

MAHATHIR MOHAMAD
Achieving True Globalisation

Books by Mahathir Mohamad

Achieving True Globalisation
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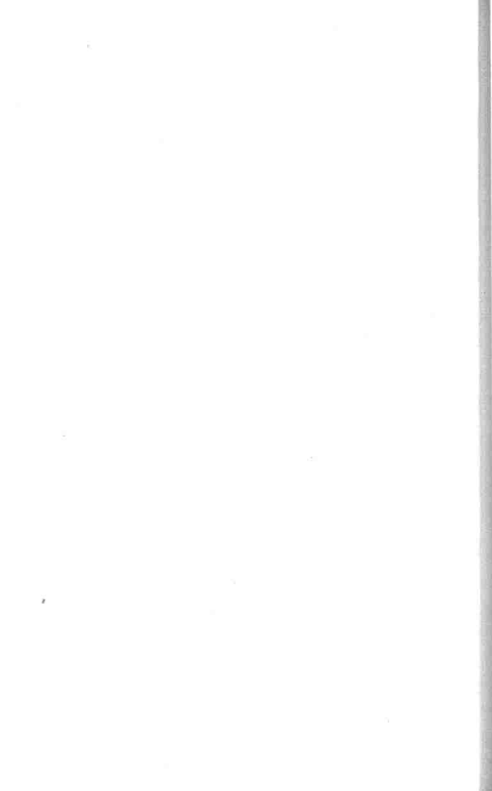
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Chapter ONE INTRODUCTION

I AM ENDING my career as Prime Minister of Malaysia in October 2003. It has been 22 years since I first came to office to serve the country in July 1981. It is my belief that I have been Prime Minister for too long a time, having served as the Prime Minister much longer than any other Prime Minister in Malaysia's history.

Why I decided to resign

In fact, I wanted to step down in 1998, but the country was facing a currency crisis and I had a problem with my Deputy. Consequently, I could not leave with the country in crisis and without a successor. Otherwise, I would have stepped down in 1998.

As a result, I postponed my retirement until I could find a person to take my place. But the currency crisis and the general election in 1999 showed that the party was weak. I could not leave the party in such condition. I had to

postpone my decision to resign until June 2002, after the party (UMNO) General Assembly.

I believed the party had recovered sufficiently to carry on. And I thought the country was again in good shape, although we still had problems with which to contend. I did not consult anyone on the timing of my resignation although I had spoken of the possibility of my resigning with one of the ministers very much earlier. I asked him whether I could resign then, but he was against it. I then asked my Deputy whether or not he was ready to take over from me, and he said he was ready. That was about a year or two before my decision to resign. Hence, nobody knew the date of my resignation. Last year, I thought the best place to announce my resignation was the General Assembly of the party. I made my announcement on that occasion. Everybody was upset and some women cried. It was a highly emotional occasion.

I thought that would bring the matter to a conclusion, but I was persuaded to stay on while they made preparations, so I stayed on, agreeing to continue until October 2003, because we have two major conferences. One is the Non-Aligned Movement (NAM) Conference, and the other is the meeting of the Organisation of the Islamic Conference (OIC). I would step down after these conferences. Some in the party did not think that the period I agreed to stay on was long enough. Many still harboured hopes that I would carry on. But I made the decision that I have served my country long enough. Twenty-two years as Prime Minister is a long time.

Choosing the best time to resign

There are varied opinions as to when a leader should resign. In some countries, a prime minister cannot serve more than a certain period of time—one or two terms in office—and sometimes there is an age limit—leaders must retire at a certain age. But in Malaysia, there is no retirement age for a political leader. I can still go on until I die, or as long as people wish me to carry on, or I am removed from office. But I believe that a leader should resign after everything has been put in order. The party is doing well, the government is doing fine, and the country is in good shape, and that I think is the time when a leader should resign.

If you resign when the country is in a bad shape, it is not fair to the person who is taking over, because he will have major issues to resolve. Accordingly, I waited until I had put almost everything in order. My party is now strong, the government is strong, and the country is progressing smoothly. Of course, there will always be obstacles to confront, but after 22 years, I am satisfied with my endeavours. Therefore, I believe the time is ripe for me to resign as leader.

It is the tradition in Malaysia that when the Prime Minister steps down or dies, the deputy takes over. In line with this tradition, my deputy will take over the office in October 2003. He has been working as my deputy since May 2000. He knows how the administration is run, and how the policies are formulated and implemented. Members of the Cabinet practise collective responsibility. We do not do things on our own. Even with me, I have to inform and get the agreement of the Cabinet for whatever I want to do. Whatever we do, it is the joint responsibility of

the Cabinet. If I have an idea, I put the idea forward, and if it is accepted, only then can it be implemented. The question, as ever, is whether the leader has the right ideas or not. However, we are all familiar with the way the government works: the policies are already in place. When he succeeds me he will continue with the same policies. Of course, there may be some changes: he will have his own style. I have no doubts, however, that he will succeed in his task.

The concept of the EAEC

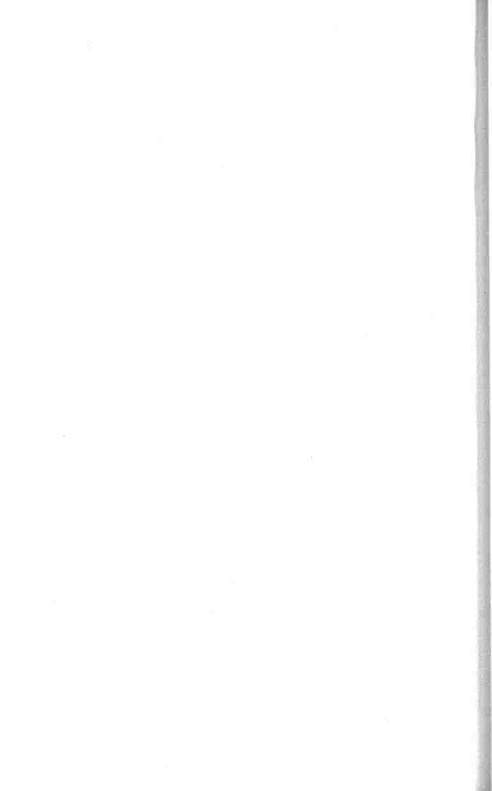
Although my proposal for the East Asian Economic Grouping (EAEG) made in December 1990 has encountered some difficulties, the original idea has now been accepted. It has become a reality under the "Asean plus 3" arrangement.

The EAEG was supposed to be a loose consultancy forum for East Asian nations. The proposal then was for countries in the region to work together to identify common problems and to promote regional economic interest. It was also to be a platform for countries in East Asia to coordinate their positions and speak with a single voice in international forums. It was not to cover all of Asia: Asia is a very big continent with people of different ethnic groups, different cultures, and different languages. West Asia is different from East Asia; South Asia is different from Central Asia. Consequently, we decided to begin with East Asia and later on we could expand little by little. Even Europe started off with only two countries, and now the European Union (E.U.) covers almost all European countries. It has, however, taken nearly 50 years. Given

such lessons of history, any idea of an Asian union, or grouping, should begin with East Asia and slowly expand to cover other Asian regions. In October 1991, the EAEG was changed to the East Asian Economic Caucus (EAEC) by Asean ministers, in order to overcome U.S. opposition.

China was supportive of the idea. South Korea was quite supportive as well. Nevertheless, even some Asean countries were worried that the U.S. did not approve. Japan, of course, was unwilling to support it because of the U.S. pressure. In the end, however, "Asean plus 3" comprises the very same countries that were originally envisaged as members of EAEC, and it is actually East Asia. Whatever name it may be called, its essence remains the same. It is my opinion that "Asean plus 3" and the East Asian Economic Caucus are the same thing.

The idea of an Asian Union may take longer to realise. One must remember, nonetheless, that E.U. began with the European Steel and Coal Community (ESCC), and went on to become the European Economic Community (EEC). By a gradual process, they slowly built up their common market and common currency, which eventually led to the E.U. It has taken them more than 50 years, although they are people of practically the same ethnic group with the same culture, and the same basic language of Latin. We are, of course, very different. Even if we merely achieve an East Asian Union in 50 years, it will be still progress. Asia is a very big continent, so it is natural that progress is slow. It will take more time, but we have a good European model. Even if the progress is slow, I think the idea of an Asian Union should not be forgotten.



Chapter TWO THE IRAQ WAR AND FIVE ILLUSIONS

THE WAR ON IRAQ and the events leading to that stage of conflict are highly important for understanding the future structure of international relations. While I personally regard this war as manifesting a conflict between unilateralism and multilateralism, the key issue is the U.S. rejection of the international system of decision-making. After World War I, the League of Nations was formed in order to put an end to war. People would not resort to war to settle disputes, except for reasons of self-defence or if sanctioned by the League of Nations. However, the U.S. later withdrew from the League of Nations.

After World War II, the United Nations (U.N.) was formed for the same purpose—to put an end to war. There is no room for war in civil society. War should not be a tool to end disputes and conflicts between nations. If there is to be a war, it should be the last resort. The genocide in Cambodia should warrant a war to remove the Khmer Rouge regime and free its people. It should be undertaken by the U.N. after all efforts have failed. The U.N. can

assemble international forces to prevent such inhuman behaviour from going on. Recently, in Africa, some five million people were killed in a bloody civil war. Despite such carnage, the U.N. did nothing. In Bosnia, some 200,000 Muslims were slaughtered by the Serbs before the U.N. took action to stop the killing.

The U.N. was not actively involved in the War on Iraq. World opinion was firmly against the war, but the world's most powerful nation decided to go to war not really for reasons of self-protection but merely to remove a government that it did not like, accusing the government of oppression, and of having weapons of mass destruction (WMD). There are many other countries where there is oppression, and there are many countries that have WMD. Obviously the U.S. war on Iraq was not about Saddam Hussein's oppression of his people or about WMD. It is more likely to be about oil.

This action has serious implications for other countries. Countries such as Iran and North Korea might also find themselves subject to attacks by this powerful nation, because their governments are viewed negatively by the U.S. Syria may find itself subjected to heavy pressure and may even be attacked and occupied. Iran, North Korea, Libya, Sudan and all those countries branded by the U.S. as the "Axis of Evil" which support terrorists could be invaded and their "regimes" changed at any time. Any other country, for that matter, that is accused of possessing WMD could face U.S. action.

We should not forget that the U.S. holds the largest arsenal of WMD. They declare, however, that they will not use nuclear weapons other than as a deterrent. Despite such

declaration, the U.S. is already raising the possibility of using nuclear weapons in certain circumstances. The U.S. is also justifying the concept of preemptive strikes, claiming they are prepared to attack a country before that country can mount an attack on them. They talk about using nuclear weapons in a preemptive war, using small nuclear warheads that can penetrate bunkers. There is little chance of survival against such powerful weapons. This current U.S. strategy effectively means there are no longer any international norms or international laws. The most powerful nation on the planet seems to believe it now has *carte blanche* to do whatever it likes.

War involves killing people, and in Eastern civilisation, we hold the belief that one should not go around killing people to achieve one's objectives. That is why Malaysia is opposed to this war on Iraq. My view is that relations should not be based on military power. I believe we must reduce global tensions through negotiation. Military power means the strongest always win even if they are wrong.

The French stance is that there should be no war unless the whole world—or at least the U.N.—sanctions it. This is a very principled stance. The Germans and even the Russians hold the same stance. The U.S. believes, however, that it can ignore the whole world and do as it pleases to protect what it considers as its national security.

As has been subsequently proven, however, there was no threat to U.S. security from Iraq. No WMD were used by it during its defence. WMD have not been discovered. This fact renders the U.S. excuse to invade Iraq unacceptable. The U.S. is under the obligation to admit that it has made a mistake.

As I see it, the real reason the U.S. attacked Iraq in the first place was to make it known to other countries that if they do not accept U.S. demands, they are likely to be attacked. An atmosphere of fear envelopes the world now, especially the Muslim world. Muslim countries fear being bombed, invaded, and seeing their people killed if they do not support the U.S. The message of the Iraq War was that failure of countries to accede to U.S. demands follow the U.S. could lead to their being invaded and occupied, which is hardly a reassuring message in terms of international relations. Countries have a duty to be principled in their actions, regardless of their military might. Military force should not be used as a weapon to enforce justice.

An illusion called Pax Americana

Although oil may be one of the reasons the U.S. went to war with Iraq, the most obvious point is that the U.S. desires to assert its supremacy over the world. The U.S. wishes to demonstrate that countries opposing it run the risk of bringing war upon themselves. Already, several leaders in America talk about a Pax Americana—a world completely under U.S. control. As the world is made up of people of differing ethnic groups with different value systems, it is impossible to control it unilaterally. To do so by force would be to create yet more conflicts and hatred.

For instance, I was in Doha, Qatar, just prior to the outbreak of the Iraq War, attending the meeting of the OIC. In that meeting, no unanimous decision was reached regarding the U.S. attitude to Iraq; some Islamic countries were prepared to support the U.S., some were opposed. Few governments took particularly clear stances *vis-à-vis* the

War. After the war, however, according to one survey, most Muslims were anti-America, even countries that were once pro-America were no longer so. Opinions were voiced that Osama bin Laden was right, and that he should continue his struggle. This all resulted from the U.S. attack on Iraq, an attack that has had the most negative of consequences. The use of force and the enforcement of certain values serve to create unnecessary friction.

The current U.S. attitude towards international relations is described in some quarters as a "new isolationism." As I see it, however, it is not quite isolationism. Historically, the U.S. withdrew from the League of Nations, and chose to look after only U.S. interests and not those of the rest of the world. At this moment, however, they are not withdrawing from the world. Instead, they pay no regard to world opinion and proceed as they see fit. If they wish to go to war to achieve their purpose, they go to war.

Consequently, it is not isolationism. The U.S. wishes to convert the whole world to the American way of life. That is the present policy of the U.S., a tendency that seems set to continue. The U.S. shows scant regard for the opinions of others. They have rejected the Kyoto Protocol (the 1997 Kyoto Protocol on climate change), shown disregard for the world protests against the Iraq War, and ignored the anti-war demonstrations staged within the U.S. itself. The U.S. attitude is to show disregard for the rest of the world. No major differences are evident between Democrats and Republicans in the U.S. on the Iraq issue.

An illusion called the "Clash of Civilisations"

Since the terrorist attacks on September 11, 2001, the battle continues between anti-American organisations and the U.S. forces. Air raids in Afghanistan aimed at destroying Taliban authority there and direct military confrontation with Iraq are the consequences of the so-called "war on terrorism". Should this antagonism continue, the concern is that this confrontation will come to be understood in a much broader spectrum as a clash of civilisations, as a war between blessed Christianity and evil Islam.

The reality is that the West feels a sense of discomfort with Islam at all levels, which is often reflected in immigration policies and others. Until deliberate anti-Iraq sentiment was stirred up for political purposes, however, the ordinary people were not against Iraq simply because it was a Muslim country. Furthermore, the majority of Muslims do not regard Christians as their enemy. It is not a clash of civilisations in this sense. Nevertheless, some people would like to see a clash of civilisations happen because of their own political interests.

It is in the Middle East where the clash of civilisations is strongly felt. When Palestinians fight against Israel, however, they do not see it as a clash of civilisations. The term "clash of civilisations" was first put forward by the renowned American political scientist, Professor Samuel P. Huntington, some years ago in his controversial essay, "The Clash of Civilisations?" (1993). In his view, the West need to have an enemy always in order to justify their having huge armed forces and being militarily powerful.

