

DR MAHATHIR-SPECIAL REPORT  
21 JUL 2003

PM SPEAKS ON MYNAMAR, RACIAL HARMONY, PEGGING CURRENCY

\*\*\* KUALA LUMPUR: NST carried following Dr Mahathir related reports quoting AFP.

1.ASEAN MAY EXPEL MYANMAR

(Suu Kyi's fate: Junta must heed world pressure, says Dr Mahathir)

\*\*\* PUTRAJAYA: Myanmar may be expelled from Asean if its military rulers continue defying world pressure to release democracy activist Aung San Suu Kyi, Prime Minister Datuk Seri Dr Mahathir Mohamad warned in an interview.

Dr Mahathir, who played a major role in bringing Myanmar into the 10-member Asean in 1997, made it clear, however, that this would only be considered as a last resort.

"We will have to examine every avenue before we can take such drastic action," he said ahead of a visit on Tuesday by French President Jacques Chirac.

"In the end, it may have to be that way. I don't say that it cannot be but certainly not at this moment." Suu Kyi, whose party won the 1990 election by a landslide, but has been denied power by the military, was detained on May 30 when her convoy was attacked by a junta-backed mob while she was on a political tour of northern Myanmar.

The incident triggered a wider crackdown on her National League for Democracy which has left its entire leadership in jail or under house arrest.

Although the junta has insisted that Suu Kyi is being detained temporarily for her own safety, it has not indicated when she could be released, despite pressure from the United Nations and countries around the world.

"We have already informed them that we are very disappointed with the turn of events and we hope that Aung San Suu Kyi will be released as soon as possible," Dr Mahathir said.

"They sent an envoy to see me and I told them that is our view. We are very disappointed over these things and, of course, we have done our very best to try and get them to change their minds. But if they are willing to defy the world, then what can Malaysia do?"

The Myanmar issue has already shaken up the Southeast Asian grouping, which has been criticised in the past for its policy of not interfering in the internal affairs of member states.

Asean appeared to break with this tradition during its annual ministerial meeting in Cambodia last month, demanding the Nobel Peace laureate's release.

However, Dr Mahathir said: "We don't criticise member states unless what one state does embarrasses us, causes a problem for us.

"We are thinking about ourselves as Asean, we are not criticising Myanmar for doing what is not related to us, but what they have done has affected us, our credibility.

Because of that, we have voiced our views." (Asean groups Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam.) Dr Mahathir also gave guarded support to Indonesia's proposal to create an Asean Security Community (ASC) to combat terrorism.

Dr Mahathir said the proposed ASC must, however, exclude defence pacts and binding security arrangements for the 10-member bloc.

"If it is just to combat terrorism, yes, but security arrangement like a defence pact and all that, I don't think that is something that we would like to get involved in," Dr Mahathir said.

"Because we have different ideas. Some people want to have some huge fleet

guarding us, we believe in being independent." Indonesia made the proposal last month during a meeting of Asean Foreign Ministers.

It said the idea was born from a shift in sovereign priorities resulting from changes that followed last year's terrorist bombings in Bali and the Sept 11, 2001 strikes in the United States.

The proposed ASC would include centres for combating terrorism, training in peacekeeping, a centre for co-operation in non-conventional issues and regular Asean police and Defence Ministers' meetings.

The Philippines has also voiced reservations, but the idea of an ASC generally won popular support in Asean and was expected to please dialogue partners such as the US and Australia.

The proposal is expected to gain ground over the next year as Indonesia has now taken over the Asean chair from Cambodia. - AFP/NST

## 2.PM: RACIAL HARMONY A BIG ACHIEVEMENT

\*\*\* PUTRAJAYA: Three months short of retirement, Prime Minister Datuk Seri Dr Mahathir Mohamad said he believes his greatest achievement in 22 years in power has been maintaining racial harmony.

In a reflective mood in an interview, he said his greatest failure "is that I still cannot get the indigenous people, the Malays in particular, to understand the workings of a free market economy and what they must do about it".

