the job to NEI-ABB.

Given the interest of the Malaysian Government to have good relations with foreign governments, why did LLN not even reply to this appeal or consider Mitsui/GEC-Alstrom when they were an official tenderer? Comparing the relative charges of ABB and Mitsui, it can be seen that ultimately, Mitsui/GEC-Alstrom is still cheaper than NEI-ABB by approximately 17-20% for the Pasir Gudang and Paka power stations.

It would have been in the interest of LLN to have a contractor who has existing gas turbines in LLN and in the region so that their spares and support services are available and cheaper, unlike NEI-ABB who have not installed power gas turbines in this region.

Will the Minister deny that he visited NEI-ABB with Datuk Ibak bin Abu Hussin in Zurich Airport Hilton in May 1990 with the specific purpose of discussing the Gas Turbine project before their official proposal?

Will the Minister also deny that he visited GEC-

Alstrom and John Brown Engineering in London in December 1989, before the Gas Turbine tender was released in February 1990, and that he went with Tan Sri Arumugam of Kris Technology/GEC-Malaysia as well as with Mr.P. Ganendra of MINCO Consultants where the discussions were on the Gas Turbine Project?

Is this a new Government procedure for Ministers to visit contractors at their home offices before tenders are released and before contracts are signed, or are these visits in the personal interest of the Minister, first in London and then in Zurich?

And if the 12-month delivery condition is so critical, can the Minister guarantee that NEI-ABB will comply to this strictly and if not, will the LLN impose heavy penalties and will the Minister resign? If the Minister is truly accountable, he should reveal to Parliament the fair comparative evaluation of the tenderers to show that NEI-ABB was the cheapest and had the best proposal.

A letter from the UMNO representative on the TNB Board, the MP for Larut, and another from an UMNO member from Kelang reinforce our charge that there are questionable practices in the award of tenders in TNB.

**(vi) The Minister's statement that the Danish Power Consultants were not involved in the investigations on the boiler tubes at Perai and Port Dickson is a blatant lie:**

The Minister has denied that the Danish Power

Consultants were appointed by LLN, with MINCO as the local subconsultant, to be the consultants for the Rehabilitation and Oil/Gas Conversion Project; that they appointed the Danish Technical Institute specialists to carry out 'Remnant Life' studies as part of their scope of work, and that their report led to the recommendations for the boiler to be rehabilitated.

It was found that the boiler tubes were not welded to the standards recommended by the Factories and Machinery Department and this had put the lives of our engineers at stake. Thus, here we see that corruption not only leads to vast sums of much needed funds for development being squandered by unscrupulous politicians and officials, but it can also lead to major industrial disasters endangering the lives of our engineers and technicians. Such boilers in question work at enormously high pressure and can explode and kill engineers and other workers.

The parties responsible for such negligence should be charged under the Electricity Act which states that those found guilty of criminal negligence and technical incompetence should be jailed for three years and fined RM\$10,000.

It is known that the report by the Danish was very critical of the standards of the contractor. The contractor was and still is Tetracon Engineering. This report is under lock and key, with Mr. Jesuthasen, General Manager Operations, because of the embarrassing contents of the report.

Because of the enormity of the sums and other important implications, Parliament must demand that it be open to scrutiny by a Select Committee at least. We have proof that the Danish Consultants did the above work as it is within their scope of responsibility as consultants for the rehabilitation project.

**(vii) Regarding LLN personnel joining Tetracon:**

There is a Public Services Department directive that all civil servants who leave Government agencies cannot join private contractors/companies which are doing business with that particular Government agency for at least two years. This is to prevent corruption.

But it has come to our attention that the former Station Superintendent at Port Dickson power station who had directly overseen and approved the contract work of Tetracon became Managing Director of Tetracon immediately upon retiring from LLN. Apart from breaking the rules of the PSD, there are strong grounds for suspicion that there is a conflict of interests involved. This warrants a public enquiry.

**(viii) Regarding the Perai 120MW turbine unit maintenance by Tetracon, the Minister stated that the local companies had performed well at the Perai station:**

The tender for the Mitsubishi steam turbine in question was between Tetracon, Mitsubishi Malaysia and others. Tetracon had no experience in undertaking

this job. The result was hydrogen leakage from the turbo-generator, damage to the turbo-master control and the turbine being thrown out of alignment. The station quietly called in Mitsubishi to repair it and Tetracon was not asked to pay for the damage.

It must be pointed out that in the power industry, no utility undertakes maintenance work on the steam turbine alone unless a specialist from the original manufacturer is present. This is because steam turbines design and spares are peculiar to the specific manufacturer. It is believed that this problem did not arise until the appearance of companies like Tetracon and Viking.

**(ix) Regarding the PAKA power station and Tetracon:**

From the reports in the *Malay Mail* of 27/28 August 1989, it is very clear that the damage on the Toshiba steam turbine 3C at Paka will cost RM\$35 million. This includes the cost of repairs to the machine as well as the loss of availability. The Minister stated that the cost of repairs was only RM\$3 to M\$4 million. However LLN/TNB has not denied the newspaper reports.

It is also very clear that the turbine 3C ran into problems after it was overhauled by a 'local contractor'. Consequently, the turbine suffered massive vibrations and was damaged. Only after this was Toshiba called in to repair the turbine.

The Minister claimed that Tetracon brought in two experts. In actual fact, these two experts were from

Westinghouse India who had never handled a Toshiba steam turbine before. As a result, 'injury was added to the insult' and Tetracon must bear full responsibility for this fiasco.

There is a necessity for the House to investigate the falsification of the maintenance report, which showed the operations engineers that all was okay. The Station Superintendent should also be investigated for he was involved in the whole process. It has been alleged that he had instructed the operations engineers to keep the turbine running even when the turbine was vibrating at more than 75 microns, already very dangerous levels. Finally, the operations engineers shut down the turbine themselves.

It is believed that the ACA has investigated and that 19 charges were prepared against the Station Superintendent. We have heard nothing more of the whole affair except that the operations engineers are angry that LLN is trying to pin the blame on them. They have complained and have called on the present Chairman of TNB to investigate Tetracon.

The Minister remarked that the incident had been thoroughly investigated but if this is so, why have prosecution proceedings not taken place? Is LLN/TEN and the Minister planning to hush it up because Tetracon is involved? Is there not conflict of interests between the management of TNB, the Minister and Tetracon?

#### **(x) The Port Dickson Power Station:**

The Minister must further explain why the Toshiba turbine Unit 2 at Port Dickson has been idle for more than two years with expensive damage to the blade rings. Why has this occurred and has any party been held responsible for this?

What action has been taken against the contractor who damaged the Boiler No.3 at Port Dickson and which resulted in the boiler tubes being wrecked? Can the Minister also explain why the Boiler was not repaired for more than two years?

**(xi) Port Kelang I:**

The Minister should also explain why major surgery was carried out on Boiler Units 1 and 2 to make up for the deficiencies in the boiler design. Were the contractors and consultants made to pay for covering up their mistakes? Is this the reason why the power plant is still not able to meet the specified generation capacity?

If LLN/TEN claims that all is well at this station, then the management should explain why there is a claimed shortage of power in the system since on paper there is about 2000MW over capacity.

**(xii) Questions surrounding TNB management's proposal for the expansion of the generation capacity by over 2500 MW in the next 6 years:**

The TNB management expects the Board to blindly accept this proposal without submitting to the Board all

the details and analysis to prove this need but wants a blank cheque.

At the August Board meeting of LLN (now TNB), the management told the Board that 400 MW was enough to cover power shortfall in 1992. It then pushed the Board to award the 7 gas turbines (780 MW) supply contract to NEI-ABB.

Now the Board is told there is a power shortfall again and urgently needs to plant up (build) which will incur repayment of nearly RM\$ 3 billion. Without proper documentation and proof, TNB expects the Board to give its authorization.

The TNB management says TNB has a short supply of skilled manpower and has requested the Board to approve Stone & Webster as the consultant for the combined cycle work.

But TNB has not explained **why**:

- the 1500 engineers who are trained in gas turbines and combined cycle engineering for Paka are not being utilized in the Generation Projects Department;
- the offer by Lahmeyer International, the original consultants for Connaught Bridge, was rejected without reason;
- the tender evaluation of combined cycle consultants has been completed but TNB wants to cancel tender and instead award to Stone & Webster, although the two front runners on this tender were Black & Veatch/Ranhill Bersekutu/EEC and



Lahmeyer International/Raja Zainal & Pang/  
MINCO, and not Stone & Webster;

in the first place, Stone & Webster was selected for  
the Paka station job without the approval of the  
Board, and the Paka report has still not been  
released to the Board;

although the Board has not given its approval, TNB  
has issued tenders for the selection of consultants  
for the 2 x 500 MW coal-fired power station in Port  
Kelang, and has specified that tenderers must fol-  
low the project format of Stone & Webster, sug-  
gesting collusion between TNB and Stone &  
Webster.

The Board should therefore defer the decision until  
all these urgent questions have been satisfactorily  
answered and the requested documents have been  
submitted and studied. Considering that TNB is to be  
privatised by the end of 1991, it cannot afford to be  
saddled with such a large debt. The TNB management  
must first provide proper financial and technical evalu-  
ation studies for consideration by the Board.

The Corporate Planning Department document  
*Review of Generation System Development 1991-95*  
and related documents clearly indicate that the gener-  
ating capacity for 1992 is about 5000 MW and the  
maximum load demand forecasted for 1992 is between  
3891 MW to 4000 MW. The current generating capaci-  
ty in 1990 is already about 5120 MW, so the power  
shortfall anticipated in 1992 does not really exist. And

given that a major breakdown of equipment may take place, the proposed additional plant-up was only 400 MW. The TNB management has not provided such information for scrutiny by the Board.

This new plant-up costs nearly RM\$1.5 billion and shows the tremendous sum of capital outlay excluding the Pergau hydroelectric power station project. In addition, the over-capacity of the system based on 5120 MW generating capacity and approximately 3500 MW demand is about 32%. This translates into non-revenue earning capital which runs into losses of millions of ringgits per year.

### **(xiii) Questions surrounding the General**

#### **Physics' contracts:**

General Physics is the company undertaking the writing of Operations and Maintenance Manuals for LLN/TNB. Can the Minister explain his relationship with this company?

Will the Minister deny that he visited General Physics in the USA with Dr Eravelly in November 1989 to discuss how they can assist in improving the performance of our power plant? Is either the Minister or Dr Eravelly, who is a heart physician, qualified in power plant engineering? Or are they, in the words of the Minister, 'generals who were also doubling up as tank drivers'?

The report, '*LLN Project Report on Contract No.200/82/9A*' prepared by TNB engineers, was very

critical of the performance of General Physics. The Pengurus Besar of TNB had this report shredded and the project team reprimanded.

The Minister is no doubt aware that the former Chief Engineer of LLN, Mr. Robless, who was responsible for awarding the manual writing contract to General Physics for Port Kelang Phase I, is now the Business Development Director of General Physics Asia; and that the former power station superintendent of Port Kelang I, who was involved in the manual writing work of the station with General Physics, is now the Technical Director of General Physics Asia. There is also a document to show that Mr. Robless, while he was still a Chief Engineer of LLN, was also a Director of General Physics Asia.

We have another document which shows that Mr. Robless was renting out his apartment in Sri Wangsari, Bangsar, to General Physics personnel, Fraser Allison, while he was still actively employed as the Chief Engineer of LLN and making decisions to appoint General Physics as the manual consultant/contractor for LLN.

It is obvious that there is corruption in LLN/TNB and that the Minister has a special relationship with General Physics.

**(xiv) The Minister's weakness for MINCO:**

Why is MINCO given special treatment when it is an agent of contractors such as John Brown Engineer-

ing and Peninsula Power and at the same time is allowed to undertake work for TNB as a consultant?

Can the Minister deny that Mr. Ganendra of MINCO accompanies him to meet contractors in London and that he has authorised confidential documents on the financial and technical status of LLN/TNB to be released to the British contractor Peninsula Power? In fact, one of the reasons given by the Government for introducing the OSA was to prevent this sort of insider information from leaking out! The Minister could therefore be charged under the OSA!

In his reply to my questions, the Minister said that such official documents cannot be released to Parliament. But why does this British contractor have special privilege access to official secrets? There must therefore be truth in the claim by 'Concerned Engineers of TNB' that the Minister prefers Peninsula Power/ British interests to take the foreign ownership of TNB. It is surely in the taxpayer's best interest to have foreign ownership based on the highest bidder, preferably those from financial institutions and power generating utilities, and not contractors.

The Minister also misled the House when he said that MINCO's last project with LLN was the Port Kelang II power station project. Will he deny that MINCO is the local consultant for the Danish Power Consultants in the Rehabilitation project and also for the Pergau project with Peninsula Power through Trafalgar House, a group the Minister visits whenever

ne is in England?

MINCO's special privilege was again seen when it made bids for the Pasir Gudang combined cycle project. While all other local consultants were only allowed to tie-up with one foreign partner, MINCO was allowed to ride on Lahmeyer, Stone & Webster, Inter J, Tokyo Electric, as well as Ewbank Preece.

How can such patently bizarre relationships be explained other than that there are conflicts of interest involving the Minister, the TNB management and these companies?"

*(Extension of Speech during the \$10 cut motion at the Committee Stage of the Budget Debate, January 1991)*

## Chapter 9

# UNWARRANTED EXPANSION, POOR AVAILABILITY

The unwarranted large expansion of TNB's generating capacity and the poor availability of existing power plants will definitely lead to a demand by TNB for tariff increases. Therefore ultimately, it is not only Malaysian taxpayers and those who fail to get development funds, but also consumers, who will bear the burden of this costly scandal.

The letter by 'Concerned Engineers' stated that the Managing Director of TNB will be looking for an excuse for a tariff increase. The report in *The Star* of 12 January 1991 in which the TNB Managing Director has claimed that the oil price hike will warrant an increase in tariff, is proof that these 'Concerned Engineers' must be in TNB to know this. The Minister should therefore not try to brush aside these allegations lightly.

First, the Minister must explain why, with a generation over-capacity of over 1690MW in the TNB sys-

em, there was an excess capacity of only 25MW on January 4? The fact that this large over-capacity is unable to generate electricity shows that there is something drastically wrong with the TNB management.

The World Bank recommends that the excess capacity be only one unit of the largest machine on the system and one smaller machine for spinning reserve in order to avoid dead capital. And yet with this over-capacity, the TNB management claims that the system will have a shortage of power by 1991/92. Is this because the brand new plants in Paka and Port Kelang are not working to the promised requirements of 2100MW?

Does the Minister not know that there are frequent forced shutdowns in these plants, especially Port Klang, where the Unit 1 turbine has a damaged turbine shaft and Unit 4, which in less than 6 months of full operation, has had to shut down because the cold reheat valve for the turbine has cracked?

With this large over-capacity, the TNB management is requesting the Board for clearance for a massive expansion programme to be implemented by 1996, to give a total generating capacity in 1996 of 7738MW, when the demand on the system will only be 5331MW, ie. an over-capacity of more than 2407MW. It is clear that there is something wrong in the estimates of TNB who are trying to cover up the poor performance of the power plants resulting in the so-called shortfall of power in 1991/92.

Furthermore, can the Minister explain how TNB proposes to pay for this new over-capacity when the loans for the existing power plants are still having to be paid? With the cost of building a new thermal power plant at nearly US\$800/KW, the over-capacity will cost roughly US\$1.6 billion. If we include the World Bank interest of 8%, the cost of this dead capital will be US\$133 million annually. And how does TNB propose to pay for this? By a tariff increase no doubt.

LLN/TNB profits have been made on the windfall of oil prices, since it does not pay fuel tax, and the savings by virtue of the high tariffs which are based on the high fuel prices of the 1970s when the oil price reached more than US\$30 per barrel. However, when the oil price dropped (to US\$15/barrel in 1990), LLN did not drop tariffs. So the consumers never benefited from this drop in oil prices. It must also be pointed out that the equipment purchased by LLN/TNB is tax-free. This is then another subsidy to LLN/TNB.

The Government implemented its Energy Policy in the 1980s whereby the fuel mix would be a combination of hydro, gas, coal, oil and perhaps nuclear. This was to ensure that we are not too dependent on oil. By the end of the 1980s, the power plants using oil-firing comprised less than 50% of the generating capacity. In that case, the oil price fluctuations should not have exerted pressure on tariffs to be increased.

The Minister should therefore explain why a slight increase of the oil price has such a drastic effect on TNB



when the Energy Policy of the Government was specifically implemented to avoid this? Is this an admission that the Energy Policy has failed?

If LLN/TNB has made large profits over the last 10 years with the windfall profits at low oil prices and if these profits have been invested wisely, can the Minister explain why TNB cannot absorb the fluctuation in oil prices? For the Managing Director of TNB to say that its financial planning depends on the monthly increase of the oil price, does it not reflect the failure of its financial investment policy since returns on investment for power plants are based on a 25 year payback?

With this new fluctuating tariff policy, how does the Minister expect investors to plan their investments? It becomes a negative signal for foreign investors. The Industrial Master Plan will likewise be adversely affected since tariffs have been expected to be maintained at present levels throughout the Sixth Malaysia Plan. Moreover, there is no undertaking that tariffs will be lowered when oil prices fall.

All these point to the questionable conduct and capability of the TNB management.

## The Reality Behind The Delusion

"Since I raised the scandal at TNB during the last session of Parliament, we have had no response from the PM's office nor the ACA. What we have had are

various statements in the press by the Minister concerned which show that he is being untruthful and continues to mislead the House by not squarely answering the questions raised squarely. My questions regarding this scandal during this current session are curiously ordered beyond Question Time. Maybe this is just a coincidence.

I would ask the Minister to stick to the facts and not simply accuse imaginary ghosts. We are raising this issue because we back the aspiration for an industrialised Malaysia. That is why the Government should set up an independent Royal Commission to investigate these scandalous goings-on at LLN/TNB and to report directly to Parliament.

**(i) Impending Power Shortage:**

The Minister concerned continues to deflect these accusations by saying that the 'Concerned Engineers of TNB' are bogus and shoots his blunderbuss like a man run amok. First he said it was TATA, then that it was somebody else... Who will it be next time?

The facts of this scandal cannot be fobbed off easily. And the people who are being told to tighten their belts to face the OPP2 are entitled to know the truth.

The Minister denies that there is a crisis and that TNB will be forced to embark on load shedding to save its main power stations from crashing and which will cost billions in plant damage. Then why are there so

many substations blowing up or catching fire. In Ampang alone, there are constant power blackouts.

Will the Minister take personal responsibility and resign if load shedding takes place? Will the Government undertake to compensate the industrial sector if there is load shedding? Further, will the Minister resign if the House is provided proof of instructions to power stations not to take machines out of the system for repair because of the impending shortage?

The Minister should explain why with 2000 MW overcapacity, TNB requires old machines to be running until forced breakdown point. In power companies in the US and elsewhere, their spare capacity is only 20%. But in Malaysia's TNB, it is 60%. Clearly, there is gross mismanagement at TNB.

