

# Our shared destiny: PM

Mahathir - Mersa trip

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**PEKING, Fri. — Malaysia, China and the other countries in the Asia Pacific region should be alive to their shared destiny even as they embark on their ambitious modernisation and development programmes.**

Prime Minister Datuk Seri Dr Mahathir said this today when addressing students at the prestigious Qing Hua University, often referred to as China's Massachusetts Institute of Technology. Students at this China's oldest university are seen as its future leaders.

Dr Mahathir drew a parallel between the modernisation impetus of Britain, Germany, France, the US and Japan at a time when most of Asia was weak and backward, and the current industrialisation effort among Asia Pacific countries, and expressed the hope that the

## From MUNIR MAJID

propensity to dominate others which characterised the earlier era would not be repeated.

"I believe that together we now have a unique opportunity to establish a more just and equitable regional order and avoid many of the past mistakes of the former imperial powers," the Prime Minister noted.

Dr Mahathir related the positive political and economic advances that had been made by Malaysia and within the region in the 70s, as well as the great changes that had taken place in China over the last few years, and marked them off as definite gains in the path towards progress for their peoples.

However, he noted a number of negative developments in the region and new economic challenges.

He identified the Kampuchean problem, rivalry between the two super powers which has "manifested in the slow but steady militarisation of our

region", the rising tide of protectionism and the fundamentally unjust international economic system as the negative and disturbing factors.

In inviting his audience to seriously ponder the political and economic future of the region, Dr Mahathir presented a Malaysian perspective of how China can help contribute to the achievement of a peaceful, stable and dynamic region.

Dr Mahathir said that in the economic revolution "to forever free our respective peoples from poverty, unemployment and underdevelopment", the countries so involved must also fight for a more equitable economic order.

One by one, the Prime Minister listed the inequities of the economic system which serve to reduce developing countries to the role of suppliers of raw commodities to developed economies: trade barriers, high freight and insurance services which are controlled by the developed countries, miserly transfer of technology negated by closed trade doors, balance of payments deficits caused by market protection to be readily financed by recycled loans and credit which leave developing countries heavily indebted and manipulation of commodity markets.

He called upon developing countries in the region to work together to bring about change to the underlying economic distortions.

"We can press for the removal of trade barriers and an end to commodity manipulation, we can co-operate with each other in freight and insurance matters so that we can retain a greater proportion of these services for our own economies. We can increase bilateral trade and expand economic co-operation

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whenever this is possible.

"We must use whatever little leverage we have together so that the effect will be greatly enhanced. But to do this we must develop some kind of loose consensus that would reflect our collective interests," the Prime Minister enjoined.

## Advantages

Dr Mahathir called upon China to take its place alongside the developing countries of the region and to actively and effectively pursue policies to realise the new economic order.

At the same time, the Prime Minister also commented on the fears of smaller developing countries over China's massive modernisation plans. China, he said, is already a competitor in textiles, electronic

goods, agricultural products and for capital.

While such competition is inevitable, Dr Mahathir hoped China would not seek unilateral advantages detrimental to the interests of others in trying to penetrate foreign markets.

China, he observed, could also expand bilateral trade with countries of the region in a fair and equitable manner, as well as rectify longstanding trade imbalances.

There are certain trends which, if unchecked, could make China's industrialisation less relevant to Southeast Asia in terms of exports.

"If China has less need of our primary commodities," the Prime Minister suggested, "then let us consider how we can export more value added goods to China".

In talks with Chin-

ese Premier Zhang Zixiao yesterday, Dr Mahathir had suggested that Malaysia could process China's iron ore imports from Australia.

Surveying the political factors underpinning regional co-operation, Dr Mahathir noted that as a big country in the region whatever China did would have its impact on the region. He was therefore happy to welcome the many Chinese assurances that Peking would never seek hegemony.

"We also note your assurances that China's developing military capacity is purely for its own defence," Dr Mahathir recorded.

In sum, the Prime Minister concluded that only regional co-operation could harmonise many interests and minimise any differences. He invited China to join in that regional venture.