

# Asean dismay over slow recovery

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KUALA LUMPUR, Nov 19, 1981  
Wed. — Datuk Seri Dr Mahathir Mohamad today expressed the dismay of Asean at the slow progress major industrial countries are making to get out of the recession and in combating inflation.

The Prime Minister told the Asean-US Economic Conference that these countries, with the exception of Japan, appeared to be caught in the web of high interest rates, high consumer prices, high wage demands, low investment, low productivity and low or no growth.

"In our growing interdependent world, their continuing stagflation generates a general malaise in world trade and growth, to the detriment of the least developed nations which can ill-afford to be confronted with such a situation," he said.

Worse, he added, much of the high inflation was exported to the developing countries, adding to their gloom.

In a key-note address on the first day of the conference, Datuk Seri Dr Mahathir described the conduct of international trade between Asean and the industrialised nations as a "heads I win, tails you lose" game for Asean.

He criticised the major industrial countries for changing the rules of the game in the international market place the moment Asean began to use its comparative advantage to move downstream and process more of

its primary produce for export.

Furthermore, he said, Asean's industrialisation programme was being held up because global recession did not enable the region to earn enough from its primary commodities.

"Also, we are not able to sell the few manufactured products we have been able to produce efficiently and at competitive prices because of increased protectionist sentiments in the developed nations," he said.

The political will to cooperate must be clearly laid down so officials and businessmen involved in the daily running of the world economies could translate the ideas to promote the common good into reality on the ground, he said.

The sincerity this called for, he said, must not be merely a word "in the dictionary of conventional diplomacy for what is really sophisticated arm-twisting and manipulative endeavour for achieving more advantages by the already advantaged."

These external factors, he said, made it very difficult for Asean governments to maintain economic stability.

It was remarkable, therefore, that in spite of these factors, Asean countries had been able to maintain fairly steady and comparatively high growth in real terms, he said.

It would not be wrong to say that this stability was, among other factors, due to a "strong element of good management of Asean Governments and their policies," he said.

Datuk Seri Dr Mahathir said Asean's economic policies were designed to contribute towards political stability.

"If we impose conditions on foreign investors, it is not because we grudge them their profits; but because we have a need to reconcile foreign economic incursions with national aspirations.

"In the long run, the political stability we achieve is for you much more worthwhile commercially than the short-term profits you might make," he said.

Since its formation, Asean had avoided making sudden tangential departures from set courses.

"We do not nationalise, for example. However, if you sell your shares on the market we may buy them, even up to the point of gaining control. But this is not nationalisation — though some people have tried to make out that it is.

"Our predictability on matters pertaining to economic policies is our asset," he said.

The Prime Minister said the world was welcome to the rich resources of the Asean region but "while wars of conquests are no longer necessary to get at them, good commercial practices are still valuable."

He said radicalism and extremism had been rejected not only by the Government but also by the people.

However, this did not mean that Malaysians did not have national pride or that they are not sensitive, he said.