

Malaysia's Mahathir fears U.S. may use force to back up economic aims

by Lydia Cherry

Malaysian Prime Minister Mahathir bin Mohamad, in a speech delivered in Bali, Indonesia March 4, called for intensive collaboration among developing sector nations. He discussed in detail his proposal for the "East Asian Economic Group" (EAEG), an initiative that has been severely criticized by the United States since the idea was announced last Dec. 10. Such "creative" collaboration, he explained, "must go beyond our ASEAN subregion, beyond the region of Southeast Asia, beyond East Asia, even beyond the Pacific region." He made clear that the stakes were very high, because the United States is not beyond using military force to back up its economic intentions.

Although Dr. Mahathir, in the lengthy speech, never mentioned the Anglo-Americans' destruction of Iraq, he left little room for confusion. "There are a host of problems for the world arising out of the structural weaknesses of the world's biggest economy and biggest debtor nation, the United States. . . . There is the sole American giant, with immense problems at home and no longer driven by the imperative of the Cold War abroad. We must surely expect a more demanding United States."

Just in case anyone has missed the point, he became more explicit: "We see a situation today of a dramatic rise in the political, diplomatic, and military clout of the United States and a severe erosion in its economic position and welfare. We can expect the application of that enhanced political, diplomatic, and military clout to shore up the economic position and to enhance the U.S. economic welfare. The increased pressures will be political and social as well as economic. Military adventures cannot be excluded."

Dr. Mahathir has established a reputation as being one of the most trenchant critics of the Anglo-American policy of keeping the underdeveloped nations in perpetual backwardness. He heads an Islamic nation in which, two decades ago, the poverty rate was 49% of the population; last year it was measured at 15% of the population. He often explains that Malaysia must strive to become a developed country at par with those of Europe and North America. In his Bali speech, however, he made clear that this vision was not just for his country.

"We must of course be aware of our limited weight in the international arena," he said, noting that "there is every reason for humility. But the corruption arising from a sense of powerlessness is as bad as the corruption of power. If we do not in our own modest ways try to shape history, then we must not bemoan our fate later." On two different occasions in the speech, he quoted Thucydides' Conclusion: "That in the affairs of states, the strong will demand what they will and the weak must yield what they must." The prime minister insisted that "We must work together to make sure that the United Nations is reinvigorated and will serve to deny this Conclusion."

About his East Asia Economic Group initiative, he noted that, because of the group's market size alone, "the EAEG will be listened to. But it will also have the knowledge, the technology and the skills which can become bargaining counters. . . . Membership of the Group by developing countries should serve to remind the other members of their responsibility to the developing world. A concerted effort can then be made to boost the economic growth of the weaker members."

Under Mahathir's proposal for EAEG, the six countries of the Association of Southeast Asian Nations (ASEAN)—Malaysia, Thailand, the Philippines, Singapore, Brunei, and Indonesia—would add to their ranks Japan, China, South Korea, Taiwan, Hong Kong, Vietnam, Cambodia, and Laos. Mahathir's proposal from the outset was in contradiction—and clearly intentionally so—to the existence of another Asia-Pacific economic group, in which the United States, Australia, Canada, and New Zealand play leading roles. The Anglo-American-controlled "Asia-Pacific Economic Cooperation" (APEC) came into existence in 1989. APEC officials met in Seoul during the same week as ASEAN convened in Bali, and it is expected there was discussion on how to sabotage the Mahathir plan. Thailand's *Bangkok Post* reported officials saying that the United States wanted to develop APEC into a broader cooperation meeting including regional security issues, adding that the Soviet Union, Mexico, Peru, and Chile sought to take part in the APEC also.

Two days after Dr. Mahathir delivered his speech, U.S.

Ambassador to Japan Michael Armacost, also in attendance at the Bali meeting, slammed the proposal. As reported by the March 7 issue of the *International Herald Tribune*, Armacost said the plan could fan disruptive economic rivalry between Japan and the United States. Armacost said that the formation of the group would "diminish" the Asia Pacific Economic Cooperation forum, which includes the U.S., Canada, Australia, and New Zealand as well as East Asian nations. Armacost also said that the U.S.-Canada Free Trade Agreement had reduced obstacles to trade between the two countries "without creating a single new trade barrier for outsiders." He said that the Asia Pacific region would remain the dominant trading area for the United States. Armacost stated that his comments had been approved in Washington.

