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CHINA NOT TO BE FEARED, SAYS MAHATHIR

from Syed Jamil Jaafar

② *in p overseas*

BANGKOK, Aug 20 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad said today countries in the region should not be unduly worried by China's spending on defence.

Instead, they should take advantage of its increasing prosperity and use that country as an engine of growth.

Speaking during a question-and-answer session with the Thai business community at a reception here, he said that as China prospered, it was inevitable that it would spend a portion of its revenue on defence.

"But I don't think that we should be unduly worried about that as I do not think that they are out to conquer South-East Asia," said Dr Mahathir, who visited China recently, in response to a question on the role of China in the future.

Dr Mahathir said China, with its huge 1.2 billion population, was certain to play a major role in world politics. -- more

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He said China would do very well economically given its hardworking and inventive people who were also quick to acquire new skills.

He said the country was now less interested in politics than economics, having more or less given up the idea of preventing individuals from acquiring wealth.

Although its economy now was said to be overheating, this was only a phase and he foresees China emerging as a major producer of manufactured goods and a big trader.

On the possibility of China breaking up, Dr Mahathir said that as the country prospered it would want to stay as one, especially after having seen what had happened next door in the former Soviet Union.

However, he said, China would not be going all-out for democracy as China needed a strong central government at present. -- more

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"They will take time, for after all democracy is not that easy," he said.

Answering questions about Vietnam, Dr Mahathir said he hoped that the United States embargo on that country would be lifted soon as this was holding back the Indochinese state from rapid economic development.

Referring to the missing in action (MIA) issue which has remained the crux of the U.S. embargo on Vietnam, he said that in war there was bound to be people missing and it would be very difficult to account for all.

Dr Mahathir also spoke on the Asean Free Trade Area (AFTA) and expressed the hope that the private sector in Asean would help accelerate its realisation, targetted over the next 15 years, for the overall good of the region.

He said the lifting of tariffs would of course cause certain people to lose but overall, the economic activity of all countries would pick up for mutual benefit. -- Bernama

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