#### **(ii) Official Secrets Breached:**

The Minister denies that TNB officials have been giving highly sensitive, secret and confidential information to private contractors like GENERAL PHYSICS, PENINSULA POWER, TETRACON, IEA CORPORATION and MINCO depending on who is the highest bidder.

I have a letter in my possession by an UMNO branch member from Bukit Raja, Kelang to the Prime Minister dated 29 July 1990, in which IEA CORPORATION directors are named as members dealing in secret information, selling to Japanese contractors and

having dealings with Mr. Tara Singh Gill of TNB.

It is also claimed that PENINSULA POWER, a British contractor was given confidential information on TNB on the claim that it was going to purchase 25% of TNB. So an OSA breach has been committed and there must be an investigation into this.

### **(iii) Rules and Regulations Flouted:**

In his reply to my question, the Minister reminds me that Akta Pencen Pihak-Pihak Berkuasa Berkanun Dan Tempatan 1980 (Akta 239) prohibits those government officials who retire from working for companies with interests in their former departments for at least five years. He adds however, that employees of TNB who leave are free to work in any company.

Here we are seeing another insidious aspect of privatisation. Nevertheless, the ethical question involved here must not be lost sight of since the Prime Minister talks about raising moral, ethical and spiritual standards in his 2020 vision.

What has been happening at TNB is that ex-LLN employees with responsibility for awarding contracts are immediately given jobs with contractors like TETRACON, ASEA BROWN BOVERI.

Would the Minister deny that a senior engineer of TNB's Purchase & Contracts Department resigned and was made a director of ABB-Malaysia just before ABB was given the contract for 7 gas turbines under the suspicious circumstances that I raised earlier?

GENERAL PHYSICS is another example. The agent for GENERAL PHYSICS is Dr Eravelly, a board member of TNB. Their Director of Business Development was the former Chief Engineer of TNB, Mr.E.G.Robless.

#### (iv) Who Is Responsible For the Paka Fiasco?

After I raised the fiasco at Paka during the last session, the Minister said he would be filing a suit against MITSUI for the damage and that he would be visiting Paka to find out the situation for himself. Five months have gone by and the Minister has not visited Paka. He has misled the House and the public yet again.

He now says that MITSUI has accepted blame for the damage, which was actually caused by TETRACON! Clearly, he has got the confession regardless of whether the one who confessed is guilty or innocent! Meanwhile, the guilty one slips away.

But let us look at the facts:

The Paka power station was commissioned in 1987. The problem at Paka arose only in 1989. After it had been fully commissioned, LLN took over from MITSUI, ALSTHOM and TOSHIBA, who did it jointly.

Now, TETRACON was **never** a sub-contractor of MITSUI or ALSTHOM or TOSHIBA! The overhaul contract was awarded by LLN to TETRACON. MITSUI was not involved at all. In fact, in this tender for the overhaul contract, TETRACON competed against

TOSHIBA, the original manufacturer and supplier of the steam turbine 3C. TOSHIBA was the subcontractor for MITSUI - **not** TETRACON. It was only after the damage caused by TETRACON that TOSHIBA was called in to repair turbine 3C.

So the Minister again misled the House and the public in the press on 14 June 1991.

It was LLN which gave the overhaul contract to TETRACON - not MITSUI. Overall control and ownership was in LLN's hands and not MITSUI's because LLN had taken over the power station from MITSUI after it was fully commissioned. So the turbines were working properly until the overhaul job by TETRACON using unqualified technicians from India.

If MITSUI is to be blamed, then LLN engineers must also bear responsibility for knowingly taking over from MITSUI when the Paka power station was supposed to be faulty. Mr. Daniel Jesuthasen, then Chief Engineer, must therefore answer to this. He was also responsible for awarding the overhaul contract to TETRACON. But instead of holding Daniel Jesuthasen responsible, the Minister lobbied successfully for Daniel Jesuthasen's tenure as General Manager of TNB to be extended for 2 more years.

If MITSUI intends to accept responsibility, then they should also pay for the RM\$35 million for the losses incurred during the time the machine was incapacitated.

**(v) The Minister Misled The House on the Danish Report:**

The Minister should be cautioned against wilfully misinforming the House because of the danger to the lives of engineers in TNB. The PM's brother-in-law, Jaafar Ali could be subpoenaed to the House to give evidence since he is the Chairman of DANISH POWER CONSULTANTS (M).

The fact is DANISH POWER CONSULTANTS have investigated the condition of the boilers and this report has been kept secret. But I believe the evidence is available.

**(vi) MINCO's Special Privileges:**

The Pasir Gudang Combined Cycle consultancy indicates corruption involving MINCO and TNB officials for after the first tender and BLACK & VEATCH was found to be the cheapest, a re-tender was ordered.

Why was the re-tender ordered? There is no justification for this. Obviously this is something for the ACA to investigate.

**(vii) The Unaccountable RM\$500 Million:**

The *Asian Electricity* magazine has an article from GE confirming that the Korean contract was for a combined cycle plant that was in fact RM\$500 million cheaper than the simple cycle gas turbine ABB supplied to TNB. The GE machines were proven ma-





achines, not prototypes as claimed by the Minister during the last session.

The Minister himself will know this since I understand GE visited the Minister on 8 May 1991 at the Ministry to confirm this.

These are disturbing facts indeed which MPs in this House should not take lightly. If they are true patriots who do not want to see the industrial plan of this country ruined and the lives of our engineers put in danger, they have a responsibility to demand an Independent Commission of Enquiry to get to the bottom of this scandal."

*(Speech during the debate on the Second Outline Perspective Plan, June 1991)*

## Chapter 10

# ENERGY CRISIS AS FOREWARNED

"One year ago today I raised in this House the alarm over massive corruption, inefficiency and mismanagement within Tenaga Nasional. The Minister concerned, although visibly shaken and hysterical, denied that there was anything irregular. The Government, in its usual complacent attitude, challenged us to provide the proof even though there was abundant evidence for the ACA to act upon.

Now one year later, our exposure of this scandal has been vindicated. We have been told that the services of the TNB Managing Director, Datuk Ibak Abu Hussin, will no longer be needed, and that the public tender for the computerised billing contract has been called off because of an information leak in this RM\$55-100 million contract. This is allegedly the third time since 1989 that the tender has had to be called off because of bid-rigging and conflict of interests.

In fact, this computerised billing contract is only

the tip of the iceberg. The scandal at TNB involves much more corruption, cronyism, mismanagement, abuse of political power and the risks to the lives of our engineers. It has repercussions for the entire privatisation exercise of the Government's and the Industrial Master Plan.

As if they were signs from the heavens, during this current session of Parliament alone, there have been at least two power cuts in Parliament, the first during the Finance Minister's televised speech itself. The black-outs and brownouts of which we warned are already occurring in various parts of the country. If something drastic is not done to tackle the root of this problem, we might find ourselves groping in the dark toward 2020. Vision 2020 will only be 20% Vision!

Serious power shortages are anticipated by late next year. It is alleged that 2,000 of the national grid's estimated 5,000 MW capacity have been put out of action through faulty maintenance.

I would like to ask the Government what action has been taken against the other TNB officials involved in the scandal? What have the ACA investigations revealed? Parliament still needs to be given explanations on these questions I last raised.

**(i) The Danish Report:**

During the last session, the Minister denied there was such a report. In the House, he has dared me to provide the proof.

Well, I have the proof here: a transcript of the discussions between LLN/TNB, MINCO consultants and Bharat Heavy Electricals. In this, it can be clearly seen that the Danish Consultants were undertaking remnant life studies on Pasir Gudang, Perai and Port Dickson.

The Danish experts and the TNB engineers, Abdul Razak and Dr. Krishna Morgan were involved with the Danish Corrosion Centre experts in these studies. After the Report was submitted to Mr. Jesuthasan and Mr. T.S. Gill, it was hidden because they wanted to protect TETRACON.

If the Minister continues to deny this, he and the TNB management can be said to be condoning corruption and criminal sabotage of the power system in this country.

The Minister also claimed during the last meeting of parliament that he has no special relationship with Mr. Thamburaj of Bharat Heavy Electricals. Yet he goes to India with him. And would you believe, Mr. Thamburaj is now no longer with Bharat Heavy Electricals but has become 'special adviser to TNB', appointed by Mr. T.S. Gill on the instruction of the Minister! With all the consultants employed by TNB, why does TNB need a manufacturer as a consultant?

**(ii) -Questions surrounding the Pergau Project:**

First, we would like to know if this is part and parcel of the 'Arms for projects' deal of the Memorandum of

Understanding with the British whereby Malaysia buys 1 billion pound sterling worth of arms in exchange for loans and grants for development projects.

Regarding the Pergau Project itself, we would like some clarification of this inconsistency: Now, according to LLN's Long-Term Development Paper in 1974, the cost of 100 MW installed capacity was RM\$300 million. The foreign consultants who did that report were Shawnegan's (Canada) and Snowy Mountain (Australia). The consultants also stated that the average annual output of the 100 MW installed capacity as 537 Gwh.

Now, as far as we know, there have been no major geo-physical changes and the foreign consultants employed are the same ones. So why is there a need for the big jump in installed capacity from 100 MW to 600 MW ( as the 6MP has just revealed ) producing the same 520 Gwh? The British proposal is by Balfour Beatty. The cost for 600 MW installed capacity is understood to be RM\$1.8 billion, of which RM\$1.3 billion is financed through British grants and loans at 0.08 % repayment.

But I have been made to understand that even if we need 600 MW - which we don't! - it should cost at most RM\$900 million not RM\$1.8 million. I would be most anxious to hear the Minister's clarification.

Apart from the cost to Malaysian taxpayers from this alleged corruption scam - for where else can the extra RM\$900 million have gone? - the Pergau Hydro-

electric Project will affect disastrously padi farmers in Kelantan.

Thus, as the BN Government spends tax payers' money into the Nineties, this scandal at TNB is a reminder to the rakyat of how much wealthier we would have been today if the country had been properly governed. Even UMNO BARU leaders at their recent general assembly openly admitted that Government Ministers are tainted with corruption. What further proof do you want?

Whatever clean-up is carried out at TNB, we hope it will not be just a showpiece attempt by the Finance Minister to find a few scapegoats, but that his broom will sweep across the entire administration...But to expect the Barisan Nasional to do that is like asking a leopard to change its spots!"

*(Speech during Committee Stage of Budget Debate, December 1991)*

## The 29 September 1992 Blackout

"We know that the Energy Minister and Tenaga management have tried to cover up their weaknesses and faults by attributing the Blackout to 'divine intervention' and the Government has tried to suggest that arson could be a possible cause of the airport fire.

Tenaga is hoping that this 'act of God' explanation will be enough to enable it to wash its hands of paying

compensation to the many victims of the Blackout and to hope that the Malaysian public will quickly forget about this disaster in the management of the energy industry.

Very few probably noticed the tiny news item in *The Star* of 23 October 1992 which reported that the probe committee on the Blackout had concluded that it was caused by "*a freak bolt of lightning which struck the transmission line between Paka and Teluk Kalong in Trengganu.*"

What a high-powered, independent and rigorous probe this must have been, having been first approved by the questionable minister himself! The committee chairman Mohamad Annas Mohamad Nor was quoted in this report:

*"He said although the panel members did not go to the site (of the lightning strike) concerned, documented reports of the TNB were sufficient to support this fact."*

However, experts in the know believe that the two big disasters were connected and the causes point to the problems of mismanagement, corruption and cronyism at the energy ministry and within TNB management.

According to the National Weather Service Report of 29 September, there were no thunderstorms in the area alleged to be where lightning was supposed to have struck transmission lines between Paka and Teluk Kalong in Trengganu. In fact, there is not even any lightning detection system in service there! The local press also quoted residents in the Kemaman area who

said there were no thunderstorms in the area around the time of the alleged lightning strike.

And that is why the Government and the newspapers have up to now failed to produce any photographs of the supposed damaged transmission lines, something one would have expected the Government to do to satisfy the public. And that is also why the probe committee has not even bothered to go to the site to see for themselves. Clearly this is a whitewash as far as the probe committee is concerned.

A disaster of this magnitude should have warranted a major Royal Commission of Inquiry and not a probe in which the committee is approved by the minister who should himself be probed first.

From our investigations, at 9.15am a fire at Senoko in Singapore caused the power station to trip. Because Singapore's and Malaysia's power systems have been connected through a tie-line since 1985, this led to a surge of power from TNB to the Singapore PUB at 9.25am. It is true that Singapore never asked for power. At 9.32am, the power surge exceeded 250 MW, tripping the TNB-PUB tie-line. From then on, the Malaysian and the Singaporean systems were cut off through a protection system.

Meanwhile, this safety device which automatically severed the link between Senoko (Singaporean) and Sultan Iskandar created a 'thump' effect (a kick-back effect of power) which could have caused the damage to the blades of the generators at the Johor plant. Such



damage - which would have been hard to detect at first - could have resulted in the generator tripping or even exploding six hours later, as reported in the *NST* the following day.

This is likely since, as everyone in the power industry knows, the generators have been poorly maintained by a group of politically tied consultants - Tetracon and others - who are not qualified to service the machines.

Once overloading on the Johore side became critical, Tenaga engineers would normally have attempted to 'resynchronise' their power transmission to prevent the overloading from spreading to the rest of the national grid. But they did not do this, leading to a short-circuit and the 'cascade effect', when one after another of Tenaga's 15 power stations were drawn into an overload situation, causing power breakdown throughout the peninsula.

The public has also not been told that one major reason why full power to the country was not restored until four days later, was because the emergency back-up gas turbine at Port Dickson had defective batteries! The batteries were dead, so engineers could not start the back-up machine.

The engineers at Tenaga know the whole story and a Royal Commission of Inquiry must find out the truth from them if the country's entire energy industry is to have any credibility, if the nation's future is not to be a dim 20/20 vision.

Why Tenaga officials and the Energy Minister insist on the 'act of God' explanation is not difficult to understand. In fact, this explanation is not dissimilar to the one used for the 1985 blackout. On 29 June 1985, a sudden 600 MW load loss tripped power lines on the East Coast and caused power failure in 11 states.

At the time, Tenaga officials said that high temperatures and possible lightning in the grasslands around Kemaman had caused a bush fire under the high-tension wires. Then, as now, Tenaga has not produced any photographic evidence of the damage to the transmission lines.

It is clear that by attributing the blackout to 'an act of God', Tenaga is trying to limit its legal liability in claims from businessmen who suffered losses arising from the power failure. I understand that individual manufacturers and the Federation of Malaysian Manufacturers are already initiating legal suits against TNB. And TNB and the Energy Minister should not try to run away from their responsibilities.

Even the *Business Times* editorial of 1 October noted that attributing such disasters to natural causes is "*wearing thin as an excuse*".

I further contend that the October 1992 Fire at Subang Airport could be linked to the 29 September Big Blackout. It is as though the fate of the Energy Minister and that of the Transport Minister are intertwined. This, if you like is the real 'sign from the Almighty'.

When we look at the cause of the breakdown of the radar system at the Subang control tower on 12 October 1983, we can understand how the control tower fire of October 1992 could have happened.

In the 1983 radar breakdown, according to *NST* report of 13 October 1983, "*seven of the integrated circuits in the video display unit were blown as the result of a surge of electricity*". The small fire at the control tower in 1983 was certainly not on the scale of the recent disaster but the cause in both cases is quite likely to be the same.

We know that airports are like huge electrical sponges and any weakening of electrical circuitry can be disastrous. It is also known that the wiring of the recently purchased French radar equipment is quite different from the local wiring.

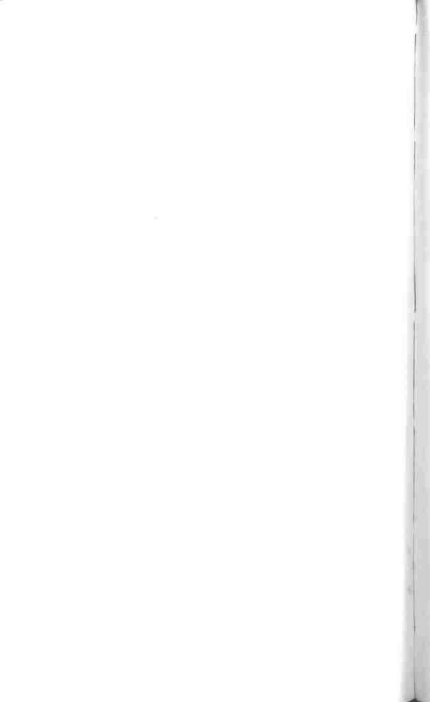
Under normal circumstances, this may not have had any major consequences and may not be a fire hazard if there were no irregular fluctuations of power. But recently, because of the weaknesses in the Tenaga system I have pointed out, there have been frequent brownouts and other fluctuations which the public themselves have observed. To crown it all, one can understand the shock to this system as a result of the 'thump' effect caused by the 29 September surge of electricity.

It is thus likely that with a weak wiring system, sparks and little fires would have started in the integrated circuitry as a result of this, which then erupted

in the Control Tower Fire of Subang a few days later.

Let us wait and see if the consultants who are investigating these two Mega-Disasters and who are, I believe, paid hundreds of thousands of ringgit, will eventually concur with our analysis!"

*(Speech during the Parliamentary Debate on the 1993 Budget,  
16 November 1992)*



III

PRIVATISATION AND  
THE ENVIRONMENT



## Chapter 11

# INDUSTRIALISATION POLICY AND THE ENVIRONMENT

The Government is just about to pass a Bill to amend the Promotion of Investments Act 1986. This shows its concern over the latest figures showing that proposed foreign investments in manufacturing have fallen sharply in the first 5 months of this year, from RM4.4 billion for the same period in 1992, to RM1.4 billion. The total value of foreign investment applications fell from RM20.24 billion in 1991 to RM11.8 billion in 1992. Domestic investments in projects approved also fell 33% in 1992.

This is of great concern to the Government because its economic development policy has always been dependent on foreign investments. Foreign sources accounted for 57% of investments approved in 1991. The Government will now have to think of ways to meet its private-sector investment target of RM80 billion under the 6MP.

The reasons for the fall in foreign direct invest-



ments (FDI) are obvious - the shrinking surpluses in Japan and other western advanced countries, the diversion of investments to lower-wage countries such as China, Indo-China, Eastern Europe, Central Asia. Thus for 1992, Taiwanese investments (to date, the biggest source of foreign investments) have slumped from US\$1.4 billion in 1991 to US\$581 million. At the same time, Taiwanese and Japanese investments in China surged dramatically last year.

This is therefore an opportune time to consider Malaysia's industrialisation policy so far and especially its effects on the environment and the Malaysian peoples. We should not be lulled into a complacency just because our economy has been experiencing an impressive growth rate in the last few years since this is normal for an industrialising country at this young stage of development. We must also bear in mind that, in contrast to the developed countries, Malaysia has also relied not merely on manufacturing but also oil and timber - two non-renewable resources - for export earnings during its decade of growth.

