

SPEECH BY: DATO' SERI DR MAHATHIR BIN MOHAMAD
(PRIME MINISTER)

EVENT: THE 54TH SESSION OF THE UNITED NATIONS GENERAL ASSEMBLY

VENUE: NEW YORK, USA

DATE: 29 SEP 1999

TIME:

Allow me, firstly, to congratulate you on your election as the President of this 54th session of the United Nations General Assembly. It gives me great pleasure to see the international community honour both you and your country through your election to this high office. I am confident that given your vast experience and diplomatic skills you will be able to steer the proceedings of this Assembly to a successful conclusion.

2. I join other speakers in expressing our gratitude to your predecessor, His Excellency Mr. Didier Opertti Baden, for the dedicated and effective manner in which he had guided the work of the last session of the General Assembly.

3. I would also like to take this opportunity to commend the Secretary General for his great dedication to the Organisation and the many contributions he has made in the service of the international community.

4. Malaysia would also like to join other member states in welcoming, most warmly, the Republics of Kiribati and Nauru and the Kingdom of Tonga as new members of the United Nations and looks forward to working closely with them, particularly on issues of common interest to the Asia Pacific region from where we come.

5. The 20th Century is coming to an end. Before we enter the 21st Century it is useful to review the events of the 20th Century so we may learn from our experience and hopefully we will know how to conduct the affairs of the 21st Century.

6. The 20th Century saw the most destructive wars which destroyed billions of dollars of property and killed millions of people. It saw the most inhuman dictatorship in Germany where six million Jews were tortured and killed. It witnessed the first nuclear bombs that killed hundreds of thousands instantly and many more due to the after effects.

7. When the greatest war in human history ended, this august body, the United Nations was founded. We thought there would be peace as the great powers work together in the United Nations. But not so. Immediately the victors divided themselves in two camps and initiated the cold war. However it was the threat of a hot war that kept the war cold. Each side built huge arsenals of nuclear and non-nuclear weapons and glared at each other across deep chasms of misunderstanding as they threateningly fingered their nuclear triggers.

8. For the colonies of European nations there was an up-side. Fear of defections to the other side forced the two camps to relax their grips on their colonial territories. Countries gained independence but their survival depends on their skills in playing the Western bloc against the Eastern bloc.

9. Unfortunately this choice to defect to the other side did not last. Suddenly the Communist side collapsed. Lured by the apparent wealth of the Western free-market liberal democracies, the Eastern bloc jettisoned their authoritarian centrally planned economies and adopted the liberal democratic free market overnight. They thought that since they now have a similar system as the Western bloc they would get the friendship, cooperation and help from the Western countries. They were na've enough to think that after seventy years of command economy and dictatorship they could overnight switch to the free market economy under the liberal democratic system. They soon found out that they knew nothing about how to make the system work and that they would get no help from the Western nations. Instead the Western nations saw in their incompetent floundering an opportunity to destroy the Eastern bloc, in particular the principal flag-bearer, forever.

10. Even as the inability to manage a free market resulted in galloping inflation, destruction of state enterprises and massive unemployment, the hedge funds and the Western financial institutions moved in to devalue the currencies and make debt defaulters of this once powerful enemy. Despite knowing that these people could not manage a free market liberal democracy at all, they were nevertheless urged and threatened into continuing anyhow. There was no going back for the Eastern bloc countries.

11. The destruction of the Eastern bloc was complete. It could never again militarily challenge the Western liberal democratic free marketeers. Now there would be only one choice for the world and no defection would be

possible for the countries of the world, big or small. With this the liberal democratic free market capitalist see no more need to be gentle in spreading their systems or in profiting from them. No one would be allowed any other political or economic system except what is prescribed by the sole dominant bloc. The true ugliness of Western capitalism revealed itself, backed by the military might of capitalism's greatest proponent.

12. For the small countries the demise of the Eastern bloc is a major disaster. Now they are exposed to pressures which they cannot resist. And very quickly they learnt that the free marketeers intend to milk them dry. As for their politics, the instability of the liberal democratic system that comes with a lack of understanding of its intricacies by the leaders as well as the people, meant that they would stay in a state of continuous turmoil, verging on anarchy.

