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Pressure tactics not the way, says PM (HL)

MALAYSIA resents anyone or any country trying to put pressure on it "for doing certain things they think are bad", Datuk Seri Dr Mahathir Mohamad says.

"Malaysia believes in constructive measures. I think our approach is much more constructive than, every now and then, shouting we are going to apply sanctions," the Prime Minister told British and Malaysian businessmen in Kuala Lumpur yesterday.

Constantly threatening to apply sanctions, he said, "is a very bad way of trying to influence other countries".

"People resent pressure. What always happens is that they fight back and they do not consider whether they are in the right or wrong," he said at the Malaysia-British Society and British-Malaysia Society joint meeting.

He said Malaysia's success has helped to change the attitude of some countries, including the former communist nations of South-East Asia and Africa, which are now willing to seek Malaysia's assistance.

"I think it is far better if we talk to them... we have been able to influence quite a considerable number of countries over the years," he said.

Some former communist countries in the region, which found it difficult to understand the workings of a free market economy, went to Europe or America to study the system and came back convinced that it would not work.

These countries have found that they could learn more from Malaysia.

However, Malaysia's approach is often not appreciated by the Europeans and Americans as they feel that the only way to get people to behave is "to whack them in the bottom," Dr Mahathir said.

Malaysia, he said, has a very big assistance programme which has helped many developing countries, from the Pacific islands to the African continent. The programme covers the administration of democracy, of a free market economy and providing a framework to draw foreign investment.

He said this was done to convince the former communist countries that the market economy and democracy would not be bad for them but instead could help them progress.

"Because of that, many former communist countries have adopted the free market economy, although they have not yet adopted democracy. And we think that when the time comes, they will accept it because democracy has not harmed us," Dr Mahathir said.

On ties between Britain and Malaysia, Dr Mahathir said relations have matured and should be viewed as that of "between equals".

"We experienced two major hiccups and emerged from them stronger and with better understanding. We should be able to take future hiccups in our stride."

Dr Mahathir was referring to the Buy British Last policy in 1981 and the suspension of new government contracts to British firms in 1994.

The Buy British Last Policy came about following the violent British reaction to Permodalan Nasional Bhd's (PNB) "dawn raid" on the London Stock Exchange (LSE) on September 7 1981.

In the raid, PNB gained control of British plantation conglomerate - Guthrie. The LSE rules were immediately amended by the Council of the Securities Industry to disallow such operations.

The second hiccup in ties arose when the British press ran a series of

reports on alleged corrupt practices involving Malaysian leaders in major projects and an alleged aid for arms deal.

The Prime Minister told the businessmen he thinks partnerships between the two countries could do well in third countries, with each side contributing its respective strengths.

Malaysian companies which are now testing the waters in many countries of the South have not done too badly. "However, they are in need of greater skills and sophistication. Employing British engineers and other professionals is one way out for the Malaysians."

Dr Mahathir said while it is difficult to identify what the Malaysian companies have that the British companies do not, he believed that the local companies can make worthwhile contributions.

Citing the Lotus deal as an example, he said Malaysians have bought into British companies in order to gain access to technology and other assets.

"The potential is tremendous. We need the sophisticated engineering knowhow of the company while the injection of Malaysian capital has apparently come in handy for Lotus.

"The synergy is obvious. I am sure there are other Lotus-like companies which can benefit from Malaysian capital," the Prime Minister said.

Malaysia has some big plans and wants to become a fully-developed country by the year 2020, but it cannot do it alone. "We need help from friends and we are most comfortable with the British. You have the technology and the skills which we need," he said.

But while the British are known for innovativeness and inventiveness, it is said that the Japanese are more skilful in applying and profiting from new ideas.

"Perhaps British entrepreneurs working with Malaysians can find ready applications for new ideas and market or test them in this region.

"The Japanese have been doing this all the time. If their South-East Asian 'guinea pigs' survive, then they market (the products) to the rest of the world.

"Why can't the British and Malaysians together avail themselves of this strategy?" Dr Mahathir said.