For Israel, a clash between Christians and Muslims would mean strong sympathy and support for its aggression against the Palestinians and occupation of Palestinian territory. However, I do not think that all Christians would subscribe to the idea that they should always fight against Muslims simply because they are Muslims. Accordingly, this is not a clear-cut situation. Although we may be tempted to call this a "clash of civilisations", if we take all things into consideration, we see that that is clearly not the case.

The danger is, however, that when this term is used to characterise any single incident, it could generate wider confrontations between people simply because they fall within one category or another.

On the other hand, President Mohammed Khatami of Iran, a staunch Muslim, rejects the idea of a clash of civilisations, and puts forward the concept of "Dialogue between the Civilisations." Personally, I concur with President Khatami. Relations between people should not be confrontational because no civilisation is perfect. No good reason exists for relations between civilisations to be confrontational. The defeat of one civilisation by another is not based on right and wrong but on the basis of the stronger winning. That said, the strong are not always in the right. It is far better for all civilisations to thrive and for all people to work together so resolve their differences.

An illusion called Democracy

In our modern world, only one system is permitted—democracy. Eschewing democracy can lead to major trouble, and even to the country in question being subject to invasion. Once defeated, that country will be forced to accept democracy. Yet democracy is about equality, about the freedom of thought and choice. The invaded country, however, has no choice in the matter. It is not democratic when one forces democracy onto a country that one considers undemocratic. It is also a fallacy to claim that there is only one form of democracy. Many forms of democracy exist, all with their own faults. Various types of democracy—none of which is perfect—are possible.

At this time, however, countries are being left without a choice. Communist countries call themselves Democratic Republics but that fails to satisfy the Western democracies. Those countries remain at risk of invasion. North Korea is being threatened because it is a communist authoritarian country even though it calls itself "The Democratic Republic of Korea". Being democratic is no longer enough—one is also required to practice the liberal democratic system as practiced in the U.S. As a result, confrontation and instability is rife, as different countries must deal with different domestic situations and there is no single way of doing this.

Second, it is not wise to change systems over a short period of time. It hardly needs to be reminded that democracy took more than 200 years to develop in Europe. It was a very gradual process. Initially, women could not vote. Only 20 years ago in Switzerland, women did not have political rights.

It took a long time to develop democracy to its present level. Of course, one learns what is possible and what is not within the system. Freedom never comes free: one can do some things in some places, but not all things in all places. Democracy developed in such a way as to adjust to the uniqueness of societies and nations. As a result, we have many varieties of democracy, each of which should be respected, for they are the result of a long history of trial and error. Because of that, it is difficult not to conclude that the U.S. effort to bring democracy to Iraq by conquest is doomed to failure.

Democracy, at least at present, is the best form of governance, but by no means a perfect one. The weakest point of democracy is corruption. Much corruption is engendered in democratic systems: corruption of the people who offer themselves to be elected. When elected politicians must continuously bribe the voters with government funds in order to remain popular and strong. The voters feel they have power—the power to elect somebody. They make demands, requesting something in return for their votes. They may request regional development, or they may simply request money. Democracy clearly confers power to the voters, which also has a corrupting effect on them. Some politicians may use religion to gain votes, falsely claiming that their religion does not allow voters to vote for certain candidates or parties. This abuse of religion is a form of corruption. The problem of corruption is intrinsic to democracy.

In the U.S., people who donate money gain influence, and people who do not have any. The same thing happens in the U.K. Candidates need money to fund their election

campaigns, and people give them money expecting some returns. Since even the voters are corrupt, democracy is a corrupt system.

If people know the system long enough to understand the adverse effects of corruption, it is possible for democracy to develop. However, people who are suddenly bestowed with the corruptive influence of democracy will try to make use of it and vote for corrupt people to form the government. It must be recognised that democracy is far from perfect. The only country to have used the Atomic Bomb is a democratic country. Democracy is not more humane than other systems, either.

In democracy, one has the freedom to choose one or the other. When democracy is misunderstood, however, and freedom misinterpreted, the result is anarchy. One might say a stable Iraq with Saddam Hussein at the helm is better than the destabilised Iraq we witness today. For instance, in one particular country, once a government is elected, the opposition goes on general strikes and demonstrates everyday. As a result, the country becomes unstable, does not develop, and the people have no jobs. The government thus collapses. Another election is held, and a new government is elected. The members of the former government then foster general strikes and try to bring down the new government. In the end, anarchy prevails. This is what could happen to a democratic country.

With these drawbacks to democracy in mind, when one tries to adjust to a democratic system according to one's social characteristics, it is advisable to do so slowly. Slow change is always superior to sudden change. Sudden change always causes disruptions. Slow change also

generates some disturbances, but time is available to make adjustments. Change must be gradual, not overnight. We have seen what happens when a dictatorial government decides to be democratic the next day. The result is not democracy. The result is anarchy, because people with no knowledge of the system abuse their freedom.

An illusion called the War on Terrorism

Since the events of September 11, 2001 in the U.S., concern has grown that terrorism against the U.S. will expand and spread all over the world. Especially after the Iraq War, because the conventional war has been lost by the Iraqis, concern has been mounting that they will resort to terrorism. In this regard, it is important to understand that when somebody attacks you, there must be a reason. The U.S. must address the root causes of September 11 if it truly wishes to stop the attacks.

September 11 was a consequence of continuous U.S. support for Israel against the Palestinians. Israelis are killing Palestinians. The people who attacked the World Trade Center (WTC) did so because of the oppression of the Muslims in the Middle East. Consequently, fighting between Israelis and Palestinians should be stopped in order to prevent another September 11 from occurring.

Instead, however, the U.S. is taking the attitude that, since it is a powerful military nation, it can use military force to put an end to such terrorism. What they are in effect doing is terrorising the terrorists, a tactic they learned from the Israelis. If, for instance, a suicide bomber kills people, they will kill his family, destroy his home, his

town, and destroying everything. It is an attitude of magnified revenge, the Israeli policy of terrorising the terrorist that the U.S. is now adopting. The U.S. policy of dealing with terror by employing even greater terror is one of the roots of the problem.

This tendency will escalate in the future. When the U.S. has dealt with Iraq, they will probably move on to other countries. It must also be noted that some European countries are also afraid of the U.S.

An illusion called the Freedom of the Press

A widely accepted view is that reports covering Iraq War have been objective in comparison to the Gulf War. The argument is that journalists were allowed to join the U.S. army to report freely on the battlefield. It would be foolish, however, to believe that freedom of the press exists anywhere, including in the U.S. and Europe. Press freedom is always controlled, be it by the government, the owner or the editors.

Governments, at least, are elected by the people, and thus have a responsibility to them. The electronic media, however, are often controlled by their owners. Rupert Murdoch of News Corporation, for instance, owns many newspapers, TV channels and other media. There was a time when one was not allowed to own a newspaper and a TV channel at the same time. Unfortunately, however, such regulations have since been removed, so that one man can control all the news given out.

Murdoch has his own agenda that he may wish to further by using the media. As a result, what gets published

in his media is censored to meet that agenda. The media blocks things he does not wish to see published. For instance, although I spoke for half an hour yesterday at a conference I attended, not a single word was printed in the Japanese media. I spoke in front of 600 people, and although other speakers at the same conference were highlighted in the Japanese newspapers, I was not even mentioned as having attended that conference. One must conclude that the press is far from free.

In that conference, I spoke about the Europeans and the Asians. I said that Asians tended to follow the Europeans, and were not capable of initiating things on their own. Europeans have been making mistakes on many occasions, but Asians follow the same path and make the same mistakes. Because I mentioned Europeans and Asians, and a former U.S. Secretary of Defense. was present, I think the Japanese press did not want to publish what I said. It is clear that someone has made a decision not to allow what I said to be printed.

That is one example of the way the media is controlled. It is far from the case that the government is the only agency that controls the media. The owner can control it, the editor can control it, and even subeditors can do so by choosing what is to be reported. If somebody says something they do not like, they just stop it from being broadcasted, printed, etc. To talk of press freedom is naive, really: press freedom does not exist.

On the topic of reporters in the Iraq War, I think this is the first time they have had what they call embedded reporters. These embedded reporters went wherever the U.S. forces went, and saw the battle from the same

perspective as the U.S. troops on the ground. Of course, this perspective was by nature limited. What the public received was a story that was biased in favour of one party. It was not free reporting, it was reporting influenced by the people involved.

Actually, watching the BBC's coverage of the Iraq War and comparing it to what was shown on FOX News, for example, yielded two completely totally different pictures. The BBC reported more or less objectively, but FOX set out solely to portray an "evil" Iraq and an "evil" Saddam Hussein. The same can be said for the Voice of America (VOA).

Bias also pervades the independent Arab media such as al-Jazeera. My belief is that both sides must be objective in their reporting. Al-Jazeera should give both sides of the story, and so should VOA. Their failure to do this makes clear that we have no press freedom. No media is beyond reproach: al-Jazeera is controlled by its own agenda, as is the VOA.

If one really wishes to talk about true freedom of the press, then everybody's opinion should be published, regardless of what it may be. In reality, however, this is never the case. To date, there has been no real free press. Editors decide whether or not to publish something. A writer's freedom is always curtailed. Only education can pave the way for readers to be in a position to judge the objectivity of the media. If people are given proper knowledge and moral values, they will not only stop doing what is bad, but also understand how to distinguish between good and bad.

Chapter THREE

THERE IS NO GOD OF WAR

A GENERAL TENDENCY exists among the world's people to have an image of Islam as being violent and anti-Western. This image is wrong: in fact, the generally held images such as Islam being anti-Christian or Islam being anti-Semitic could not be more wrong.

Is Islam violent?

The first misunderstanding about the Israeli-Palestinian conflict is that Arabs and Jews have been fighting each other for 2,000 years. Nothing could be further from the truth. The fact is that it was Christian Europe which persecuted the Jews. During the Spanish Inquisition, the Jews escaped death and persecution by migrating together with the Muslims to North Africa, Morocco, Algeria, Egypt and the Turkish Ottoman Empire. If the Muslims had been anti-Jews or anti-Semitic, the Jews would have preferred to stay in Christian Spain after the "Reconquista". If today the Muslims regard the Jews as their enemies, it is because

Muslim Palestinian territory had been taken to create the state of Israel. Then Israel conquered and occupied more Palestinian land and killed many Palestinian people.

Initially, the Arab tried to regain Palestine through a conventional war. Jordan, Syria and Egypt fought wars against Israel to liberate Palestine. But they failed because the Europeans and the Americans helped Israel. When the Arab countries realised they could not defeat Israel in a conventional way, they stopped attacking it. The Palestinians were left to try and recover their land on their own. Not having an army of their own, they resorted to *Intifada* (or resistance).

They started with children throwing stones at Israeli armoured cars and at soldiers. The Israelis retaliated first by shooting rubber bullets and then with real bullets. Many Palestinian children and also adults were wounded or killed. The Palestinians became angry and started to attack and kill Israeli civilians. Many Palestinians were killed when they tried to do this. They then started suicide bombings in Israel. They also hijacked aircrafts and attacked Israeli athletes in the Munich Olympics.

Seeing the suffering of the Palestinians, other Arabs decided to join in the fight. Finally came the September 11 attack on the World Trade Center in New York.

Every time there was an attack by Muslims, they were called Muslim terrorists. But if the attacks are by non-Muslims, their religion is not mentioned. Terror attacks by Protestant and Catholic terrorists in Northern Ireland were not called Christian terrorists. Hindus attacking Muslims in India are not called Hindu terrorists. The Aum Shinrikyo terrorists are not described as Buddhist

terrorists. But if the attackers happen to be Muslims, they are called Muslim terrorists. Such branding is wrong because their violence is not at all related to their religion. Muslims in Malaysia are not violent, and the same is true of most of the people in the Middle East.

Guerrilla tactics are a form of fighting against superior organised forces. In Northern Ireland, non-conventional warfare has been used by the Protestants and the Catholics to claim their rights and achieve their goals. The Basque separatist movement in Spain, violent protests demanding autonomy in French Corsica, the independence movement in Mexico, and in the Philippines—all these movements resorted to terrorism to achieve their goals. Clearly, it is not just Muslims who are violent. Furthermore, it is wrong to equate religion with violence. People pushed into a corner will always fight against their oppressors with whatever means at their disposal. What is important is to probe into the causes of the violence; one should not avoid reality by saying it is the violent nature of non-Western society.

Islam is 1,400 years old. Compared to Buddhism, Judaism and Christianity, it is a relatively young religion. Accordingly, it still has a very strong grip on religious thinking. Those who have now discarded religious beliefs cannot accept that there are people who still value such beliefs.

Most people in other religions are pragmatic. They deal with reality and view religion as no more than a formality of their society. There is a conflict between those who are pragmatic and who believe that they can do everything with scientific knowledge, and those who believe in spiritual values, as in Islam. Christians or Jews

had the same spiritual values in the past. In the case of Islam, however, these values are still fresh. Therefore, Christians and others who have discarded their religion cannot understand people who still insist upon seeking divine help. That is the problem we face today.

Why humans became violent

We should recognise that most of the people who mention the name of God today, unfortunately, are not religious. In the Iran-Iraq War, both sides claimed to have been fighting in the name of God. We should know that there is no God of War; God never recommends killing people whom He has created. Failure to understand this makes religion a source of conflict.

Religion is not complicated. It is human behaviour that changes religion. Christianity was founded 2,000 years ago as a very simple religion concerning the will of God and one's submission to Him, and the belief that everything comes from Him. In time, however, people began to interpret Christianity in different ways. Schisms ensued as Christianity divided into sects: the Catholics, the Orthodox Church, the Protestants, the Huguenots, and all the others. Rather than being Christian, these sects represent different interpretations of Christianity. As a result, people get confused due to these multiple interpretations.

The same thing has happened to Islam. Over 1,400 years, there have been thousands of people who have interpreted Islam in different ways, and who insist that their interpretations are correct although they are different. So,

among Muslims, we have the Sunnis and Shi'ites, and within Sunnis, we have different sects. The Shi'ites have 12 different *imams* with different interpretations. Each one claims that his interpretation is the right one. But that cannot be true, because there is only one Islam—not a thousand different Islams. Due to the many interpretations of the religions, Judaism, Christianity and Islam, people get confused and they do the wrong thing.

Islam means peace, and Muslims must not fight others unless they are attacked, regardless of whether they are Muslim or non-Muslim. Some Muslims, however, advocate fighting against non-Muslims or among Muslims. That is not the teaching of Islam. It is not religion that is wrong; it is the people who changed the true meaning of Islam. Even the Christians blame the Jews for the crucifixion of Jesus Christ. Therefore, every now and then, they would kill Jews in Europe. That was not because of the teachings of Christianity. Evil people must be blamed for making religions appear to advocate violence. It must be remembered that Jesus himself was a Jew, and his teachings have been made to go beyond any religious framework.

God created human beings. He gave to Man the good teachings of religion through his Prophets. But the followers of his religion kept interpreting and practicing this religion wrongly, and transformed love into hatred, peace into war, and confidence into suspicion. People say science is almighty, but when we ask why things happen the way they do, science can only explain *how*, but cannot explain *why*. In the end, scientists say, it is Nature. But why should Nature cause things to happen the way they do. Science has no answer to this. In the end, we have to admit

that there is a power that we cannot explain. And that power is God.