13. A few countries apparently managed to grow and prosper. But not for long. The currency manipulators and short-term investors of the rich soon impoverished these countries through devaluing their currencies and share prices. Impoverished and politically unstable they were forced to borrow from the IMF. Whether by design or through sheer lack of understanding the economic regime imposed by the IMF destroyed their economies further. Soon their political freedom was also subverted and many had to accept political direction by the IMF or the loans would not be made available. For practical purposes there was no independence.

14. And so for the small independent countries of the world the future looks bleak. They are now being told that the world should be borderless, that capital, goods and services should flow freely between countries. There should be no discriminatory taxes to protect local industries or products. Local banks, industries and products must compete on the same footing as imported products and their banks and industries must compete with foreign banks and industries set up in their countries. No conditions must be attached to foreign banks and businesses which want to set up operations in their countries. They must have national status like those given to local businesses. This way it is said, a level playing field will be created and competition will be fair.

15. But can competitions between giants and dwarfs be fair even if the playing field is level. The giant banks, corporations and industries from the rich countries with huge local markets can afford to lose money in a small foreign country when they make huge

profits at home and elsewhere. The small businesses in the small countries will go bankrupt if they lose money repeatedly. In the end they will have to sell to the giant foreign companies or close down altogether.

16. There will be no more big local companies. There will only be branches of large foreign companies who will indulge in transfer pricing, and will repatriate most of their profits.

17. The efficient giants may produce better and cheaper goods but if a country does not export its own products to earn foreign exchange it will not be able to pay for imports. Cheap high quality goods mean nothing if you have no money to pay for them. The markets of the poor countries may not be big but impoverishing them would result in lost sales for the rich.

18. That was what happened when the currency traders impoverished the countries they attacked. These countries could not buy the products of the rich i.e. the rich lost their markets and world trade contracted.

19. Free unrestricted flow of goods and services across borders may be good for a while. But eventually it will destroy markets and result in contraction of world trade. The world would actually become poorer because of free trade.

20. After the last World War, the confrontation between East and West led to most of the colonies being liberated and becoming independent countries. Being independent meant the right to govern their countries themselves. Unaccustomed to wielding so much power many of these Governments failed. They became hopelessly indebted to the banks of the rich countries. Their people suffered from incompetent and frequently oppressive rule.

21. But the principle that prevailed in the third quarter of the 20th Century was that no one should interfere in the internal affairs of a nation. That in fact was the essence of independence. As long as the world was divided into Eastern and Western blocs this principle was respected.

22. But then a President decided that his country had a right and a duty to oversee that human rights are not abused anywhere in the world irrespective of borders and the independence of nations. No one conferred this right on this crusading President. But small things like that was not going to stop him.

23. The claimed victory of the West in the Gulf War

was regarded as a moral endorsement of the right of the powerful to interference in any country's internal affairs. Soon it was not just human rights. Systems of Government and the administration of justice, of the financial and commercial systems came under the scrutiny of the powerful countries. They insist that there must be only one way of administering a country and that is the liberal democratic way. They insist that there can be only one economic system for the whole world and that is the free market system. They insist that there must be openness in everything; transparency, separation of the private from public sectors, non-discrimination between ethnic groups and no discrimination against foreigners in favour of nationals.

24. All these and more sound very good. They have apparently worked for the developed countries of the West, making them rich and powerful countries, giving their people high standards of living. But will they work for everyone?

25. They seem to have forgotten that they took centuries to make their system work. Their transition from feudal oppressive rule was bathed copiously in blood. Both rich and poor were massacred as reforms were forced by a succession of uncaring tyrants, many elected by the people. Even today their system has not brought about freedom and equity to large segments of their people. Yet they insist that all the countries of the world, new or old, must immediately adopt the only system of Government, their system, their liberal democratic system.

