

# Snap out of it, says Dr M

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**DATUK Seri Dr. Mahathir Mohamad** in a review of the progress towards an equitable international economic order today attacked the negative attitude of the developed countries.

He called on them to snap out of narrow, short-term considerations for the combined long term benefit of all.

Speaking at the 11th UN

"The leaders of the developed nations must convince their people that the new international economic order is not blackmailing or scrounging on the part of the developing countries."

"Instead, developed countries show a faint political heart and shelter behind protectionist barriers and other inequitable, inefficient arrangements.

"Yet, what the poor countries are asking do not amount to much more than a better return for their commodities

exclusively to the oil price and increased cost of inputs.

"Recession," he said, "is mainly the result of an extreme lethargy and

laziness of the people in the industrialised nations. Having got used to easy life at the expense of the rest of the world, they are not willing to work for a living anymore.

"They would like the world to provide for them as in the days of colonialism."

He goes on to say: "At least two countries among developed nations

Progress in the case of natural rubber has been highly satisfactory, including the likelihood that Kuala Lumpur will be headquarters of the international agreement on natural rubber.

However, there have also been setbacks — the collapse of the international cocoa agreement and the stalemate in the negotiations on a sixth international tin agreement.

On the processing of raw materials, Datuk Seri Dr. Mahathir said that developing countries

Special Session here today, Datuk Seri Dr. Mahathir said: "A richer world would generate growth and demand for goods and services in the international economy.

"On the other hand, one so poor would reduce the developing countries to begging for aid.

"Developing countries are not seeking a relationship of charity and dependence. They have long shifted from seeking aid to desiring trade.

"Changes in the international economic order are sought so that they can facilitate an expansion in the role of developing countries in the international economic system.

"The initial sacrifices of structural changes pale into insignificance against the overwhelming long term gains.

"As in business, the early years of gestation involve large capital outlays with little return. But eventually when the profits roll in, not only will the original capital be recovered but the returns will be progressively bigger and almost continuous."

and participation in the tail end of trade and manufacturing — particularly in areas where developing countries already have shown they have comparative advantage."

The Deputy Prime Minister said there was no basis for the fear that structural change will create little economic monsters putting the developed countries out of business.

"There will be no little Japans about to flood America and Europe with cheap products.

"However industrialised they may become, developing countries will continue to lag behind the developed ones.

"Developed countries should not use unjustified fears as an excuse for short-sighted policies. In world economic recession already underway, they must not further resort to protectionism.

"Otherwise, they will only reduce further the meagre earnings of developing countries — in the process cutting down effective Third World demand for manufactured goods from developed countries," he added.

Datuk Seri Dr. Mahathir questioned the tendency among industrialised countries to attribute the recession

have shown that hard work had overcome recessionary trend."

"Cutless resort to protectionism is damning, stultifies efficiency and limits growth. In an interdependent world, the workers of industrialised countries must compete in order to prosper.

### Tin accord

"Other means of covering up inefficiency and low productivity — such as through dollar depreciation must be eschewed.

Many of the currencies of the poor countries go down with the dollar and oil and goods get beyond their means.

Meanwhile, Opec has to reflect in the oil price the real loss through dollar depreciation.

Datuk Seri Dr. Mahathir said that there must be greater international monetary discipline.

World monetary stability must be restored. Inflation must be taken by the horns instead of being fanned by Government weakness against the outrageous wage demands of workers in the developed countries.

Expanding on the question of commodities, Datuk Seri Dr. Mahathir said that developing countries are naturally

while not seeking a monopoly, do naturally desire to get some value added from their own products.

It is extremely unfair for incentives to be regarded as a subsidy. Every country had promotional taxation or policy.

Developed countries guarantee minimum prices for their own raw materials, operate stockpiles, provide cheap infrastructural support, manipulate currencies — in fact "do a host of other things which are all meant to create an artificial market situation favouring themselves."

### Wasteful

Developed countries remain uncompromising on the transfer of technology, a self-serving attitude. Foreign aid in last year was only 0.33 per cent of the combined GNP of industrialised countries — well below the 0.7 per cent target.

There is no effective system of world food security.

Datuk Seri Dr. Mahathir hit out at the wasteful oil consuming habits of the West. Motor vehicles of the developed nations, he noted, use more oil than the total consumption of all the developing countries put together.