

DOCUMENTATION

Statements by Datuk Seri Dr. Mahathir Mohamad

Addressing the ASEAN-U.S. Economic Conference in Kuala Lumpur, Datuk Seri Dr. Mahathir stressed that ASEAN strongly believed that the strength and stability of a country depended much more on one's ability to intensify economic development than on its armed forces. He said what was important was to provide a better quality of life for the people.

Speaking to more than 200 businessmen and bankers at the Conference the Prime Minister said that these days, wars of conquest were no longer fashionable. He said countries were subjugated through internal upheavals and ASEAN countries were acutely aware of the need to remove the causes of such upheavals. He said ASEAN's economic policies and development efforts were designed to contribute towards political stability.

Dr. Mahathir stressed that if the governments of ASEAN imposed conditions on foreign investors, it was not because of grudges against their profits but merely a need to reconcile foreign economic incursions with national aspirations. He added that "in the long run, the political stability we achieve is for you, much more worthwhile commercially than the short-term profits you might make." Dr. Mahathir said ASEAN, since its formation, had not made any sudden tangential departures from set courses because investors had been known to value predictability highly. He explained, "We do not nationalise, for example. However, if you sell your shares in the market, we may buy them, even up to the point of gaining control. But this is not nationalisation — though some people have tried to make out that it is.

The Prime Minister said ASEAN believed that the objective of stable economic growth could be best achieved in an environment of free enterprise in a market economy. He said ASEAN governments encouraged the private sector to achieve greater profitability through higher productivity and in return, investors and entrepreneurs were expected to be responsible corporate citizens.

On the new international economic order, he regretted that there was still not much headway. He hoped there would be a sincere dialogue, based on a firm commitment to resolve issues and solve problems.

Dr. Mahathir said ASEAN was dismayed at the slow progress of the

major industrial countries to get out of recession and combat inflation. Except for Japan, he said the others appeared to be caught in the web of high interest rates, high consumer prices, high wage demands, low investment, low productivity and low or no growth. In addition, their continuing stagflation was adversely affecting developing countries, especially imported inflation. Dr. Mahathir said it was remarkable that ASEAN was able to maintain a fairly steady rate of high growth in real terms during this period. He said there may be many contributory factors to this situation and that it would not be wrong to say that this had been due to good management of the government and their policies.

Datuk Seri Dr. Mahathir told the participants that ASEAN countries had tremendous resources. Today it provided the world with 91 per cent of natural rubber, 87 per cent of tin, 88 per cent of palm oil, 73 per cent of copra and 62 per cent of tropical hardwoods besides petroleum, copper, abaca and cocoa. He stressed "the world is welcome to these resources, but, while wars of conquests are no longer necessary to get at them, good commercial practices are still valuable.

On Malaysia, which he described as the least known of the ASEAN members, the Prime Minister said certain rules and regulations had been formulated so that while foreign investors were not deprived of their profits, the country and its people would fully benefit from its industrialisation programme. He said the latest move was into heavy and high technology industries and with little indigenous expertise, foreign participation was even more welcome in these areas.

Concluding his remarks, the Prime Minister hoped the American participants would take the opportunity to understand the region better and seek ways to establish better co-operation with their ASEAN counterparts. He said, "If you can do this you would be doing more in the area of North-South co-operation and the establishment of a new international economic order than all the other much publicised meetings."

SOURCE: *Bernama*, 18 November 1981.