We should be reminded of the problems faced today by the advanced capitalist countries, US, Europe and Japan even though these countries had experienced phenomenal growth rates since the great post-war boom and also boosted their own capital stock tremendously. Between 1950 to 1974, the output of these advanced capitalist countries was about 180% higher than in 1950, almost 3 times as great. More was

produced during that quarter than in previous three quarters. In terms of capital accumulation, between 1955 to 1970, capital stock in US manufacturing rose 57%; in the European countries, capital stock rose 116%, while in Japan, it was 500% (P. Armstrong *et al*, 'Capitalism since World War II', Fontana, 1984:219).

We should also compare our single-digit growth rates with the even more impressive record of the NICs, which sustained double-digit growth during the sixties and seventies:

#### AVERAGE ANNUAL PERCENTAGE GROWTH RATES

	<u>1960-73</u>	<u>1973-79</u>
South Korea	20.4	18.9
Hongkong	4.6	13.3
Singapore	16.6	4.6
Taiwan	14.2	5.0

(Source: *UN Yearbook of National Accounts Statistics, 1980, Vol. II, Table 6A, World Bank, 'World Tables'*.)

### Dependence on Foreign Investments

Ever since Independence, the Government's industrialisation policy has been based on promotion of foreign investments. Generous incentives have been proffered at every phase of industrialisation, such as

freedom of profit repatriation, pioneer-industry fiscal incentives, tax holidays.

The first phase just after Independence was based on 'import substitution' strategy. The 1958 Pioneer Industry Ordinance provided foreign investors with tax holidays, tariff protection as well as industrial estates and other infrastructural services. This strategy was orientated toward the domestic market. At the time, domestic capital was largely in less risky sectors like plantations and tin mining. The average annual growth rate of the manufacturing sector increased by 11.1% between 1961 to 1965 and by 9.9% between 1966 and 1970. (*Anuwar Ali, 1992:14*)

The second phase was marked by a change of strategy, namely 'export-orientation' because of the limits of the first strategy due to the small domestic market. Again FDI as opposed to local capital was targetted. It corresponded with the structural changes within the advanced capitalist countries to concentrate on higher value-added industries while finding low-cost labour-intensive locations in NICs (Newly Industrialising Countries).

Thus the Investment Incentives Act of 1968 was introduced to provide Free Trade Zones and other incentives for foreign investors which mainly concentrated on electronics, textiles and labour-intensive industries. These were clearly industries which could not contribute to expanding the country's industrial base. Nevertheless, the average annual growth rate of

the manufacturing sector increased by 11.6% between 1971 to 1975 and by 13.5% between 1976 to 1980 (*Anuwar Ali, ibid, p.14*).

The third phase was marked again by export-led growth but a second round of import-substitution concentrating on more capital-intensive industries, such as machinery and motor vehicle production, petrochemicals, electronics, cement, glass-making. This phase coincided with the coming into office of Dr. Mahathir and the 4MP in 1981.

Despite the introduction of the NEP's guidelines on equity participation, it is a phase of industrialisation which has made us perhaps even more dependent on foreign investments since without the expansion of local technological capability, we need well-qualified management personnel, engineering and technical expertise. The Promotion of Investments Act in 1986 was intended to attract more foreign direct investments in manufacturing.

This latest phase of industrialisation has failed to fully develop the ancillary or supporting industries in the way accomplished by Japan and the NICs, Taiwan, South Korea during the corresponding stage of their development. For example, a big proportion of parts and components for Proton still comes from Japan. In fact, the advertisements for Proton in the UK emphasise 'Japanese Technology' rather than 'The Malaysian Car'.

We still lack basic engineering infrastructure to develop a heavy engineering industry. Where the in-

dustrial base in developing countries is small, the costs of heavy industry are high because of the need to import technology, skilled human resources and infrastructure.

Under the 6MP, manufacturing is expected to grow at an average rate of 11.5% and by 1995, the share of manufacturing to total GDP is expected to be 32.4% (6MP, p.19). But our continued dependence on foreign capital is seen in the fact that in 1991, foreign investment expenditure totalled RM30 billion or 25% of GNP, from RM17.6 billion or 16% of GNP in 1990.

According to E. Wheelwright, every dollar of foreign investment that is invested in the country, almost two dollars flow out in profit repatriation and royalties. Our debt service component is becoming increasingly serious. Overall external debt was RM15.4 billion in 1981 and climbed to RM51 billion in 1986.

## Environmental Effects of Industrialisation

This path of industrialisation has had a disastrous effect on the Malaysian environment - the quality of our air, water and food - as well as particular peoples who are victims. This can be seen in the DOE 1990 Annual report. It has been highlighted most dramatically by the struggles of the people at the particular time, for example the Papan Anti-Radioactive Dump in 1983; the opposition to the Bakun Dam in the early eighties; Bukit Merah struggle which has lasted since the mid-eighties; the anti-logging blockades by the

Sarawak natives; opposition to the development of Penang Hill, and now, the Bukit Nanas Anti-Toxic Waste Centre.

There have been other struggles of the people over other aspects of development policies, such as the opposition to the Cheras Toll; the opposition to the Pulau Redang Golf course and other golf courses such as in Fraser's Hill and Jelebu; the destruction of catchment areas which has led to catastrophes as in Malacca recently; the frequent occurrence of flashfloods caused by rampant development.

Community action has helped to stall environmental destruction as well as forced the Government to tighten environmental laws. And it is here that Non-Governmental Organisations and Political Parties can play a crucial role in bringing their plight to the attention of the society at large.

The Government's unfettered encouragement of foreign investors has merely allowed foreign capital to bring polluting industries into our country, for example, the factory at Bukit Merah and the many industries which are producing so much toxic waste to be treated at Bukit Nanas. Apart from the need for stringent environmental controls in the developed countries, the technology to manage toxic waste is very expensive. Even golf courses are discouraged in the developed countries because of the toxicity of the herbicides used in the golf courses.

The recession during the mid-80s actually saved

the fishermen of Sarawak from having a very polluting aluminium plant at Bintulu. The chemicals used by the electronics industry in our free trade zones are very toxic and injurious to health. Other examples include the Malayawata Steel Mill at Prai Industrial Estate jointly owned by Nippon Steel; Diamond Shamrock Corporation, a US company in KL making herbicides from arsenic imported from Sweden. To date the Government has still not tabled the Occupational and Safety Bill although our industrialisation programme has been in progress since Independence.

The reliance on unfettered timber extraction through the demands of the advanced capitalist countries like Japan has led to the crisis of our forests and the plight of our natives. This situation is worsened by the corrupt political system in Sarawak, which thrives on timber money.

Environment protection laws have been poorly enforced, for example the law requiring mills to install treatment equipment. Developers have been ignoring EIA conditions, such as at Pulau Redang and even flouting the law which requires EIA before the commencement of the project, such as the Forest Hills development at Jelebu. Untreated sewage has been discharged directly into the sea.

## Development for People

The victims of environmental pollution, such as at

Bukit Nanas and Bukit Merah know the importance of accountability, democracy and a responsible press. They also know that human rights are important for preventing the use of laws like the ISA and the Emergency Ordinance against blockading natives, conservationist activists and health-conscious people.

In projects like these, the people living in the vicinity must be consulted. This is what participatory democracy is all about. Development must always put people before profits. Article 12 of the International Covenant on Economic, Social and Cultural Rights recognises:

*“the right of everyone to the enjoyment of the highest attainable standard of physical and mental health...which includes...improvement of all aspects of environmental and industrial hygiene...”*

The Malaysian Government has yet to ratify this Covenant although it has committed itself at two previous CHOGM meetings.

It is also clear that the Department of Environment must be a more credible body to ensure environmental protection and able to stand up to the powerful corporate forces in Malaysian society. At the moment there is no legal provision to stop the approving authority, such as MIDA or the State Government from making a decision before the DOE has reviewed and decided on the EIA report. The EIA must be expanded to cover all projects and not just land development projects involving 50 hectares and more, since projects below 50



hectares can and do cause environmental problems.

Technology must switch emphasis from just solving pollution problems to preventing their occurrence in the first place. We must encourage greater recycling and reuse of products since built-in obsolescence has created grave environmental hazards.

As for our industrialisation policy, we should aim for greater self-reliance through developing our indigenous industrial base with linkages between the different sectors. Choice of strategy should be based on whether it will profit the majority of the people, such as a proper public transport system, public health system and not mega privatised projects which allow opportunities for private mega profits and mega rake-offs. Foreign investments should be encouraged only to complement our indigenous industrial strategy.

Local capital, especially our small and medium-scale industries rather than foreign capital should be given greater incentives to develop our own industrial base. It is evident that domestic capital has not been properly harnessed for developing industry since we have got one of the world's most active stock markets where the volume of share trading of even exceeds the daily average of New York Stock Exchange. This sort of casino economy only inhibits strategic investment decisions by firms.

A whole series of reforms including the use of pension funds, the stockmarket and the role of Bank Negara should be considered. Defence spending should

be reduced to release funds for industrial investment.  
The bill for fighter jets alone exceeds RM10 billion!

The challenge for us is to recreate prosperity while  
protecting the interests and rights of peoples.

*(Paper presented at the forum on Environmental Protection  
organised by DAPSY at the Selangor Chinese Assembly Hall on  
1 August 1993)*



## Chapter 12

# TOXIC WASTE IN OUR BACKYARD

In August 1978, Americans were rudely awakened to the threat from mismanaged hazardous wastes when reports of miscarriages and birth defects led to the mass evacuation of more than 250 families near an abandoned dump in Love Canal in the City of Niagara Falls. There, 30 to 40 years earlier, more than 20,000 tons of toxic wastes had been buried.

Ever since then, the mention of 'hazardous wastes' is likely to cause grave concern among residents of any community where hazardous wastes are reported to have been buried or where there are plans to build a facility to store, treat or dispose of hazardous wastes.

### What are Hazardous Wastes?

Hazardous wastes are defined in the US Federal Resource Conservation and Recovery Act of 1976 as wastes which "*may cause an increase in mortality or an increase in serious illness or pose a substantial present*

*or potential hazard to human health or the environment when improperly treated, stored, transported or disposed of, or otherwise managed."*

Our Government has suddenly awakened to the shocking fact that our industries are brimming over with toxic wastes which they are desperate to dispose of.

Considering that the alarm over hazardous wastes had been raised quite a long time ago, the responsibility for the present critical situation must be laid at the door of the Malaysian Government itself. Its industrial policy in the last ten years or so has been indiscriminate, to the extent that incentives have been proffered to foreign investors when they transferred their polluting industries here.

According to a survey carried out by the Department of Environment in 1986, the wastes produced by our factories include some of the most dangerous, including zinc wastes, spent acids, lead wastes, carbide, heavy metals, mercury.

And up to now, Malaysia still does not have a comprehensive regulation covering the manufacture, storage, transportation and disposal of toxic wastes.

### Waste Management Centre at Bukit Nanas

The present controversy has arisen over the protests by the residents of Bukit Nanas against the siting of the proposed Waste Management Centre in their locality.

This project is to be undertaken by a consortium

consisting of I Kruger AS, Chemcontrol AS, Enviroplan AS of Denmark in association with Arab-Development Development Bhd and United Engineers (Malaysia) Bhd.

The project Environment Impact Assessment has been released to the public but it has failed to allay the fears of the Bukit Nanas residents that there are risks to their health and livelihood if the treatment plant is sited there.

### Need for an Integrated System

There is no doubt that there is an urgent need for an integrated scheduled waste treatment system in the country because of the crisis proportions of toxic waste production by industries. Newspaper reports reveal that many companies have been resorting to illegal dumping of their toxic wastes not only on land but also in rivers and by the sea.

We stress the need for a **system** rather than the concentration on one Waste Management Centre at Bukit Nanas because there is no reason why this system cannot be decentralised. The EIA Report points out that the greatest source of risk or hazard lies in the transportation of the toxic wastes from all over the country to the Waste Management Centre.

Thus, why can't there be more than one waste treatment plant in different parts of the country, or even better, that the toxic wastes be treated on site. The producers of toxic wastes must be made liable for their

activities. Is it unreasonable to demand that the polluters pay a price rather than ask innocent communities to accept unacceptable risks?

### in Your Backyard?

One can sympathise with the residents of Bukit Nanas who oppose the siting of the WMC in their locality. The EIA Report maintains that "*out of 90 areas in the whole of Malaysia, Bukit Nanas is the most suitable*". However, the Report does not say how that process of elimination took place and the criteria that were used in choosing the WMC site.

Firstly, if the project is as 'safe' as it is made out to be on paper, then why should there be a search for a 'suitable' site? Obviously, there are risks involved. In other words, it cannot be denied that this is still a hazardous project.

For that reason, the residents of Bukit Nanas are not convinced that other suitable sites away from populated areas cannot be found. Like the people at Papan and Bukit Merah, they do not want industries which are hazardous to their health and livelihood to be situated near their homes and places of work.

### Even BN Deputy Minister Opposes

The residents of Bukit Nanas can hardly be accused of being irrational or unreasonable when even the

Deputy Minister in the Prime Minister's Department and MCA Member of Parliament for Rasah, Datuk Wong See Wah supports them wholeheartedly in wanting the WMC site to be moved to a site where there is no human habitation.

At the site of the proposed WMC in Bukit Nanas on 8 August 1992, Datuk Wong See Wah gave his wholehearted support to a rally of over 2,000 residents of Bukit Nanas. He not only agreed that the WMC threatens the health of the people there but also that it would affect the groundwater. Furthermore, he alleged that there is a conflict of interest involved in this project, alluding to the UEM/UMNO interests in the project.

## Environment and Democracy

It is most undemocratic that the views of the people of Bukit Nanas were not considered before the decision was made to site the WMC there. Now it looks as if the Government is trying to establish a *fait accompli*. But this is unacceptable to the residents of Bukit Nanas.

In this regard, we would like to ask why the MCA Deputy Minister in the PM's Department, Datuk Wong See Wah supported the siting of the WMC at Bukit Nanas when he was Negri Sembilan State Executive Councillor without first seeking the views of the residents in the affected area.

Apart from the WMC at Bukit Nanas, the high risk involved in the transportation of the toxic wastes from



all over the country is a concern for all Malaysians considering that Malaysia has one of the worst road accident records in the world.

The EIA Report mentions pertinently that there are "*currently no formalised risk criteria in Malaysia*".

The Government's verbal promises are cold comfort when Malaysians are so used to broken promises by politicians, when they see all around them that industries can break rules and regulations with impunity. If the authorities cannot do anything to deal with industrial effluents right under their noses in Kuala Lumpur and Petaling Jaya, how do they assure us that they will monitor a plant somewhere in Negri Sembilan?

There must be established a monitoring mechanism independent of the vested interests. Such a monitoring system must be seen to be truly independent, with the health and safety of workers and the public as their prime concern.

## Misgivings About the WMC

First, it is not strictly true that this site will only be a 'waste treatment centre'. Untreated toxic waste will be stored there from 1993 onwards because the treatment plant will only be operational only in 1995. Thus the claim that this is strictly a treatment centre and not a dump site is not true.

For at least two whole years, untreated toxic waste from all over the country will be accumulating at Bukit

Nanas. Furthermore, once the plant is in operation, treated by-products will be buried on 50 hectares of the site. This is therefore also a dumpsite.

It must be borne in mind that landfills are not absolutely safe. There is a possibility of leakage over time and some chemicals are still toxic or dangerous over a long period of time. Contaminants like arsenic, mercury and lead are not biodegradable at all.

Secondly, the Government tries to assure us that the Danish firm has a track-free record in Denmark. But we would like to know if their factory in Denmark copes with anything like the 500,000 tons of waste that the Malaysian plant will have to deal with.

We also need to know if the types of toxic wastes treated at the Danish plant are the same as the types of toxic wastes which will be treated at the WMC here. The EIA Report does not tell us categorically that they have made an exhaustive survey and classification of all the possible types of toxic wastes which will be treated at the WMC.

And dare we say that our regulations, environment laws and enforcement are stricter than those in Denmark?

The example of Pulau Redang does not give us much assurance. There, despite the assurances given by the Department of Environment for the protection of our priceless marine park, the World Wide Fund for Nature found that the developer at Pulau Redang has not been following the conditions laid down in the EIA Report, leading to irreparable damage to the corals and

mangrove ecosystem there.

The lesson in all this is clear, that where there are powerful interests involved, the DOE is powerless to do anything about vetoing or implementing strict regulations.

Apart from the misgivings about the stringency of environmental management and control measures to ensure that emissions from the treatment plant into the air do not pose a threat to health and safety of workers and residents, there is the bigger problem of contamination of groundwater.

### Contamination of Groundwater

From the EIA Report, there are many sources of risks of contamination of the groundwater. Despite trying very hard to convince us that there will be a secure landfill, the fact remains that in the developed countries, which have a longer experience with toxic waste treatment and disposal, there is agreement that there is no such thing as a secure landfill.

The example of the Papan dumpsite for radioactive waste is a lesson for all of us that the 'complete assurances' given by the authorities regarding the safety of the dumps cannot be taken at face value.

In the USA, they have amended their 'Resource and Recovery Act' requiring the Environmental Protection Agency to severely limit the landfilling of hazardous wastes because waste experts have concluded that this

method is unsafe and unreliable. In Europe, they are likewise restricting landfilling. Many industrialised countries have banned or are phasing out the use of landfills.

The EIA lists other possible contamination of groundwater including spillages at liquid waste handling facilities, storage tank farms, drum storages, treatment basins and drains, etc. Apart from toxic chemicals, other hazards at the site include explosions and fires, safety hazards and physical hazards such as heat stress. For workers at the site, there is an urgent need for an Occupational Health and Safety Law, which the Government has still failed to produce.

### Project Impact on Water Supply

Apart from this possible contamination of groundwater which will have grave effects on the residents in the area, the EIA Report states that the project will also have impact on the hydrology and hydraulic regime of the streams during its operations and maintenance stages: (Vol I, Main Report, p.4-2)

*"There will be a discharge of highly treated effluent from the treatment plant into the streams in the vicinity of the plant. The estimated effluent quantity is about 42,000 t/year. It is the intention to reuse as much of this as possible in the incineration and the solidification plant. However, in the first phase, it is necessary to treat perhaps 30% of the effluent and discharge it to*

*the receiving streams.* (own emphasis) *This relatively large quantity will change the flow regime in the rivers particularly during the dry weather, resulting in an increase in the dry weather flow of the existing streams. There would be very little dilution of the effluent by the existing streams. As such, any excessive concentrations of pollutants in the effluent may result in significant adverse effects on the end users of the stream waters and the aquatic life in the streams...*

*"...the area of concern is the water intake point for the Tanah Merah Estate about 5 km from the project area. Although the effluent will be treated to a high standard in compliance with DOE requirements, there may be the presence of trace micropollutants in the effluent. These may not even be measurable by presently available analytical techniques and potential long-term health effects on humans exposed to these micropollutants in their drinking water over a lifetime are not quantifiable. Because of the potential presence of these trace micropollutants in the effluent, and that the streamflow at this point may not be large enough to provide sufficient dilution to render the waters safe for human consumption, it is therefore recommended that the Tanah Merah estate community be provided with an alternative source of water supply...*

*"Groundwater is utilised by the downstream pigfarms as a source of water to supplement surface water collected on site. Pollution of groundwater through leakages from the secure landfill or storage*

*areas could potentially result in groundwater contamination."*

Here, we need to ask the authorities if the proposed 'alternative source of water supply' for the Tanah Merah estate community will be provided free of charge. If it is not, can they guarantee that people who have been using the water from the stream will not be tempted to carry on as before? The consequences to their health and their livestock are only too clear.