The aim of life

In my view, humans were not born to live, eat and die, leaving nothing behind. Physically, of course, people leave something behind in terms of their children and grandchildren, and so on, which means life is perpetuated. Beyond that, however, humans have to contribute to the betterment of the world, society, and the environment in which they live. They should not just live and grow old and die. They must solve the problems of life, improve the quality of life, and leave behind a contribution towards that. When they die, they have to leave more than just children and grandchildren behind.

What makes human beings so special and different from other creatures is that, of all the creatures in the world, humans have made the greatest progress. Humans have an infinite capacity to think, evaluate things, and change themselves. Unlike other creatures, they do not just respond to their environment or become influenced by their environment. Other creatures, who merely react to their environment, have minimal capacity to make adjustments and maintain their surroundings. Humans can change and adjust themselves to their environment. Humans can ponder, reason, and think logically, which makes us different and arguably superior to other creatures.

As a result of these abilities, humans can create a better environment, improve the quality of life for everyone,

reduce conflicts and avoid war, which, I believe, is what life is all about.

"Prosper thy neighbour"

In these times, all countries of the world are neighbours. Malaysia believes that by prospering its neighbours, Malaysia also prospers: it is win-win formulas in which when we help our neighbours, what benefits our neighbours will also benefit us. This is what we call the "prosper-thy-neighbour" policy of Malaysia. This concept was born out of the observation about how Malaysia developed. We had no industries, and could not start on our own because we did not have the technology, capital, knowledge or managerial skill to do so. To overcome this, we invited Japanese companies to come to Malaysia. The Japanese companies that came invested here and created jobs for our people. When our people get jobs, they have money to spend. When they have money to spend, they can buy things made in Japan. When Japan helped Malaysia to industrialise, it was also actually helping itself. Japan based its industry here and also earned profit for itself, which we did not mind in the least, because the net result was prosperity and employment for the Malaysian people. Furthermore, when the Malaysian people prosper, they buy goods from Japan. Investing in Malaysia is also building a market for Japan, which is why we call this the "prosper-thy-neighbour" policy. Helping others to become rich also brings gain and profit to those providing the aid. In stark contrast, having poor neighbours creates problems for a country. There is a likelihood that these neighbours will cause all kinds of problems, such as migrating to your

land, or even attacking you. Consequently, it is better to share profit with others as opposed to being greedy and attempting to keep everything for yourself. This ideology is termed "enlightened self-interest". Its fundamental tenet is that doing something that is good for others is also good for you. Our belief in helping others is based on this theory.

Malaysia spends large amounts of money training people from many developing countries. We receive trainees in Malaysia—to train in administration, for example—and we pay the costs for training them. This is part of our efforts to prosper our neighbours. In the international community, a few countries hoard most of the world's wealth, condemning the rest to poverty. This imbalance contravenes the spirit of "prosper thy neighbour." As a result, immigrants from poor countries create many problems for richer nations, and those who justly complain about the unequal distribution of wealth learn to hate the rich and may finally resort to violence.

It is a natural law that those who help others will be able to prosper, and those who only care about their self-interest will face problems from others. Today, the world is driven by a few rich and powerful nations, who behave as if they are free to do whatever they wish in order to prosper themselves. This attitude creates violent resistance on the part of the oppressed and the poor. If the rich and the powerful respected and followed the teachings of religion, such friction would never arise.

In fact, "prosper thy neighbour" is part of the teachings of Islam, where one has responsibility for helping one's brothers and sisters and the poor. Indeed, not only Islam, but all religions contain such teaching. In Islam, however,

the stress is put on helping others. We have *zakat*, which is a wealth tax, not income tax. A person who owns property worth a million dollars must give 2.5 per cent of it every year. It is possible to work to make it grow every year, but as long as one has so much property, 2.5 per cent must be given as tax to be redistributed to the poor. That is a principle that existed long before income tax.

It is possible to make profit in Islam, but that profit should be fair and not excessive. Not making excessive profit means other people will not suffer. In addition, people are required to give back some of the profit that they make. These are the teachings of Islam.

However, some people want to make more and more profit and keep it to themselves. An example is pharmaceutical companies that manufacture drugs for the treatment of AIDS. These companies make a huge amount of profit, so much so that poor people cannot get treatment for AIDS because they cannot afford to do so.

That is forbidden. You must also be charitable. You should not make excessive profit. If people are concerned about the welfare of others, then there will be peace among people. There is no peace if there is an extreme disparity between the rich and the poor. But now you see that people are not only making excessive profit, but they also want to take what others have. They want to invade other countries; they want to take the wealth of other countries. This is what is happening now, causing so much disruption, war, fighting and turmoil.

The true meaning of religion

Human beings are the only creatures that know that they will die. Humans can think about the meaning of life because they know that they will die. If I am asked what is the meaning of religion, I will answer that it is a faith to bring peace of mind within yourself and in the world.

We should recognise Divine existence, who created this universe and who presides over it. Then people must understand that they cannot bring along all their materialistic properties when they die. And that the death of your body is not the end of your spiritual life. Religion is a tool to understand this. So, Christianity, Buddhism, Hinduism, Islam, and all other religions will lead you to the same mountaintop.

Material things are not sufficient for human beings. You can eat, you can drink, and you can enjoy yourself, but then you come to the stage of asking yourself what is the purpose of all these? This question comes to you because you will eventually die. When that question comes up, there is a tendency to seek some peace of mind through a belief in religion, that there is a Superior being who is in charge of all these things. You must have faith in Him. Only then will there be peace of mind. Otherwise, you ask yourself, well I am a billionaire, why do I have to die? So there is no peace of mind. Religion has a role of promoting the best values, the values that would contribute towards your internal peace, your spiritual peace.

And when you know that there is a greater being than you, then you become more humble. Otherwise, you think you can do everything; if I want to kill a person, I can, because I am powerful. But when you think there is

someone who is greater than you and that one day you have to die, at that stage, you seek to find some belief so that death is not the final thing, that there may be something after that.

Much faith has disappeared in the Christian world. They no longer believe; they even desecrate their churches, their places of worship. Because they say, "well why should I believe? If I eat, then I will live. What has it got to do with God?" So they do not thank God for their existence. They say it is Nature.

But if you ask them what Nature is, they cannot answer. Religion can answer why, whereas other disciplines, like science, merely answer how. For example, water is made of oxygen and hydrogen. When we ask why oxygen and hydrogen and not other elements, people cannot answer. So there is something much bigger that we cannot comprehend that seems to control all these things. At that stage, when you cannot answer, you have to attribute it to something beyond your logical thinking. That is why you have to believe in a superior power which determines all these things. That is what religion is all about. We know that what human beings can understand is only a tiny part of the whole universe. We cannot understand the law that governs the entire universe. And we are far from understanding the Divine will that governs everything in the universe.

Even among leading scientists, there are those who believe in the Divine spirit, which modern science cannot explain. Science has reached the stage where they can explain how the universe has been created and developed to the present situation, but it still fails to explain why the

universe was formed. The divine spirit still exists in modern science.

God created humans with the capacity to think and to reason. If humans reason wrongly, it is not God that has caused them to reason that way. They are given the faculty to think, but they reason wrongly. Sometimes we make mistakes. It is not God that makes mistakes. We make mistakes, because our capacity to think and reason is not so good. There is not one single person on this earth who is exactly the same as another. God creates no two people the same. Even twins are not the same. How is it that with six billion people in the world, no two persons look alike, think alike or behave alike. We cannot explain except to say it is the will of God.

In the parable of Adam taking the apple and being expelled from heaven to live as a human, because he had committed the original sin, God could have told Adam not to eat the apple, and actually could have prevented Adam from eating it. But Adam was given the choice. He had to think and make up his mind for himself; he was told it was bad, but he still ate the apple and was thus expelled from heaven. So, you cannot blame God for that, for humans have been given the capacity to think and to choose.

Fatalists think that God determines the life of all people, but the reality is all results are dependent on human choice. If you choose to think good things and do good deeds, the results will be good; if you chose to think bad things and do bad deeds, the result will be negative. It is you who decides and what you decide to do can be regarded as being preordained by God.

Chapter FOUR HOW WE SHOULD ADDRESS GLOBAL ISSUES

I LIKE TO visit places in the world and see and feel the differences. In 2003, I visited Antarctica. My first impression of Antarctica was that it was very cold. It is, after all, ice. But, the cold was not so bad compared to the effort required to reach Antarctica.

There were about 70 of us. We chartered a Russian icebreaker that enabled us to go through the ice. But going through ice, flying in the Russian helicopter and landing on the ice was simple. The hardest part was crossing Drake's Passage, which took two days to cross each way in very stormy weather. The waves were 50 feet high and the winds were about 90km/h. It was very rough. I had with me a man who had sailed around the world. His name is Azhar Mansur. He had to sail through the same passage alone on a sailing boat, and he broke his mast there, because the wind and the waves caused his boat to roll over and the mast to break. He had to put up a small sail and managed to sail to the Falkland Islands. Although the sea was very rough in

Drake's Passage, Antarctica was surprisingly calm and I enjoyed landing on the ice.

The core issue is the problem of population

The warming of the planet, climate change, environmental problems, energy shortages, water shortages and food—all these attract the attention of the world's population now. But these problems are really due to the increase in the world's population. When the population is small, the damage people can cause to the environment is quite limited, and nature has time to adjust itself to these damages. For example, we need wood in order to create fire to cook our food and warm ourselves. One or two persons cutting down trees will not do any harm to the environment. But if you have ten million people cutting wood in the forest, then obviously they are going to destroy the forest. The human population has now grown to six billion. And because of the numbers, the small damage that each person causes adds up to a great deal.

When the first motorcars were built, they emit a lot of smoke, but since there were not many of them, there was no smoke pollution. But today, because of the number of motorcars using the road, even slight emission adds up to a lot. So, it is really the size and the numbers that causes damage to the environment.

On the other hand, humans are able to react and improve the emission efficiency and reduce the damage to the environment. Therefore, modern cars have better emission control. The research for less emission goes on. We talk now about electric cars. But we have to remember

that even if electric cars are emission free, when electricity is generated, there is going to be emission also. So, if the demand for electricity becomes very high, then even generating electricity will cause problems. If you choose to go to nuclear power generation, there is a danger from the use of nuclear materials.

It is really a problem of population size. Humans want to expand their living space, so they destroy their surroundings. Some of them are not content with what they have; they have to take what belongs to others. They are prepared to go to war to achieve this. So again, it is really a function of the size of the world's population.

Is there a magical and miracle technology to stop the population from expanding and to save the world environment? This is a very difficult thing. If a child dies, it is a great tragedy for parents especially when they are not capable of having more children. In China, they limit the number of children to one per family. And in China, they all want male children. If all the children in China are male, there will be no women to marry, and there will be no reproduction. In theory, therefore, the Chinese people would disappear. They could solve the problem by marrying non-Chinese, but it would still be difficult with the huge Chinese population of 1.3 billion; when even with the one-child system in place in China, the population growth rate is very high.

In the past, there were famines in China. Every few years, famines killed hundreds of thousands of people. But now that we have better health and medical conditions, there are no more famines. The population growth rate increases as a result. This is a major problem, which has to

be tackled in two ways. One is to reduce the number of persons per family. Even with such a policy in place, though, the population still grows. The other is to improve the environment so that we can cope with a much bigger population.

As far as food is concerned, there is a formula to improve production as well as quality. But how long can we go on? With the rate of growth at 2.5 per cent, our population would perhaps double every 30 years. In 30 years time, then, we would have 12 billion people. So, it is a question of whether we can keep on providing an adequate amount of food to everyone in the world. There may be famine and there may be death. One possible solution is for humans to go into space and colonise other planets in the future. It is the talk of science fiction, but because of the rapid growth in the world population, something has to be done.

Everybody should apply new technologies in agriculture. The important thing is attitudes towards economic development. If there are no wars, no conflicts, and no military disturbances, then everybody and every nation could enjoy applying the scientific knowledge needed to produce food. Stability, thus, is the key issue.

Monetary issues

Today, world currency trading is said to be some 20 times greater than trading in goods. We have seen how trading in money can be damaging to the economies of some countries while the currency traders enrich themselves.

Therefore, their money-makes-money type of operations should be curbed.

Before, you did not trade in money; you traded in goods, raw materials and commodities. But some very clever and cunning people thought, "Why can't I bet on currency?" If they think a currency is going to rise in value, they take a bet on that currency. They buy currency when the exchange rate is lower and sell them when the rates appreciate, thus making money from changes in the exchange rates.

Initially, the changes in the exchange rates were due to supply and demand. But later currency traders found a way that enabled them to change the exchange rates at will. If currency is sold in big amounts, it depreciates in value. If it is bought in big amounts, it appreciates. It is thus possible to devalue a currency and then buy it at a lower price. When the currency appreciates through buying it repeatedly, the money bought at the lower price can be sold and a huge profit made.

Clearly, the devaluation of currencies can be easily manipulated by traders. They never actually hold the currencies in which they speculate. All they do is borrow the currency from banks, sell and resell it to make profits from the price differentials between selling prices. It is a simple case of shortselling.

They do not have to own what they sell or buy. Through selling and buying currencies they do not actually own, they make billions. With the huge resources at their disposal, the currency traders can attack any country and impoverish it. This is morally and ethically wrong.

If you buy gold, you get gold. But if you buy money, and if it devalues, you cannot do anything with the money. So, because the value of currency is not stable, people have now to spend money on hedging like taking insurance on the value of money. This raises the cost of doing business. This is not necessary at all if the value of currency is fixed.

This currency trading should be stopped, because it is not dealing with something that has its own intrinsic value. Gold has its own intrinsic value. Steel, rubber, and tin—they have intrinsic value. You can use them to make some products. But what are you going to do with paper money? You cannot do anything with paper currency itself.

In my pocket, I always carry two bank notes: one is a 500-billion dinar note of Yugoslavia. At the time it was printed in 1993, it was worth 12 U.S. cents. What, then, is the value of money? You can print three more zeros and make it 500 trillion. It will still be just a piece of paper with numbers printed on it. It has value only when the other side accepts it. And the other side accepts this as being worth 12 cents. Today is worth nothing. Another one I always carry is the 150,000 lira note of Turkish currency. It was worth about 10 Malaysian ringgit. But it is depreciating still—very quickly, in fact—because of high inflation. Money, in itself, has no value.

If you want a piece of gold, you cannot buy it at a fixed price. It is the market that determines the price. If you want to buy something and pay using gold, you will have to actually produce a certain amount of gold. But some money today has become worthless plastic notes or cards. We also have the concept of computer money. When you buy and sell, you sit in front of a computer and you push the keys.

And you say I want to sell one million worth of a currency. You don't actually have a million. Someone else wants to buy a million. And when you sell the one million, you do not have to deliver the money to him. He does not have a million, but only an account on the computer. It has all been invented by traders in order to make money for themselves from nothing. The world must stop this.

When we ask them to stop currency trading, they refused, saying that it is a free market. Now it is happening to the U.S. dollar. The Chairman of the U.S. Securities and Exchange Commission (SEC) has said that we must control this currency trading. They say this because it is now happening to them. When it happened to us, they said it was a free market. Now, when it is happening to them, they want control. We don't need currency trading.

The gold standard is a good system. Of course, gold is bulky and difficult to carry around, but before, the U.S. dollar was backed by gold. So it has a value. It is determined that one dollar equals a certain number of ounces of gold. So dollar value was fixed, and others too could go fix their currencies to the value of gold.