26. The newly independent countries which knew only the authoritarian system of Government cannot but fail. The former Communist countries in particular found themselves unable to cope with the destabilising challenges directed at Government authority in a liberal democracy.

27. But the new countries are not going to be allowed time to learn and operate the system. They must change now, immediately. If their countries are destabilised, if their people suffer, if they regress economically, these are irrelevant. The important thing is that they must democratise and liberalise. If they fail to do so they would be forced to do so through arm-twisting, trade sanctions and military action if necessary. That these measures are more oppressive than those of the disapproved regimes and systems do not matter. That adoption of the approved system would destabilise the countries further, and cause further suffering -- all these do not matter because the most important thing is the adoption of the system, not the benefit to be

derived from it.

28. It is the same with economic management. There must be liberalisation and deregulation. The Government should not help the business sector, should not give them any protection. If they are attacked by outside forces, fairly or unfairly, and they lose, then let them die. They must be inefficient if they lose, and the world has no time or sympathy for inefficient losers.

29. And so giant currency traders, their funds leveraged a hundred times or more, are pitted against Central Banks with limited reserves and without leveraging rights. The economies of whole countries and regions are destroyed but the cries for protection by these countries are ignored. The fields are level and the free movements of capital are a part of the sacred free trade. Everyone must accept whatever happens because it is free trade. All the currency traders are doing is to discipline Governments, so that they conform to the system and do away with their bad old ways.

30. In a financial crisis Governments may not help businesses to recover. To do that means a bailout of cronies. Let them die. Let there be blood. Only then will Governments be considered as serious in wanting to reform their systems, to adopt best practices, world standards and the only proper way to administer the economy. If the Government becomes bankrupt in trying to do this, that is alright. The important thing is to do things correctly even if the country is destroyed, the people starved to death, anarchy reigns, and Government collapses.

31. There is a touching concern on the part of the West over human rights. But the definition of human rights seem limited to an individual's right of dissent against the Government. Millions of people in a country will be made to suffer through sanctions and even bombings in order that a few dissenters may enjoy their rights of dissent. Apparently the rest of the population, hundreds of millions of them sometimes, have no rights. Their rights are not considered human. Thus the deprivation of the right to work for millions resulting from currency trading is not considered as violation of human rights. In the Western perception only individuals have rights, the masses do not.

32. The concern over child labour and sweat shop factories is expressive of a sense of caring. Unfortunately the concern is only shown when the products of child labour and sweat shops compete successfully with the products of highly paid high

living four-day week workers in the developed countries.

33. Child labour and sweat shops are not something which anyone would defend but consider the extreme poverty of the people in some countries. They have no capital, no technology or expertise, no markets at home, no Harvard-trained managers. All they have is low cost labour. For the workers the tiny wages that they earn is far better than starvation and death. If we really care, then invest and pay high wages and the sweat shops will disappear and adults will earn enough to feed their children. Forcing them to stop child labour and sweat shops will only cause more sufferings for their people. Telling them to stop producing children is not a solution either. We know that the poor have a higher birth rate than the rich. To stop the population explosion which the West is worried about, enrich these people. Stopping their sweat shops and children from working will only impoverish them further and cause them to have more children.

34. With the end of East West confrontation, conflicts have increased instead of decreased. The Palestinian problem is still not resolved, but the sanctions and bombing of Iraq, sanctions against Libya, the conflicts resulting from the break-up of the Soviet Union, and the stirring up of unrest and rebellions or near rebellions by open supports for insurrection go on. Before it was the Communists who stirred up rebellion everywhere including in Malaysia, now we have the Liberal democrats doing exactly the same in the same manner, complete with supply of arms. Whether it is a Communist or a Liberal democratic insurrection the people suffer not one bit less.

35. The United Nations seems helpless. Indeed it is often bypassed by the big and the powerful. Now groupings of powerful nations or even one nation by itself seems to decide when to step in and when to step out. While they like to wield power, they are inordinately unwilling to pay the price. Tele-wars are conducted using high technology such as the so-called pinpoint bombings in order to avoid the body bags from coming home. This unwillingness to face the enemy often results in unnecessary killing of innocent people and destruction of wrong targets.