## Socioeconomic Effects

The pig population in the area is estimated to be 350,000. Pig rearers in this area produce 56.7% of the total state production. There are 533 pig farms in the Mukim of Jimah and their average gross revenue is RM155 million annually. Much of this production is exported, especially to Singapore.

Apart from any real effects of contamination of groundwater used in pig rearing, the livelihood of the pig rearers will almost certainly be affected once consumers avoid any pork produced in a locality where the Toxic Waste Management Centre is located.

This fear by the residents of Bukit Nanas of a threat to their livelihood and prosperity is real and justified but what contingency plans has the Government provided for these Malaysians?

## Restricting Toxic Waste Production

The 'conflict of interests' alluded to by Datuk Wong See Wah at the Bukit Nanas rally on 8 August 1992 is a point very well taken. One wonders whether the Government has any incentive to severely restrict the production of toxic wastes in the first place when we see that United Engineers (Malaysia) Bhd has direct interests in the WMC plant.

The world after Rio has made resolutions about restricting all kinds of waste production, to reclaim or recycle hazardous materials and to find others who can use the materials.

In contrast, the Malaysian Government has not introduced any comprehensive laws nor implemented any new policies after Rio to discourage industries from producing more and more toxic wastes. Today we are told that the accumulation of toxic wastes by many factories has reached crisis proportions.

We hear that Malaysia even imports toxic wastes. According to Greenpeace, a total of 23 million kgs of plastic waste were exported from the United States to Indonesia, Philippines and Malaysia in 1991. Malaysia took in about 5%. In the same year, a US company shipped a total of 1.1 million kg of lead scrap into Malaysia (*Third World Resurgence*, No.22, p.3)

The examples of the ARE factory at Bukit Merah and the indiscriminate building of golf courses in the country show that the Government is prepared to accept the 'transfer of polluting industries' by the

developed countries and even to provide incentives for these foreign investors!

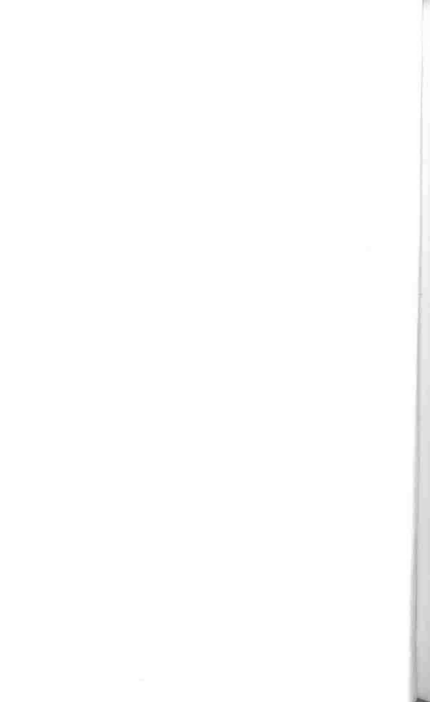
## Review the Whole Project

For all the reasons given above, we call upon the Government to reconsider the whole project in the interest of not only the residents in Bukit Nanas but also the whole country.

We hope the community at Bukit Nanas will not be presented with a *fait accompli* for we believe it is not too late to rethink the project since work has not yet started at the site.

*(Published in Nanyang Siang Pau, 5 September 1992)*





## Chapter 13

# THE RAPE OF OUR FORESTS

Malaysians can no longer take a passive attitude toward the handling of the environment by the Barisan Nasional Government. The Malacca water crisis, the desecration of Bukit Gasing, the mutilation of the forests at the Selangor State's catchment in Sungei Buloh, Penang Hill, Gunung Ledang ... these are the stark reality of the rape of our forests and which the Mahathir Administration has tried to deny is taking place.

Sadly, it has taken all this time for Malaysian urbanites to face the grim reality of the BN's 'profits before people' policies. The people of Malacca have learned the painful lesson of the link between water shortage and the destruction of the rainforests, our natural water catchment. Only when they could not hide the truth any longer did the BN leaders admit that the forests in the catchment area for Malacca had been thoroughly denuded by the loggers.

During the last session of Parliament, I raised these questions, including the discovery by the Malayan

Nature Society of illegal logging in the Gombak Forest Reserve, just barely 10 miles from Kuala Lumpur:

*"If such illegal logging can be found right under the nose of the Federal Government, how can the Government so glibly deny what is happening to the forests in Sarawak?"*

I received the same glib reply.

More recently, the *New Straits Times* has highlighted the fact that the Selangor Government has ignored advice from the Department of Environment not to develop the 1,600-hectare Sungei Buloh Forest Reserve:

*"The Government, through its State Development Corporation, is proceeding with its development plans for the reserve - the only lowland forest left in the Klang Valley - despite DOE's reasons why the forest should be left untouched.*

*"A DOE spokesman told City Extra they had rejected the environmental impact assessment (EIA) report submitted by the State Development Corporation.*

*"We also told them that we did not support its development plans for the forest reserve," he said.*

*"The spokesman said besides its uniqueness, the forest must also be preserved because of its impact on the environment and water supply ... It is learnt that work on the RM969 million project in the forest reserve has already started." (NST, 31.3.91)*

## The Plight of our Sarawakian Natives

Months ago, when the Penans took to the blockades to highlight the destruction of the Sarawak rainforests - their homes, livelihood and way of life - the response of West Malaysians was appalling.

The Barisan Nasional, with its political and economic links with the timber interests of East Malaysia, has all along given the same balmy answer. But suddenly, after the PBS' pullout of the BN, we are told that the forests of Sabah are in danger of depletion. Everybody knows that the control of timber exports from Sabah is only a BN bullying tactic to punish the Sabah State Government and Sabahans for pulling out of the BN.

While the Sarawak State Government is still in the Barisan Nasional, the Minister of Primary Industries still says that he is "*satisfied that Sarawak is carrying out logging on a sustainable yield basis and so the State does not have to curb its log exports.*"

The truth is, according to the Japan Tropical Forest Action Network (JATAN), Sarawak's timber resources will be depleted in 10 years, by the year 2000. They say that logging companies are not sufficiently watched and monitored to ensure that they comply with the regulations specified in their permits.

The root of the problem is that political power and the granting of timber concessions are inextricably

linked. In 1987, the Chief Minister of Sarawak froze 25 timber concessions worth about RM22.5 billion - these 3 million acres happened to be held by close friends and relatives of the previous rival Chief Minister. In retaliation, concessions held by the allies and relatives of the present Chief Minister were also revealed when the beans were spilled. It was disclosed that Tan Sri Taib Mahmud's friends held 1.6 million hectares, or about one-third of the state's timber concessions.

Today, even the urban Sarawakians can see the effect of the rape of the upland rainforests - the once 'mighty Rajang' has become so polluted that it is a spiritless muddy river.

### From Penan Country to Petaling Jaya

The profit seekers in the BN just can't help it. They won't even let the only 'green lung' in Petaling Jaya alone.

The Mentri Besar of Selangor has assured the people that there would be a complete moratorium on all development in the Gasing Ridge Area since the hill has been gazetted anyway. And yet Gasing Heights Sdn Bhd and Golden Realty Sdn Bhd have been given zoning conversions and approvals to conduct massive and destructive development projects in the Gasing Ridge Green Lung.

These, by the way, are luxury condominiums they are building for the local as well as foreign wealthy who are buying up much of the real estate in the country but

not for the squatters of Kampung Cempaka, Damansara Dalam, Taman Aman or Kayu Ara!

Residents concerned about Gasing Ridge are naturally incensed at the mutilation of their only natural green environment in Petaling Jaya. They have formed a committee to fight for the preservation of this important buffer between Kuala Lumpur and Petaling Jaya. They have demanded a complete investigation as to how approvals were given for the development without public consultation, adequate environmental impact research and proper infrastructural analysis. Among other things, residents are concerned about the traffic congestion that will surely be another affliction when the housing project is completed because there do not seem to be adequate provisions for access roads.

### Vigilance in Environmental Protection

If the Cheras Toll Incident is to be a lesson for the Barisan Nasional, they should not take advantage of the patience of peace-loving Malaysians. Concern about this mutilation of Bukit Gasing has been expressed for nearly a year but the developers have gone on regardless. The authorities can only be assumed to be working hand-in-glove with these developers unless they show they are accountable to the people.

Before more capital is put into this project and there is greater reluctance on the part of the investors to quit, we call on the Government to carry out an immediate

halt to the project pending a thorough investigation into how it was ever approved.

We salute the Penans in Sarawak just as we salute the concerned residents of PJ, the true lovers of the Malaysian earth! It is high time other Malaysians do their part to protect our precious heritage from the barbarians at the helm.

*(Published in The Rocket, April 1991)*

## Effectively Protect Our Forests

"The time is well overdue for the Government to take effective and drastic actions to curb the deforestation that has been taking place especially in the last two decades. The rape of our forests has been committed by not only by illegal loggers but also by legitimate loggers as well, as the authorities well know.

The ITTO mission warned in 1991 that the world's largest log exporter, the Sarawak forests, would be exhausted within 11 years if logging continued at the 1989 rate of 13,000 cu.m per year. The World bank also announced its findings in '*Asian Timber*' (Feb 1991) that the forests in Sarawak were being logged at least 4 times faster than sustainable level.

It is certainly not economic prudence that timber, a precious non-renewable resource, should comprise the top export earner as in recent years,

namely, RM4.2 billion in 1986 and RM7.2 billion in 1988. In 1986, 68% of export earnings were from logs, while in 1988, 82% of export earnings were from logs.

To effectively preserve our forest heritage and at the same time encourage downstream value-added wood-based industries, a total moratorium on log exports would be a wise move.

On this, the Government has been totally inconsistent. While on the one hand, the Federal Government has tried to squeeze the PBS-led Government by calling for restrictions on timber exports, when the Sabah State Government actually imposed a ban on log exports, the Federal Government was unhappy. This was mainly because during the PM's visit to Japan, he was lobbied by the Japanese wood manufacturers to lift the ban. Japan is the largest buyer of our sawlogs.

### Is There A Political Will?

As long as the timber money politics continues in Sarawak, as long as the patronage of giving out timber concessions as political favours continues, any show of concern by the BN Government is humbug. Is the Federal Government seriously concerned to protect our forest heritage or is the BN more concerned to protect their Sarawak allies in the "big family of the BN"?

Remember when the Primary Resources Minister proposed in April 1992 that there should be conditions



governing the granting of timber concessions by State governments? The Sarawak Chief Minister merely thumbed his nose at the Minister and said the proposal was 'not meant for Sarawak'.

For a start, timber concessions should not be given to anyone who is not involved in downstream wood-based industries. We think this is a reasonable demand to make on the Government.

If the Government really prizes our forests above all else, why did the Government ban the 4 July 1991 issue of the *FEER* when it carried a 4-page expose of multi-million illegal logging in Malaysia, especially in Sabah and Sarawak?

But this scourge of illegal logging is not confined to Sabah and Sarawak. It happens under the nose of the Federal Government in Selangor. In July 1991, the scandal of illegal logging in Ulu Kelang was uncovered. The Selangor MB said he believed forestry officers were negligent or in league with the illegal loggers. But how could this have happened for so long without the knowledge or collusion of top BN leaders?

The Sabah Minister for Culture, Youth and Sports claimed recently that illegal logging is rampant in the interior districts and destroying the environment in his constituency. (Star, 24 Jan 1992). In October 1991, illegal logging was uncovered in Hulu Kelantan:

*'Investigations by the NST revealed that trees were felled days, weeks or even months before the concession owners moved in, thus strengthening the suspicion*

*that Government officials who are in the know about the concession are hand-in-glove with the thieves.*" (NST, 28 October 1991)

Recently (1 July 1993), the Director-General of FRIM, Datuk Dr.Salleh Mohamed Noor made an alarming allegation in London. He claimed that FRIM was "powerless" to stop the clearing of large areas of natural forests for two golf courses, one at Fraser's Hill, another at Jelebu. What did he mean when he said:

*"The institute opposed the development of the golf courses but could not stop them because it was powerless."*

Subsequently, the DOE announced that the developers of these two golf courses had even begun their projects before their EIA reports had been submitted.

In the first place, how could 3,000 acres of forest reserve and catchment area in Jelebu be sold for such a project and sold for a pittance, viz. RM617 an acre? The developer, Rekacantik is now selling lots for as much as RM170,000 an acre.

As in Sarawak, the developer in this case, Rekacantik has links with the BN. It is headed by Soh Chee Wen, MCA Divisional Chairman and MPPJ councillor. If an MCA small chief can get away with such things, how can the Government expect us to believe that it can deal with the other big chiefs in the component parties of the BN?

As an NST report on illegal logging puts it:

*"That is why many choose the easy way - buying the*

*concessions at a cheaper price - usually from a politician. In this way, the loggers can calculate and guarantee the profit at a much lower cost...Some loggers complained that many of the politicians and well-connected people who were given the concessions had no knowledge of logging.*" (NST, 28 Oct 1991)

As a strong deterrent, the Government must take away the licence of all errant loggers. There can be no compromise on that. Here I would like the Ministry to tell me how many cases of illegal loggers have been discovered in the last 10 and 20 years and out of these, how many have been arrested and charged?

## Train and Employ Forest Natives

We oppose the employment of the armed forces in policing the forests against illegal logging because this is an unnecessary and uncalled-for intrusion of the military into civil matters.

Certainly the Forestry Department needs to be revamped. It was reported in 1991 for example, that the Selangor Forestry Department has on its payroll 90 forest rangers out of 129 who are either too old for their job or too sickly. (NST, 3 July 91)

We need professional, energetic, qualified staff to work as forest rangers. More importantly, they must really know and love the forests. What better choice is there than our own Orang Asli in the peninsula and the other forest natives in Sabah and Sarawak to be trained

as forest rangers? I hope the Government will seriously consider this proposal. This will also serve as a most appropriate employment opportunity for our indigenous peoples.

If the Government is serious about protecting our forests, the numbers of forest rangers must be increased considerably. According to the Sarawak Forestry department, they have only one-third of the staff strength of such departments in the peninsula. He said the department had asked for recruitment of almost 1,000 employees to strengthen the department's workforce of 1,600. (*NST*, 28 August 91)"

*(Speech during the debate on the Bill to amend the National Forestry Act 1984, 3 August 1993)*



## Chapter 14

### WITH MONEY AND INFLUENCE, EVERYTHING IS ASSAILABLE (EIAs)

The Malayan Emergency ended officially in 1960 and the Communist Party of Malaya officially declared their armed struggle over in the mid-eighties. Yet on the evening of 23 May 1993, security measures taken to harass Malaysians going to attend a dinner/forum in Jimah, near Bukit Nanas in Negri Sembilan were not unlike those familiar with a 'black area' during the Emergency.

There were four road blocks leading to the dinner venue, while hundreds of armed police, riot squad and police dogs swarmed the hall where the dinner/forum was being held. The National Chairman of the DAP, Dr.Chen Man Hin had his car searched in the manner used for vehicles suspected of carrying arms or food for communist guerrillas during the Emergency.

The dinner itself had been delayed for four weeks because the police had refused to give a permit for a

dinner/forum at a venue closer to the proposed site of the RM200 million 'Toxic Waste Management Centre' (WMC) at Bukit Nanas.

The reason for these elaborate 'security measures' is simply that United Engineers Malaysia (UEM), the company intimately connected with the ruling party UMNO and UMNO leaders, has vested interests in this project. The other reason is that the residents around Bukit Nanas are bitterly opposed to having this toxic waste management centre in their backyard. Their unity of spirit is reminiscent of previous resistance at Papan and Bukit Merah.

### Environmental Impact Assessments (EIAs)

With the gazetting of the Environmental Quality (Amendment) Act 1985, EIAs have become mandatory for 'prescribed activities'. Environmental Impact Assessments are intended to be open and accountable to the public. In the case of the Bukit Nanas WMC, the consortium members were given the green light to proceed with its EIA even before the proposed project had been scrutinised for its safety, efficacy and public opinion and alternatives sought first. Even before the EIA was finished, the Mentri Besar of Negri Sembilan had told the people that the proposed project would be safe! (*NST*, 18 June 1992)

The residents through their Anti-Toxic Waste Committee have since submitted a Memorandum to the

Department of Environment calling for the rejection of the EIA report. So have the Consumer Association of Penang and others, including the DAP.

Among other things, they have criticised the EIA report for the inappropriate location of the WMC, the feared loss of agricultural and livestock output, ground water and air pollution, transport risks and the lack of consideration of alternative options. For a start, they ask why Negri Sembilan has been chosen for the site when 71% of the country's industrial wastes are generated in Penang, Perak and Selangor, and the EIA report itself claims that transport risk presents the most worrisome source of risks.

Gurmit Singh, president of the Environmental Protection Society of Malaysia has commented that "*in the event of seepage, there is a real possibility of ground water contamination.*" He has also pointed out that it is illogical to have a toxic waste management centre within a catchment area of river systems. The EIA report acknowledges that Bukit Nanas forms part of the catchment area for Sungei Janging and Sungei Jimah.

In fact, the EIA report itself is riddled with 'uncertainties', for example:

*"The impacts of the project activities on the environment may be either adverse or beneficial. If impacts are shown to be adverse, mitigating measures may be available to eliminate or minimise these impacts. However, there is also the possibility of having the residual*



*impacts even after adopting these mitigating measures'' (Vol.1:4-1).*

Despite these objections from the public who wanted assurances that ground water contamination and transport risks could be overcome, the EIA committee approved the project. At the end of March 1993, the Director-General of the Department of Environment (DOE) announced that the DOE had given its approval for the RM200 million project.

Neither the Ministry of Science, Technology and Environment nor the DOE has taken any action to allay the anxieties and fears of the people in the area who are worried not only about the danger to their health and living environment but also the threat to their livelihood. They have pointed out that even if the proposed WMC is 100% safe, the reputation of their livestock exports would be at stake once consumers know that they come from the vicinity of the 'Bukit Nanas Toxic Waste Management Centre'.

Meanwhile, the media blackout on any dissident views on the Bukit Nanas WMC continues. Even the relatively more independent Chinese-language press have been told as much by the Ministry of Home Affairs.

## EIAs Can Be Neglected

And what if a project has managed to get its EIA approved? What assurances does the public have that

the developer or consortium will stick to the conditions laid down by the DOE? The tragedy of Pulau Redang provides a glaring example of the Department of Environment's impotence against the well-connected corporate bosses.

