

**SPEECH BY TUN DR MAHATHIR BIN MOHAMAD AT 5TH WORLD
CHINESE ECONOMIC FORUM ON THURSDAY, 3 OCTOBER 2013 AT
10.00 AM AT SUNWAY RESORT HOTEL & SPA**

**“Strategic Global Economic Partnership Realising Opportunities
Connecting East and West”**

1. Firstly I would like to thank the Chinese Economic Forum for this invitation to talk on a “Strategic Global Economic Partnership, Realising Opportunities Connecting East and West”.

2. I think by now the nations of the world have noticed that growth and development can only take place where and when there is peace. During periods of war, despite the weapons industry enjoying huge profits, the countries involved often go bankrupt whether they win or lose. This is more so today because the weapons used are extremely costly. Each time a missile is fired millions of dollars would literally disappear into thin air. Additionally the destruction caused by the missile would cost millions more. And trade and industry would stop, resulting in more losses without any money being made by anyone. There would obviously be no economic growth.

3. War as we can see must result in regression, in economic recession. And the cost of reconstruction when war ends would be massive.

4. And so if there is going to be economic partnership between East and West, if there is to be any partnership at all the first essential is to avoid wars, confrontations and enmity between East and West.

5. How do we avoid war? It is as they say easier said than done. But fortunately it can be done. Fortunately there are alternatives to war in the settlement of conflicts between nations.

6. We may have noticed that the nations of Europe have not been at war with each other for the past 60 years. This is remarkable because these are warlike nations which for the past 2000 years, had seen not a year passed without a pair of European countries being at war with each other. So why are they

not at war now? It is because the destruction and the killings and wounding of Europeans during the last great war were so terrible that they do not want to have this disaster befall them again. And they know that the next war fought between them would involve more destructive weapons, including nuclear weapons which could wipe out Europe altogether, or very nearly so. That is why ever since the end of the 2nd World War European nations have avoided war between them. If they must test their devilish weapons, they find some place outside Europe to do so.

7. Instead the Europeans have decided to work together rather than fight each other. They created the European Union and even set up a European Parliament. Their model is the U.S where the states unite. The Europeans hope to form a kind of Federation of Europe when peace prevails.

8. The current crisis in Europe is not because union or peace are bad but because of their living beyond their means.

9. The financial and economic crisis being experienced by Europe is due to bad management. We need not discuss this now. What we need to talk about is how peace and stability has enabled cooperation even between age old enemies like France and Germany. Such is their determination to cooperate in the European Union that German soldiers actually marched along the Champs Elysee on Bastille Day in Paris.

10. Before we can focus on East West partnership we need to ensure peace and stability in the East first to match peace and stability in the West. We can do this only if we downplay the baggage of history. We all have memories of wars fought between us. During wars humans become animals, brutes who do not behave like humans. We kill masses of our enemies, we torture them, we oppress them and we forget completely that they were fellow humans. We kill senselessly, destroying everything merely to express our hatred and anger.

11. Every country in the East has experienced the bestiality of war. Each regards enemy cruelty as unforgiveable. Each refuse to forget the sufferings inflicted the enemy. For what happened in the wars of the past, there will be no forgetting. The enmity must be sustained by reminding ourselves of past wars and atrocities.

12. But if we regard each other as enemies of the past and of the future, then there cannot be any peace between us. There certainly can be no real cooperation between the countries of the East. Obviously the East cannot promote economic partnership with the West.

13. We must remember the past, but not to perpetuate hatred between us. A great philosopher once said, "Those who forget the lessons of history, will be condemned to repeat their mistake (of the past) over and over again". We must remember the past because we need to avoid the mistakes. And the mistakes of the past must include the wars we fought and the brutalities we committed. Remembering these we must strive to avoid wars and the brutalities. We can then have an environment suitable for partnerships.

14. But there will always be minor differences and conflicts between us. If we cannot war against each other, how do we settle these conflicts? We can settle them through negotiations, through arbitration and through courts of law or tribunals. But what if we lose in the process? Well even if we go to war there is no guarantee we will not lose.

15. We have to accept that we cannot always win. We will win some and lose some. But when you lose through peaceful means, no one would be hurt or killed, your country will not be destroyed and there will be no bitter memories to prevent us from having friendly relations and partnerships with each other.

16. If I may I would like to cite the Malaysian experience in the management of international disputes. Malaysia and Indonesia went to the world court over overlapping claims to two islands. The court awarded the islands to Malaysia. Then there is a rock in the sea between Malaysia and Singapore which both countries claimed. We referred the claims to the World Court. The rock was awarded to Singapore.

17. Between Thailand and Malaysia there was a dispute over a triangular area of the sea in the Gulf of Siam near our borders. Negotiation took twenty years. Finally both Prime Ministers agreed that Malaysia and Thailand should share equally the gas and oil produced in that area of the sea. We are doing this now and relation between our countries is friendly.

18. These peaceful settlements have benefitted Malaysia and its neighbours. No one has been killed. No damage has been suffered by anyone. And friendly relations are maintained.

19. If the countries of the East are able to settle their disputes peacefully, the East would be stable and free from destructive wars. We in the East can then explore the establishment of partnership between us and the West. The first move must be to reject war as a solution to disputes between East and West.

20. There would then be plenty of opportunities and scope for East West partnership. However if the partnership is to benefit all the countries of the East and the West, it is important to remember that there are many weak economies in both regions. The problems of the weak members must be given due consideration.

21. Let us once again look at the partnerships of the countries of Europe. The European Union has formulated certain rules and codes of behaviours which every member must comply. These have been formulated largely by the prosperous countries of Western Europe. Among the conditions required for joining the European Union is the acceptance of liberal democracy.

22. Democracy is the best form Government ever conceived by Man. But it is not perfect. Certainly liberal democracy is not perfect.

23. Unfortunately the practitioners of liberal democracy of Western Europe believe that everyone must accept this ideology. And so the poorer Eastern European countries wishing to join the European Union must adopt and practice liberal democracy including capitalism and the free market. Incomes must also be high irrespective of the productivity. And finally every country must accept a single currency both for trade between them and for domestic use.

24. To cut a long story short, the application of these rules and practices cannot be sustained by the poor countries. They had to borrow a lot of money. In the end they became bankrupt.

25. If the partnership between East and West is to benefit both regions the rules must be relaxed for the region as well as the member countries which are not yet able to apply them. Certainly there should not be a single currency. There should only be a single trading currency based on gold and for the settlement of trade between nations. The currency should not be for domestic use.

26. A degree of self protection must be allowed the weaker members of in both the East and the West. It must be recognised that certain internal problems of some countries require that they do not open their markets fully to foreign investors, suppliers or buyers. This particularly concerns Government procurements.

27. There should be a tribunal or truly impartial courts to settle disputes between nations. There should also be forums for Heads of Government and senior ministers and officials to discuss problems and exchange views.

28. Globalisation is perhaps inevitable. But what shape it should take must not be dictated by any one country. It should certainly not be about removing boundaries of every nation. The restriction of movements of goods, services, capital and people must be by common consent.

29. Provided that all these problems are tackled with fair consideration of the weak and the poor, Global Economic Partnership between East and West the opportunities which will result will benefit the East, the West and the world.