But then some people want to devalue their currency in order to increase the competitiveness of their exports. Once this was done, you do that without international agreement, the whole gold standard collapses. Now, a government may say this is the value of the currency, but the market says it is not the value of the currency. The market thus determines the value of the currency. But beyond the market, we have the currency traders, who want the value of the currency to go up and down constantly, because if it is static, they cannot make money.

So they want money to appreciate and depreciate. If they buy the money when the price is lower and sell when the price goes up, they make a profit. If they sell money at a certain price, lower than the current price, then when the money goes down they can buy at that price and deliver it to whoever bought it from them at higher price. So it is not business at all. It is just manipulation.

Environmental issues

The world is becoming smaller. Everything you do in your country can affect other countries. In Malaysia, every year after the harvesting season, the Indonesians burn their rice fields, and Malaysia gets smog or haze. Our environment is affected not because of what is happening in Malaysia but because of things taking place in Indonesia. Similarly, air pollution in China is the cause of acid rain in Japan. We cannot stop these substances at the border and prevent them from coming in. There are no national borders for environmental issues.

Environmental issues have existed for a long time, but thanks to recent developments in monitoring systems, we are able to diagnose the global situation more accurately than before. In the meantime, as natural healing capacity is reaching its limit due to the rapid population growth, for the first time in human history, we can see our planet deteriorating in real time, and we are realising that all this is due to human activities.

As environmental issues cannot be solved without the participation of all the countries concerned, it will serve as a test for international cooperation. This is especially so

when we foresee big global problems in the years to come, and the self-centred attitudes of big nations cannot be accepted. So in the case of the environment, we must work together for a general agreement on the strategy and action. That is why the Kyoto Protocol was set up. But the U.S. does not want to accede to the protocol.

Actually, the U.S. consumes the biggest quantities of fuels. This results in the emission of large amounts of carbons, and we have to act as a carbon sink for them. And it is costly for us because we need our forest to be cleared or at least to exploit our forest for farming and other projects, and also to extract forest products to make money for development. It is our resource. But the developed world says you cannot cut down the trees, because we want your forest to serve as a carbon sink, or as a rubbish dump. This is unfair.

The U.S. insists that as long as the developing world does not participate in the Kyoto Protocol, there is no reason for the U.S. to participate. But what the U.S. is doing is damaging the Third World. Not all countries can participate. They are poor, and cannot afford any extra cost to reduce substances that are bad for the environment. If the U.S. neglects environmental issues, of course, poor countries will ask why they should participate and become rubbish dumps.

Again, environmental issues cannot be solved without the participation of everybody on the planet. We should decide whether we want to live happily helping each other, or be selfish and continue killing each other. Environmental issues are a good test in this regard.



Chapter FIVE WESTERN MATERIALISM AND EASTERN SPIRITUALISM

BEFORE I became too busy with my work, I liked to use my hands to make things. I did carpentry, wood turning, and also some metalwork. There was one occasion I nearly burned myself. I had an oven to melt iron, and I tried to light it but it did not light up. But the second time I tried to light it, the gas had already come up, and it blew up. Luckily, I was not injured. That was when I was experimenting with metalwork. I do a lot of things with my hands, and I enjoy it. I am quite dexterous.

I like to find out about things. It is something that interests me. I do a lot of boating in the Mediterranean, and also in the Caribbean. In the local waters, I have also sailed up to Thailand and Burma (Myanmar) in a motorised yacht. But I cannot swim. Although I go on boats all the time, I cannot swim. In Antarctica, when you come close to the shore, you have to transfer to a small boat to get to the shore, and I cannot swim. If, for any reason, you fall into the water, you would last about five minutes.

As for my interest in horseriding, it started when I went to Pakistan. In Pakistan, I was a guest of honour, and I was asked by President Zia-ul-Haq to take the salute for the national day parade. We were driven in a horsedrawn carriage, escorted by horsemen, who were very tall and handsome soldiers. They looked very grand to me. It made me feel want to ride horses. But, of course, I am not as big as they are, but since I can afford to buy horses, as a Prime Minister, I decided to learn how to ride at the age of 60.

In April 2003 in Argentina, I rode in the Andes, along the border between Chile and Argentina. We rode mountain horses, which were very strong, sturdy and sure-footed, and could climb mountains very well. I rode about eight hours a day. We went up there and came back in one day. I was there for several days. But I kept one day free to go to the border. It takes three and half hours to go to the border and four to five hours to return.

I also went to the Amazon this year. I went to Manaus, the capital of the rubber producing area of Brazil. I hired a boat and spent about three nights on it, going up and down the Rio Negros. It was interesting, except that there were piranhas in the water. A friend of mine went into the water to swim, and later on when we were fishing in the same place, we caught many piranhas. We were told it was safe. They said there were no piranhas there, so my friend who could swim went in for a dip. And then we found out that there were many piranhas in the water.

I travel a lot and we encourage our people to do challenging and adventurous things like climbing Mt. Everest. Two Malaysians have reached the top of Mt. Everest. And another Malaysian has sailed around the

world solo. And in order to encourage them, I had to lead by example. So, I took up flying to encourage people to fly, and horseriding in order to encourage people to ride horses. In this life, there are so many things to do and see. All are very interesting.

Different aspects of conflict

War is the most barbarous and ugly way of solving problems. War is the ultimate form of self-assertion, and a tool used by those who cannot make concessions or who refuse to negotiate. War, except for self-defence, should be avoided whatever the reason. War kills people. Families and friends of those who are killed will hate those who killed, and will vow to avenge their deaths. It is virtually impossible to break free from this negative psychological cycle. We should be patient, seeking solutions by way of dialogue, negotiation and talks. Both parties in the dispute should be prepared to make concessions. Otherwise, there will be confrontation, and that could escalate into a war to settle the problem, which would not be good at all.

The problem of North Korea, for instance, could be seen from a different angle. As you know, North Korea agreed to stop their nuclear programme in 1994. There was a promise made that when they stopped their nuclear programme, they would be helped. But there was no help. They suffered with no food and no jobs, so they said that Western promises did not mean anything and went back to their nuclear programme. They did not go back to their nuclear programme without a reason. They did so because promises were made; promises that the world would help them to overcome their problems. The West promised to

give North Korea energy because the small state did not have money to buy fuel; they also promised to provide them with food. But instead, there is virtually a sanctions regime in place against North Korea, because they are not democratic. The attitude is that if you want food, we will give you food provided that you become democratic. In the face of these conditions, I suppose the North Koreans got fed up and went back to their old ways.

In any event, there are countries other than the five nuclear states which are allowed to have nuclear weapons. Under the Nuclear Non-Proliferation Treaty (NPT), India, Pakistan and Israel own nuclear weapons. With their nuclear arms, these countries can do whatever they want. This is why North Korea is rushing to become a nuclear state. Sanctions are imposed on North Korea now, but the sanctions imposed on India and Pakistan after several years of worldwide criticism for their having developed nuclear weapons have been lifted. In any case, the way we see things depends on the viewpoint we adopt.

North Korea, I think, does not have nuclear capability—the capability to deliver nuclear warheads. And even if they had, using it would automatically mean the end of the regime and the country, because it would provide the U.S. with a good reason to drop nuclear bombs on them. Like what they did against Saddam Hussein, they are prepared to do anything, including using nuclear weapons. I do not think there is much room for doubt about that.

So, I think Japan can solve the problem of abduction of Japanese people by North Korea through diplomatic means. Prime Minister Junichiro Koizumi did a good job going there. North Korea wants economic aid, and there

should be a promise that it will receive enough support. North Korea cannot accept any treaty without the firm promise and execution of an economic reformation programme.

The North Korean nuclear project was initially aimed at nuclear power generation. But the question is how to make use of the by-products of power generation, which can be converted to make bombs. Now the same problem is facing Iran.

Iran went through a revolution. They had to overthrow a king who was very oppressive. Now they have slowly evolved. They are much more democratic than in the initial period after they overthrew the Shah. The Iranians should be allowed to slowly develop their own system. It may be different from other systems, but the important thing is whether the people live a good life or not. It is not for other people to make judgment.

The relationship between Iran and the U.S. has been worsened by Iran's suspected nuclear plan that draws on the help of Russia. Iran claims that it is just for the purpose of generating electricity and for research purposes. It is not necessarily the case that they are developing bombs.

But in any case, why is it that some people can have nuclear weapons capability and not others? People in Iran are frightened. They are frightened because other people have nuclear bombs that have the power to destroy them completely, but they are not allowed to defend themselves. So it is like saying that when you can go to a place where there are lots of robbers and kidnappers, and they can have weapons but you are not allowed to have weapons to defend yourself. This is why there is so much conflict now.

Of course, we understand the U.S. is nervous about the emergence of new nuclear states, because if others have nuclear capacity, that means a relative decline in U.S. authority. But we should come to understand that any hegemony that is attained by force is fragile. It is obvious when we look at the history of mankind that hegemony attained by force is destined to be resisted with force. What we need in this world now is not hegemony by force or intimidation, but a faith by which we help each other and cooperate with each other to live in peace. And this cannot come from the materialistic way of thought.

The West as a result of materialism and Asia as representing spiritualism

Western values are not perfect, nor are Eastern values. So we should have a mixture of all the good values of the East and West. If you look at European history, the people there have been continuously fighting each other. The stronger will try to take the territory of the weak, and they fight. Later the weak becomes strong and they then try to take back their territory, and they fight again. They have been fighting each other for more than 2,000 years. When they learned how to sail ships across the ocean, they started to fight and conquer other lands in Africa, Asia and America.

Not only do they conquer, but they sometimes kill all the people there. Genocide. In Tasmania, there is not a single Tasman man left, because the Australians have killed them all. In Latin America, most of the natives were massacred, forced to convert to Christianity, and not given any rights. They could not form a government. Only now

we see a few governments that have been formed by the natives. The rest are still European in origin.

So the European idea of solving a problem is to determine who is the strongest. You have a fight and the winner takes all. Even in industrial relations, it is not a question of whether the workers are right or the employers are right. It is whether you can force the other to accept the terms or demands. So the workers go on strike. The employers lock out the workers. And everybody will suffer, and in the end somebody gives in. It is confrontational all the time.

Asians have also been guilty of conquest, such as Genghis Khan, but the difference is that the Mongols became absorbed into the local society. So much so that the Turks are a mixture of the Turkish and Mongol people. The Mughal Empire of India is a Mongol empire, but they have become Muslims. In China, they became Buddhists. Kublai Khan united China and he himself became a Chinese. That is the Asian way. You get assimilated. But the European way has no room for assimilation. We conquer you, and you remain our subjects. You cannot be assimilated except in the case of the Portuguese. That is a major difference between Asian ways and European ways.

The dichotomy between Eastern magnanimity and Western intolerance still exists in modern society. The term globalisation shows the Western way of doing things. Globalisation appeared in the early 1990s as a leading concept in the information age; it aims at universal standardisation and introduction of universal rules in all areas. In brief, globalisation is an attempt to ensure that all activities in the fields of business, trade, communication, or

even culture conform to Western ways. But effectively it would result in the reconstruction of the world through economic hegemony.

Who will gain from this? It is obvious that the West, and especially U.S. business will gain; U.S. traders will gain because it is the system they are used to. When you engage in international trade, if all the transactions are in Japanese, it would be very advantageous to Japanese companies. What if the Japanese way of doing business, their customs of doing business, or their way of taxation were applied universally? The result would be a triumph for Japanese companies, because they are used to doing things that way.

This is what globalisation is all about. It may seem convincing that the system is equal for everybody; it has universal rules, a standard way of doing things. But in fact, it is a system used by the West, and the U.S. especially. So, it is an unequal system.

The West, and the U.S. in particular, controls the means of communication and the media. They influence the value systems of the world. So, unless the world realises that it is wrong to allow itself to be overly exposed to American and European value systems, then, of course, the world will become more and more standardised. Already, when you are in a hotel, you do not know whether you are in Japan or America. It looks exactly the same. But if you go to a Japanese *ryokan* (traditional Japanese inn), you know you are in Japan. But the tendency is to have less *ryokans* and more hotels. The same thing is happening in every corner of the world. It has become standardised.

As you know, the World Trade Organisation (WTO) wants to standardise everything in the world. Your business

practice, your transparency, your governance, everything must be standardised. So the world would be a very boring place, because it would be the same wherever you go. Why, then, should I go to Japan if everything in my own country is exactly the same as in Japan. There is no variety anymore. Slowly, the world's variety is being reduced. That is a problem for the future.

What is the purpose of the WTO? The WTO exists for U.S. businessmen to expand their market abroad, and for new American MBAs to apply their knowledge right after graduation. Is this an equal system for everybody? For example, if cars were required to be driven on the left side of the road in all places from tomorrow, the only countries that would benefit would be the U.K., Japan and a few others. Other countries would suffer because they would have to change their traffic systems and retrain the drivers. There will be many accidents because drivers will not be used to the system.

You should study the business customs of different countries, and adjust your system to those in order to do business in those countries. You should build up confidence in the country in order to do business there. This is equality. You do not just go to the different country and that your way is the only way to do business, as it is not fair.

Western unilateralism and Eastern multilateralism

The other thing about the future is that people will be more mobile. You will not be able to live as a single ethnic country as Japan does today. Japan will have to accept people of the various ethnic origins staying and residing

there. Malaysia is, of course, already made up of various people of different ethnic groups, right from the beginning. What happened to my country will happen to the rest of the world. Every country will have people of different ethnic groups living together. Here, some people think it is the problem because the original culture of the country will become diluted because of the presence of other cultures. But eventually a universal mix of cultures will evolve.

But looking at the history of any country, there is not a single culture and value system that has survived for more than 100 years. Japan during the Meiji era (1867-1912) 100 years ago learned from the West and developed the country. A hundred years before the Meiji era was the Edo period (1603-1867), where Japan closed the country and did not communicate with foreign countries except for a few exceptions. A thousand years before the Edo period, many people moved from China and Korea to live in Japan, which created a multi-ethnic society.

So, if you look at the history of Japan, it is difficult to point out what the original Japanese culture is. Japan is a unique country where you go to the Shinto shrine for prayer when a baby is born, you get married in the Christian church, and when you die, you have the ceremony in the Buddhist way. So, one can say that the uniqueness of Japan is its openness to different cultures and ethnicities. This is quite the opposite to the Western way of dealing with "differences".

The West insists that the system of government should be democratic. We have to accept certain aspects of their value system, such as the rule of law and human rights. If you do not accept these, they will send in their armed

forces. So, it is not just diplomacy, not just black ships, they will send armies. People are forced into a single mould. In other words, the U.S. wants the rest of the world to look like the U.S.

Asia is not like Europe or America; Asia is a collection of continents and different ethnic groups. West Asia is very different from East Asia, much more different than Western Europe from Eastern Europe. The people are different, their languages are different, their development stage is different, and their cultures are different.

So, it is difficult to think about overcoming the differences between Europe and Asia. The differences between Europe and Japan are not the same as the differences between Europe and Central Asia. People always talk about Asia as if it was a single country, but it is far from that. In other words, these are the very factors that characterise the relations between Europe and Asia.

Here, there is an interesting dichotomy. While the West is heading for unification and standardisation of every value, the East and Asia keep and cherish the different value systems and cultural norms. Asians have lived apart for quite a long time. There is less difference between, say, Germany and Poland, although the history of war involving these two countries is long. Between Malaysia and Thailand there are so many differences, but we have generally managed to live together quite peacefully.

