

# Malaysia: Fuel heats governmental crisis

Monday 23 June 2008, by [ARUTCHELVAN S.](#), [BOYLE Peter](#) (Date first published: 21 June 2008).

The National Front (BN) government led by PM Abdullah Badawi has been shaky since the March general election that returned a much stronger parliamentary opposition — now largely united in a new People's Front (Pakatan Rakyat).

However, the BN's recent decision to lift petrol prices by 41% (and diesel by 63%) has galvanised a new round of mass protests. Thousands took to the streets in Kuala Lumpur after prayers at the mosque on June 13 demanding that prices be lowered and a much larger rally is being planned for July 6.

*Green Left Weekly's **Peter Boyle** spoke on June 19 with **S.Arutchelvan**, the secretary-general of the Socialist Party of Malaysia (PSM), about the recent developments. After a 10-year battle for registration as a legal party, the PSM has just been promised recognition by the embattled government. This follows the PSM winning two seats in the March elections.*

The opposition People's Front says it is building a million-strong march against the recent fuel price hike for July 6. That would make it the biggest demonstration ever in Malaysia.

If we can get 1 million in the streets of Kuala Lumpur then I believe we are ready to take over the government. I think 1 million is not realistic, at this stage, for a country with a population of around 25 million. I think if we can get 100,000 people, that would be a big achievement.

How is the July 6 demonstration being built?

Currently there are many small demonstrations, many road shows and talks going on where in all these events, the date July 5 is being repeated. The police are warning the public not to participate. We look at this as additional publicity for the event.

## **How is the fuel price hike affecting people?**

This is the talk in every corner, every coffee shop. People have been grumbling. The government has gone on a huge propaganda campaign in the mainstream media to justify their decision, but people are not buying their argument. Prices of all goods have gone up. The government has failed to control these prices and even traders are not listening to the government any more.

## **What is the People's Front position on the current fuel and food price hikes?**

They charge that the government is weak and not able to handle the crisis. They feel that as Malaysia is a petroleum-producer (with the state-owned oil company, Petronas, with a monopoly) the people should not be burdened by a reduction in the fuel subsidy. They compare Malaysia with other oil producing nations that still have lower fuel prices.

They charge that there is mismanagement and wastage. They also say that the federal government is punishing the people for giving the opposition a huge mandate in the last election.

## **What is the PSM's position on the fuel and food price rises?**

The fuel hike is a declaration of war against the people. Only when the people own their oil, can it be put to good use. Venezuela is a country which charges only 16 sen per litre and the revenue for oil is used by the Venezuelan state to give free education and health care, besides helping poor neighbouring nations.

This was only possible when a revolutionary government under the leadership of Hugo Chavez with people power took over the petrol company and brought it under government control. Petronas is nationalised but not under the control of the people.

It is outrageous that the government hiked the fuel price when Petronas reported US\$13.3 billion profit in the 12 months to March 2007 and US\$12.9 billion in the following six months to September 2007.

The government's promise to give rebates to consumers is a further insult to our intelligence. The PM said further that the money saved will be used to offset the world food crisis. This was the same promise given when the government came out with the previous fuel hike. Then, we were taken for a ride and told the money will be used to improve the public transportation system.

PSM supports any move to mobilise people power to remedy this situation. We call upon all political parties and people's movements to rise up to demand and reclaim what is ours. Waiting in queues is not going to bring about political change.

**What solution is the People's Front demanding? Do all the opposition parties have the same position?**

The Parti Islam (PAS) and the Parti Keadilan Rakyat (PKR) argue that oil prices can be brought down because of the huge Petronas profits. They say they have a mechanism to handle this, but it has yet to be made public. The Democratic Action Party (DAP) position is more that the fuel hike is too big and maybe it should have been done in stages.

**Has the PSM joined the People's Front?**

No, we will work on a minimum program and support the welfare state manifesto put forward by the PAS and the PKR for the election.

We plan to push for the implementation of this manifesto, which includes the demands: a decent minimum wage; free health and education; decent homes for everyone; and abolish draconian laws, such as the notorious Internal Security Act.

**Have there been defections of government MPs to the People's Front? Is the BN government on the verge of falling?**

There are not yet any defections, but there is speculation. PKR leader Anwar Ibrahim and his party has been continuously making statements that they have the numbers to form an alternative government, and a small opposition party is threatening to move a motion of no-confidence in parliament next week.

**Recently the PSM's first federal MP set up a People's Consultative Council in his electorate. Can you explain the role of this new institution and the response?**

Basically this is the de-facto local government because elected local governments have been suspended since 1964. The PSM builds people's committees in every housing estate, village and community, workplace etc. All the representatives attend a meeting where they decide what kind of

development they want and how to manage it.

The local newspapers have hailed this as the first of its kind. The committee members who attend the meetings themselves are surprised and some shocked when we ask them how to run the constituency or what question to ask in parliament. But once they start participating, then everything looks very fine to them.

---

**P.S.**

\* From: International News, Green Left Weekly issue #756 25 June 2008.