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Mahathir - capitalists

MAHATHIR WARNS OF POSSIBLE VIOLENCE AGAINST FOREIGN DOMINATION

By: Michael Raj

TOKYO, June 4 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad has warned foreign capitalists against forcibly taking over Asian economies as their people may retaliate, perhaps even through violent means, for losing their national corporations.

If the trend is left unchecked, the people would show their resentment against outsiders who would lord over them once again, he said.

"Sooner or later they will think of regaining control over their economies (and) they will regard this as a new war of liberation.

"Even if they want to avoid violence, violence must come as the new capitalists disregard the signs," he said in his keynote address at an international conference organised by Nihon Keizai Shimbun, Inc here today.

He spoke on the "Future of Asia in a Globalised and Deregulated World".

"There will be no war of independence of course, but there will be a kind of guerilla war which will not be good for anyone," he told some 200 corporate leaders, business executives, economists and academicians, mainly from Japan and the region, attending the gathering.

Dr Mahathir also cautioned Asia to guard against powerful advocates of globalisation and deregulation as their persistent drive towards this end was born more out of a selfish desire to dominate rather than to help.

"Ugly capitalism seems to be at the back of this humanitarian concern. It is not humane at all as the consequences of this demand is to make the peoples of these countries poorer, not richer.

"Obviously, they (these countries) stand to lose the market if they comply and to be shut out of the market if they don't," he said.

Foreign domination of economies affected by the currency crisis would inevitably lead to a future where the Asian economy would be run by huge foreign corporations, practically all owned and managed by non-Asians.

"Actually, there is not going to be much of a future for Asia, at least a future that is distinctly Asian," he said.

Dr Mahathir said capitalists, who at one time abhorred the Communists for killing freedom and democracy, were themselves now ignoring the very principles they preached such that the concept of nation states and their independence had to be debunked to suit their present needs.

"Non-interference in the internal affairs of nations must give way to the right of the powerful nations to intervene in order to ensure that the right things are done," he said.

He said pressure for Asia to open up to foreign control was already mounting as evidenced by conditionalities imposed by the International Monetary Fund (IMF) on its aid recipients, claiming that only this could help them recover.

Countries had been forced to lift local ownership restrictions, resulting in foreigners with trillions in dollars of assets devouring banks and companies, although no distinct signs of recovery were in sight, he said.

In the process, Dr Mahathir said, the countries reeling from the currency crisis now into its 11th month could lose their national economic identity, which ultimately would erode the Asian economic identity.

Governments made vulnerable by the crisis would have to submit because "they know they are up against forces which they cannot defeat."

He felt that in the globalised deregulated world, the future of Asia would be so closely inter-twined and interlinked with that of the rest of

the world that it cannot be distinguished.

He said Asian countries might prosper again but not as Asian countries.

Southeast Asia would provide a base for the production of low-cost products to compete with those of certain large Asian economies which refused to be controlled and "in the end, these (large) countries too will give in," he said.

Dr Mahathir said only if the capitalists' own countries restrained them would the future of the world, of which Asia is part of, be peaceful and prosperous.

He also said the promises of unlimited gains from the exploitation of poor countries -- now suffering economically, socially and politically -- were driving the new capitalists to push for deregulation and globalisation no matter what the costs were.

As for the poor, he said: "If because of their profligate ways they were unable to pay their foreign debts, after devaluation they became even less able to pay their debts."

He said: "This will awaken them to their poor skills in managing their companies and they would be more willing to accept the capital, services and control by foreign companies."

Dr Mahathir also advised Asia not to be blinded by claims that without deregulation and globalisation, its people would forever be saddled with incompetent and poorly capitalised local business people, who would provide inferior goods and services at exorbitant prices.

Through ultimate deregulation, the whole world would be just one country, open to everyone who knows and could exploit the business potential to the maximum, he said.

The net result of a globalised deregulated world would be the emergence of huge corporations and banks with branches in every country in the world and their numbers would not be too big as all the small companies and banks would have been acquired or absorbed in one way or another.

Citing the so-called "banana republics" of Latin America at one time, Dr Mahathir said these governments, which solely depended on banana plantations for their revenue, acceded to demands made by foreign companies, which owned the plantations, including making political adjustments.

"It is just possible that the giant corporations, which operate in the countries which have been persuaded to open up, will have the same influence over the governments," the prime minister said.

In this regard, he said, even democracy has to be sacrificed in favour of market forces in determining policies and government leadership. --  
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