One of the key aspects of the Japanese identity could be the fact that Japan has accepted and accommodated various religions and beliefs, and lived with them quite peacefully. This is going to be a clue to the new global society, where people of different values and beliefs will live

in peace. And this is the Asian style. In the past, Christians split into Catholics and Protestants and they fought with each other. In our country, we have Hindus, Muslims and Buddhists, and we don't fight that much. Sometimes there are fights between India and Pakistan seemingly over religion, but in other parts of the world Hindus and Muslims live quite peacefully together. In fact, most of the famous Indian film stars are Muslims.

The world is a pleasant place because there is so much variety. We have different ethnicity, different cultures, different religions, and different ways of life. That is nature. We learn from others and celebrate difference. Standardisation is against all that.

Ethnicity and democracy

From the viewpoint of ethnicity, Asia is full of ethnic groups. From China through the Philippines, Indonesia, Myanmar, Malaysia and Lebanon in the West, ethnic groups are important constituents of each society. The question is how to introduce democracy in such an ethnocentric society. In many countries, democracy is just a manifestation of the largest ethnic group represented in the country. So, regardless of who gets to the top in such a country, it would be very difficult for him to forge unity among the different ethnic groups, and the country would become extremely fragile.

We had the same problem in Malaysia. We have people of three major ethnic groups and many different tribes. The solution to this would be to give a share of power to everyone. We share power: Malays, Indians,

Chinese, Ibans, Kadazans, they are all represented in the government. So their interests are looked after. Yet they still retain their identity. We do not force them to become a member of one party. We have a coalition of ethnic parties so that they will know they have a chance to voice their views on anything.

In Malaysia, the Chinese remain Buddhist, Indians remain Hindu, and Malays remain Muslim. Sometimes they intermarry, and most of the time, they live together without forcing others to assimilate into their ethnic group.

But if you have a single party with all the different ethnic groups in it, then when it comes to voting, the likelihood is the majority group will dominate, electing only their own people, and there will be no minority representation.

The first Prime Minister of Malaysia, Tunku Abdul Rahman, was a wise man. Although his community was, and still is, the majority, he decided that the Malays should share power with the Chinese and Indians. Since then, we have always shared power. Power sharing has been kept in place through a coalition of ethnic parties.

In our coalition, every member party has at least three representatives in the Party's council. So even if it is a small party it still has three members on the council. Everybody thus has a chance to give their views, and because of that it is possible to work together.

Democracy is a tool to bring together groups of people with different interests, to discuss problems and to decide matters with the approval of the majority and then put the solutions into practice. It works in every society, whether it be a single ethnic society or a multiethnic society. The

important thing is that the minority groups should be represented and protected, and their interest taken into consideration.

On the other hand, there are some countries where leaders are suspicious of democracy. Especially in the Third World, where leadership was assumed by force, democratisation is difficult, because those currently in power worry about their fate after the country is democratised.

For example, in Bangladesh, General Ershad established a military government in 1982. He was persuaded to give up power and allow the people to vote and form a new government, which he did. He lost in the election and he was arrested and put in jail. The same thing happened to President Chun Doo-Hwan of South Korea, and to President Suharto of Indonesia. Because of that, military governments are unwilling to give up power. If the generals in Myanmar allow democracy and then lose in the ensuing election, they might end up in jail. Because of that they are not going to agree to having a democratic system. They must be given some assurance that people will not take revenge on them by throwing the leaders who accept and agree to democratise and throw them into jail.

In any case, in countries where power is not shared well among the people, there tends to be power struggles. As a result, much time and energy is wasted, which could be directed to the development of these countries, which would give happiness to everyone. Conflict is not good in any situation. If we are looking out for the welfare of the people, we should avoid conflict and work together for the betterment of society. And this is the Asian style.

"Asian-style" coexistence and Japan

"Asian style"—a system that accepts multilateralism, different cultures and different value systems—is the way that people should follow. Coexistence of different norms is the way to follow. Systems where one value system is forced on everyone have their limit. And one country that succeeded by taking the "Asian style" approach was Japan. Japan, thus, has an important role to play in modern society.

But Japanese are lacking in awareness. Japan has become the world's top economic country by adopting a non-Western value system. They did not force one value system on the others; they cherish multiplicity of values, cultures, and norms. This is an example to the rest of the world that the non-Western way can be successful.

Japan should reexamine its position, especially its relations with America. Asia looks up to Japan for leadership. Unfortunately, Japan does not want to be identified as an Asian leader; it would rather be a follower of America. Japan should show the world that the multilateral way of development is possible and that the coexistence of different ethnic, cultural and religious norms are necessary for all people in the world to survive and develop in harmony. I think this is the role of Japan.



Chapter SIX A CHINA THAT CANNOT BE IGNORED

I HAVE VISITED Japan more than 50 times, but I have not had the chance to visit China that often. I have visited South Korea even less than China. I have been to North Korea once, when I was the Deputy Prime Minister.

When I visited China for the first time, it was still very much a communist command economy country. The streets were full of bicycles and there were very few cars. There were few shops; you could buy some silk products from the government-owned shops for foreigners. It was not like it is today. Now, it is more modern, and they have big department stores. China is booming now, just as Japan was in the past. But China is a different country with a different scenery, and different kinds of people.

Basically, I think Japanese are afraid of China and North Korea, and it seems Japanese feel that in war with China or North Korea, they would need America's help. Japan is not going to do anything that affects its relations with the U.S. for this reason. And from the economic point of view, the U.S. wants Japanese help and wants Japan to

continue to be a strong ally. This is the reason Japan immediately supported the U.S. military action against Iraq. Japan has to keep its military ties with the U.S., and this security viewpoint governs every aspect of Japanese diplomacy.

In Malaysia, we think China is real. There is no way we can get rid of China. It is a big country with 1.3 billion very hardworking and intelligent people. No matter what you do, they will be there. You cannot eliminate 1.3 billion people. So you have to learn how to live with China. It will become a great power, even if it will not be able to dominate the whole world. So, we have to find ways to live with China, as a neighbour and fellow member of the planet.

On the other hand, in Japan, there is a general tendency for people to think in terms of either China or the U.S. I think it is an erroneous perception. Even the U.S. at one time saw China as an enemy, and introduced a policy of containment. But China does not disappear because you do that. Of course, it was weak at one stage, but that was due to the wrong policies being taken by the Chinese government. Had China decided immediately after the last war to modernise the country, they could already be a very strong and rich country today. But that was something that was not allowed to happen.

So, it is wrong to speak in terms of either China or the U.S. being wrong. We should aim for the whole world becoming peaceful, in which case everybody would gain.

China and democracy

China and Russia are changing their systems. Russia is facing too rapid and too wide a range of changes, in both the economic and political fields. China is very wisely confining the change to only the economic field. That is why China is more stable than Russia. There is no breakup of China.

Changes should not be carried out suddenly. If there are three or four things that need changing, they should be changed one at a time. Things should be done in order. Sudden and simultaneous changes are destined to raise fear and worry among the public. Of course, the Chinese way of governance is far from what the U.S. thinks democracy should be, but the first priority for China is the stability of its society. Therefore, they did not democratise the country at once, and limited the democracy to working only within the party.

You may say there is no democracy in China, but within the party, it is obvious that there is a contest for posts. The process of election is at work there. Their leaders do change. Within the party, there is some democracy. Democracy, as I said, is a question of being able to choose a leader without violence, simply by voting. In the party, the Chinese are able to choose.

If there are two parties contesting against each other, it may result in much disruption. So China has a one-party democracy. In the West, they have a two-party democracy. In newly developing countries, they have a 200-party democracy. So whether it is one, two, or two hundred, the process of choosing is still there. It was only during the time of Mao Tsetung when they could not choose within

the party. He held the leadership post until he died. That is not democratic. But at least, now, within the party, there is change and there is the right to choose. Democracy is the process of choosing.

I think President Hu Jintao of China will bring changes to China slowly and steadily, for the stability of China. If somebody tries to destabilise China, they may face a lot of opposition from the government.

Is Chinese economic development threatening?

China is a big country with a very hardworking and highly intelligent population of 1.3 billion. They are capable of doing what other people can do. Naturally, if they decide to develop, they can develop, and be very strong economically. But China also needs to trade with the rest of the world. It needs the rest of the world to be a market for China. And China can be a big market for the rest of the world. Therefore, any attempt to try to stop China from developing will only cause tension.

We have to work within the reality of the situation. China is going to be a major economic power. When you become a major economic power, you can become a strong military power. For example, Japan, after the war, was allowed to spend only 1 per cent of its GDP on self-defence forces. At that time, Japan was a bankrupt country, and 1 per cent of the GDP was a very small amount in real terms. So the theory was that Japan would never be able to have a strong military force. Today, 1 per cent of Japan's GDP is bigger than what the U.K. spends on its armed forces. Accordingly, Japan can have a major military force. You

cannot stop it. China, even if it spends half a per cent of its GDP on its armed forces, which is half a per cent of the production of 1.3 billion people, would have a very big military budget.

It must be accepted, then, that China will have very substantial armed forces. You cannot say to China, "No you cannot." It is not possible. The best thing is to accept that China is going to be a big power, and to deal with China as a big power.

Some analysts say that in ten or twenty years time, China will be one of the world's strongest military powers because they are using 7-8 per cent of its GDP on their military budget. As far as we are concerned, though, we do not feel threatened by China. Historically, even when China had been very powerful, they did not invade us. They did not colonise us. Most Asian countries, although they are neighbours of China, have never been colonised by China, except perhaps for Mongolia. But even Mongolia was not conquered by China. Mongolia invaded China and then the Mongolians decided to become Chinese. Historically, there is no evidence that China has imperial ambitions. Because of that, we are not worried.

Twenty-six per cent of our population in Malaysia is Chinese. But when the Chinese in Malaysia are arrested and put on trial, China does not protest. But in the past, if you arrest a European, they would send gunboats to attack you. We had recently arrested two Europeans, one British and one Australian, for drug smuggling. In Malaysia drug smuggling carries the death penalty. Everybody has to accept the law. But because they were Europeans, there was major worldwide protest, including from the Pope. But

when other people are sentenced to death, there is no protest. This selectivity seems self-centred and high-handed.

Military expansionism is the way to perish

In order to bring about peace and prosperity in the world, everyone must accept a sharing of power. The other thing is we should not keep on improving weapons. Research in weapons is so intensive today. They are producing more and more sophisticated weapons. You see the American soldiers in Iraq; they are not just carrying M16s. They are equipped with a new weapons system, which looks like something from a science-fiction movie. Huge sums of money are being spent on developing weapons. This should stop. Not only should there not be any more nuclear weapons, but there should also be no more research on nuclear or conventional weapons. Only then will the world be able to spend more money in giving a good life especially to the people in poor countries. We should recognise that it is immoral to spend so much money on developing weapons to kill people.

The U.S. congress has approved a large sum of money to do research in order to produce smaller nuclear weapons to be used in the battlefield. What is China going to think? China might think that it, too, ought to have the same capability. India, Russia or France are going to think the same thing. You know the U.S. uses depleted uranium in anti-tank bullets, which causes serious damage to people's health. That is one type of nuclear weapon.

Now the U.S. is worried that technology can be used by poor countries or terrorists to produce "dirty bombs". But it is the U.S. which is showing the way. Now the U.S. must upgrade security and develop new methods of defence against such weapons.

Sometimes issues of history can prevent progress

In the Japanese relationship with the rest of Asia, there is always the question of Japanese militarism in the past. Even the Japanese worry too much about their past history when fostering relationships with the rest of Asia. I do not think the Japanese are a military threat anymore. We are not worried about Japan. A strong Japanese defence force does not mean we are threatened or we fear a revival of Japanese militarism, or yet another invasion, because another invasion would be suicidal for Japan. The same thing applies to China. I think Japan has learnt a good lesson from the past. Of course, it needs to have some confidence with regard to military expansion by its neighbours. But, that is all right. We are not worried of Japan.

If there is one thing we might worry about, it would be the Japanese forces being used by the Americans. America is already in Japan, and Japan is sending its forces abroad. Japan has already sent ships to the Indian Ocean and has strong commitments to the U.S. This gives us cause for some concern, as America has shown a willingness to ignore world opinion and invade a country.

Another thing is when Japan sends its Self-Defense Forces (SDF) abroad, even though the purpose is limited to the work of reconstruction and humanitarian aid, you

might face attacks. It is very difficult to stay in defensive action only. When you are attacked, you might easily go on the offensive. So, it is difficult to work out how to adjust to the actual situation. Perhaps you can learn from the experience of others.

Understanding history is very important in conflict resolution. But if you keep on going further and further back in history, you will not be able to have friends. At one time or another, you may have been attacked by them. You have to think only about the immediate past and the future. The Israeli-Palestinian conflict is a good example.

What happened in Palestine was that their land was taken from them by the British and the French to create the state of Israel. What would you think if Okinawa were suddenly taken from Japan and made into a Chinese state? Surely Japan would not accept that. But that is what happened in Palestine. Their land was not only taken from them, but they were expelled from it, becoming refugees for the past 55 years.

This naturally causes a lot of anger. They want their land back, or they want at least to go back to their land, even if it is Israel. But they are not allowed. And on top of that, Israel annexed more land, more than the original state of Israel, set up settlements there, and killed the Palestinians.

We should condemn suicide bombers. But we must also condemn Israel for killing so many Palestinians. Palestinian children throw rocks at Israeli soldiers, and Israeli soldiers shoot and kill the children. These are facts, and the conflict continues. We have to look into the future despite the existence of the state of Israel. Palestinians must

be allowed to go back to their own land and to their own houses, which are occupied at present by the Israelis. That is the cause of the problem.

It is not just historical. If it were, then the French people would not be able to work with the Germans. But they decided to forget about World War II, when millions were killed on both sides, and to embrace each other and form the E.U.

Here in the East, however, we still talk about the past. In fact, the number of Chinese people killed by the Japanese, or the number of Japanese killed by the Chinese, is not as great as the number of Germans killed by the French and their allies. But we still harp about the past. Now all sides have got back their land, and the past should be forgotten, as the Europeans did. While the Europeans can get together, Asian countries cannot, because we keep on talking about the past. Another example is the Serbs and the Bosnian Muslims. Five hundred years ago in Yugoslavia, the Turkish army killed many Serbs. The Serbs are still talking about it even now. And they want to kill all the Muslims because of an incident that took place 500 years ago. If you keep on going back into the past, you cannot get on with anybody.

Strictly speaking, Malaysians should not have anything to do with the Japanese. Many Malaysians suffered during the war, but we have decided to forget the past and move forward by forging good relations. This is because it is not practical to go back to the past. If you dwell on the past, you quarrel; if you quarrel, you will achieve nothing. You kill me, I will kill you; if I kill you, you will kill me. The result is endless war. It is a vicious circle.



Chapter SEVEN IF YOU LOSE YOUR WAY, GO BACK TO THE BEGINNING

THERE is a Malaysian saying that goes like this: if you have lost your way, go back to the start and begin again. By start, I am not saying the period of the bubble. Japan had a tremendous "start" after World War II. Tokyo was devastated, but you reconstructed it so quickly. There is no doubt your achievements were tremendous. Go back to the beginning, study and find out what you did which was right.