Pulau Redang, off the Trengganu coast, is considered to be one of the most beautiful marine parks in the world. As one of our marine biologists, Ridzwan Abdul Rahman describes it:

*"Few geographical entities of comparable size offer as much diversity of marine ecosystems as the Pulau Redang group of islands. More well known are their coral reefs, mangroves and the sandy beaches. As more studies are being conducted, we hope the secret of the soft bottom communities will soon be revealed...However, fear lies if much of the ecosystems' diversity is going to be lost due to man's activities."*

Despite the fact that the waters and islands of Pulau Redang were gazetted as a Marine Park, Redang Island Resort (RIR), which is part of the Berjaya Group has been given the go-ahead to develop a holiday resort comprising an 18-hole golf course, club house, big hotels, horse ranch, 45 holiday villas, condominium complex, etc.

In 1991, amid secrecy, 265.7 ha (656 acres) was sold to RIR for this purpose. The Berjaya Group of companies is of course controlled by well-connected Tan Sri Vincent Tan. The Trengganu State Government sold the land to RIR for the incredible price of

\$500 per acre. It is now valued at \$70,000 per acre!

The DOE had approved the project with the condition that the mangrove forests must be preserved, as they are crucial to prevent soil erosion and essential to the ecosystem of the marine park - not more than 7 acres were to be cut.

Recently, scientists Dr Mohamed Ibrahim Mohamed and Dr Japar Sidik Bujang from the Faculty of Fisheries and Marine Science, UPM using satellite images, discovered that RIR had cut over 17 acres of the pristine mangrove forests on the island. Another 4 or 5 acres are in jeopardy as a result of the golf course development. This has resulted in increased sedimentation rates which spell death for the surrounding corals.

More amazingly, government agencies which are supposed to be closely monitoring the project have not detected this illegal clearing although this is only the initial stage of the project.

The response of the Minister for Science, Technology and Environment to these findings was that the problems in Pulau Redang were 'not serious' and 'quite acceptable'. (*The Star*, 24 April 1992) More recently, in a reply to my parliamentary question during the April 1993 meeting, the Ministry for Science, Technology and Environment still maintained that the DOE conditions have not been breached by the developer!

And instead of prosecuting Berjaya for destroying the mangrove beyond the EIA approved area, the

government has approved the second phase of the project.

In the latest development, the government has approved the construction of a submarine pipeline from Trengganu to supply 300,000 gallons/day water to Pulau Redang. This is estimated to cost \$20 million. Berjaya will only pay 20%, the rest to be borne by the State and Federal governments. But 64% of this water will be used to irrigate the Berjaya golf course, 20% will be used by their hotels and club, and only 16% will be used by the villagers on the island. Why should Malaysian tax payers foot any more than 16% of this bill?

When we bear in mind that presently, only 50% of homes in Trengganu do not have access to piped water, it is fantastic that the government can justify spending that much money for the benefit of a private developer.

Observers suspect that Berjaya had known from the beginning that there was not enough water but had deliberately lied to the government in order to obtain approval for the project. It would seem that one of the reasons the project was approved in the first place was because Berjaya had promised to supply water to the villagers!

To this and to many more multi-million projects under the Malaysian Government's privatisation schemes, the same question is asked: Why has an EIA not been done for this proposed submarine pipeline which could seriously threaten the Pulau Redang Ma-

rine Park considering it was not part of the EIA submitted by the developer in the first place?

If such violations of the law by the rich and well-connected are allowed to go unpunished, it is difficult to assess the long-term impact on our Malaysian environment.

*(Published in The Rocket, Vol 26/3, 1993)*

## Chapter 15

### RM6 BILLION SEWERAGE PROJECT: Biggest Privatisation Stink Yet!

"Although the country's sewerage system has been in appalling condition all these years, the Federal Government has done very little in terms of financial allocation to improve the situation. Under the 5MP for example, the Housing and Local Ministry only received 10% of what it applied for, which was RM600 million. Under the 6MP, there was an increase in allocation (RM500 million), but still short of RM100 million of the total sum the ministry had asked for under the 5MP. This is another sorry affair of MCA ineffectiveness all these years while holding the post of Minister for Housing and Local Government.

When we compare such allocations against those of fighterjets for the Defence Ministry of nearly RM10 billion (Hawks 100 & 200, MIGs & F/As), we can see where the priority of the Government lies.

Many of the faults of the present sewerage systems in the urban areas are actually the result of the non-

accountable and inefficient local governments, which are filled by unqualified political appointees of the ruling coalition. The crux of the problems can be identified at the performance of manpower and management of local governments. If this problem is properly identified and solved there is no reason why such a system cannot work better than a private system. We have seen private systems like Telekom and TNB perform. Now, can anybody say that they are any more efficient, that they provide a cheaper service?

We must make clear whether sewerage maintenance is a service or a luxury. That is important because if it is a service, then we think that it should be a government preserve. But if it is considered a luxury, then it may be privatised by all means.

Otherwise, what is the point of us paying rates? Has the Government drawn up contingency plans to reduce assessment rates for all the people? If not, why not, since part of this traditional local government service is now to be privatised?

While we cannot deny that the urgent need for a proper sewerage system in this country is well overdue, past experiences of the Government's privatisation exercises have shown that in practically all these - whether it be KTM or PLUS or the LRT or Tenaga Nasional or Telekom - consumers are at the mercy of a private monopoly with regard to tariffs charged and service expected; people living in the areas to be acquired are evicted without proper relocation and

compensation.

More alarmingly, contracts for the privatisation exercises are not properly tendered to ensure open competition so that consumers can ultimately have the benefit of better service and cheaper tariffs. This is clear in so many of the private monopolies we see today - PLUS, STM, TNB, KTM, Pos Malaysia, Airport Malaysia and now this RM6.27 billion national sewerage system which is the largest privatisation contract yet in Malaysia. They have all been sold to corporate tycoons well-connected to the Mahathir administration and not by way of an open international tender so that consumers can have the benefit of the most economic system.

In this case, Indah Consortium, has been picked in a manner similar to all the others which have won the monopoly rights, ie. they are politically well-connected businessmen. The biggest stake in Indah is held by the Vincent Tan interest group. This consortium will also be benefiting from a RM500 million soft loan from the Sixth Malaysia Plan allocation.

What is Vincent Tan's record on the environment? If his Pulau Redang Golf and Resort project is anything to go by, it is disastrous. That project was approved on the condition that not more than 7 acres of mangrove was to be cut. But recently, it has been discovered by our scientists that Berjaya has cut down over 17 acres of pristine mangrove forests on the island and another 4 or 5 acres are in jeopardy as a result of the golf course



development. This has resulted in increased sedimentation and the death of the surrounding corals in our gazetted marine park.

As usual, this sewerage project was only disclosed to the public after the deal had been closed. There was no opportunity for public feedback or discussion. This is the sort of democracy the BN practices. We have since been told that,

*"No other competitor had come up with as broad a proposal for the entire nation."*

How could there have been any competition when it was supposed to be a 'first-come-first-serve' basis and everything was settled behind closed doors?

But why should the nation's sewerage system be contracted out to only one company? The Government has not given us a convincing reason why this should be so, why Malaysian ratepayers once again have to be under the mercy of a private monopoly.

In terms of the complications involving Federal-state relations as a result of this National Sewerage System, why has the suggestion made by the Science, Technology and Environment Minister in May 1991 that there should be several systems according to zones instead of a single one because of the high start-up cost and lack of space, not been taken up? We can see that in Sabah and Sarawak at least, there is no reason why they cannot have their own system there.

Under this proposed huge central system, when the system breaks down, the effect is total, as happened to

Tenaga Nasional when the National Grid collapsed on Black September 29 last year. The advantage of having decentralised systems is that autonomous units can prevent such total collapse and defray the effects of any breakdown.

Under this private monopoly, consumers will again be held to ransom as with Telekom, TNB, PLUS and the other monopolies, whose performance has been atrocious. Where are the checks and balances that will ensure that if this Sewerage Monopoly does not perform satisfactorily, we can have a choice of other contractors?

It is also more likely that government officials monitoring such a big consortium, which obviously has powerful connections, will be intimidated when they try to point out any faults and abuses. On the other hand, if the sewerage system is decentralised with smaller contractors vying for the different projects, this monitoring job is more likely to be done without fear or favour.

Where are the checks and balances against profiteering by this private monopoly? There must be a clause in this Act which stresses that any tariff increase imposed by the consortium must first be brought to Parliament before they can be allowed to charge the public.

Therefore, before this House passes this Bill, we must know greater details of the final terms of the agreement between the consortium and the Government, for example:

- what percentage of the assessed value of the property will be charged;
- whether the proposed charge by Indah Consortium is a flat rate or for per toilet;
- whether the charges will be maintained for a fixed period of time or could be raised at any time by the Consortium; etc.

We understand that the consortium will be generating cash well in advance of the completion of the project by billing Malaysian households connected to existing waste plants between RM2 and RM5 a month. Commercial and industrial users would have to pay higher rates. How can this be fair?

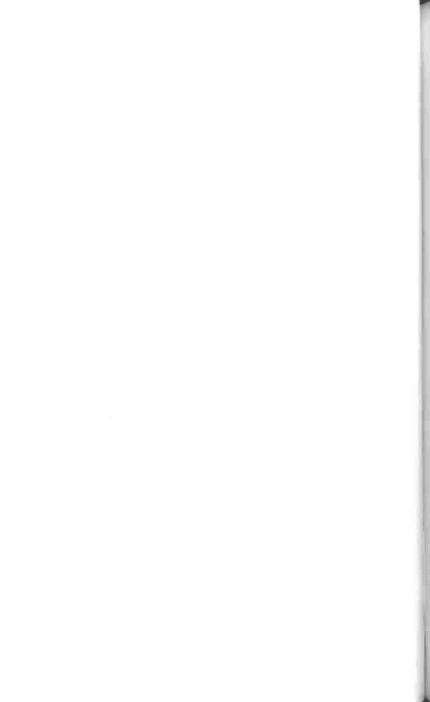
We also understand that the initial contract will run for 28 years, or 10 years beyond the scheduled completion of the system.

It is time the Government ensures that the Malaysian public are not burdened by every privatisation project that comes on stream. It is time that a code of practice is laid down for every privatised service, and a Prices and Services Commission for privatised industries is set up to ensure that certain principles are honoured, eg.

- prices or charges for goods and services do not go up because of privatisation;
- the quality of services does not deteriorate but efficiency should improve;
- uneconomic services to the poor and the rural areas are not avoided;

- every privatised contract is offered to companies on equal terms to all parties, especially the public."

*(Speech during the Parliamentary debate on the Sewerage Services Bill 1993, 21 July 1993)*



## Chapter 16

# CREAMING OFF DEFENCE CONTRACTS

"It is shocking that at a time when the country should be concerned about checking the upward spiral of imports to narrow Malaysia's ever widening trade deficit, this Supplementary Bill proposes to allocate RM985,784,000 out of the total development budget of the RM1,079,890,810 for defence. This is scandalous when there is so much that can be spent to cushion the effects of the on-coming recession and especially on social welfare, health and education.

Funds are desperately needed to improve the country's infra-structure which, as the recent disasters have highlighted, is in an appalling state. At the same time, more funds are needed to develop a better-skilled work force.

The merchandise trade deficit this year is expected to swell to RM1.1 billion from RM700 million last year. This will certainly affect the current account,

which is expected to post a deficit of over RM10 billion for 1992. This, in turn, will aggravate inflation. The current appreciation of the ringgit will further have a negative impact on the country's trade performance.

Export performance is being eroded by the slow-down in the economies of Malaysia's major trading partners. In 1991, our Manufacturing Production Index rose by only 13% compared with 18% in 1990. The prospects for this year are likely to be worse.

Such a lop-sided trade profile is usually justified as a way to boost a developing economy by technology transfer. But are we to believe that all these weapons for land, sea and air forces are going to contribute to boosting Malaysia's productive capacity? What linkages do these have within the manufacturing economy?

What we want to know are the details of all this weaponry which are not specified. The Ministry of Finance and the Ministry of Defence must understand that they are dealing with Parliamentarians very different from the yes-men who sit on the Government benches.

This is crucial because the Ministry of Defence, like the Ministry for Energy, Post and Telecommunications is famous for their multi-million purchases of fabulous merchandice. Unfortunately for Malaysian tax payers, much of these actually cost much less than the amount we pay for them. This has been uncovered several times already by *The Observer (London)* involving the son of the former British Prime Minister, Margaret Thatcher.

Mark Thatcher is alleged to get his rake-offs from the foreign buyers of British arms. The Saudis have been identified as one of his clients. So have the Malaysian side been identified in the RM5 billion arms deal in the MOU signed a few years ago.

In this MOU, the British Aerospace Hawks 200 that we are paying for is double the price that the Koreans paid. From here we can see that other countries' military forces are not only more advanced because they are more developed economies but they get double value for the same amount of money!

It has also been alleged that the Marconi radar sold to us under the MOU - costing RM1.2 billion - is 4 times more expensive than the compatible US system which costs only RM300 million. This Marcello Radar (by GEC Marconi) was to be integrated with the RMAF system, but it doesn't work! It seems the RMAF prefers the US Raytheon system, a proven system. Furthermore, it seems the British themselves don't want this system! The RAF have given it up for the US Boeing system.

So who is benefiting from all this? What are we to believe when we get this fabulous bill from the Ministry of Defence?

In this Mark Thatcher rake-off scandal, the Malaysian agents for British Aerospace also cream off a part of the deal. In the Tornado deal a few years back, it was also alleged that commissions went to UMNO through these Malaysian agents. In the process, not only Malay-



sian tax payers but also British tax payers lose millions which go to line private pockets.

Then there are the two corvettes from Yarrow shipbuilders, again from the UK (*NST*, 11.11.91). Do Malaysians realise that these 'fabulous machines' cost RM1.1 billion each? Several foreign shipyards indicated at the time that they could build these warships at **half the price!** In fact there are other equally competent British naval shipyards who can build these warships more cheaply than Yarrow. But were their proposals considered? I hope we get a good answer from the Minister.

The Minister for Defence has also indicated that the Royal Malaysian Navy requires 16 offshore patrol vessels (OPV), each having been budgeted RM85 million, excluding guns. Late last year, the Minister said that because of financial constraints, the RMN could only afford 4 or 5 of these locally-built OPVs.

What we want to know is, can we afford these two corvettes? Where are the funds coming from? How many ministries are going to forgo their allocations because of these fabulous purchases? How many schools need better facilities? How many rural farmers need better infrastructure and facilities? How many New Villages need development? To remind those on the Government benches, RM2.2 billion is equal to 2,200 new primary schools for our children; it is RM1 billion more than the amount allocated to the Ministry of Science, Technology and Environment for capital

expenditure under the SMP. The last time Malaysian tax payers lost that much money was during the BMF scandal.

So what can two warships do that 16 Malaysian - built OPVs cannot do? What is so special about these Yarrow-designed warships? And the billion dollar question is, are these corvettes completely invincible to attack? If they are still vulnerable to attack from 'intelligent' missiles, I am sure Malaysia's potential enemies are laughing.

Do these two corvettes match up to the supposed need, broached by the Defence Minister, for a balanced force with greater mobility and firepower? Bearing in mind that all three Services need to replace old and unserviceable equipment some time, spending so much money on just two corvettes just doesn't make either economic or military sense!

While we are getting these fantastic budget requests for defence, this House must be clear exactly what are the details of the different packages under the RM5 billion MOU. We want to know:

- Where does it start and end?
- What are the details of these purchases, specifications of aircraft, etc?
- What are the costs of compatible models?
- What technology transfers are included?

If the Ministry of Defence fails to furnish these

details, they cannot blame others for alleging that corruption is involved in these arms deals.

*(Speech during the Parliamentary debate on Supplementary Supply Bill 1992, 28 October 1992)*

## Chapter 17

### LAND ACQUISITION: Plight of Urban Settlers

"Of late, we have seen more and more instances of small landowners , powerless urban settlers and other hapless Malaysians being thrown off the land under the guise of 'development' and privatisation, a scenario not unlike the days of Robin Hood when the feudal laws of the Sheriff of Nottingham prevailed.

In all these cases, powerful interests are involved. We saw the case in Damansara Estate where even the former *alma mater* of the President of the MIC was faced with demolition. We also saw the eviction of estate workers who had lived for generations at Ladang Sungei Rasa.

In all these cases, the victims were poor powerless Malaysians whose land had been acquired by rich developers with links to powerful interests.

In such a situation, a Government pledged to create a 'Caring Society' and which has declared some breath-taking promises in its new OPP2 could have been

expected to amend the law pertaining to land acquisition for the greater benefit of those who have lived on and used the land for most of their lives.

However, today we see a new amendment to the Land Acquisition Act (LAA) 1960, by the BN, which is more backward in terms of the rule of law and more unjust in terms of the socially and economically weak.

By making it easier for the acquisition of land "*by person or corporation for any purpose which in the opinion of the State Authority is beneficial to the economic development of Malaysia or any part thereof or the public generally or any class of the public...*," the road is clear for easier acquisition of land by the rich and powerful.

The failure by the Government to define 'beneficial to the economic development of Malaysia' shows an alarming trend of BN legislation which is loosely, and therefore, badly framed. Such bad laws as this as well as the ISA and OSA are a great leap backward for a nation that wants to stride boldly into a Brave New World of 2020.

All the instances mentioned above in which grave injustices were committed on the land users were all carried out in the name of 'development'. Thus we can anticipate a spate of more unjust land acquisitions which will surely follow.

## The Act Should Be Justly Amended

The present inadequate and unjust law should rightly be amended but not as specified by the present amendments.

Firstly, there must be greater public participation and accountability. Before any big project is approved, there must be a public enquiry to hear objections by affected and interested parties. Recently, the controversy over the 'Gasing Heights' condominium is a case in point.

An individual landowner in particular should be given a statutory right to object. His or her objection should not be restricted to the adequacy of compensation but also cover the effects on the community and the environment.

A Lands Tribunal should be established to adjudicate on all matters pertaining to land acquisition and the cost or benefit to the community affected. This will ensure the expeditious settlement of land disputes and ease the backlog of court cases.

'Public purpose' must be stringently defined to prevent deviation and miscarriage of justice. The statutory powers to acquire land cannot be invoked except for the public purpose expressly stated.

The law pertaining to compensation for land acquired must be amended to ensure greater justice to the affected party. The time period for payment of compensation must be specified and if compensation is not

paid within the specified time, the acquisition should lapse if that is the option by the landowner. The Act should provide for payment for resettlement of persons displaced. At the same time, the Government should make available valuers and lawyers to represent those who cannot afford to engage them.

Furthermore, there must be statutory recognition of the right of the owner to repossess the acquired land from the acquiring authority where the land in question is not subsequently required or where the land acquired has been used for a different purpose from that specified.

## BN's Dismal Record

In the last few days, BN leaders have been desperately trying to tell the people to 'trust them'. But can the cat be trusted to watch the milk?

What is the Barisan Nasional record as far as these backward laws are concerned?

On the ISA, they cannot be trusted to detain only people who threaten the security of the State. Opposition party leaders, lawyers, Church workers, educationists, *ulamas*, social workers are arrested and detained if they criticise the Government.