36. Unfortunately no one should expect any change for as long as the United Nations belongs to the Permanent Five. The structure of the United Nations will continue to reflect the glorious victory of these nations fifty years ago. For the small countries yearly speeches and various anniversary speeches will be allowed. Occasionally there will be membership of

the Security Council. But despite three at least of the Permanent Five being vociferous advocates of democracy there will be no democracy in the United Nations. The only saving grace are the agencies and their good work.

37. Unfortunately some in the United Nations have rather unusual principles. Normally in order to study, report and pass an opinion or judgement on something a neutral or unbiased person would be chosen. But the United Nations chose a person well-known for his virulent attacks against the Malaysian judiciary to report on that institution.

38. The United Nations then confers on him total immunity against the laws of his country without reference to or consent of the country. This immunity apparently extends beyond his task of reporting his findings to the United Nations. He may publish his opinions, defame people and the subject of his study anywhere and everywhere.

39. Is there no limit to a United Nations Commissioners' immunity.

40. We are told that Governments must not interfere with the judiciary. Yet in this case the Government is expected to instruct the judiciary not to act against this United Nations Commissioner for breaking the laws of the country.

41. I am not blaming the Secretary General for this. It is the peculiar system and principles which guide the choice of the United Nations Commissioner that I find unacceptable. Nor do I think it proper to hint at dire consequences for the Malaysian nation if this man is not freed from court action for open contempt and defamation. There is something not right here which the United Nations needs to look into.

42. But small countries lack a public forum to air their views freely. The Western media distorts everything that they say or do. Again we are expected to give immunity to western journalists. They may break our laws but no legal action may be taken against them. I would like to point out that in Malaysia even the King and the hereditary Sultans are not above the law.

43. This then is the scenario in the last quarter of the 20th Century. We will carry this baggage into the 21st Century and the new millennium. For the poor and the weak, for the aspiring tigers and dragons of Asia, the 21st Century does not look very promising. Everything will continue to be cooked in the West.

Just as Communism and Socialism came from the West, liberal democracy, globalisation, a borderless world, deregulation, unfettered free flows of capital and their flights to quality, the disciplining of Governments by the market and by currency traders and a host of other ideas all come from the West. And what is from the West is universal. Other values and cultures are superfluous and unnecessary. If they remain there will be a clash of civilisation. To avoid this there should be only one civilisation in the world. Everything should be standardised according to Western best practices. They may change only if the West change.

44. Thus the Globalised world will be totally uniform. Variety is equal to being intransigent and must therefore be eliminated.

45. Malaysia has just gone through a very traumatic experience. In a matter of weeks 42 years of hard work to develop the country was destroyed, in particular the affirmative action to reduce the enmity between the races in Malaysia.

46. We have devised our own formula for recovery. With the blessings of Allah we have now turned around and we are on the road to recovery. But we are being pressured to abandon our currency control. We do not understand. It has done us a lot of good. It has done no harm to anybody except a few thousand rich currency manipulators. Foreigners doing real business in our country have profited much from the so-called controls. But we are still being urged to conform to an international financial system which has enabled the unscrupulous to destroy the wealth of many nations.

47. No serious attempt is being made to change the International Financial System. So far there is only talk about intention. But the threat of financial, economic and political destabilisation remains.

48. Malaysia only wishes to be allowed to manage things in its own way in the interest of its own people. We will not harm others. We are not turning our backs to the world. We have always cooperated with the rest of the world, in particular with the United Nations. We will continue to do our bit for world peace. As much as we accept criticisms, warranted and unwarranted, we hope others will also tolerate our criticisms of them. Free speech would be meaningless if criticisms can only be directed at the poor and the weak, but never at the rich and powerful. In criticising others we are only exercising our right to freedom of expression.

49. We are not too enchanted by the prospects we foresee in the next century. But I can assure you that we will be a responsible nation, friendly towards all who are friendly towards us and harbouring no bad intentions towards anyone.

50. I thank you Mr. President.