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MAHATHIR-MALAYSIA INC

M'SIANS SHOULD NOT BE ASHAMED OF MALAYSIA INC CONCEPT

By Siti Hawa Othman

KUALA LUMPUR, May 10 (Bernama) -- Tun Dr Mahathir Mohamad said Malaysians should not be ashamed of the Malaysia Inc concept as the government-private sector relationship was not new nor confined to Malaysia alone.

The former Prime Minister said that many Malaysians were ashamed of adopting the concept as they believed it would result in cronyism, when much of the country's rapid development was due to Malaysia Inc.

"Are you suffering from inferiority complex or do you accept double standards that what the rich and powerful countries do is legitimate and right but if poor countries do the same, it is wrong," he asked.

Dr Mahathir said this in his speech on "Malaysia Incorporated - Revisited" at the 2005 CFO (chief financial officers) Conference entitled "Driving Profitability in Today's Economy" here today.

"Government/private sector cooperation is not something new as the ethnic European media tries to make out when they criticised Japan Incorporated and later South Korea and Malaysia for this sin," he said.

The powerful ethnic European countries had always been practising this concept and their collaboration include the use of force and military conquest to ensure the success of their businessmen.

For example from history, the famous East India or East Asiatic companies had received close and strong support from the government.

However, when the Europeans looked for the sea-route to the East, their intention was not exploration but was in the interest of trade and they came in armed merchantmen, Dr Mahathir said.

Before these, they had to rely on the traders of the East such as the Chinese, Indians and Arabs for their supplies of spices, silk and chinaware.

"Now these Chinese, Indians and Arabs were pure traders. They were not backed by their governments and had no military conquest in mind. Even Admiral Cheng Ho did not try military conquest despite his enormous military capability," he said.

However, the cronyism of the ethnic European countries had eventually led to their traders gaining monopolies of the trade with the countries they had conquered and colonised.

"The close collaboration between their governments and their traders represent incorporated states in the most extreme form, whereas the Japan Inc. and Malaysia Inc, do not resort to military threats and actions," he said.

He said tht the present also showed that the military actions during the Gulf War, the Iraq-Iran war and the invasion of Iraq were basically in support of oil companies which wanted to exploit the oil resources of Kuwait, Iran and Iraq.

As a bonus, the American companies gained huge supply and the construction contracts as a result of these actions by their government.

As such, Dr Mahathir said Malaysians, who are embarrassed and ashamed because of the Malaysia Inc concept and the help extended to failing Malaysian companies, should think again.

The former statesman said Malaysia's policy of collaboration between the government and the private sector had never involved the use of force and everything done was legitimate.

The Malaysia Inc concept was premised on the idea that the success of

private enterprise would benefit not just the entrepreneurs but also the government and the people.

He said what the Malaysian government did to help failing companies is legal and proper and was done to prevent national economic catastrophe.

Dr Mahathir said that Malaysia Inc and privatisation had provided opportunities to accelerate the increase in the wealth of the Malays and other Bumiputeras, as part of the affirmative action to address the unfair distribution of wealth between the races.

"When we envisage the New Economic Policy, we wanted to see at the end all races represented at all levels of the economic ladder. It is obviously not enough to restructure only among the poor and the middle class while leaving the upper classes unstructured, continuing to be dominated by one race only," he said.

Today, he said there was quite a number of rich Bumiputeras and there was envy and jealousy on the part of other Bumiputeras towards them.

But the anger and jealousy towards the non-Bumiputeras would be far worse if there was no rich Bumiputeras to balance the rich non-Bumiputeras, he said.

Racial animosities, he said would destabilise the country and make detractors happy but the Malaysian government was not elected to please its detractors but to develop the country and remove social inequities.

"For the government, it is a case of being damned if you do and damned if you don't. The government believed that it is better to be damned for doing because at least it would achieve the objective of the New Economic Policy (NEP)," he said. -- BERNAMA

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