Second, change must not be sudden. Change should be gradual and slow. Go back to the formula that you have developed and that gave great success to Japan. Never think that everything you did was wrong. This cannot be true. Otherwise, Japan could not have developed so much.

Sudden change always causes disturbances. Slow change also generates some disturbances, but you have time to adjust. Change must be gradual, not overnight. If an autocratic country decided to be democratic tomorrow, the result would not be democracy. The result would be

anarchy, because the people would not know how to handle the democratic system.

The reason why most democratisation in the developing world has failed is that they tried to do it too quickly. They transformed the old system suddenly in order to accommodate democracy, but people had no knowledge of democracy. As a result, many interest groups rushed in, generated conflicts, and destroyed the whole system. So, we have to be careful when we introduce a new system, whether it be democracy or globalisation. We should move slowly to enable people to understand the system and how to make it work.

There are people who say to me, "What you say is not real democracy, it is guided democracy." But democracy took more than 200 years to take root in Europe. Starting with the French Revolution (1789), people fought, shed blood, and suffered to achieve democracy. It took so much effort and so much time to adjust to the system. If you bring with you a product called democracy and try to force people to use it, it is like planting tropical plants in the tundras. In order for plants to take root, you have to set up a greenhouse. Nature changes slowly. We need to recognise that we should do the same.

Do I like Japan?

They say I like Japan, and it is true. But when I am asked if I am pro-Japan, I would say that I am not. Even before I became the Prime Minister of Malaysia, I had been thinking what development model Malaysia should follow. The result was the Japan model. But, I am, first of all, pro-Malaysia.

When I was a child, before World War II, there was a Japanese toyshop in my town. We also bought some Japanese silk and other products from the shop. But all of them were of very inferior quality. Very cheap but inferior in quality. All Japanese goods before the war were known for their poor quality. So we had no respect for Japanese people or their goods.

And then the war came and the Japanese invaded Malaya, British rule ended. That had a very big impact on Malaysians. Before, the Europeans were seen as invincible. They were so powerful, so superior and so intelligent. In fact, they promised us that as long as there were stars, the sun and the moon in the sky, they would be in Malaysia. But they lost the battle here to Japan, which shook our beliefs. The Europeans, we thought, would be defeated after all.

This did not mean that we liked the Japanese invasion: in all honesty, we preferred British rule to Japanese rule, but the fact is that we realised the British and Europeans could be defeated. Asian countries can fight the Europeans and defeat them. This is one of the biggest impressions that I got from the Japanese when I was young.

When I went to Japan for the first time in 1961, I was already a doctor. I had graduated in 1954, and I was practicing medicine at that time. In 1957, I started my own practice. So in 1961, one of the companies from which I was buying medicines, Takeda, sent some people to the Tokyo airport to receive me, and invited to me for a *tempura* lunch for the first time. I think it was Inagiku's *tempura*. That was my first encounter with Japanese culture and food in

Japan, and after that I came to love Japanese food—*sukiyaki*, *tempura*, and so on.

Since then, I have visited Japan more than 50 times—usually about two or three times a year. Japan is as much a different world to me as Malaysia is to the Japanese. I am especially interested in Japanese spas. I would say I have probably been to more spas than the average Japanese. I have been to spas from Hokkaido to Okinawa, and have visited many hot springs. In Malaysia, when I take a bath, I sometimes use volcanic spring powder that I brought from Japan. I like taking baths in Japanese *ryokan*. It is different from staying in an ordinary hotel.

When I came to Japan for the first time in 1961, I saw major and very rapid construction work taking place in preparation for the Tokyo Olympic Games. I saw that the Japanese workers worked very hard. In those days, Japan was not as prosperous as it is today. Traffic lights were not functioning like now. It was a different kind of place. I was very impressed that the Japanese showed that they had not only recovered from the war, but also that they had changed their strategy from producing inferior goods at cheap prices to producing high-quality goods of world-class standards or even higher, while maintaining competitive prices.

It confirmed my belief that if Asians want to develop, we can. It is not only Japan that can develop. Other Asian nations can develop as well. So I thought that the best approach for the rest of us Asian nations was to follow in Japan's footsteps. When I became the Prime Minister of Malaysia, and was given the authority to shape the policies of Malaysia, I decided to look East.

Looking East even at that time did not mean stop looking at the West. We were still learning from the West. But we wanted to learn from the East too. And the East at that time, around 1981, meant first of all Japan, but also South Korea and to some extent Taiwan. So, right from the beginning, looking East did not mean looking solely at Japan. It also meant looking at other East Asian countries, which have achieved remarkable development.

Cause of the crisis that surrounds Japan

I would say Japan is still a good model. In certain respects, however, it is not. Put simply, we have been following the old Japanese model. So, as for "looking East," we still maintain the motto even now, although I have to confess it now means more to South Korea than Japan, because Japan lately has been going through very difficult times. It will not be easy for Japan to recover from its economic problems. So, what went wrong? I am sure academics will have many explanations, but to me, there are some points that I really do not understand.

If I were asked if there is a way for Japan to get out of this long-lasting economic recession, I would answer that the key is to be confident. Japan has lost confidence in what it has achieved. I do not understand this. Japan did things its own way to recover from the devastation it suffered during the war to become the second largest economy in the world. Did America help? No. America did not always welcome Japan becoming a major economic power. Did Europe help? No. Japan went its own way to reconstruct its country without any help from abroad. This is a formidable achievement—something that merits pride. But with all its

success, why is Japan rushing to imitate a foreign model it is not familiar with? Is it because the old system has failed? No. The old system did not fail. The new system failed with the bubble economy.

The Japanese are still coming up with fantastic new products. Nobody can produce such innovative goods as the Japanese. In fact, Europe and America have practically given up on making some products. Some of them do not produce any more TVs. Britain has completely lost its share of the market, as has Germany. The only company that can compete with Japan is Philips of Holland. In the U.S., companies that used to produce videos and TVs are no longer there. Before there was Motorola, but it is now concentrating on telecommunications. Even several of the big U.S. automakers have disappeared. In Britain, automakers have disappeared completely. So, Japan still has an edge.

What, then, is the problem? Japan has the ability, the capital, and a highly educated population of 127 million people. All it needs to do is recover its confidence, sort things out, and not be too anxious to Americanise everything.

When people face difficulties, and when the situation lasts for some time, people start worrying about their beliefs, and start questioning themselves about what went wrong? They blame their value system and the way they do things, and this makes them uncertain. Then they start to look for quick solutions. When these fail, they become more uncertain of themselves.

So, Japan has to decide what it wants. Japanese people have skills, and they have money. I do not see why Japan cannot recover.

Somebody asked me what would be the first thing I would do if I were the Prime Minister of Japan. Before I answer that, I must mention that I am in no position to advise somebody else about their country. But my answer to that question was simple—I would stop this trend towards Americanisation. If the Japanese lose confidence because they had failed, I can understand. But the Japanese have lost confidence when they were successful. Because they lost confidence, they fail. And now they are trying to adopt a foreign system which is not compatible with their culture. And, of course, they fail again.

The bursting of the economic bubble was not due to system failure. It was due to abuses of the system itself. The thing to do is to stop the abuse, the ridiculous increases in property prices, for example. But instead, Japan abandoned the Japan Incorporated concept and jailed many senior government officials.

I must stress that immediately after the war, Japan picked itself up quickly from total destruction, becoming the second strongest economy in the world. Surely, there must have been something right in what Japan did. But for the U.S., which had dominated the world economy, the Japanese success presented a challenge to them and they did not like it.

So they found a way to overcome this problem and they then decided that the world must accept its system that is said to be fair to everybody. And everybody was forced to change. Before the change, the world was doing

very well. Europe was recovering, Japan was doing very well, America was doing well, South Korea was doing well, and eventually Southeast Asia was doing well. The only countries that were being left behind were China and India, for China was a communist state, and India a socialist state. But once they changed their economic systems, they also began to do well.

Then, in the early 1990s, the world was told to change. We are going to have the WTO and everything must be conducted in line with certain rules. And you must accept the free market. You must remove your borders. You must not have any restrictions. You must open up your market for competition. All these sound good, but then the competitors are not of the same strength or size. It is like having a 100-metre race between a child and the fastest man in the world. Obviously the fastest man will win. That is not competition. But now they are insisting that although you are not capable of competing, you must accept competition. Of course, you will lose.

What has happened now is they have disturbed the balance so much that there is much injustice and unfairness. People do not concentrate on doing business; they concentrate on haggling over who should get what. And then, of course, the currency traders came and talked about freedom of the market and they devalued the currencies of many countries. When we complain, they say "Oh, but this is a free market." Many countries suddenly became poor. Southeast Asia became poor. South Korea became poor. This is because they tried to change systems that had worked for many decades too quickly. That is why they cannot recover. So our view is akin to that of a Malay

proverb which says, "If you lose your way, go back to the beginning." We were doing quite well at the start, so we should go back to our own system, and then slowly try to change through evolution—not by revolution or sudden forced change.

Again, it takes time for people to get used to the new system. Making full use of the system takes even longer. The system is one that the U.S. has invented and is accustomed to; the U.S. knows what is good and what is bad in the system. For anyone who introduces the same system, the moment they do it, they become the loser.

I also noticed that the Japanese look up to the Europeans and the Americans to the extent that the Japanese think like we used to think before—that they were superior to us. Certainly the Japanese must know that Europeans are not perfect. The extremely pro-American attitude of the Japanese does not take into account the wrongdoings of America.

When I visited Japan for the first time, I saw Japanese schoolchildren, and was impressed by how disciplined they were. The schoolchildren were always walking in a group. Today, young people just enjoy themselves. Japanese tourists were so disciplined; when one man holds up a flag, everybody follows it. Before, everything was done in a very orderly fashion. All that has changed quite dramatically. Now, I personally do not like to see young people dying their hair blond. An Americanised Japan is no longer Japan.

I am impressed by Japan's industrial capabilities. I am amazed by the speed at which the people of Japan learn about production, marketing, and economics in general. Japanese people try to do things properly, and they want to

produce high-quality products. Those are the traits that I admire. I think that all of these traits are the result of their culture and discipline. Japan has been a clean, bright, industrious, disciplined and beautiful society. Japanese people have always tried to approach any job they faced with total sincerity and pride. All of these strengths are disappearing in the current Japanese society.

I believe the Japanese are still maintaining its culture and way of life at the social level. However, when it comes to politics, it is not clear. It is necessary to become democratic, but democracy is not the same everywhere. American democracy is different from British democracy; it is different from, say, Danish democracy. Therefore, Japan should not try to become 100 per cent American democracy. You can develop your own democracy, and make it suitable to Japan.

We have our own democracy. People say we are not democratic. We do not care for what they say. We do not like their liberal democracy. We think it is immoral and undemocratic. They uphold individual rights to the extent of negating majority rights. We defend minority and individual rights so long as they do not cause the majority to lose their rights. Therefore, the biggest challenge to Japan is not from external sources. The real challenge comes from the fact the Japanese have lost confidence in their system and are trying to assimilate a foreign system which is not compatible with their culture and their way of doing things.

Take time, and move slowly

One factor that badly affected Japan was the collapse of the bubble. Property prices rose too high, too rapidly, based purely on a mad scramble to buy property in the hope that the prices would continue to go up. But when there were signs that the economy was going to slow down, the overvalued property prices collapsed. Then, the people and the companies could not repay their loans and became bankrupt. Of course, if they cannot repay the banks, the banks would also go bankrupt. I was told that a 200 million yen property went down by 20 million yen—10 per cent of the original price. Obviously, someone who borrowed 200 million yen to buy the property could not repay his loan when the price went down. That creates serious problems for everybody.

When property prices increased very rapidly in Japan, we were reminded that the same thing had also happened in Hong Kong. Property prices rose very high. Then, when they announced that in 1997 Hong Kong would be returned to China, the property prices fell sharply. Of course, that created a big problem, especially for small and medium enterprises. That is what happened to Japan as well.

It will take time for the Japanese economy, which has been devastated by the collapse of the bubble, to recover; but recover it will. However, the catastrophe during this period is that Japan has rapidly changed or tried to rapidly change the Japanese way of doing things. Any change, if sudden, can be destructive. Of course, you should change for a better way all the time. We, too, change, but it must be a gradual process. Slowly, people must understand why

they are undertaking the change, and how that change is to be made. However, Japan tried to change their system and become Americanised overnight.

An example is the Japanese system known as "Japan Incorporated" in which government officials worked closely with the private sector. They made sure that businesses worked well. However, they suddenly started saying that if government officials worked with the private sector, it would be a crime. Already, several officials at the Ministry of Finance have been charged for working closely with the private sector. Today, government officials are very afraid to work closely with the private sector. All of a sudden, there is no more cooperation between the public sector and the private sector.

Of course, if you use government money for private purposes, it is wrong. But working together to eliminate or reduce bureaucratic procedures in order to help reduce the cost of doing business is not wrong. If you must put a stop to it, then it must be done gradually.

Here in Malaysia, we have adopted the concept of Malaysia Incorporated, because we have to work with and help the private sector. Our corporate tax rate is 28 per cent. So if companies make a profit, we get 28 per cent of that. Given this fact, there is no reason we should not work with them. We work with them to make sure that they do well, so that we can get a tax payment from them. Our attitude is different. We do not arrest government officials for working with the private sector. Of course, every so often, a government official might have dinner with the private sector. That would be all right.

The *keiretsu* system has fallen as well. In the past, big Japanese companies had the backing of their own banks within the same group. They borrowed from their own banks, and the banks participated in the management of their business. That was a Japanese system that worked well. Otherwise, Japan could not have developed so quickly. It was thanks to that system that Japanese banks could do well with low equity ratios.

However, that system has been destroyed due to the introduction of the Bank of International Settlement (BIS) regulations. Japanese banks have been pressurised to raise their equity ratios, and as a result, they have been unable to function as usual. That led to an even worse economic situation. As a result, the stocks of banks and companies have fallen quickly and the stocks were sold when it became very cheap.

Also, there was a system of lifetime employment. The Japanese company looks after their employees from the time they join the company until they die after retirement. They never got laid off even when business was not doing well. If employment is guaranteed, then income is stabilised and people can plan to spend money. Additional pay is provided according to the situation of the employee; if you get married, you will have additional pay for your spouse; if you have children, you will get additional pay for them. Consequently, the employee develops a strong sense of belonging to the company, and they devote their full energy to its success. In the family, a father promised a stable life for his family and he was full of dignity.

However, after the collapse of the bubble economy, Japan followed the West and quickly took the path of

restructuring. Yet Japanese people are not the same as Europeans. If Europeans lose their jobs, they go and collect unemployment benefits from their government. Japanese people do not understand this concept. We can see some of those without jobs living in plastic huts in parks. If they lose their jobs, they are too ashamed to go back to their families. Therefore the Japanese character is different from that of Europeans. If you attempt to adopt the Western system, it will undermine the Japanese social system and create problems. The Europeans have different sets of values. Europeans never commit *hara-kiri*. In Japan, the sense of shame is very strong. So when Japan adopted the European system, it did not work well.

Restructuring companies and laying off workers also influence young people's mindsets. Before, they studied hard and went to good universities, and then went to work in big companies until they retire. This was one of the most ideal choices of life for most of the young generation. Now, however, they worry that even if they studied hard and went to work in a good company, they might still lose their job one day. That worry has caused many young people to lose hope and many of them are not bothered about being employed, and they remain part-time workers. This generates yet more social instability.

