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MAHATHIR-EAST

M'SIA STILL FOLLOWS LOOK EAST POLICY

PETALING JAYA, Aug 30 (Bernama) -- Malaysia still observes its Look East policy but in a way that enables it to avoid repeating the mistakes that Japan made, said Prime Minister Datuk Seri Dr Mahathir Mohamad today.

"What do we see when we look east today? The Japanese are teaching us what we should not do this time around," he said during a luncheon forum organised by the Oxford and Cambridge Society of Malaysia, here.

The Look East policy originally seemed like a good policy because it enabled Malaysia to develop its economy using the Japanese model, he added.

Dr Mahathir said: "Of course today Japan is not doing well because it decided to look East (as well): when it looked East, it saw the United States. Now, Japan is seriously trying to re-invent itself and try to produce the kind of structure that does not suit its culture."

"Today, when we look at Japan we see Japan in the state of uncertainty, unable to cope with a change that is entirely alien to the country's culture. So, we must not do what Japan is doing," he added.

For example, the Japanese who are used to the lifetime employment system does not enjoy such a privilege any more and the impact has been quite bad on the unemployed Japanese compared to their counterparts in the United States who can happily rely on their unemployment benefits, he said.

Dr Mahathir said: "You go to Japan today, you see unemployed Japanese living in plastic tents in the cities. The reason is that in their culture it is shameful for someone who has been unemployed to go back and tell their families: 'I'm no longer employed'."

Dr Mahathir also gave his views on the direction of the future world economic order when he was asked to comment on the issue at the luncheon.

Dr Mahathir said: "I'm afraid that we will keep doing the wrong thing until it buries us. At the moment it's not hurting enough people. It's hurting some people, like Malaysia, Indonesia, Thailand and many other developing countries."

"Some of the rich countries were not hurt very much, they will soon find they will hurt very much and then they will come around and they (will need) to revise their ideas," he added.

Earlier in his speech, Dr Mahathir said the proponents of capitalism had come out with various ideas in order to make the world more efficient and more capable to produce more profits for them.

He said: "Today they pick up ideas like globalisation, deregulation, borderless world and all the other ideas, which they believe the world should accept unquestioningly because it is good for the world, because capital will resolve all the problems of the world by making everyone prosper."

Then, they (the capitalists) became ambitious and they did not care about what happened to people as they only cared for the amount of money they could make for themselves, said Dr Mahathir.

"This is what happened when we had the currency crisis: somebody got the idea to trade in currencies - an activity which has no intrinsic value," he added.

The currency traders destroyed billions of dollars worth of wealth.... and many companies went bankrupt, a lot of people were jobless and burdened with huge debts, he said.

He added that, in the case of Malaysia, the market capitalisation loss was US\$250 billion (US\$1 = RM3.80) because Malaysia's stock market is the

biggest in South East Asia.

However, Dr Mahathir said: "They will still not revise the international financial system because it is good for them." -- BERNAMA

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