

**KEYNOTE SPEECH BY TUN DR. MAHATHIR MOHAMAD AT
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Malaysia was once a British colony. Although it was not directly ruled by the colonial office, Malaysia was designated as a British protected state, or British protectorate, but in actual fact, the British colonial office controls Malaysia fully. The area that they were most responsible for was the area of foreign relations and defence. Therefore before independence, Malaysia had really no knowledge about our foreign relations, accepting whatever it is that is prescribed by our colonial masters, and we did not quite know how to position ourselves when we gained independence. Like most people we seek comfort, and we found comfort with the people we know. The people we knew at that time were the British and those who were with the British, principally the countries of the British Commonwealth. There were not so many nations at that time in the Commonwealth, but the principal members of the Commonwealth were Britain, Canada, Australia and New Zealand, and also South Africa, before it was expelled from the Commonwealth.

So Malaysia's position at that time was to be close to its comfortable friends. We were very close to the Commonwealth, and of course to the head of the Commonwealth which was Great Britain. We were very close to Britain. We obtained our independence, not through war nor through military uprising, but rather through negotiation. Obviously, we were very grateful that the British gave us independence without too much resistance. They did resist by imposing certain conditions, but in the end they granted us independence on a silver platter, so to speak.

Malaysia had nothing against the British, and we felt that we should be with them and continue to seek comfort in their company. Therefore, initially, when Malaysia became independent, we positioned ourselves as a member of the British Commonwealth. Since the Commonwealth followed British foreign policy, we naturally become a part of that. In other words, since Britain was a member of the Western group of countries, as opposed to the Eastern group headed by the Soviet Union, we were linked to the Western group.

The Western Bloc believed in a certain form of democracy, and a certain degree of freedom. Therefore, Malaysia subscribed to such a belief and rejected the Eastern Bloc. We rejected the Eastern Bloc because there was a rejection from the British and the Commonwealth and the Western Bloc, and that the Eastern Bloc was perceived to be made up of evil countries which were out to harm the rest of the world, and would harm Malaysia.

I must admit that Malaysia had good reasons for rejecting the Eastern Bloc, because at the time of our independence in 1957, we had a communist uprising in Malaysia. We had guerillas in the jungles actually fighting against our military forces. The guerillas were communists and therefore supporters of the Eastern Bloc, and they wanted to overthrow the government by force of arms. So our rejection of the Eastern Bloc of communism was not merely because we were affiliated or we were comfortable with the Western Bloc (British), but more because we really had a problem with communists who were supported by the Eastern Bloc.

So that was Malaysia's position when it became independent. And the country continued to have this affiliation, this association with the Western Bloc for a long, long time especially during the premiership of Tunku Abdul Rahman. Tunku always felt very comfortable with the British, having been educated in England, coming of course from a member of the Royal family. As such, Tunku could get along with the British much better than he could get along with the Russians of the Eastern bloc.

So Malaysia's foreign policy at that time was very pro Western and pro-democracy. I say democracy if you like simply because the Russians also consider themselves democratic. Hence the German Democratic Republic and all the countries affiliated to Russia, regarded themselves as democratic republic. So, democracy was hijacked by both sides. The Western side also considered themselves as democratic. The Eastern Bloc also considered themselves as democratic. But, due to our affiliation with the West, our version of democracy was shaped like the Western bloc.

Malaysia became a part of the Bloc and since we were not any great power, we were rather weak. In fact the country was still dependent upon the Western Bloc for many things. Malaysia was dependent upon the British for support in fighting against the

communist terrorists; its association with them was natural. That was Malaysia's position then. The country went so far of course as to support the Americans in Vietnam. Malaysia actually supplied the Vietnamese government (South Vietnamese) with old rifles and other discarded arms that it had, for them to fight against the Vietcong.

So Malaysia not only associated itself with the Western Bloc, but it was ready in fact to participate in some of their activities, for example their attempts to suppress the spread of communism. Malaysia believed fervently at that time in the domino theory, that if Vietnam were to fall to the communists, then there will be a spread of communism throughout South East Asia – from Vietnam it would go to Cambodia, Laos, Thailand, down to Malaysia. Such situation was further aggravated when our neighbour, Indonesia, mounted a confrontation against us which was due, to some extent, to an influence of the Indonesian Communist Party or KPI. Malaysia felt itself threatened by the communists and wanted to be helped. Therefore, we associated with those who were anti-communist: the Western Bloc, such as the British, the Australians, the New Zealanders and others.

