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B E752 AAE
MAHATHIR-ECONOMY R R R

KUALA LUMPUR, JUNE 17 (BERNAMA) -- PRIME MINISTER DATUK SERI DR MAHATHIR MOHAMAD HAS EXPRESSED OPTIMISM OVER THE CURRENT MOVES TOWARD PEACE MILITARILY BUT WARNED OF A POSSIBLE RISE IN ECONOMIC CONFLICT AS ECONOMICS PLAY AN INCREASING ROLE IN THE AFFAIRS OF NATIONS.

HE SAID THOUGH THE PATH TO DISARMAMENT, ARMED PREPAREDNESS AND DETERRENCE AT LOWER LEVELS OF LETHALITY AND HIGHER LEVELS OF SANITY WAS NEVER EASY; MORE AND MORE GOVERNMENTS WERE NOW SUBSCRIBING TO THE CONCEPT OF REASONABLE SUFFICIENCE, THAT IS, ENOUGH IS ENOUGH.

HOWEVER, HE NOTED THAT NATIONS HAVE FOUND NEW WAYS OF ENGAGING IN +WARS AND NATIONAL EXTENTIONS+ NOT MILITARILY BUT THROUGH ECONOMIC MEANS OF PENETRATING INTO MARKETS AND CAUSING DEPENDENCE ON ONE'S FINANCIAL FLOWS AND PRODUCTS.

THIS FORM OF +SOFT IMPERIALISM+ USING BRAINS RATHER THAN BRAWN WAS BEING USED SUCCESSFULLY, AS EXAMPLED BY THE JAPANESE, DATUK SERI DR MAHATHIR SAID IN HIS KEYNOTE ADDRESS AT THE THIRD ISIS-ORGANISED ASIA-PACIFIC ROUNDTABLE HERE TODAY.

JAPAN'S SUCCESS IN THIS FIELD HAS SHOWED THAT THE OBJECTIVES OF A STATE COULD BE ACHIEVED THROUGH THE USE OF ECONOMIC MEANS -- TO THE GREAT WELFARE AND BENEFIT OF THE SUBJECT STATE AND, IN MOST CASES, TO THE BENEFIT AND WELFARE OF THE OBJECT STATE. -- MORE
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THIS ERA OF SOFT IMPERIALISM DEPENDED LARGELY ON THE CREATIVITY, ENERGY AND TALENT OF ITS PEOPLE RATHER THAN ON THE SIZE OF ITS POPULATION AND THE EXTENT OF ITS TERRITORY, HE SAID.

THE PRIME MINISTER NOTED THAT MUCH OF THE VIRTUE OF THIS SOFT IMPERIALISM LIES IN THE FACT THAT THE SO-CALLED TARGET MIGHT AID AND ABET AND CERTAINLY WELCOME ONE'S NATIONAL EXTENTION.

HE BELIEVED THIS SOFT IMPERIALISM, IF CONDUCTED IN AN ENLIGHTENED AND SUSTAINABLE MANNER, SHOULD PROVIDE A WEALTH OF MUTUAL BENEFIT BECAUSE THE INTEREST OF THE EXPANSIONIST POWER WAS INHERENTLY AND CRITICALLY TIED TO THE COMPREHENSIVE PROSPERITY OF THE COUNTRIES WHICH WERE ITS TARGETS.

+IF I AM RIGHT AND WHAT WE WILL SEE IN THE YEARS AHEAD ARE INCREASING EXAMPLES PF ECONOMIC EXPANSIONISM AND DECREASING ATTEMPTS AT MILITARY EXPANSIONISM, THEN WE CAN EXPECT MUCH MORE OF OUR FUTURE TO BE DETERMINED BY THE TRADING STATE RATHER THAN BY THE GARRISON AND THE MILITARY STATE.+

HOWEVER, DATUK SERI DR MAHATHIR CAUTIONED THAT SUCH SOFT IMPERIALISM COULD TURN HARD IF PERVERTED BY THE DESIRE FOR POMP AND GLORY AND BY THE WILL TO DOMINATE AND TO DICTATE. -- MORE
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HE SAID INVARIABLY ECONOMIC CONFLICTS WOULD RISE AS MOST NATIONS WOULD HAVE TO DEAL WITH A HOST OF INTRACTABLE INTERNATIONAL ECONOMIC ISSUES.

+THE PROBLEM OF INCREASING PROTECTIONISM, TRADE BLOCS, CURRENCY VOLATILITY, INTERNATIONAL DEBT, THE MALAISE OF THE LARGE MAJORITY OF DEVELOPING COUNTRIES, WILL ALL TAKE THE TIME OF OUR DIPLOMACY AND TEST THE CALIBRE OF OUR DOMESTIC AND INTERNATIONAL ECONOMIC MANAGEMENT,+ HE ADDED.

HE NOTED THAT THE MOST NUMEROUS AND INTENSE CONFLICTS WOULD BE BETWEEN STATES THAT WERE CLOSELY INTERDEPENDENT AND DEEPLY INTERPENETRATED.

DATUK SERI DR MAHATHIR SAID WHILE IDEOLOGICAL, POLITICAL AND MILITARY CONFLICT WAS ESSENTIALLY BETWEEN ADVERSARIES AND ENEMIES, ECONOMIC CONFLICT WAS MOST LIKELY AS BETWEEN FRIENDS AND ALLIES.

+WHEREAS IN THE ERA OF IDEOLOGICAL, POLITICAL AND MILITARY CONFRONTATION WHAT IS CRUCIAL IS THE CONTAINMENT OF ADVERSARIES AND ENEMIES, IN AN ERA OF ECONOMIC CONFLICT THE CENTRAL TASK IS LIKELY TO BE THE MANAGEMENT OF FRIENDS AND ALLIES,+ HE SAID. -- MORE
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NOTING THAT THE ENDING OF SUCH CONFLICTS WERE DIFFICULT, THE PRIME MINISTER POSED THESE QUESTIONS FOR THE WORLD TO FIND A COMMON ANSWER.

+WHAT WILL BE THE OUTCOME OF ESCALATED ECONOMIC CONTRADICTION IN A WORLD WHERE THE TRADITIONAL AND GREAT COMMUNISM-CAPITALISM, EAST-WEST CONFLICTS ARE NO LONGER THE CENTRAL FRAME OF REFERENCE?
AND

+HOW WILL THE NEW LINES OF FRICTION AND CONTENTION BE DRAWN WHEN THE OLD LINES OF DIVISION ARE BLURRED OR ARE NO LONGER FULLY OPERATIVE?+ -- BERNAMA
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