It is an intriguing self-assessment by a controversial and outspoken leader both loved and loathed since coming to power on July 16, 1981.

His supporters credit him with transforming Malaysia into one of the world's most economically successful Muslim states.

His critics have labelled him a dictatorial human rights violator and economic maverick.

Dr Mahathir, 77, makes it clear he knows all of this, but believes his record speaks for itself.

"People say I am a dictator, but they can say what they like. I would like one day for people to stand outside the Cabinet room, to hear the laughter and the jokes.

"We are very relaxed with each other, we are friends. It's a team that is very representative of every race, culture and religion. We have Christians, Muslims, Hindus, Taiosts ... everybody is there and we have to reach agreement among ourselves.

"The country has remained stable and there have been no racial clashes," he said.

"To me, that is an important achievement because when I first became Prime Minister, most of the Chinese thought that this is an extremist coming in. But I think they changed their minds."

Dr Mahathir, who is also Finance Minister, acknowledged also that "people say what I know about finance can be written on the back of a postage stamp", but pointed to his handling of the 1997-98 Asian economic crisis in rebuttal.

"They can say what they like, but the fact remains that while I have been Prime Minister, we were able to tackle these things, so maybe I know something about finance." He said the economic crisis was the toughest period of his term in power, as he imposed capital controls and pegged the ringgit to the US dollar in contravention of International Monetary Fund prescriptions.

"That was tough. To go against the rest of the world, conventional wisdom, to make a decision that may break the whole country is a tough decision.

"Everybody said no it is wrong, even those who were around me said no, you cannot do this. The Governor and the Deputy Governor of the central bank resigned." The IMF recently conceded that Dr Mahathir's formula worked well for Malaysia.

Asked whether he had lost sleep over the issue, he laughed and said: "No, fortunately for me no matter what the trouble is I can sleep." He likened his initiation into the world of international finance to one of his favourite pastimes, horse riding.

"If you don't know how to ride a horse, you will fall off. I have fallen off a horse three times. But to get the balance, to be in rhythm with the animal and all that is something that you can achieve only if you learn. I had to learn about finance." Dr Mahathir, who qualified as a medical doctor, said he would still ride during his retirement.

He would also continue sailing and travelling internationally, while writing his memoirs.

"I am happy, I am looking forward to it (retirement). Three months more of this and then I am off." On a global issue, Dr Mahathir said the world had been sucked into a dangerous "clash of civilisations" by the West's failure to understand Muslim grievances.

Speaking ahead of the visit to Malaysia by French President Jacques Chirac, Dr Mahathir defended his recent vilification of Westerners as greedy warmongers aiming to dominate the world.

And he stood by his call on Muslim nations to build up their military strength so as to fulfil a Quranic injunction to "strike fear into the hearts of their enemies".

When Chirac meets Dr Mahathir here during a brief visit on Tuesday, however, he can take comfort from the fact that he is considered "sane and normal" some of the time at least.

Chirac earned the accolade for his opposition to the US-led invasion of Iraq, although Dr Mahathir qualified this as simply the "exception that proves the rule".

"I don't believe anybody is one hundred per cent bad. There will be people who are sane and normal and who understand these things are wrong and reject them." Dr Mahathir first made his scathing remarks about Westerners or what he called the "European race" and their descendants in places such as the US and Australia last month.

He said he had "a duty to tell Malaysians that in your future there is going to be this European pressure".

"You must learn how to handle it and to handle it well you must understand these people." Dr Mahathir said his characterisation of Europeans as warlike and greedy was "not actually criticism, it was just a statement of the facts".

He cited as proof a long list of Western wars, describing the conquest of the original inhabitants of North America and Australia as "genocide".

This characteristic was reflected in modern times by the US-led invasion of Iraq, he said.

"Now we see the actual invasion of a country because that country is seen to be not democratic. How democratic is the imposition of democracy through conquest?" Dr Mahathir said US President George W. Bush's statement after the Sept 11 terror attacks that either "you are with us or not"