

PM: Co-operate and prosper

By K.P. Waran

KUALA LUMPUR, Mon. — East Asian nations must work collectively to realise a World Bank's forecast that six of the world's biggest economies will be in this region in the year 2020, Datuk Seri Dr Mahathir Mohamad said today.

The Prime Minister said the East Asia Economic Caucus will have a role to play in achieving this.

Dr Mahathir said, in reality, the forecast that six of the world's biggest economies will be in East Asia in 2020 will not be allowed to happen by industrialised nations which want to continue to dominate the world economy.

"It can only come to pass if we join hands, if we work together, if we synergise and concert our power, without ill will towards anyone. It can only come to pass if, without confrontation and antagonism, we co-operate together for common prosperity.

"In this process, the EAEC will have a role to play and let me again register my appreciation for China's statesmanship, support and leadership (for it)," he said in his opening address at the two-day forum on *Malaysia and China in the 21st Century: Prosperity Through Co-operation*.

The forum jointly organised by the Asian Strategy and Leadership Institute and the Shanghai Institute of Economic Development is sponsored by Benta Plantations, Berjaya Group, Gadek, IJM Corporation, Leader Universal Holdings, Lion Group, Pilecon Engineering, Rimbunan Hijau, Standard Chartered Bank, Wing Tiek Holdings, YTL Corporation and Mycom Bhd. The *New Straits Times* is the official English newspaper.

Dr Mahathir said in purchasing-power-parity terms, and despite the rate of sus-

tained growth in East Asia which is unprecedented in the annals of mankind, the United States was still by far the largest economy followed by Japan, China, Germany, France and India with Indonesia at number 12 and South Korea 15th.

He said the World Bank has forecast that in the year 2020, China would be 40 per cent bigger than the US followed by Japan, India and Indonesia and added that East Asian countries must work closely to ensure the forecast becomes a reality.

On China, he said the country should be viewed as one with enormous opportunity rather than be perceived as a threat.

"To perceive China as a

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threat and to fashion our security order around this premise would not only be wrong policy, but it would also be a bad and dangerous one. We need to fundamentally re-assess our notions about the so-called Chinese threat," he said.

He said many countries and thinkers with strategic mindsets moulded in concrete during the Cold War continue to hold firmly and religiously to this threat.

He said China was favourite game for them in view of its size, ideology, burgeoning economic weight, its recent increases in military expenditure, its traditional public reticence on domestic matters and the prejudices built up against it by half a century of Cold War.

Dr Mahathir said nowadays nobody seriously entertained the view that China was bent on exporting its communist ideology and the threat of "ideological subversion and wholesale con-

tant powers intruded.

As for China using its military might to advance its ambitions in the region, he said one must look at the country's conduct in history

and its disposition to resort to military means.

He asked how many times

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version" could be laid to rest.

On hegemonic ambitions, he said the big powers could not but cast big shadows over neighbours and added

that "how light or how dark the shadows are depends not on just the power concerned but also on those overshadowed".

He said the Malay States,

tiny by comparison to its neighbours, had survived despite numerous large and powerful neighbours and added that it only succumbed when

PM: Malaysia sees China as a friend, partner

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had China sent its armed forces across borders to invade and occupy, and the number of colonies and military bases it had established, besides the number of treaty alliances for defence or otherwise and in contrast, China had many a time been attacked and parts of it occupied.

He said according to the *SIPRI Yearbook*, published by a Swedish think tank, between 1985 and 1993 China's military budget had gone up by only 7.07 per cent compared to 51.63 per cent in South Korea and 29.76 in Japan.

"The obsession with increases in Chinese military expenditure also obscures many other important things. For instance, it obscures the fact that Japan, despite a defence treaty with the United States, is spending more on the military than does the much larger China, which has to be completely self-reliant," he said.

Dr Mahathir said Malaysia refused to see China as a military or political threat and preferred to see the country as a friend and partner in pursuit of peace and prosperity for themselves as well as for the region.

"The future may change of course. But until it does, we believe that China is deeply committed to the perpetuation of a peaceful, regional security environment," he said.

Later responding to questions by newsmen, he said countries which are now the economic leaders are not going to just stand by and let other countries catch up with them and progress.

"They are bound to do things and try and prevent other countries from achiev-

ing as much economic growth as they have done," he said, adding that the developed nations might embark on unfair practices such as linking trade with social clauses and trying to impose an alliance system to different countries.

Asked how developing countries can co-operate to overcome this, he said since the industrialised countries need the market of developing countries, "if we talk with a united voice I am sure the industrialised nations would listen to us".

"At the moment we are talking individually and they can deal with us separately," he added.

Asked whether Malaysian businessmen have complained about bureaucratic problems when investing in China, he said in view of the different environment and laws, there were bound to be some problems but added that this could be overcome.

China's Foreign Minister Qian Qichen in a special message to the forum said he was convinced that it would further enhance the friendship and understanding between Malaysians and Chinese.

He said the forum would promote economic co-operation between the two countries and two-way investment and contribute to the development and prosperity of the two countries' respective economy.

His speech was read by the Chinese Embassy first counsellor Zhou Sheng Yin.

"The Chinese and Malaysian people enjoy a traditional friendship. In recent years thanks to the energetic support by the Governments and leaders of the two countries, the two countries had maintained close contacts," he said.