But over time, things developed quite differently. Malaysia began to be a little bit more sophisticated about its knowledge of the world. Having just gained independence, of course it was not too knowledgeable about the rest of the world. But over the years, during the period when Tunku Abdul Rahman was the Prime Minister, we began to rethink about our position in the international arena. Should Malaysia always be aligned with the Western Bloc and move against the Eastern Bloc? Should Malaysia always consider that the ideologies of countries must influence its relations? We asked such questions and I believe some younger people in the Party, for example, began to question this close association with the Western Bloc, whether it is really what we want or whether we should become a little bit more independent? But, always at the back of our minds, we have this problem of a communist insurgency in the country and therefore we should be anti-communist. How do you deal with the insurgency? We deal with them with the guns. We will fight them. We will defeat them. We did not consider negotiating with them. Although Tunku had a negotiation in Baling, it was a failure.

But despite all this anti-communist feeling that we had, Tunku actually thought that we should not associate this communist uprising entirely with communism. Maybe

there were other elements which influenced the insurrection. Not just ideology but other local factors. It was Tunku who concluded that the Chinese in this country were dissatisfied.

When we had the Malayan Union, the Chinese had easy access to citizenship, and at the same time retained their Chinese citizenship and still became Malayan Union citizens. But when the Malayan Union became the federation of Malaya, after pressures by Dato' Onn, the Chinese community were deprived of opportunities to become Malaysian citizens, and therefore they felt discriminated, and began supporting the communist uprising. Tunku in his wisdom decided to minimize such dissatisfaction among the Chinese. One effort was by giving one million Chinese citizenship status without asking them too many questions. They were automatically made Malaysian citizens. This effort appeared to minimize the Chinese's support for the communists. So, it was clear that it was not communism which motivated the Chinese to support the communist but rather a feeling of dissatisfaction as the Communist guerillas were mainly Chinese.

At that stage of course people began to think that we should not link race with ideology. Yes, China had become a communist country by that time, and we had no relations with China. We had diplomatic relations with Russia but we regarded Russia as a kind of enemy state. And of course we had very little relations with the Communist Bloc. We were people of the West. That was the situation that Tun Razak inherited. Malaysia was positioned as one of the extensions of the Western Bloc. Not a very important member but still considered as worthy of being helped when needed. They (the Western Bloc) even had the Five Power Defence Agreement which stipulated that should Malaysia be attacked by the communists then the Five Powers would act in order to fight against any communist attempts to invade Malaysia.

Tun Razak inherited that position. However, Tun Razak had other ideas as well. Instead of a "black and white" analysis of the character of countries, or as between "left and right", between East and West, communist and non-communist, he decided that our position with the rest of the world should not be based on ideological affiliations. Countries may have different ideologies but we can still be friendly with them. It was Tun

Razak who decided that instead of being exclusively associated with the Western Bloc, Malaysia should be friendly with every country wishing to be friendly with her.

The change was radical. From the years of the Tunku when Malaysia was just a part of the Western Bloc now Malaysia took a non-alignment stance. We were not aligned to the Western Bloc nor were we to the Eastern Bloc. We belong to that group of countries that befriends any other country.

The Non-Aligned Movement was initiated in Bandung. We were not there (of course) at Bandung when it started. We had problems with Indonesia because Indonesia accused us of being part of the Western Bloc, and therefore not Non-Aligned. But, by the time Tun Razak took over which was in 1972 the problem with Indonesia was over a long time ago, and there was not much opposition to Malaysia slowly moving towards the non-alignment movement.

Tun Razak visited Russia and China. He visited China in 1974 just before the election. It was a good move because it influenced Chinese thinking in Malaysia, not because the Chinese were communists in Malaysia, but because they were Chinese and they felt some affinity with the Chinese in China. Therefore, the 1964 election saw a great victory for the Barisan Nasional party because the Chinese who were unhappy then, changed their minds and decided that they should support the government.