When asked, Dr. Mahathir will explain quite directly that "Malaysia's views were not sought" by President Bush when he announced Feb. 5 that the U.S., Mexico and Canada will pursue a free trade agreement. Likewise, he explained, he didn't plan to consult with America over his brainchild, according to the *Bangkok Post*. Malaysian officials, however, have spent numerous occasions trying to talk rationally to the Bush administration. Clearly it hasn't been easy. Malaysian daily, the *New Straits Times*, for example, on Feb. 9 quotes Vice President Datuk Abdullah Admad Badawi: "U.S. interference will not be in its interests. . . . I think the United States should stop playing the role of trying to supervise everybody. . . . Why should the United States try to sabotage Malaysia's genuine efforts to help achieve this objective especially when countries in the Far East are responding positively to Malaysia's initiative?" he asked.

The Malaysian Islamic Youth Movement, quoted by the same newspaper, was even more direct: the U.S. attempt to undermine the formation of EAEG once again reflects America's "arrogance."

Enthusiasm from neighbors

Early on, the bloc idea made sense to fellow ASEAN countries, especially Singapore's new Prime Minister Goh Chok Tong, who seems to be pushing the idea almost as strongly as is Mahathir. South Korea made its position known on Feb. 20, when South Korean Ambassador to Malaysia Hong Soon-Young welcomed the plan. "We need such a grouping to increase regional trade and regional peace," the Korean ambassador said. He made the remarks after delivering a talk on "Korea and Malaysia in the World Community" at a Rotary Club meeting in the Malaysian capital, Kuala Lumpur.

The government of the Republic of China in Taipei has also expressed support for the plan. The Ministry of Economic Affairs announced Feb. 20 that it supports "the spirit of the Malaysian proposal." The ministry noted that the Asia-Pacific region was the fastest growing economy in the world in the 1980s, but that it has not yet become as fully integrated as other regions. If the Malaysian proposal could provoke an

Asian "sense of togetherness" and strengthen cooperation, it would be "good news," Taipei news service CNA quoted the ministry.

ASEAN must contribute to peace

Dr. Mahathir in his Bali speech, hit the tactics of the industrialized countries: "The countries of Europe and America have a reputation for economic arm-twisting, though not always by governments. Thus 'human rights' records, trade unionism, exchange rates, media treatment, environmental protection, 'democratic practices,' and a host of other issues are used for the suppression of the economic growth of potential competitors. The action taken against the so-called NICs [newly industrializing countries] are illustrative of this. Alone and bereft of friendly support, these countries are not in a position to even protest. Indeed open protest might invite even more severe punitive pressures."

The Mahathir speech was clearly a call to "batten down the hatches" in light of upcoming world turmoil. "Our world cannot afford two generations of turmoil. And ASEAN must contribute to the collective peace, through balanced economic development worldwide," he said. He noted the severe economic recession in the United States, in Canada, in Australia, New Zealand, and the United Kingdom, "democracy and the free market notwithstanding." "We would be foolish to predict our future on a vigorous and fast growing world economy," he notes. He predicts that real commodity prices will continue their downward trend and will offer no relief to heavily indebted developing countries that are still dependent on the exports of agricultural and other raw materials. "The global debt crisis too will not go away."

The situation in East Europe

The situation in the East bloc is even less optimistic, he said. "We must expect continuing and serious instability in the previously tightly controlled states of the Soviet Socialist Republics and Eastern Europe." About East Germany's moves toward democracy, he noted: "In espousing democracy and free enterprise, nations are finding that it is easier to declare the intention, or to overthrow authoritarian regimes even, than to obtain tangible benefits from democratic freedom and the market economy. . . . It is easier to overthrow allegedly corrupt governments than to materialize a government than can rehabilitate the nation. Democracy must not be an end in itself! . . . To succeed, democracy has to become a culture of the people. Its shortcomings must be recognized and accepted and circumspection must be applied to it as with every system of government. The universal acceptances of liberal democracy are to be welcomed, but the dividends can only come if we appreciate the need to organize and arrange a system that will replace confrontation. There will be no dividend if in the affairs of nations the Thucydides' Conclusion still apply: 'That the strong will demand what they will and the weak must yield what they must.' "