All of these changes are happening in Japan at a rapid pace. This is something we hope to avoid in Malaysia. We will adopt some parts of the European system, but we will do it slowly without causing major economic problems. Your problem stems from the fact that the speed of change is so sudden, which is disruptive. This is why Japan is facing difficulties. Japan still has skills, Japan is still productive, but

the government's way of handling the economy creates problems for Japan.

I read the story of Konosuke Matsushita. When Matsushita Electric Company faced serious problems, like any of the other companies at the time of the economic panic in the early 1920s, the young Matsushita told his employees, "it would be a great loss to dismiss any one of you as you are all excellent workers. Please do not worry about losing your jobs." The employees were touched by the speech and they worked overnight to successfully clear the excess stock. Matsushita understood the mentality of his workers, and the mentality of the Japanese. He is one of the Japanese people I respect most.

Average term in office is too short

We have heard that the Japanese way of decision-making is very slow. They say it takes a long time to reach consensus. Some say this is because of a lack of good leadership. I think it is due to the short-term nature of Japanese government. In recent years, the average lifespan of the Japanese government has not been more than two years. This is too short a period for any government to accomplish anything meaningful.

This is because Japan has a peculiar political system, where there are so many factions in the party and each faction wants its candidate to be the Prime Minister. If you get to be the Prime Minister, you lead for only two years and then give way to a new leader from another faction to be the Prime Minister.

We should be aware that it takes time to accomplish goals. In the U.S., the President can hold office for a maximum of two terms, each term being a period of four years. In the first year, the president learns how the office works. He learns about administration, and gets to know the staff. In the U.S., the president appoints his own staff and it takes time to finalise the list of appointments. One year can pass quickly. In the second year, he begins to formulate plans or policies. That takes a full year. In the third year, the leader will focus on how to implement plans or policies. Even before the third year is over, he has to think about the next election. So he has little time to implement his plan. He is occupied with trying to win the election, trying to get support, and may have to modify the plans in order to gain that support. So no work is done. Instead he spends his time preparing for the next election. If he loses then his plan would never be carried out. If he wins, then people consider him a lame-duck President because all his plans will be thrown out by the next President. His plans would not be taken seriously and the officials would not implement them properly. And the next President will face the same problem. The country thus suffers from lack of attention.

Of course, people might be afraid that if the period in office is too long, the leader might become too strong. That also may be true. However, leaders have to have a certain length of time to be able to plan and achieve goals. There are countries whose term in office is limited to only one term of four years. One term in office is not enough to achieve anything, because people will know when the leader's term of office will soon come to an end. The British

system is quite the opposite. As long as people elect the same party, the same prime minister can be in office for as long as he or she wishes. We follow the British system in Malaysia. It is a good system for accomplishing actual plans.

For example, Malaysia wanted to build the Malaysian national car. It took three years just to plan. In the following year, we began to implement it, but the result was only seen after six to seven years. If a leader is ousted during this period, he cannot make a success of the project, and people will say that he is a failure. Supposing I had started to build the Proton car, and then before it was fully implemented, I was no longer the prime minister, the next prime minister would not continue the plan. I hope that Koizumi remains in office for an adequate length of time, so that he is able to implement meaningful plans. However, this is the kind of thing that I am not supposed to mention.

From our experience, a strong and stable party provides a base for long-term government to be supported and for the leader to show strong leadership. We have a very strong party in Malaysia. Because we are strong we are not afraid to make decisions. If a party is weak, when it makes decisions there will always be somebody opposing it. If the party loses a certain amount of support, it loses completely. Here, if I lose some support, I remain in government because the party is so big and strong. Because of that, we are able to make decisions that may be unpopular with some people. We took a risk, but we can still make that decision.

Also in Japan, the Liberal Democratic Party (LDP) has been governing for a long time. The "1955 System," or the very strong party system in Japanese politics, allowed

government to decide on big projects as plans to double people's income, or as plans to remodel Japan. During that period from 1955, the LDP did not have to form coalitions, so they could take risks and make bold decisions.

The other issue, however, is not related to the strength of the party. The LDP has been ruling Japan for a long time. We also have been ruling Malaysia for long time. In Malaysia, however, we do not change the leader unless necessary. Tunku Abdul Rahman, the first Prime Minister, held the post for 13 years. That's a long time. The second was in office for six years, until he passed away. The third was also there for six years, before retiring for reasons of ill health. Then I became Prime Minister. There is no time limit. So, you have time to accomplish things.

I must stress again that, the person who becomes Prime Minister today has to spend a year learning what the job is like. Then he begins to settle down to do things. He may have a plan to get something done, a plan, which may, for example, take him 10 years to complete, but after the first year of learning the job, he has only a year left. Then a new Prime Minister would take over. He does not want to follow another's plan. He wants to have his own plan. Yet, again, he will never complete that plan because he is in the post for too short a time. Because of this, it is impossible to make plans or policies that cover a longer timeframe, let alone implement them.

Going back to the start

Japan, during the chaotic situation after the bursting of the bubble, was too hasty in its efforts to bring about a solution

to the problem and, as a result, uncritically introduced the Western model. Moreover, they tried to change the situation too rapidly. We look upon the Japanese experience as a bad example. I am not saying that the entire Western system is bad, but the speed at which the Japanese tried to introduce the new system is bad. We, too, are introducing the Western system, but we are doing it slowly so that people can become accustomed to it. I think we learned a lot from the old system of Japan. Now we feel we should not completely follow the model taken by Japan recently. We are now focusing more on South Korea. South Korea has done quite well despite the currency crisis. Their people are still working very hard. We want to learn from them.

If we compare Japan and the U.S., Japan has a high level of personal savings. Americans do not save much. Americans live on borrowed money. You lend the money to them by buying dollar bonds, etc. This shows that countries that borrow money can be prosperous, and the people of the country that lends the money can be poor. Also, the work ethics of present Japanese workers is different from the past. They used to work as hard as they could for their company. If they stop doing this then Japanese productivity would go down. Dismissing workers is very discouraging to workers. As a result, they will not work hard and will become less productive.

It has been ten years since this deflation and recession began in Japan. This would not happen if the system being adopted were very good, yet Japan is in a catastrophic situation because it is adopting the wrong system.

For many years Japan was doing very well. Perhaps this hurt the European economy, as they could not compete with Japan. For us, however, Japan's growth has been beneficial. The Japanese produce goods that are high in quality and low in cost. Malaysians are not rich people. Obviously, if we buy from Japan, we can get cheap and good quality products. Before, in the automobile industry, Europe produced most of the cars. They produced cars for themselves, and at extremely high prices. This was because Europeans could afford to pay such prices; poor Asian countries could not. It is a case of if you can pay, you can have it, but if not, forget about it. We would make profits anyhow by selling in the rich European markets. Besides, the companies must continue increasing the salaries of their workers. So, if Asians could not afford, they should remain without motorcars, or without electric appliances, only a few Asians or Africans could buy. Most could not. However, when Japan produces high quality goods at reasonable prices, many people in Asia and Africa could enjoy the goods. So for us, Japan's prosperity did not hurt.

Unfortunately, Japan wants to become Europe or America. They adopt American and European methodologies. The U.S. made the Japanese yen strong, which made Japanese products expensive, and now we cannot enjoy the Japanese products the way we used to. Everything is very expensive now, and it is hurting Japan. That was a bad decision, because, as a result, investments went to China and China became the factory of the world. They started producing cheap and high quality products, thanks to technological transfer from Japan and elsewhere, and forced a hollowing out of the Japanese industry. Now

the Third World markets are filled with Chinese products, and China is taking the role that Japan played in the past. The situation now is such that even if Japan adopts a weak-yen policy, the market will not respond. There would be no investments as China remains attractive to investors. Japan started the concept of public-private sector cooperation which became known as Japan Incorporated. It was very successful and the Japanese economy grew very fast. Now they are not allowed to work together, and Japanese business cannot prosper. Instead the banks and the corporations are being forced to merge. Banks have to break away from their parent companies and cannot participate in the management of the companies they lend money to. As a result, neither companies nor banks are doing well.

This is a radical change. You had a winning formula, which had delivered wealth for both Japan and poorer countries. But you cast away that formula and decided to take on a new one, one with which you were not at all familiar. Japanese culture is different from European culture. Even if you want to be European, you cannot, because culturally you are different.

Japan should return to the point at which Japan was most vigorous. The Japanese people must regain confidence in the Japanese system that brought considerable success. There may be a need for some modification, but these should be studied carefully and implemented cautiously.



Chapter EIGHT EDUCATION AND FAMILY

EDUCATION is one of the top priorities in Malaysia. We spend 25 per cent of our annual budget on education. I believe education merits that much investment. We are born knowing nothing; we learn through education. Education means increasing one's knowledge. A baby learns the basics of how to live from his parents; students learn the basic structure of society from their teachers; and people gain professional knowledge as they move on to higher education, and then enter society to work for the welfare of the people.

The importance of education

People continue learning until they die, and it is our mission to assist people to learn. Just as human beings acquire energy when they eat, they gain wisdom as human beings and increase knowledge as they live. Education is vital for character building. So, for me, learning is sacred.

When Malaysia was under British rule, not enough education was available. Only a very select few could get an education. So, in the past, if you were a farmer, your son became a farmer, as will your grandson. If you were a fisherman, it was the same story. However, today, with education, the son of a farmer can study medicine and become a doctor, or become an engineer, and become upwardly mobile. With knowledge, you can accomplish a wide variety of things. With knowledge, people do not stay poor. In the old days, with no education, the poor were ignorant and remained poor. Their children and grandchildren stayed poor. That was a cycle we wanted to break.

We want to provide education to all people, so that everyone who has potential can move upwards. For that we are prepared to spend money. Again, we spend 25 per cent of our budget on education in order to improve opportunities and chances for everyone. The purpose of education is to provide people with hope for their lives and foster people who can work for the sake of the society.

Education stimulates social mobility. Industrious people will be rewarded and the lazy will fall. Education breaks the hierarchy of society; it creates a wealthy society for everyone. Of course, high social mobility causes some problems, but not providing education would also cause problems. I think it is better to provide education and stimulate social mobility and have problems arising from that than not to provide any education and create problems arising from perpetual ignorance and poverty.

People without education, hence without social mobility, do not have hope for the future. They would

complain about the society being unfair and unjust, and that would lead to an uprising of the people against the government.

However, education is not just about providing knowledge. Knowledge is just a tool to enhance wisdom so that human beings can live decent lives. For instance, a carpenter should have knowledge about boards or saws to do his work. Medical doctors should have knowledge of diseases and how to cure them in order to help their patients. However, doctors do not necessarily need to have knowledge of carpentry, and vice versa. So, education is not about providing all knowledge to all people. Of course, basic education is necessary to carry on in the society, and then when we reach a certain level, we cannot learn everything, so we focus on fewer subjects. So the higher the grade, the less wide is the field of knowledge.

The important thing in educating people is to enable them to find out in what field they are going to contribute to the society as soon as possible, and guide them to learn the kind of knowledge they need to accomplish that goal. It is not possible to learn all of the knowledge in every field, and it is not advisable to try to do so. There must be a division of labour so that there would be experts in every field to attend to the needs of everyone in a society.

I do not know much about the Japanese education system, but it is true that Japanese thinking is very rigid. If you change something, then it becomes destabilised. Supposing the car is to take this road, but suddenly there is a demonstration and the road is blocked. Then they do not know what to do. That is because there is too much concentration on knowledge and less on logical

independent thinking. You only do what you are told to do and not how to figure things out for yourself. Part of education must focus on logical thinking so that there will be the ability to solve problems and to respond to changes.

Order and discipline

Discipline is one of the most important parts of education. We have to train people to become disciplined, because without discipline, nothing works. There must be a minimal level of discipline in schools, so we have to teach that there. I think discipline is an important value that determines whether or not people succeed.

Some of our teachers who have taught in Europe and the U.S. find it very difficult to manage the children there. The children do anything they like and are not disciplined. I hear the situation is now the same in Japan. However, in Malaysia, we still have school uniforms, and class discipline also. We tell them what they have to do and what is good for them, and they must do it according to certain set ways. Otherwise, no progress will be made. This may sound contrary to thinking and acting on your own. But when working as a team, if everybody goes his own way, the team will not function.

Human beings are born knowing nothing, but we have the ability to learn. There are people who say it is wrong to enforce one set of ideas. That may be true, but before getting to that, people need to learn how to live with each other in the society. Then they need to have social rules such as respect for the elderly, cooperation with colleagues, and responsibility over their juniors. If they have not been

properly trained and disciplined for that from a young age, people will become very selfish and there will be no order in the society.

Children, therefore, should be disciplined in class. They must not make noise, they must pay attention, they must do their work, and so forth. Some schools also have police or military cadets. Participation as cadets help to instill discipline. Wearing school uniforms is also a part of the training in discipline. In the West, however, they do not wear uniforms. All primary and secondary schools in Malaysia have the same uniform. When they go to university, of course, they are free to wear what they like, although we try to insist that some universities like those dedicated to managerial training should be disciplined and they must wear proper shirts and ties.

Human beings need to be educated in human values. It is something that we must accept. It is wrong to suppose humans will naturally know human values just because they are born as humans. A boy brought up by a wolf behaves like a wolf; his behaviour is far from human. This shows us that it is the responsibility of parents and educators to bring up human beings to become human.

What kind of education fosters good human beings? The answer is discipline. Respecting one's parents, respecting one's teachers, following those who are elderly or superior—these create social order and bring about a stable society. Discipline and order ultimately lead to the belief in God, who created order in this universe.

If you do not teach discipline to your children, they will make light of their parents and teachers, and live their lives as they wish. There will be no order in their world, and

their activities will have no motivation other than their own desire. They will insist on their way and try to force others to follow. They will regard everything in terms of winning or losing, being strong or being weak. Power will be everything to them, and when they grow up, they will not hesitate to fight or wage war to achieve their own self-interest.

If you try to teach morals and patriotism in school, some people will protest against that, saying that it seems like a dictatorship. It is the other way round. Correct education based on good morals and discipline will bring up a pacifist. Disorder will nurture dictators. History tells us as much.

The seeds of education will sprout years later

It is a pity that there is a tendency to follow the West in every part of the world. Today we have cinemas, televisions, and the Internet, and through them, Western values begin to spread and our own values lose out. In Confucianism, when you are brought up, you are expected to show respect to your parents. However, when you watch television, it shows quite the opposite of what you have been taught. Over time, television emphasises crime and violence, and shows people taking pleasure in killing. That will affect the thinking of children and of their parents to the degree that the love that is supposed to exist between them seems to disappear. We see this kind of phenomenon so much so that there are many incidents of children shooting and killing their parents.

Now, we cannot censor the media. There is the so-called freedom of the media. So when you give freedom, they abuse it. When they want to sell, they appeal to the lowest instincts of human beings. They project violence, sex, etc. because it is easier to sell. As a result, children adopt different and wrong values. That is what we are seeing today. We have the same problem in Malaysia. There are quite a number of cases of children committing crimes, even killing their parents.

We have been pushing forward with the development of high-tech industries in Malaysia, and an IT network in and around the country. Using the Internet means that a great deal of information can be received by the entire population regardless of age. Nobody can really stop the Internet or television—they are too prevalent. You can use the Internet for good purposes and you can also download pornographic films. Not only can you download them, you can also actually reproduce them and sell them.