So the position of Malaysia in the world scene was also being influenced by internal factors. Tun Razak decided that Malaysia should be a part of the Non-Aligned Movement. Indeed he tried to do this even during Tunku's time. I was sent to Ghana for the purpose of getting Malaysia admitted into the Afro-Asian People's Solidarity Organisation (APSO). APSO was almost a Communist Bloc but Tun Razak wanted me and a few others to ensure that Malaysia could become a member. But I failed to bring Malaysia in as a member of the APSO, and when I came back Tunku scolded me. He said had he known that I was going there, he would have stopped me. But he was away in Tokyo when Tun Razak sent me.

Well, I received some scolding for being part of it, although I had explained to Tan Chee Khoo that, we were quite liberal in our thinking and, within the party itself, we

may differ. Despite knowing that Tunku disagreed about me going there, it was clear that Tun Razak, even at the time when he was Deputy Prime Minister, wanted to move Malaysia away from the Western Bloc. He wanted Malaysia to become a neutral country – a non-aligned country. But when he tried it during the Tunku's time he could not do it. But once he took over as Prime Minister, he began to show his thinking in terms of positioning Malaysia in the international arena. Malaysia should be a country that is non-aligned, friendly with all countries and is not to be involved in any fighting between the Western and the Eastern Bloc. We will not support anyone. We do not want to offend anyone, so it's better not to support anyone. Slowly Malaysia became more and more non-aligned.

Unfortunately, Tun Razak was not the Prime Minister for a very long time but efforts were made by him in repositioning Malaysia from being a Western Bloc country to a non-aligned country.

Tun Razak was succeeded by Tun Hussein. Unfortunately Tun Hussein also did not stay very long. He did not modify Tun Razak's foreign policy, particularly in strengthening Malaysia's positioning in the international arena. He continued Tun Razak's legacy in strengthening Malaysia's non-aligned position.

When I took office, I thought that we should not only be non-aligned but to be critical of the West. So there was a slight shift when I took over. I thought that we should be critical of those countries which like to be critical of us. Through thorough analysis of news and records, the reporting (at that time), the Western countries were very fond of taking the high moral ground and telling us that we were not good enough; we were not liberal enough; we were not democratic enough; no sense of independence; does not believe in the independence of the judiciary; and a whole lot of nonsense.

So, in our quest to be non-aligned, we moved slowly from the West, and became critical of the West. The policy that was adopted at the time was to actually grade the different Bloc or the different groups of countries.

Malaysia decided that its first priority would be ASEAN – the countries around Malaysia – because these countries were obviously important to us especially our

closest neighbour, Indonesia. That was our first priority. It became important for me to make visits to the ASEAN countries.

Almost as soon as I became Prime Minister, the expectation of some Western countries was I should make a pilgrimage, not to Mecca, but to Washington. So the American ambassador came to the office and informed me that he was trying very hard to get an appointment for me in Washington, and he emphasized to me how difficult it was to see the President of the United States. He assumed of course that would be my priority but I had decided that my priority is not United States but ASEAN countries. I hardly responded. When the Ambassador went off, I told Wisma Putra to inform the American Ambassador that I had no wish to visit Washington and to see the President of the United States. So he (the American Ambassador) should stop trying to make arrangements for me.

Besides the ASEAN countries, Malaysia decided that among the countries which we should be friendly with were countries like Tonga, Fiji and Samoa. Most people thought that it was a 'silly' move. Why do you want to be friendly with these little countries which are of no use to you? But we want to show the world that we were not going to make friends only with countries which would be useful to us, but also with countries with which we want to befriend. It doesn't matter whether they are powerful or not. We need to be friendly with anyone and that was why among the first visits I made after visiting ASEAN countries was to go to Samoa, Tonga and Fiji and also Papua New Guinea.

So we had made our position in the international arena very clear. We were not going to be with the powerful countries only. We also befriended other countries, especially with ASEAN member countries, the small countries and following that, the other non-aligned countries, followed by the Islamic countries, and finally of a very low priority would be the Commonwealth. I only attended the Commonwealth meeting in 1985, 4 years after I became Prime Minister.