On the OSA, documents which can incriminate BN leaders in shady deals but which are of great importance in terms of public accountability are protected by this backward law. At the same time, documents

supposedly under wraps of the OSA are given to favoured contractors as in the Tenaga Nasional scandal.

As far as the record on land acquisition goes, the authorities have not only taken the side of the big developers on many occasions but the police have been brought in against the dispossessed. This was seen at Thean Teik Estate where an innocent woman was killed. It was also seen recently at Kampung Pandan and at Sungei Rasa Estate. In all these incidents, the authorities could have intervened. Instead, it was always the rich and powerful developers, whose interests were safeguarded by the Government and police.

Even more sinister, at Ladang Sungei Rasa a few months ago, the leaders of the affected residents were threatened by the police there that they would be arrested under the ISA together with the MPs for Petaling Jaya and Klang. We have a police report to prove this. The people there had sought our help because the MIC leaders and the BN MP for Shah Alam refused to help them. Clearly they were on the side of the big developers of Sungei Rasa.

Under the privatisation plan by the Government, Malaysians will be seeing even more of such land dispossession by rich and well-connected private interests. Prime land owned by the Church, school committees, people living on KTM or Tenaga Nasional land or land eyed by UEM for highways or the Second Causeway link, these will be scenes of conflict which this Amendment will bring about. We have lately seen



more and more cases of land-hungry Malaysians being evicted to make way for golf courses and other playgrounds for the rich.

The Government has said those who are dissatisfied with the land acquisition can go to court. However, the present Amendments now bind the hands of the court by allowing acquisition "*by any person or corporation...*" when previously it was only by a public authority. That is why we say this law, like so many other laws enacted by the BN, is a further erosion of the rule of law in this country.

The Deputy Prime Minister has also said that there is a scarcity of land but does not explain why rich and powerful private interests need this legal protection. It would be a different matter if the State intervened on behalf of the land-hungry people to spur production.

In fact in most developed countries, the problem of land scarcity facing farmers has been solved by land reform. This was the case in Japan, Taiwan and South Korea. But in this country, despite this recommendation by agronomists since colonial times, land reform has never been even suggested because of the political connection between the landed interests and the BN leadership. But land reform is the proper measure to not only develop the rural economy but also to solve the problem of rural poverty, not through the stop-gap means of Government charity.

Instead, the BN through the years has been opening up thousands of hectares of land using capital-intensive

methods which has cost the country billions. Now the Government tells us there is no land left to develop after so much of our rain forests have been chopped down. They tell us that FELDA and the National Agricultural Policy will have to be reviewed. This is another way of admitting it has been a flop!"

*(Speech during the Parliamentary Debate on the Amendment to the Land Acquisition Act 1960, 26 June 1991)*



IV

FOREIGN POLICY



## Chapter 18

# FOREIGN POLICY AND CONSISTENCY

The defeat of the US by the Vietnamese in the mid-Seventies did not end superpower rivalry in the Southeast Asian region. By the turn of the Eighties, the militarily aggressive Vietnamese army backed by the Soviet Union had invaded Kampuchea. At the same time, the Soviet Union build-up was threatening in the Pacific and Indian Oceans.

The power balance was held by the ASEAN nations' defence arrangements with the Western powers and the deterrent also posed by China, which by this time had begun to play a more active role in the international arena.

Soviet expansionist policies threatened to destabilise Malaysia and other Southeast Asian countries. There were exposes of KGB activities in infiltrating the corridors of power in Malaysia by fomenting Malay distrust and hatred of Malaysian Chinese. This was similarly seen in the 'Anti-Hua' campaigns by the

Vietnamese which led to the 'Boat People' problem in Southeast Asia.

There was also a Soviet attempt to violate Malaysian sovereignty by inciting racial hatred among the Malays and Chinese in this country.

The arms race, for example saw disproportionate spending on defence in the successive Malaysia Plan allocations. This excessive defence budget has been a similar feature of successive Malaysia Plans.

Excessive military spending merely adds to the inevitable arms race and suspicions among countries in the region besides diverting valuable resources for development. In the process, small states invariably become clients of the Superpowers.

In the Nineties, the international stage has been transformed dramatically. The Cold War has crumbled with the economic debacle of the Soviet Union and the COMECON countries. Even Vietnam has been forced to compromise on the Kampuchean issue because of her economic difficulties.

China is today playing a conspicuous role in the region and the world as well as having normal diplomatic and economic relations with Malaysia. This is in great contrast to the hostile bilateral relations which also affected ethnic relations within Malaysia for so many years.

The spectre of US imperialism arrogating unto itself a dominating role in the world has been cast recently by its aggressive show of force in the Gulf

War. There is no doubt that the US will attempt to influence security arrangements in the ASEAN region.

In this regional and international environment, our policy should remain committed to the following principles:

### Self-determination & National Sovereignty

This stand must be consistent and there cannot be double standards. While we support the struggles of the Palestinians, the Blacks of South Africa, Kampuchians, Afghans, we also extend our solidarity to the people of Eritrea, Burma and East Timor and condemn the US intervention in Latin America.

The Malaysian Government, despite its posturing, has failed to condemn, for example, the US invasion of Grenada and Panama. During the Gulf crisis, it gave its support for the US-sponsored UN resolution which led to the monstrous Gulf War. While we condemned the Iraqi invasion of Kuwait, we believed the Gulf War could have been averted through concerted international efforts and sanctions.

We are opposed to all forms of aggression and intervention by foreign forces and support the popular liberation forces in all foreign-occupied nations.

### Truly Non-Aligned

The principles of the Non-Aligned Movement still



hold true today despite the end of the Cold War:

- Respect for the right of peoples and nations to self-determination;
- Respect for the sovereignty and territorial integrity of states;
- Non-interference and non-intervention in the internal affairs of states; and
- Peaceful co-existence among states.

To maintain its integrity, member countries must not hesitate to condemn all imperialist encroachments by the Big Powers.

### Zone of Peace, Friendship and Neutrality

We endorse the principles of ZOPFAN in the ASEAN region but there must be a commitment within the organisation to ensure that foreign bases in member countries be phased out and that military treaties with countries outside the region be abrogated. ASEAN should also declare itself a nuclear-free zone prohibiting ships carrying nuclear weapons from entering the region.

We believe that greater economic, social and cultural contacts should be forged with all ASEAN countries instead of the Malaysian Government's cultivation of a special relationship policy with Indonesia alone. Only such an open and sincere policy towards all the ASEAN countries will breed trust and lasting relations.

## Defence of Human Rights

The Malaysian Government lacks the moral authority to defend human rights in the world because it is itself guilty of human rights abuses, such as the use of preventive detention; curbing freedom of expression and association through oppressive laws like the Official Secrets Act, the Printing Presses and Publications Act, etc. Dr Mahathir is currently leading a backward chorus of developing countries challenging the international imposition of human rights standards on all countries.

The Malaysian Government takes a stand on Palestine and South Africa, but when human rights abuses are inflicted by the Indonesian Government in East Timor or by the Fijian and Burmese regimes, the Malaysian Foreign Ministry pretends that it is the internal affairs of those countries.

We stand by the rule that all nations which want to be part of the international community must abide by the principles of human rights, justice and freedom. Up to the present day, the Malaysian Government has failed to ratify important conventions such as the International Covenant on Civil and Political Rights or the International Covenant on Social, Cultural and Economic Rights.

## Mature, Sensible and Consistent

To gain the respect of the world community, our foreign policy must be conducted in a mature, sensible and consistent manner. There is no place in modern diplomacy for a country's policy to be determined by the whims and fancies or personal quirks of leaders.

Under the Mahathir Administration, we witnessed many examples of such capricious foreign policy changes, such as the 'Look East Policy', 'Buy British Last', 'Buy British First' and recently, the 'Cool to the Australians' Campaign.

Instead of ensuring that Malaysia is free from reproach as far as human rights and conservation are concerned, the Malaysian Government has opened itself to criticism by international human rights organisations. We see this in the applications against Malaysia's General System of Preferences because of our oppressive labour laws. During the ISA mass arrests and detentions from 1987 to 1989, there was world-wide protest against the violation of basic human rights and the tenets of parliamentary democracy when Members of Parliament and innocent dissidents were detained without trial. Today, the depletion of the Malaysian rain forests and the plight of our native peoples are again attracting international condemnation.

If Malaysia is set to be in the same league as other developed countries, its leaders must start behaving

less like depots of banana republics and its foreign policy must be more progressive.

*(A Position Paper for the DAP's 25th Anniversary Souvenir, 1991)*



## Chapter 19

### EAST TIMOR & BURMA: Double Standards

The stand taken by the Malaysian Government on the recent cold-blooded killing of more than a hundred innocent East Timorese as well as a Malaysian student by the Indonesian army in Dili last month was truly pathetic.

Countries all over the world, including the UN Secretary-General, concerned about human rights and democracy, have condemned the massacre. The Malaysian Government's stand was certainly inconsistent from the posturing of Dr Mahathir' over South Africa and Palestine.

As one of our closest ASEAN neighbours, the Malaysian Government should have shown even greater concern but kept a conspicuous silence.

The latest massacre in Dili should have moved the Foreign Ministry to take a principled stand on the long overdue question of the right to self-determination of the people of East Timor.

The UN has never recognised Indonesian sovereignty in East Timor ever since Indonesian forces invaded, annexed and occupied East Timor on 7 December 1975. The response of the Malaysian Government and other Western powers then was no less muted, in great contrast to the breast beating over the invasion of Kuwait by Iraq.

The invasion of East Timor was in fact supported by the Western powers. This can be seen from the '*Documents on Australian Defence and Foreign Policy*'. It took place the day after President Ford's and Kissinger's visit to Jakarta. Ninety per cent of the arms used in the invasion were actually supplied by the US.

ASEAN has voted solidly for Indonesia in the UN and the Malaysian Government has gone out of its way to help the Indonesian Government. In fact Malaysia acted as a conduit for arms supplies to Indonesia. According to the CIA's '*National Intelligence Daily*' of 26 September 1975:

*"Vastly increased Indonesian involvement is now proposed; special troops armed with weapons that cannot be traced to Jakarta will be used. Malaysia has reportedly agreed in principle to supply such weapons."*

In early 1977, Malaysia performed a similar service when it agreed to hand over at least four Sabre jets to Indonesia, supplied by Australia (*The Age*, 10 February 1977).

Dr Mahathir is certainly right about the double

standards of the West on such questions for their role in the invasion of East Timor is because the military regime in Indonesia is the West's most favoured Third World dictatorships. But from the evidence, the Malaysian Government is no less inconsistent. From this it can be seen that there has been no consistency on the principle of self-determination by the Malaysian Government.

The Malaysian Government cannot hide behind the smoke screen that it "*will not interfere with the internal affairs of another country*" when it is convenient, as in East Timor and also in Burma. It must explain why it is alright to champion the cause of the Palestinians and the Blacks in South Africa but not that of the East Timorese and the people of Burma.

On 28 November 1975, a *de facto* Fretilin Government unilaterally declared independence and proclaimed the 'Democratic Republic of East Timor'. This Fretilin nationalist movement's promise of a democratic, truly-independent non-aligned state and its popular support posed a threat to Indonesia, ASEAN and the West.

That is why the Fretilin Government was short-lived and the Indonesians invaded on 7 December that year, carrying out a wicked scorched earth policy. Since 1976, it has been estimated that at least 200,000 East Timorese, or one-third of the entire population of East Timor, have been killed. Genocide is not too strong a word to describe this inhuman record by the Indonesian authorities.



Do the officials at Wisma Putra realise what has been perpetrated against the East Timorese all these 15 years -- the extra-judicial killings, the tortures, arrests and detentions without trial? Kamal Banadhaj's family in Taman Tun Dr Ismail certainly do, I am sure. Any one who claims to believe in God or to have moral values should condemn these atrocities against the East Timorese.

If the Malaysian Government will not condemn this cruel violation of human rights and the principle of self-determination, Dr Mahathir should speak more softly the next time he postures further in the United Nations.

The Right to Self-Determination is recognised as a fundamental international norm in Articles 1, 55, 56 and 73 of the UN Charter.

The UN Declaration on the Granting of Independence to Colonial Countries and Peoples (*General Assembly Resolution 1514 [XV]*), 14 December 1980 states:

*"The subjection of peoples to alien subjugation, domination, exploitation constitutes a denial of fundamental human rights, is contrary to the Charter of the UN and is an impediment to the promotion of world peace and co-operation. All peoples have the right to self-determination; by virtue of that right, they freely determine their political status and freely pursue their economic, social and cultural development."*

Since 12 December 1975, the UN General Assem-

bly has consistently called for Indonesian withdrawal from East Timor. The UN Security Council has also unanimously condemned the invasion. The Non-Aligned Movement has likewise consistently supported the right of the East Timorese to self-determination.

But these UN resolutions have never been translated into action like they were during the Gulf War. The Malaysian Government should point this out to the world body. But it should first turn over a new leaf before it can do this if it is not to be laughed at for its own double standards!

*(Speech during the Committee Stage of the Budget Debate on the Foreign Ministry, December 1991)*

## Power To The Burmese People

The Malaysian Government has also shown double standards over Burma. As another country in the same region, we should be more concerned with the struggle against oppression and human rights in our region.

Aung San Suu Kyi has recently won the 1991 Nobel Peace Prize as "*one of the most extraordinary examples of civil courage in Asia in recent decades.*" She is the symbol of the struggle for democracy and human rights in Burma today, having been in detention for the last two years. Her National League for Democracy won a landslide victory in the May 1990 Myanmar general

elections.

However, the Malaysian and other ASEAN Governments have not taken a clear and unequivocal stand to demand the Burmese military regime honours their peoples' democratic verdict. Instead of applying sanctions and other pressure on the regime there, there is evidence that the Malaysian Government and other ASEAN countries are in fact supplying arms to the Burmese regime and training their military and police personnel. I would like to hear the clarification of this from the Foreign Ministry.

If Malaysia wants to play a conspicuous role in the world arena, it should co-sponsor a resolution against the Burmese military junta at the UN General Assembly.

If we continue to harbour double standards as is clear on East Timor and Burma, not only will no Malaysian leader ever win the Nobel Peace Prize, no Malaysian leader ever will be nominated for the UN Secretary-General's post.

*(Speech during the Committee Stage of the Budget Debate on the Foreign Ministry, December 1991)*

## Chapter 20

### TRULY NON-ALIGNED: US Base In Singapore

Before the 1990s, when politicians and academicians alike viewed the world through the Cold War prism, leaders in US-client states could conveniently use the 'Soviet threat' to justify dependence on the US. I remember in 1983 the PAP stalwart Mr Rajaratnam's suggestion that small states could choose an umbrella of one of the Superpowers, 'while remaining non-aligned'.

This is patently inconsistent with the principles of the Non-Aligned Movement and the cause of world peace.

#### The Case For Dealignment

Even during the heyday of East-West rivalry, the arguments for Dealignment were strong and convincing. Such a position refuses to accept the Bipolar division of the world, that neither the US nor the Soviet Union should be allowed to assume their respective

'spheres of influence' and to extend their privilege to cover the 'defence of vital interests'.

Dealignment incorporates military disengagement by the Superpowers - withdrawal of their military bases and personnel and dissolving military blocs. Such a totally dealigned region would be better for the cause of peace.

Those who argue that the Superpowers' Bipolar world creates a degree of stabilization of the world order fail to see that the problems of conflict are a product of exploitation by the Superpowers themselves and the interests they represent.

Acceptance of superpower spheres of influence generally results in suppression of national independence, democracy and human rights, eg, the US in Central America; the Soviet Union in Eastern Europe. The Superpowers have played a pivotal role in upholding repressive regimes and instigating local wars in the name of "defending their vital interests". Therefore, this shared hegemony was never desirable.

It was also unrealistic for there will be other powers which are unwilling to accept Superpower hegemony. For example, neither the US nor the Soviet Union could impose control over Iran.

The practice of dealignment includes the support for the Non-Aligned Movement, the defence of the right to self-determination, the condemnation of all imperialist encroachments, respect for sovereignty and territorial integrity of states, peaceful coexistence.

Among the concrete actions that nations can take include the creation of Nuclear Weapon-Free Zones to disallow Superpowers' ships or planes carrying nuclear-weapons from entering the zone. This example has been shown by New Zealand's implementation of the policy. The lesson was further driven home when Greenpeace's 'Rainbow Warrior' was bombed. Nuclear weapons-free zones reduce the danger of war through accident or miscalculation in a crisis and encourage reductions in nuclear arsenals as well as conventional arms limitation.

Another concrete action was demonstrated when Spain, France, Italy and Greece refused to allow the US to have access to military bases on their soil or for overflight by US warplanes during the bombing of Tripoli and Benghazi, Libya in April 1986. The British Government which allowed the US to use their bases in this operation had to face a chorus of protest from the British public.

During the 1980s, anti-nuclear weapons and anti-Superpower sentiments spread beyond the confines of the traditional peace movement. It encompassed scientists, doctors, other professional and trade union organisations, women's movement and religious bodies.

There were mass protests all over Western Europe over NATO's decision to deploy Cruise and Pershing II missiles in Europe. In the USA, the Freeze Movement likewise won widespread support. In Britain, the

Labour Party came round to a policy of nuclear disarmament. Other European Social-Democratic parties adopted policies to move NATO away from its reliance on nuclear weapons, especially the US' Mutual Assured Destruction (or MAD) doctrine.

## Situation Excellent For Dealignment

Before the Nineties, the arguments for dealignment needed convincing. But now with the demise of the Soviet Union and the entire Eastern bloc, the situation could not be better for a truly dealigned world without the presence of any Superpower. In SE Asia, the Vietnamese also want the Soviets out of Cam Ranh Bay.

If there were ever a need for some power to police the so-called New World Order, it would have to be some form of UN Peace-Keeping Force which commands respect and credibility among all countries of the world, and not the US-led force which pummeled Iraq into the Middle Ages in 1991.

The US is telling us now that the only threat is more likely to come from one US client against another - just as Saddam Hussein was initially a US client. Then it is solely up to the US to consider which among its clients is to be considered a threat and be bombed to hell. What good then would any defence system be?

The US certainly lacks the moral force for such a role. It has shown open contempt for international law

by refusing to ratify the Law of the Sea Treaty, ignoring the international Court of Justice's judgement against the mining of Nicaraguan waters, by unilateral acts like the bombing of Libyan cities in 1976 and its tendency to bypass the UN on other matters.

US policy of both covert and overt military intervention in the Third World is well-known, eg. Cuba in 1961; Guatemala in 1964; Dominican Republic in 1965; Chile in 1973; Nicaragua and Grenada in 1983, to name but a few.

The fate of Diego Garcia is instructive in this respect. In the 1960s, the US wanted a military base in the Indian Ocean. The UK helped this purpose by excising the Chagos Archipelago from Mauritius and transforming it into a 'naval communications facility'. This was in contravention of the UN General Assembly resolutions 1514 and 2066.

When Independence was granted to Mauritius in 1968, it had been relieved of the Chagos Archipelago, Diego Garcia being the most prominent island on it. What followed was the total displacement of the Chagos (Diego) people from the islands, unparalleled in contemporary history, while in the US Senate, the islands were described as 'uninhabited'.

