

Dr M: S-E Asia should not fear a strong China

By V.K. CHIN

BEIJING: A prosperous China will become the engine of growth firstly for East Asia, including South-East Asia, and then the world, Datuk Seri Dr Mahathir Mohamad said here yesterday.

The Prime Minister added that if the 1.2 billion Chinese were half as rich as the Americans, the size of the market would be almost unimaginable.

Presenting a paper on *The Socialist Market Economy of the People's Republic of China: An Asean Perspective* at an international forum here,

he said:

"Although it can be expected that China will export to the world it will still have to buy a whole lot of things from the rest of the world.

"The South-East Asian countries would have at their doorstep a huge market for their edible oil, gas and petroleum products and even manufactured goods."

Dr Mahathir said South-East Asia should have no fear of a wealthy and strong China. Indeed they should welcome a wealthy China as they would share in the wealth through trade and economic inter-

action.

For effective economic development, he said it was necessary to have a strong and stable government.

Speaking on Malaysia's experience on democracy, he said it was lucky to have evolved a productive Malaysian democracy.

Ten years ago, manufactured goods constituted only a quarter of Malaysian exports but last year, it was 71 per cent, making it the 19th biggest trading nation in the world.

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It was only now that it was receiving reluctant accolades for its reforms of policy and practice over the last decade, but still the advice that kept pouring in was mostly gratuitous, he said.

Fortunately, he said, through a mixture of good fortune and good judgment — more good fortune than good judgment perhaps — Malaysia appeared to have chosen the right advice.

He said China was right in not making a total and immediate switch from a command economy to one based on the free-market system.

"An anarchic situation is not going to facilitate

the growth and flowering of a free market," he said. "Certainly it is not going to help the transition from a command economy to a market economy.

"China needs the strong government that it has. It may be authoritarian, but it is better than anarchy. Business needs order. It needs a predictable future, for few businesses are immediately profitable or successful."

Dr Mahathir said the worst part was the assumption that democratic Western countries could foist their principles through undemocratic means.

They objected to other ideologies being spread by subversion or force, but they never hesitated

to use these same methods of spreading their ideology.

Some of these measures included sanctions, arm-twisting of various kinds, and sustained campaigns through their controlled media.

He said this proselytising for democracy veiled only slightly the objective of eliminating competition before it begins.

This made the task of governing and developing the developing countries much more difficult, he said. This was made worse because everyone really wanted to practise a democratic system of government and accept the free-market economy.

No one really wanted authoritarian rule, but

democratic anarchy and poverty, brought about by the inability of the free-market system to function, would create the conditions for opportunists with ambition to seize power and rule by fiat.

He said the successful economies of East Asia had somehow managed to give the people democratic rights without undermining the effectiveness of governments. It was not usual for the same party to be returned again and again with strong majorities intact.

He said the Western economies were not happy with this as it put them

at a disadvantage. They would like the East Asian democracies to be weak and unstable like theirs or worse.

Their early attempts to disguise their intention by talking about democracy and human rights had now been largely jettisoned.

He pointed out that their proposal for a worldwide minimum wage was one way of preventing them from competing with the West as this was the sole comparative advantage of the developing countries.

Yet they pushed for this

so-called social clause at the recent Final A of the GATT Round, openly declaring that low wages give an advantage to the developing countries.

"I have said that China did right in sticking to its brand of socialist politics, while espousing a version of the market economy," he said.

"It is right because it has managed to avoid the kind of economic and political anarchy that the Soviet Union has suffered. It is right because it is apparently more successful economically. It is growing and growing very fast."