Commonwealth is low on our priority and Malaysia is not a strong supporter of the British Commonwealth. I used to tell people that it is called the Commonwealth but the wealth is not common. The wealth is dominated almost completely by the four big

European countries, namely, Canada, Britain, New Zealand and Australia. They control the discussion and they have the wealth. The others have no wealth. To me it is not a common wealth at all. So I didn't see anything to gain by going to a Commonwealth conference. But I did go to a Commonwealth conference in 1984 in the Bahamas and subsequently in 1987 in Vancouver. At Vancouver I did something quite unusual in the sense that I decided that Malaysia should play host to a Commonwealth conference in 1989.

That was not for love of the Commonwealth. It was because the Commonwealth has got a lot of poor countries, newly independent countries, Third World Countries. We wanted to make friends with these Third world Countries as part of our foreign policy in positioning ourselves in the international arena. I had tried to invite their leaders to come to Malaysia whenever I met them. But they did not want to come to Malaysia because they thought that what was there about coming to Malaysia, which is another Third World country. For a Third World country to see another Third World country, there was nothing to gain and we were not the kind of people who were giving aid, monetary or non-monetary. Although we had already started on our Malaysian Technical Corporation (MTCP) programme, we were still regarded as backward as all other Third World countries.

But I thought perhaps if they come to Malaysia they might learn that Third World countries need not be so backward. But since they won't come to Malaysia, they won't see Malaysia. So the only way to get them to come to Malaysia was to host the Commonwealth Conference. Sure enough when we held the Commonwealth Conference in 1989, practically all the heads of government (HOG) came here and after that they changed their minds about Malaysia and continued to visit Malaysia anytime that they had the opportunity. So we were able to erase the perception that as a Third World country, Malaysia was not a country where the roads had potholes and nothing works. Malaysia had already made some advances and that encouraged those countries to think that they also could do the same and we were in the position to help them.

Clearly, our position in the world was that we were beginning to work more and more closely with Third World countries. Our priority was not to the rich and powerful but to the poor countries of the world – the Third World countries. Although we were

basically non-aligned, we were also especially close to the Third World countries. On hindsight, I think we were well appreciated by those countries. Through our MTCP programs, we brought people from the Third World countries to Malaysia and exposed them to projects and action plans that they could emulate. In addition, we also provided training programs to increase their capabilities in developing their own countries.

At this stage, Malaysia had moved itself far away from being a Western bloc country to a fairly neutral and non-aligned country, to a country that was more aligned towards poor countries. A lot of people felt that it was a “wasteful” move to befriend poor countries as these countries had nothing to offer. But, in actual fact, they had the power where not many people could see. A power that was, and is, very useful to Malaysia. Each country, including the poor countries, has one vote in the United Nations. It was through these ‘small’ gestures that Malaysia gains quite a lot from their support. Though the vote is only one, but considering the number of poor countries in the United Nations a long time ago we had a lot of countries that support us.

There was some gain and later on of course after we brought a lot of their diplomats and their people to be trained in Malaysia, our people were given easy entry to their countries. Whenever we go to these countries, doors were opened very easily. We had only to say we were from Malaysia and their common response would be “Look, I was trained in Malaysia. I went to (this) and (that) institution for administration and diplomacy courses”. They were trained here and I think we had gained more than just their votes. It had been a worthwhile effort.

Malaysia spent quite a bit of money in the MTCP bringing these people here. But I think it was a good investment because today Malaysia can go into these countries and do business there. Petronas, for example, is very well received and has been given a lot of oil concessions. Furthermore, Petronas is different from other national oil companies. Other national oil companies confine themselves to their own country but Petronas has become, in a way, a multinational company simply because we made an effort to be friendly to poor countries.

These countries were poor not because they were really poor. They have huge resources. Unfortunately, they do not have the capacity to exploit their resources.

Therefore they remained very poor. For example Angola is very rich but they needed somebody to help them exploit their resources and transform them into rich nations. Chad, for example, was a very poor country until Petronas helped them in their petroleum industry. Today Chad is one of the major oil producers. Sudan is another similar case. Sudan was a very poor country as there was no oil at that time. Some American companies were doing some research, some prospecting there and they claimed that Sudan had a reserve of 10,000 barrels a day. That's all that Sudan had.