Clearly, Diego Garcia is of strategic value for the UK and the US. They signed agreements in 1966, 1972 and another in 1976 for the purpose of providing a 'link in US defence communications'. The island is a crucial platform for the US military power covering all sectors



of the Indian Ocean, the Persian Gulf and Arabian Sea.

While those in power and who control the economic interests want war and the armaments trade, ordinary people everywhere want peace. The recent slap in the face for Bush in the New Hampshire primaries show that the American people are not as jingoistic as he thought. This was already demonstrated during the Peace movement at the height of the Vietnam War. The Pentagon is under pressure to cut military spending by US \$50 billion over the next five years now that the Cold War is over, although as we shall see, the military-industrial lobby is pressurizing against this.

It is therefore incongruous that the Singapore Government should want to allow a US base in the republic and even the Malaysian Government is contemplating allowing the Americans to make use of the Lumut naval base.

## ASEAN's Mutual Assured Distrust

Within ASEAN, mutual distrust is calculated to create the artificial 'external enemy' in order that those in power can inject fear to induce the electorate to preserve the status quo and support the arms budget. We see this very clearly in Malaysia and Singapore. It accounts for the periodic outbursts of friction, such as the claim over Batu Putih, the encroachments by SAF personnel into Malaysian territory, and others.

Thus although the Lee Kuan Yew, Mahathir and Suharto regimes get on very well and often give each other mutual support in their electoral campaigns, each in turn allows 'primordial fears' to influence the electorate during the elections. For example, before the last Singapore general elections, much was made of the joint Malaysian-Indonesian military exercise in the Singapore press.

Allowing the US to set up base in Singapore has the desired effect of telling Singaporeans that they need it as a protection against the threat of its 'unpredictable neighbours'. This 'mutual distrust' strategy by the respective ASEAN governments is clearly contradictory to all the pious declarations at ASEAN summits to promote regional understanding, peace, friendship and neutrality.

Dr Mahathir has said recently that military cooperation in ASEAN should be on a bilateral and not regional basis (*The Star*, 29 Jan 1992). This is part of the irresponsible mutual distrust strategy which can only create irrational fears among the peace-loving peoples of especially Malaysia, Singapore and Indonesia.

There is no doubt of an arms race among the ASEAN countries at the moment. Defence spending in the ASEAN countries has shot up when resources are desperately needed for development expenditure, education and social services. As a percentage of their budgets in 1988, defence took up 15% in Brunei, 9%

in Malaysia, 10.9% in the Philippines and 27% in Singapore.

In the 1992 Malaysian budget, while education is only allocated 1.4 billion ringgit and health services 689 million ringgit, defence got 2.75 billion ringgit - an increase of 13.2% over that of 1991.

Regarding the Lumut naval base, it is worth reminding ourselves of the 1989 scandal when the Auditor-General revealed that because of staff shortage, the RM650 million Royal Malaysian Navy dockyard had been under-used since it was built at a cost of RM10.28 million in 1985. Some of the facilities had never been put to use, resulting in deterioration of some equipment. The AG also found that the navy did not comply with regulations when it made bulk purchases of spare parts for its Central Logistics Depot. The other recent Malacca Ammunitions Depot scandal will still be fresh in everybody's minds.

In reply to a question in Parliament on 24 October 1991, the Ministry of Defence explained that the war games it holds periodically with neighbouring countries are to 'promote friendship'. This is certainly a cynical twist to the adage 'make love, not war'! The Acting Chief of Defence Forces Jen. Tan Sri Yaacob Mohamed Zain has tried to justify increased defence spending in this way:

*"I believe the building of an adequate defence capability by countries of ASEAN can contribute towards regional stability."*

Defence Minister Datuk Seri Najib Tun Razak has also said that one of the objectives of turning the Malaysian Armed Forces into a modern force - and justifying the huge defence bill - is to contribute to national and regional peace and prosperity and to deter war, but "*if war is inevitable, then victory must be assured.*"

This is the weird logic of military chiefs throughout the capitalist world, namely, "*we need war for peace and we need arms for peace...lot's of it!*"

### Arms Deals Encourage "Long Arms"

Arms spending not only wastes valuable resources which could be diverted to productive purposes, it encourages corruption ('long arms') which burdens taxpayers.

The RM5 billion ringgit arms deal with Britain and the allegations of rake-offs involving persons close to the British Conservative and BN Governments in *The Observer* (London, 15 December 1991) shows the defence lobby actually profits the ruling circles.

*The Observer* article disclosed that this arms deal also involved an up-front payment of RM300 million to UMNO Baru as well as payments totalling another RM200 million to other agents.

It is alleged that the British Aerospace Hawks 200 that Malaysia is paying for is double the price paid by the Koreans. Furthermore, the Marconi radar system

sold to us under the Memorandum of Understanding (MOU) with Britain costing RM1.2 billion is four times more expensive than the US system. It seems this system is to be integrated with the RMAF system but it doesn't work! RMAF prefers the US Raytheon system. Even the British RAF don't want this system. So why have we bought this Marconi system? In the end, it is the British and Malaysian taxpayers who lose out.

In June 1989, Mrs Thatcher was forced to admit that a promise of British overseas aid was discussed in the negotiations with Malaysian leaders over the RM5 billion arms deal (*The Observer*, 2 July 1989). The 1966 Overseas Aid Act expressly prohibits using aid as a means of getting defence sales.

The aid project in question is believed to be the controversial RM1.3 billion Pergau hydro-electric project involving Cementation International, Balfour Beatty and other British firms.

## Militarism and Vested Interests

It is evident that the arms race, or militarism, fosters the interests of monopolists in the armaments industry. They have a direct interest in maximum expansion of military production. Armaments production provides increased opportunities for profitable investment of capital besides being a lucrative source of rakeoffs for the ruling class in purchasing countries. These are the elements in the monopoly capitalist class who agitate

for aggressive foreign policy.

Thus the *New York Times* (17 Feb 1992) has reported that the US Defence Department is currently trying to stall the proposed cuts in military spending by the Pentagon. It has identified seven scenarios of potential foreign conflict which could draw US forces into conflict over the next 10 years. Military chiefs have been instructed to request forces and weapons sufficient to fight at least two regional wars - one against Iraq, another against North Korea - possibly simultaneously; another in Europe against a possible resurgent Russia; even a possible coup in the Philippines.

They are basically inventing a menu of alarming war scenarios to prevent the proposed reduction in the defence budget and the cancellation of new weapons system for the defence contractors.

Armaments production are a gigantic waste of resources and peace-loving peoples of the world should reject and condemn the merchants of war.

### Conclusion: Implications for ASEAN

The 'mutual distrust' syndrome in SE Asia will certainly be exacerbated by the positioning of a US base in Singapore. It will further stimulate an arms race among the neighbouring countries, which it already has. The victims, as usual are the masses in these countries who are constantly told that their govern-

ments do not have the funds for schools, hospitals, retirement and unemployment benefits. For a start, the RM5 billion arms deal with Britain would have been adequate to build 5,000 primary schools!

Needless to say, the masses suffer an even worse fate when they are sent to war as cannon fodder. The history of US imperialism has shown that US military presence has a destabilizing effect on those regions, eg. Korea, Vietnam, Philippines, not to mention all the other trouble spots in Central America.

The Singapore Government is not known for its principled adherence to the cause of peace and non-alignment. It has always stayed close to the coat-tails of the US, which is not surprising since its economy is highly dependent on US investments and markets. Lee Kuan Yew said as much recently in Kyoto on 13 Feb 1992:

*"To get East Asia to stay on course for rapid growth, Japan and all in East Asia have to accommodate the sometimes importunate demands of the US."*

The ASEAN countries' dependence on the US was amply reflected in their indifference to Mahathir's EAEC proposals at the recent ASEAN summit.

But despite Mahathir's posturing on the US stand over EAEC, the fate of his 'Buy British Last' campaign is a reminder that his stand is similarly inconsistent and unprincipled. The offer of Lumut Naval Base to the US is an example of this and it has effectively taken the wind out of any joint ASEAN position which could

have taken over this question of a US base in Singapore.

After all, the Mahathir Administration effectively gave the US the licence to bombard Iraq last year, and none of the ASEAN countries has made an issue out of the US base in the Philippines all these years.

In such a situation, all peace-loving peoples of ASEAN must be vigilant to prevent the slide into militarism and the arms race. They must apply pressure on their governments to divert resources away from armaments production and purchases into development and social services, and to uphold strictly the principles of the Non-Aligned Movement by not allowing any Big Power to set up base in the region.

*(Paper presented at a forum organised by PRM in Johor Bahru, 27 February 1992, published in Nanyang Siang Pau, 9 April 1992)*





## Chapter 21

# PEACE AND SELF-DETERMINATION IN THE GULF

For those who know the horrors of war, whether it was the Second World War or those who followed the Vietnam war, this latest Gulf War will no doubt evoke the same loathing and disgust. And this latest war will probably be the more horrific and self-defeating than any before it because of the deployment of mass destruction weapons.

This is by no means the sentiment of pacifists. We should never fail to support the right of nations to self-determination and their just struggles against invaders, occupiers and oppressors. This includes the struggle of the Blacks against the South African regime, the struggle of the Palestinians against the Israeli regime, the Kampuchians against Vietnamese occupation, the Eritreans and the Tigrayans against the Ethiopian regime, etc. And of course, we must now also support the struggle of the Kuwaitis.

There is estimated to be a million troops and

almost 1000 nuclear weapons deployed in the Gulf and the long-term health and environmental consequences if they are used can only be imagined. Fires in the Kuwaiti oilfields have already started and if the 850 oil wells catch fire, as threatened by Saddam, it can trigger a nuclear-winter type disaster, destroying harvests in Asia. Thus, this kind of war will be an irreparable global disaster not only to humans but also to the global environment.

Listening to the arguments by Rambos, you would think that this was the first case of violation of the right to self-determination or that Saddam Hussein is the first leader with delusions of grandeur.

The first fallacy of Rambo's is of course laid bare when we note the numerous occasions when this fundamental principle of self-determination has been violated by the two Superpowers, the Soviet Union and the United States.

Did this sort of war break out when the Soviet Union invaded Afghanistan or when Vietnam invaded and occupied Kampuchea? Did the world react in the same way when the United States did what they did in Vietnam in the sixties and seventies, or when they invaded Grenada and Panama more recently? What of Indonesia's atrocities against East Timor, Israel's annexation of Palestine or South Africa's aggression against her African neighbours? And don't forget that all these atrocities were also condemned by respective UN resolutions.

Is Saddam Hussein the first 'madman' on the world stage? Don't we remember Nixon's 'Madman Doctrine' and what the US did to Vietnam and Kampuchea?

## The Gulf War Should Have Been Averted

Precisely because Iraq has weapons of mass destruction, both chemical and biological and also enormous conventional firepower, there should have been more time given for sanctions to work. Considering the length of time given to other aggressors in the past, the unseemly haste to start the Gulf War is only too evident.

Firstly, there are good reasons to believe that sanctions were working very effectively. The simple reason why sanctions have not been working as well in South Africa is the fact that the Western powers and companies have themselves been breaking the sanctions against the South African regime. In the case of Iraq, sanctions were definitely working because of the strong resolve by the Big Powers to crush Saddam Hussein and to protect their oil and strategic interests!

We have been lied to about the failure of sanctions against Iraq. The evidence provided by the UN committee monitoring sanctions is that Iraq is suffering very badly from the embargo and will be in deep trouble by next Spring. Even the CIA has admitted that it has stopped 97% of Iraqi export, revenue and imports.

The combination of sanctions, continuing containment and the resolve by the international community to stop Iraqi aggression through means other than this kind of war, can obtain the objectives of the UN resolution.

It must also be pointed out that Resolution 678 of the Security Council merely refers to 'all necessary means' to force Iraq to withdraw from Kuwait. In other words, it leaves open the question as to whether force is necessary. This vital decision should have been a matter for cool judgement with due consideration given to the factors noted above.

### Big Power Interests

It is clear that the Gulf crisis was not under the tight control of the UN but was the initiative of the Big Power interests, for whom Middle East oil is of vital interest. Saddam Hussein also posed a threat to Israel and Western interests in the Gulf.

We have been misled into believing that the war was inevitable, that victory for the Allies would be certain and swift, and there would be few casualties. We were also told that if we waited much longer, Saddam will have nuclear weapons. However, experts estimate that they are at least 5 years away from producing such a weapon.

In the process, Bush has been trapped by his own belligerent rhetoric and the massive deployment has

created expectations that the military option will be inevitable. This has been fatal because Saddam Hussein has also put himself in a similar position of no retreat.

### Not Too Late To Stop The War

Despite the unprecedented tonnage of bombs that has been rained upon Iraqis so far, we only get spectacular television pictures of magnificent flying machines but scarcely any casualties. Our school children are on a collection spree of exotic war planes. They are not being taught the horrors of war and compassion.

The worst effect of the war so far is the fact that Saddam Hussein has emerged a hero among Muslims all over the world. It is reported in today's papers that two babies born in Malaysia have been named after this man who has invaded Kuwait! This is a tragedy of this war. Instead of people being aroused to condemn aggression and to support the right of nations to self-determination, we are now seeing the issue clouded by religious sentiments and pan-Islamicism.

The Iraqi invasion of Kuwait is certainly a question that all peace-loving people of the world should be concerned and should work towards solving. It is by no means only an 'Arab question to be solved by the Arabs' any more than a Chinese invasion of Taiwan is only a 'Chinese problem to be solved by Chinese'. Saddam Hussein should also not be allowed to cloud the issue by bringing in the Palestinian issue for his opportunistic use.

This war will further deepen the Arab/Western prejudice and hatred for generations to come, bad enough as it was. Terrorists have threatened to take the war to every corner of the world and it looks as if this has already started.

It is therefore not too late for all peace-loving peoples to call for an end to the madness before the tragedies of the past are repeated and Rambo takes us for another ride.

*(Published in the New Straits Times and Sin Chew Jit Poh, 24 January 1991)*

## Chapter 22

# ETHIOPIA: Downfall of Ethnic Domination and Pseudo-socialism

The defeat of the Menghistu regime of Ethiopia is a remarkable victory for the rebel forces there, principally the Eritrean People's Liberation Front (EPLF), the Tigrayan Ethiopian Peoples' Revolutionary Democratic Front (EPRDF), the Oromo Liberation Front (OLF).

No doubt at this juncture the rebel forces are facing problems of reconstruction and power-sharing in post-Menghistu Ethiopia, but their trials and triumph after perhaps the longest guerrilla war is worth recapitulation.

The Eritreans in particular have been fighting a war of national independence from Ethiopian rule by relying almost entirely on the resolve and resources of their own people for nearly 30 years. The poor media coverage of this war is because of the conflicting interests of both the Soviet and Western powers all these years.



With a 600-mile coastline on the Red Sea, Eritrea has been the centre of great-power rivalry through the years. It borders the western trade routes and the strategic approach to the Middle-east oilfields.

During the 19th century when the European powers 'scrambled for Africa', Eritrea was formed through Italian colonisation. Then during the Second World War, the British took over. After the war, the majority of Eritreans wanted independence, the British wanted to retain control of the country, while the US wanted it to be federated to Ethiopia under the rule of Emperor Haile Selassie, a close ally of the West.

The US managed to impose their will through their dominance of the UN, and in 1952, Eritrea was federated to Ethiopia against the wishes of the Eritrean people. At first there was limited self-government for Eritrea but in 1961, Haile Selassie dissolved the Eritrean Parliament and forcibly annexed the country. Various policies were introduced to create the 'Greater Ethiopia'. Among these, Amharic, the language of the ruling group was imposed on all the other national minorities. The armed struggle for Eritrean independence dates from that period.

The Ethiopian army at the time was equipped and trained by the US and Israel but they were unable to defeat the liberation movement. In 1974, amidst widespread famine, Ethiopian troops stationed in Eritrea mutinied and it sparked off a mass protest movement in Ethiopia. Peasant associations took over the distri-

bution of land while trade unions and students demanded their freedoms, so long denied to them.

However, a section of the army under Menghistu Haile Mariam took advantage of the situation, overthrew the Emperor and suppressed the freedoms that had been gained. Trade unions were disbanded, their leaders imprisoned, thousands of students and intellectuals were killed, and the press became a mouthpiece of the military regime. At the same time, the war against the Eritrean liberation movement was relaunched.

In 1977, when the US suspended military aid to Ethiopia, the regime turned to the Soviet Union. The war against the Eritreans entered a new phase when the Soviet Union intervened on the side of Ethiopia and \$2 billion worth of arms and military advisers were brought in. Cuban, Warsaw Pact technicians and advisers were also employed together with South Yemeni troops against the Eritreans.

The Ethiopian army, made up largely of peasants press-ganged into military service, launched one offensive after another through the years without much success. The rebel forces continued to control much of the countryside. The military regime became even more pressured when not only Eritreans but the Tigrayans and Oromos also took up arms in support of their demand for self-determination within Ethiopia.

During the drought of the mid-Eighties, the repression of these minority nationalities brought about a war

economy which turned the famine into a political weapon. Consequently, a vast proportion of famine relief from the outside world never reached the people in the countryside.

The war economy involved exploitation of the peasantry through pricing and land policy and the consolidation of the economically-dominant classes. Much of the Menghistu regime's policies - producers' cooperatives, state farms - which were trumpeted as 'socialist' policies actually profited the richer peasants who backed the regime. Workers were prevented from organising as an independent political force.

And in the name of 'socialist division of labour', Ethiopia's economic links with the Soviet Union reinforced Ethiopia's concentration on mineral extraction, cash crops and dependence on foreign industry instead of directing production for domestic needs.

Within the rebel forces, the struggle for national independence became linked to a programme of social transformation throughout the country. In the villages liberated, representatives democratically elected by mass organisations of workers, peasants, women and youth, look after the running of daily life. And for the first time, systematic health care, literacy and education for all Eritreans was carried out.

Because of the political will of the rebel forces to carry out this social transformation as part of their struggle for national liberation, the Western forces have not been supportive of their war against the

Soviet-backed Ethiopian regime all these years.

Since the dramatic decline of the Soviet Union at the turn of the 1990s, Israel had been providing military support for the Menghistu regime. Pentagon sources revealed that Israeli advisers included experts from the Israeli secret service Mossad, who were charged with ensuring the personal safety of Menghistu.

Through the years, the Soviet Union and the western powers have been competing for influence over the Ethiopian regime. They have colluded to maintain a 'Greater Ethiopia' because neither expects its interests will be served by the emergence of an Eritrean nation which will assert its independence and self-reliance. This explains why the western media have all these years largely ignored a war in which the Soviet Union has been as actively involved as in Afghanistan and Kampuchea.

In their hour of victory against oppression and ethnic domination, we can only hope the long-suffering peoples of Eritrea and Ethiopia will be allowed to solve their problems without the interference by any outside powers. All freedom-loving peoples salute their commitment and dedication to the principle of self-determination, democracy and social justice.

*(Written after the victory of the Eritrean, Tigrayan and Oromo peoples in 1992)*



## APPENDIX



# I

## BATANG KALI AND OTHER UNTOLD ATROCITIES

The fact that it has taken 45 years for the Batang Kali Incident to be reopened is perhaps a worse scandal than the episode itself. In addition to the question of reparation for the victims' families, the authorities must be accountable for keeping the issue under wraps all this time. But Batang Kali was by no means the only atrocity of the Emergency, officially designated from 1948 to 1960. Other disturbing questions have been unanswered all these years.

When the 30-year Secrecy Rule in Britain lifted the lid on the early years of the Emergency, it was discovered that the British Army had used a herbicide identical to Agent Orange in their operations in the rural areas of Malaya. This appeared in the *'New Scientist'* in January 1984 but at least four years before that, when the Soviet Union was accused of using chemical warfare against the Afghan people, *'Le Monde Diplomatique'* had already revealed this Emergency



secret. We know the outrage that was expressed by world opinion when the US used Agent Orange during the Vietnam War during the sixties.

Anyone who has done research at the Public Records Office at Kew Gardens in London will know that even though this 30-year Secrecy Rule has been lifted on the years in question, it does not mean that all the documents are available for public inspection. Many are still 'classified' and have been removed into the inner sanctum of the British Home Office or the Cabinet Office.

The question that environmentally conscious Malaysians today want to ask is: What is the full extent of the spraying since, up to 1952, it was revealed that at least 20 sites in West Pahang and tracts of jungle were sprayed. Based on studies done in Vietnam, it has been found that the long-term effects of Agent Orange on health are horrific to say the least, giving rise to cancer, infertility as well as deformities.

The Malaysian Health and Environment Ministries therefore have a responsibility to the Malaysian public to ascertain the exact extent of such spraying throughout the Emergency years.

Thus the British Colonial Government is not the only party guilty of concealing these secrets of the Emergency. The 'most complete record yet compiled of the Emergency' - Anthony Short's *The Communist Insurrection in Malaya, 1948-60* - was initially commissioned by the Malaysian Government but was

subsequently disowned and refused publication in this country.

Anthony Short joined the University of Malaya in 1960 and was commissioned to write the history of the communist insurrection in Malaya, 'the Emergency'. He was given every assistance by the Government, including full access to confidential and secret papers. The finished manuscript was handed over to the Malaysian Government in October 1968 but Short had to wait three years before being told that it was not to be published. His work was eventually published in 1975 by Frederick Muller Ltd while he was Senior Lecturer at Aberdeen University.

### Anthony Short's Findings

What light does Short throw on the Batang Kali Incident?

This is how he concluded:

*"That 24 guerrillas should have been killed in combat was in itself remarkable but the reticence shown by the army in acclaiming what should have been a considerable victory made it even more so.*

*For ten days there was no further statement. Two days after the incident a police inquiry began but for ten days no statement was issued although it soon became obvious that the 24 had been killed in what were at least unusual circumstances... There were no photographs, no names and no evidence that they were*

suspected guerrillas...

*“What emerges from the villagers’ accounts is a far more complex story which begins with the earlier ambush and killing of a lieutenant and a special constable, the arrest of a guerrilla supplier, and his arrival on the Sungei Remok estate with a combined army and police patrol. They encountered two young Chinese carrying padi who were accused of supplying the guerrillas, denied it, and were shot on the spot. The following morning a lorry carrying tappers and rice arrived at these remote labour lines. The detained gerrilla supporter picked out a woman guerrilla supplier and the women were divided into two groups, some returning to the village, but the families of the men staying on. Troops then proceeded to burn down the labour lines and in so doing a number of detonators which were stored there, illegally no doubt but used for fishing purposes, exploded. The troops, outnumbered and thinking they had been ambushed, panicked and began shooting. The Chinese started running but at such close quarters al of them were killed by rifle and automatic fire.”*

After Short wrote this account of Batang Kali, the episode was re-opened on 1 February 1970 by a London Sunday newspaper, *‘The People’*. The paper had challenged Mr. George Brown’s suspicion that, *a propos* the My Lai massacre, *“there are an awful lot of spectres in our cupboard too”*. Eventually, one of the Scots Guardsmen and three other members of the

patrol swore statements on oath to the effect that the twenty-five Chinese had been massacred and that they were not attempting to escape. (The fate of the 25th man is an unsolved mystery in Short's account).

A few days later, the Labour Government's Secretary of State for Defence, Mr. Dennis Healey, said in the House of Commons that there was a direct conflict of evidence as to what had happened; that he was treating the matter with concern and urgency; and that he would consider whether the matter should be referred to the Director of Public Prosecutions for further investigation.

According to Short:

*"In Malaysia, a man had also come forward to say that he was a survivor of the shooting; both he and a former special constable who said he had guided the patrol denied that there had been an attempt to escape. A number of questions remain unanswered - not least being the orders and purpose of the patrol - and the answers are difficult to reconstruct after more than twenty years. Most of the evidence today is probably in the files of Scotland Yard, whose investigations were conducted by a Detective Chief Superintendent... Batang Kali remains the gravest, not least because it is the most exceptional, suspicion on the conduct of the British Army in Malaya."*

In June 1970 the new Conservative Government in London announced that the matter had been dropped.

## Batang Kali Not An Isolated Incident

But the Batang Kali Incident was not the only atrocity of the Emergency. Anthony Short also found:

*“In the series of actions in which large numbers of homes were burnt - Jalong, Kachau, Lintang and Tronoh being particular examples of concern - the Kachau case, while it may not have been entirely representative, affords some insight into the despotic nature of certain operations.”*

At 2am on 2 November 1948, guerrillas burned down the smoke house and rubber store of Dominion Estate, half a mile from Kachau Village in the Kajang police district. By dawn, Kachau village with some 50 houses and shops had also been razed to the ground by the authorities. In his research, Short found:

*“In various government files a series of explanations was offered for why and how this happened. What is most interesting, and alarming, is the difficulty at the time of finding out exactly what had happened. There was no doubt of the concern and general disapproval of civil government but it was not until three years later that the efforts of the Assistant Commissioner of Police, Mr. Dobree uncovered what for the moment stands out as the definitive account of what happened and the falsehoods in the accounts that were given at the time. What is also of interest is the discrepancy given in various accounts as attempts seemed to have been made to cover up what had happened.”*

From Dobree's investigations, it emerged that the OCPD had in fact given the order for the village to be razed. In the event, even the moveable property of the villagers which had been evacuated and placed by the road was also destroyed.

The High Commissioner himself had conveyed to the Commissioner of police that he was...*"not at all satisfied that the government cause is helped by adopting methods likely to make criminals and CTs (Communist Terrorists) out of people who are deprived of their livelihood and suffer destruction of their property."*

From just these few examples, it is clear that the definitive history of the Emergency remains to be written with full access to British and Malaysian Official Records. More importantly, it is high time that the victims of atrocities committed by the authorities be compensated.

The Malaysian Government owe it to the people to take the initiative to pursue this matter. The Government must also explain to the people why the commissioned history of the Emergency by Anthony Short was rejected by the Malaysian Government.

## MCA Must Bear Responsibility

The MCA must also bear a certain amount of responsibility in this. The MCA's founding fathers could have done a service to the people if they had pursued this matter in 1948 for during those years they

were represented in the Legislative and Executive Councils.

The occurrence of the Batang Kali Incident was also a crucial time in the formation of the MCA for the British High Commissioner played a decisive part in its formation.

The reason why the MCA founding fathers failed to pursue this matter although they were represented in the Legislative and Executive Councils can only be surmised from this despatch from the British High Commissioner Sir Henry Gurney to the Secretary of State for the Colonies, 19 December 1948, FO 371/1583:

*"I have recently had long and frank talks with the Chinese members of the Legislative Council and representatives of mining and rubber interests...Steps are now being taken by leading Chinese to form a MCA... I have mentioned this development to Dato Onn...I intend to pursue these developments strongly since without the active help of the Chinese we cannot succeed. They are as you know notoriously inclined to lean toward whichever side frightens them more and at the moment this seems to be the government."*

*(Published in Aliran Monthly, The Sun & Xin Tong Bao, August 1993)*

## II

# STATISTICS ON QUOTAS

The latest statistics on the highly divisive quota system were revealed in the Ministry of Education's written answer to my Parliamentary question in December 1990. The number of scholarships/loans given out from 1980 to 1990 for certificate, diploma and degree courses according to ethnicity is shown below.

From the figures we can see that an average of 90% of loans for polytechnic certificate courses are given to Bumiputeras. (Table I) Again, an average of nearly 90% of scholarships for Diploma of Education courses throughout the eighties have been given to Bumiputeras. (Table II)

For degree courses taken in this country, the proportion of scholarships/loans given to Bumiputeras average at nearly 90% but for degree courses taken overseas, almost all scholarships/loans for these have been given to Bumiputeras. (Table III)

Regarding the enrolment of students in residential schools throughout the eighties, the figures show at



least 95% Bumiputera preponderance. (Table IV)

In MARA's Lower Science College, the enrolment has been almost 100% Bumiputera throughout the Eighties. (Table V) Maktab Sains Mara, Kuantan shows an even more consistent 100% Bumiputera enrolment throughout the Eighties. (Table VI) Maktab Sains Mara, Kuala Lumpur is the only exception with its smallish enrolment. There the enrolment pattern shows an average of 60% Bumiputera. (Table VII) Kolej Pengajian Tinggi MARA reflects the same Bumiputera preponderance of well over 90%. (Table VIII) Maktab Yayasan Pelajaran MARA is practically 100% Bumiputera. (Table IX)

Table I: Loans for Polytechnic Certificate

	80	81	82	83	84	85	86	87	88	89	90
Bumiputera	-	-	-	-	-	-	-	-	1122 (88.8)	1198 (91.5)	1225 (90.4)
Chinese	-	-	-	-	-	-	-	-	119 (9.4)	89 (6.8)	113 (8.3)
Indians	-	-	-	-	-	-	-	-	23 (1.8)	23 (1.7)	17 (1.3)
Total	-	-	-	-	-	-	-	-	1264	1310	1355

Table II: Scholarships for Diploma of Education

	80	81	82	83	84	85
	(%)	(%)	(%)	(%)	(%)	(%)
Bumiputera	329 (93.5)	127 (69.4)	138 (72.6)	275 (90.0)	152 (87.9)	239 (81.8)
Chinese	16 (4.5)	42 (23.0)	44 (23.2)	23 (7.4)	16 (9.2)	49 (16.8)
Indians	7 (2.0)	14 (7.6)	8 (4.2)	8 (2.6)	5 (2.9)	4 (1.4)
Total	352	183	190	306	173	292
	86	87	88	89	90	
	(%)	(%)	(%)	(%)	(%)	
Bumiputera	426 (84.5)	571 (93.1)	447 (87.6)	715 (88.5)	491 (88.3)	
Chinese	59 (11.7)	34 (5.5)	45 (8.8)	64 (7.9)	34 (6.1)	
Indians	19 (3.8)	8 (1.4)	18 (3.6)	29 (3.6)	31 (5.6)	
Total	504	613	510	808	556	

Table III: Scholarships/Loans for First Degree

(i) In Malaysian Institutions:

	80	(%)	81	(%)	82	(%)	83	(%)	84	(%)	85	(%)
Bumiputera	743	(87.7)	869	(88.0)	849	(91.8)	841	(91.4)	682	(84.8)	1029	(83.0)
Chinese	72	(8.5)	98	(9.9)	63	(6.8)	68	(7.4)	109	(13.6)	194	(15.6)
Indians	32	(3.8)	20	(2.1)	13	(1.4)	11	(1.2)	13	(1.6)	17	(1.4)
Total	847		987		925		920		804		1240	
	86	(%)	87	(%)	88	(%)	89	(%)	90	(%)		
Bumiputera	779	(86.9)	879	(93.3)	621	(88.7)	777	(86.7)	467	(85.8)		
Chinese	113	(12.6)	56	(5.9)	73	(10.4)	82	(9.2)	60	(11.0)		
Indians	4	(0.5)	7	(0.8)	6	(0.9)	37	(3.1)	17	(3.2)		
Total	896		942		700		896		544			

(ii) Overseas:		80	81	82	83	84	85
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Bumiputera	302 (100)	374 (99.7)	289 (100)	52 (91.2)	81 (90.0)	210 (93.0)	
Chinese	-	1 (0.3)	-	4 (7.0)	5 (5.5)	11 (4.9)	
Indians	-	-	-	1 (1.8)	4 (4.5)	5 (2.1)	
Total	302	375	289	57	90	226	
		86	87	88	89	90	
	(%)	(%)	(%)	(%)	(%)	(%)	
Bumiputera	288 (92.0)	21 (100)	59 (100)	55 (100)	67 (100)	-	
Chinese	23 (7.3)	-	-	-	-	-	
Indians	2 (0.7)	-	-	-	-	-	
Total	313	21	59	55	67		

Table IV: Enrolment in Residential Schools and Colleges

	81	82	83	84	85
	(%)	(%)	(%)	(%)	(%)
Bumiputera	9624 (95.8)	11024 (95.8)	12360 (95.9)	13102 (95.7)	13954 (95.8)
Chinese	211 (2.1)	230 (2.0)	255 (2.0)	274 (2.0)	272 (1.9)
Indians	130 (1.3)	159 (1.4)	176 (1.4)	194 (1.4)	213 (1.5)
Others	81 (0.8)	92 (0.8)	104 (0.7)	116 (1.31)	131 (0.8)
Total	10046	11505	12895	13686	14570
	86	87	88	89	90
	(%)	(%)	(%)	(%)	(%)
Bumiputera	14013 (95.9)	14280 (95.8)	14309 (95.6)	14542 (95.7)	14038 (95.5)
Chinese	275 (1.9)	283 (1.9)	299 (2.0)	305 (2.0)	311 (2.1)
Indians	205 (1.4)	221 (1.50)	226 (1.5)	221 (1.5)	213 (1.4)
Others	117 (0.8)	121 (0.8)	128 (0.9)	134 (0.8)	134 (1.0)
Total	14610	14905	14962	15202	14696

Table V: Enrolment in MARA Lower Science College

	80	81	82	83	84	85
	(%)	(%)	(%)	(%)	(%)	(%)
Bumiputera	3156 (97.0)	4156 (97.1)	4569 (97.7)	5223 (98.2)	6102 (98.7)	6594 (99.2)
Chinese	48 (1.5)	65 (1.5)	58 (1.2)	56 (1.1)	47 (0.8)	30 (0.5)
Indians	29 (0.9)	34 (0.8)	30 (0.6)	21 (0.4)	17 (0.3)	7 (0.1)
Others	20 (0.6)	23 (0.6)	20 (0.5)	19 (0.3)	15 (0.2)	14 (0.2)
Total	3253	4278	4677	5319	6181	6645
	86	87	88	89	90	
	(%)	(%)	(%)	(%)	(%)	(%)
Bumiputera	6995 (99.7)	6888 (99.7)	8722 (100)	7977 (100)	8289 (100)	
Chinese	10 (0.1)	-	-	-	-	
Indians	3 (0.1)	-	-	-	-	
Others	10 (0.1)	-	-	-	-	
Total	7018	6888	8722	7977	8289	

Table VI: Enrolment in Science College MARA, Kuantan

	83	84	85	86	87	88	89	90
	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Bumiputera	191 (100)	190 (100)	323 (100)	490 (100)	380 (100)	99 (100)	194 (100)	353 (99.7)
Chinese	-	-	-	-	-	-	-	1 (0.2)
Indians	-	-	-	-	-	-	-	1 (0.2)
Others	-	-	-	-	-	-	-	-
Total	191	190	323	490	380	99	194	355



Table VII: Enrolment in Science College MARA, Kuala Lumpur

	88	(%)	89	(%)	90	(%)
Bumiputera	141	(53.2)	307	(64.5)	451	(66.6)
Chinese	115	(43.4)	150	(31.5)	202	(29.8)
Indians	9	(3.4)	17	(3.6)	17	(2.5)
Others	-		2	(0.4)	7	(1.1)
Total	265		476		677	

Table VIII: Enrolment in College of Higher Studies MARA

	88	(%)	89	(%)	90	(%)
Bumiputera	481	(96.2)	335	(95.7)	246	(90.8)
Chinese	11	(2.2)	13	(3.7)	22	(8.1)
Indians	1	(0.2)	1	(0.3)	1	(0.4)
Others	7	(1.4)	1	(0.3)	2	(0.7)
Total	500		350		271	

Table IX: Enrolment in College of Education Foundation MARA

	88	89	90
	(%)	(%)	(%)
Bumiputera	54 (100)	56 (100)	100 (100)
Chinese	-	-	1 (1.0)
Indians	-	-	-
Others	-	-	-
Total	54	56	101

(Source of Tables I to IX: Written Reply to Parliamentary Question by MP for Petaling Jaya, Dr Kua Kia Soong, December 1990)

### III

## STATISTICS ON ARRESTS AND DETENTIONS

(i) **Latest Figures on Arrests and Detentions as of July 1993:**

<u>Law used</u>	<u>Total</u>
Internal Security Act, 1960	61
Emergency Ordinance, 1969	93
Dangerous Drugs Act, 1985	1,750

(ii) **Total Number of Arrests and Detentions Since Enactment of Respective Acts:**

<u>Law used</u>	<u>Total</u>
ISA arrests (since 1960)	9,542
ISA detentions (more than 60 days)	3,682
Emergency Ordinance (since 1969)	797
Dangerous Drugs Act (since 1985)	3,193

(iii) **Total Number of ISA Detentions for Following Years:**

Year	Total
1960 - 1969	1,199
1970 - 1979	1,713
1980 - 1989	559

*(Source: Reply to Parliamentary Question No. 69 by MP for Petaling Jaya, Dr Kua Kia Soong, 21 July 1993)*

(iv) **Total Number of Prisoners Who Have Died While in Remand from 1980 to 1990:**

Year	Number of Deaths of Remand Prisoners
1980	5
1981	9
1982	10
1983	13
1984	8
1985	16
1986	23
1987	22
1988	27
1989	14
1990	4
Total	151

*(Source: Reply to Parliamentary Question by MP for Petaling Jaya, Dr Kua Kia Soong, 18 July 1991)*

**(v) Foreign Workers Under Detention as of 8 May 1993:**

	<u>Total</u>
Total number under detention on criminal charges	1,580
Total number of Achinese Indonesians under detention	128

*(Source: Reply to Parliamentary Question by MP for Petaling Jaya, Dr Kua Kia Soong, 10 May 1993)*

**(vi) Total Number of Sarawakian Natives Arrested for Anti-Logging Blockades from 1989 to 1992 : 480 persons****(vii) Total Number of Persons Sentenced to Death between 1980 and 30 April 1993:**

<u>Law under which sentenced</u>	<u>Total</u>
Internal Security Act	8
Firearms Act, 1971	22
Dangerous Drugs Act (39B)	312
Penal Code (302)	19
<b>Total</b>	<b>361</b>

*(Source: Reply to Parliamentary Question by MP for Petaling Jaya, Dr Kua Kia Soong, 5 May 1993)*



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