The Sudanese government then gave oil concessions to Petronas. This was a 'reward' from what we gained by supporting third world countries. Fortunately, or unfortunately, Malaysia had trained one of Sudan's first revolutionaries, General (Omar) Bashir. He was not a General when he came here. He came here for military training and naturally he was very friendly towards us and he gave Petronas the concession. Today Petronas produces 300,000 barrels a day, and there is a lot more oil reserves I think in Sudan. It was not just a waste of money having the MTCP to train people from the poor countries. On the contrary, there were opportunities.

I am not saying that we started the MTCP in order to gain concessions to make money for ourselves. But we were very sincere in wanting to help develop their human capital and to be associated with them. We even went to so far as to start the Langkawi Dialogue where there was an exchange of information on how to run and develop a country. Malaysia has its experience and other countries also have their experience. They have their resources and we have our resources. Thus, we exchange information and we helped each other to develop. They, in turn, set up the South African International dialogue in order to exchange information on how to develop countries in South Africa.

All these were evidence that we were moving closer and closer to poor countries. This was something that a lot of people don't understand – why should Malaysia want to be friendly with poor countries. Malaysia should be friendly with rich people, they said. Had we befriended the rich, the rich would pay for our dinner, but if we had a poor man as our friend, we go out to dinner, you will have to pay. But, somewhere along the line I think we had gained a lot. We had gained not only good friends, but also those who were grateful.

I feel that when you visit the poor countries you are much more sincerely received by them. They are really happy to see you. But when you go to some of the rich countries they couldn't care less. You are just one of those people coming with a 'begging bowl'. Although I never carried the 'begging bowl' – it is against my principle to go and ask for anything from people. We will do things on our own and although we don't have the same kind of oil and other resources we have been able to grow our country and make its economy fairly strong without having to go asking from people.

This is very important because we need to have some pride and we must not go begging from people. Yes, we borrow money sometimes but we borrow money when the money is cheap. We don't just borrow money because we are short of funds. Actually we borrow money sometimes just to benchmark our credit worthiness not because we need the money. We do borrow when it is cheap to borrow. There was a country which has so much money that the banks don't even pay interest to people who keep money with them. And this country offers loan at 0.7 percent per annum repayable within 40 years. It's almost like getting free money.

In this instance, if you use your own money, you are actually losing your money. You know if you can borrow their money and pay this small interest, it's better to borrow. I don't know whether the Finance Ministry would agree with me or not. But if you can borrow at 0.7 percent per annum, don't spend your money. Put your money in fixed deposit, earn six percent and borrow this money at 0.7 percent. That's why we borrow that money. We don't borrow when the interest rate is very high.

As a result of this kind of financial management, this country has managed to grow over the years and has become economically strong so as to be able to stand on its own feet and to raise its nose, literally at the big powers. That is why by positioning ourselves as non-aligned and closer to poor countries, we have been able to truly become neutral. To be able to stand up and tell people that they are wrong and we don't care if they are a giant and we are midgets. But we want to tell them that they were wrong. That has given us a lot of credibility in the world. We can say what we like and still gain their respect.

Of course some countries, much richer than us, but they for some reason or another, are unwilling to say anything because it might annoy certain people – certain people with certain capabilities. If these people are annoyed they can do a lot of damage to the country which is critical to them. But we have been very critical of some countries, powerful countries, but we have still been able to attract foreign direct investment from these countries. That is something that people cannot understand – how does Malaysia criticize these countries and yet attract investments to Malaysia?

What is our position now in the international arena? We are non-aligned certainly. We are closer to poor countries than rich countries. We are independent in the true sense of the word. We are independent financially, economically and politically. We can say what we like and still survive. Not merely survive, but actually we are able to prosper. Now if you talk about positioning Malaysia in the international arena, you can see that we have choices. We have gone through the whole gamut and now we have come to this position of being fully independent, friendly with all nations, big and small and able to stand on our own feet and be critical of whoever we feel we should be critical of. That was the position of Malaysia, until 2003.