In Malaysia today, we are engaged in a major operation to stop the sales of pornographic discs, and we have confiscated millions of such discs through this operation. This is because both parents and children can see them, and sometimes children and parents watch the same kinds of dirty movies. It naturally affects their thinking and their behaviour.

We cannot stop it, however. You cannot censor the Internet. Anybody can access it at anytime, and look freely at any website they want. So, it is not a problem limited to one country, but rather a problem for the entire world. Malaysia, too, is suffering from these problems. So, we really have to move quickly to revive education that

teaches people discipline. We must build up internal resistance to wrong behaviour.

Education begins in the family

I first met my wife when I was a medical student. There were only seven Malay students in the class at that time, and she was the only girl. So I met her then, we slowly got to know each other, and we eventually married. We were studying in the University of Malaya, which was located in Singapore at that time. I first went to King Edward VII College of Medicine. Later it merged with another college and became the University of Malaya, so I graduated from the University of Malaya. I have seven children and 15 grandchildren. That's quite a lot. All of them are in Malaysia and two of them are still in university. All of them are doing fine.

I see my entire family fairly often. They come to our house. Sometimes we have meals together. We get together whenever there is time, but I am usually busy, so it is difficult to spend more time with them.

My father was a very strict schoolteacher who later became an auditor for the government. He has always been passionate about the importance of education. It is a subject about which he has very strong feelings. He used to make sure that I always completed my homework and prepared for my lessons. So I used to hit the books immediately after coming home. He was a very strict disciplinarian. My father did not allow me to cycle to school. He said it was dangerous, even though in those days there were not many motorcars, and the school was only a mile away from our

house. That shows how strict he was. Later on, however, when I was involved in student politics, he was quite supportive. Then we became very close. I must admit that with my own children I was not as strict as my father. Today we cannot control our children in the way we ourselves were controlled. My children are much freer, they come and go as they please, and they do not have to tell us where they go.

My mother also had a strong influence over me with regard to discipline and religion. I learned a lot from my mother about right and wrong; she helped me to foster my value system. The same thing is true for my father, of course. My mother taught me the importance of being honest, telling the truth and helping those in need. She was especially keen on helping others; she always said that you have to help all people, including those who are disabled and those who are not as well-off in life. We used to give money to the beggars who came to our house. Sometimes we gave them rice or other kinds of food.

She also taught me that if I wanted an income, I had to work for it. For example, I remember once wanting to buy a pen called "Eversharp." The company Sharp used to make it. That's why the company was called Sharp. It cost 90 cents, and I asked her for the money to buy it. And she said, "If you want the money, you have to work for it." So I had to carry pails of water for her garden, and I got one or two cents a day. It took such a long time and in the end I begged her, "Please, I want to buy a pen now." So she gave me the money. Still, I had to earn it. Since then I have always held the belief that if you want money, you have to work for it. I don't believe in getting money for nothing. That's why I am

against speculation. I am against easy money. Money must be earned.

I learnt a lot in my family. Family is the first and best school. Families, especially large, extended ones, should be the model of society. You find your position within the family and cooperate with each other to live together happily—all these help greatly in shaping your personality as a human being. You cannot be selfish in a large family. The parents take care of the eldest son and daughter, and they in turn take care of the second son and daughter. The second son and daughter take care of the third son and daughter, and so on. This way, you find your rightful place in the family and learn to live an orderly life. Parents are responsible for bringing up children. They should show their children what is right and what is wrong. Religion, in this regard, will provide the best value systems for them. In brief, the family gives children their first education; education about having a good social system through discipline.

It is especially important to have discipline in the nuclear family. Overprotected children, who take everything for granted, do not know how to give to others. They do not learn how to live with others. They are given their room, and there, they create their own virtual world and seek to satisfy their feelings and desires. When these children grow up and become a part of society, what kind of countries will we see? They will look out for their own interests and satisfaction only, regardless of the interest of other people. This is a very dangerous tendency.

However, it is a general tendency in the world to have smaller families, or nuclear families. As a result, we are

losing the good points of extended families and big families. Moreover, in modern times, there is emphasis on gender equality. Women should not be discriminated against. Women must be able to do anything a man can do. Women, of course, take this freedom and equality very seriously. The result is that women no longer want to stay at home to look after the children and cook the food. Without mother's care, children can become quite wild.

This, in a way, is a negation of family life. Families have now in a sense lost their base. The nuclear family lives in isolation with no extension of the roots to the other members of the family, and this tends to destabilise society.

In urban areas in Malaysia too, we have small families, while we still have big families in rural areas. However, the big problem now is due to both parents working. Therefore, care for children has become very minimal. We have what we call latchkey children; they go home, take the key which is hidden in a certain place, open the door and stay at home alone. Then they go out, and the parents don't know where they are, or what they are doing. This has led to children becoming involved in unhealthy activities like drugs and other things. With extended families, the grandparents or the sisters will be at home to look after the child.

We need smaller families because of the need to curb the rapid growth of the world population. Yet, we also need to mobilise the manpower of the country. Malaysia has a small population, and we want both mother and father to work to provide the necessary manpower. However, when a country has a big population, it is good that one member of the family spends more time with their children. Because

of this, extended family ties are something that should be valued.

The advantages and disadvantages of the concept of "Freedom and Equality"

There are some people who say that in a Muslim society, the family network is maintained very strongly. In the West, on the other hand, the nuclear family is prevailing. They also hint that a big family is an obstacle to development. This is a false perception. It is not related to religion. Christian teaching also emphasises family. But people tend to get away from religion in order to develop a new type of society, which has more ideological input than religious input.

The emphasis on freedom is now very strong, as is the emphasis on equality. Because of this there is a tendency to reduce the connections between distant members of families. However, this development is slower in the Muslim world than in the Christian world. But it is still moving in the same direction. In some Muslim societies, they already have the problem of family breakups. This, of course, is not because of religious teaching.

I would not equate it to religious differences. It is just that Christian society has moved away from the values of Christianity. Although they may be Christian, they are nominal Christians; they do not pray, and they reject Christian values, including marriage. Nowadays, many of them do not get married. If they want to live together, they live together. After they have a baby, they occasionally decide to get married, which is meaningless. When they

have a family, their children do not respect their parents. They call the parents by their first names, and the result is that the family structure has practically disappeared along with the concepts of family and marriage. These days they have almost free sex. If you want to sleep with somebody, it is your business and nobody, not even your parents, should ask any questions.

So there is a total breakdown of customs and practices, and they are being replaced by nothing. You are free to do anything; nobody must question you. This is what has become of modern society, where many new social problems have emerged. The old society had its own social problems, as women had no rights, etc. but now, it has gone completely to the other side. This is the reason why we have to think again about the importance of family.

Chapter NINE

WHAT IS LEADERSHIP?

I HAD a heart bypass operation 14 years ago. At that time everybody was expecting me to go to the U.S. or the U.K. to have the operation. In those days, not many heart operations were performed in Malaysia, although we had surgeons who were quite good and who had been successful in performing heart bypass operations. So many people, including Singapore's Prime Minister at that time, Lee Kuan Yew, offered to help me to go to America. I also met an American surgeon who happened to be in Malaysia. He examined me and said that it was my choice whether to go to America or to have the operation here in Malaysia. So I decided to have the operation here.

Of course, there was a risk I had to take, but if I did not have the operation here, people would have no confidence in Malaysian surgeons. They would think that, if ordinary people got sick, they would have to get treatment here, but if some VIP got sick, he would go to America for treatment. That would not be very good for our medical services. So I

decided to have my operation here, and I put my trust in God.

If I get through, I get through, whether I have the operation here or in America. The previous Prime Minister had his operation in America. Most of the others have had their operations in America too. Some of them were successful, but not all. In the case of a former Prime Minister, after his operation he was very weak, so he decided to step down, and I took over. After his resignation, he was still ill. He went back to America and he died there. So you can die anywhere. If something goes wrong, you will die, whether in America or in Malaysia. I made a decision to have my operation in Malaysia. We had very good surgeons. I had complete confidence in them and they proved themselves.

When I went for the operation, I was prepared to die. I might not wake up from the anaesthesia, but "God be praised," I did wake up and I survived. Since then, I have had no problems and it has been 14 years now.

Every leader wants to see their country doing well. I am no different with regard to Malaysia. We have been under foreign rule for 450 years, and we do not want to be so again. We value our independence, but it is not enough to be independent—you also have to do well after gaining independence. Most countries cannot develop after gaining independence. We do not want to be like that. We want to have a country that is rich and strong, where the people have a good life. For this to happen, we have to work.

It is not a question of just sitting down and giving instructions to do this or that; you have to know what

should be done and how to do it, because sometimes when you ask people to do something, they do not know how to do it. This is because you might have an idea about something but they might not. You have to explain clearly what it is you want them to do. I spend a lot of time thinking about how to do things because I don't like making theoretical decisions or policies that in reality cannot be implemented.

In brief, my energy comes from my love of my country and its people. I am of Malaysia; I am a Malay; and I want to see the country respected by the people.

What is good leadership?

Leadership is about showing the way forward to the people you are leading. Obviously, a leader must know where he is going, and how he is going to get there. To lead, he must have authority over the people he leads. If he is a good leader, he will use his authority for the good of the people he leads. But sometimes, he can abuse this authority. This can happen when a leader is chosen not because he is good but because of other reasons. Hereditary or politics, religious leaders are most prone to abuse their position and authority.

In a democracy, leadership plays a most important role but the role of the people who choose the leaders are equally important. This is because the voters wield some powers through their votes. If the voters disregard national interest and seek instead to satisfy their personal, group or sectarian interest, then they are likely to elect the wrong leaders. If others accept bribes, no matter how small, then

the leaders they elect will be corrupt. But if the voters ignore personal gain, and look instead at the ideology of the programme proposed by the candidate, then good leaders would be elected.

Democracy is no doubt better than hereditary autocratic system. In a democracy, it is possible not only for a good leader to be chosen, but also for a bad leader to be rejected merely by voting, without need for violent revolution. Everything depends really on the voters. Once elected, a leader must be given the authority to lead. He needs strong support because otherwise he would spend all his time trying to stay in power and fighting challenges to his position. He really would not be able to lead constructively.

Some immature democracies challenge the leader almost as soon as he is elected. Through "democratic" disruptions, he may be brought down and another leader elected. He would then try to bring down his successor who in turn would be busy trying to defend his position and not be able to lead properly. This does not happen in mature democracies where marginally elected leaders are allowed to exercise leadership until the next election.

Leadership of the world is perhaps more important than leadership of a country. Unfortunately, world leadership is not based on democratic process but on military and economic strength of a country. As has been pointed out, autocratic leadership is very prone to abuse. If the leader of the most powerful country abuses his power or makes mistakes, there is little the rest of the world can do.

We are in terms of international governance still at a very primitive stage. Disputes between nations are still

being settled by killing people. Leadership is still determined by the willingness to use power in a test of strength. So far no leader has emerged who is willing to and is capable of disregarding physical power in order to settle disputes. The U.N. have failed just as the League of Nations failed.

Unless and until the powerful are willing to abide by the rule of international laws, leadership of the world will remain with the country and the leader with the greatest capacity to kill and damage.

How Malaysia escaped the currency crisis

Malaysia has never stuck to conventional ways of solving problems, or what other people say is the right thing to do. Even the "Look East" policy was quite an unorthodox concept, adopted as it was at a time when all people were looking West. We have always been like that. For example, we have a multiracial society. Normally, when you have a multiracial society, there would always be clashes between the races. We had a minor clash like that in Malaysia, but we solved the problem by forming coalitions; we worked together and we promoted peace in the country. So it is different from, say Northern Ireland, Lebanon or other multiracial countries. We then decided to develop the country together.

When a country becomes independent, the usual thing to do is to nationalise the foreign holdings. But Malaysia did not nationalise foreign holdings. Instead, we welcomed more foreign investment into the country. We always do things differently from the others and we adopt

unconventional ways. All this is because we study carefully what happens in other countries, when they do conventional things. If the results are not as expected, then we would try to design our own solutions.

We believe in the English saying that there are many ways to skin a cat. The most important thing is whether the cat is skinned or not, and not how it is done. Thus, during the currency crisis, we studied carefully the conventional way of handling it. We found that it could actually make matters worse. We studied various alternatives and finally decided on (i) fixing the exchange rate; (ii) making it illegal for anyone to transfer ownership of the Malaysian currencies, thus preventing sale of the currency; (iii) stopping the repatriation of the proceeds from the sale of shares in the stock market in order to stop the depression of share prices by dumping the shares; and (iv) closing the Singapore market from dealing in Malaysian shares by requiring sales in the name of proxy companies would not be recognised unless registered in the real owner's name in the Malaysian stock exchange. We studied all the economic statistics daily and took corrective measures immediately.

It is because of all these things that Malaysia was successful in managing the currency crisis. It was not just fixing the exchange rate. Argentina fixed its peso at one U.S. dollar long before Malaysia, but Argentina's economy collapsed completely. On the other hand, China fixed the exchange rate of the renmimbi against the U.S. dollar and its economy did very well. Fixing the exchange rate alone will not overcome a financial crisis. A whole lot of other things have to be done. In addition, the basic economy must be strong. Malaysia has a savings rate of almost 40 per

cent of the GDP. There is plenty of money in the system. An attempt to siphon out this money by offering very high short-term interest rate by Singapore nearly succeeded. By disallowing the change in ownership of the Malaysian currency, outflow of currency was stopped and the money became available once again to the Malaysians in Malaysia.

As can be seen, a lot of things had to be done. Early proposals on how to tackle the crisis were rejected. They had too many flaws and my colleagues were not convinced they would succeed. Even the comprehensive solution, as outlined above, were rejected by the Governor of the Central Bank and his deputy. But others in the working committee of the National Economic Action Council (NEAC) supported the proposals and the plan was put into action. Because of the need for absolute secrecy, the usual debate in the Cabinet was not held.

The NEAC was set up early after the currency crisis began in mid-1997. It met only once every month or so. But the crisis was a fast-moving affair, with the ringgit falling in value everyday. It was necessary to set up a powerful working committee headed by me as Prime Minister with the Deputy Prime Minister, who was also the Finance Minister as a member, along with handpicked senior officials and members of the private sector.

This committee met every morning to study reports and statistics on the financial and economic situation. The meeting often lasted the whole morning and decisions implemented by the committee were implemented immediately. The matters which needed urgent action had to be implemented even before the Cabinet could approve

them. But the Cabinet appreciated the need for urgency and seldom questioned the decisions of the committee.

Thus, when we found retail sales were slow, we gave bonuses to civil servants and held special sales where taxes were waived so as to enable attractive prices for goods.

There were plenty of houses being built, which they could not sell, so we had a sale of houses; the government, legal people, the banks, insurance companies—all came to one place, all the model houses were set up there, and the people could buy houses and register them immediately. In that way, we were able to sell billions of dollars' worth of housing, housing that had been built but had no customers because the economy was stagnant. Had the economy been all right, they would have sold fine but because of the downturn, people were not buying as they did not have the money. However, when they were offered at special prices, with no stamp duty, and the bank offering special loans, the houses were successfully sold. So it worked. It worked across the board in fact. Through special promotions and incentives, we were able to increase the sales of motorcycles, motorcars, consumption of electricity, etc. And so the economy picked up and the financial crisis was brought to an end.

Why not spend money?

For some years now, Japan has been facing economic recession because it is said that the Japanese have not been spending money. It seems that they lack confidence in the future and are afraid that they might not have money to spend in the future if they spend all their money now. I do

not understand this. Usually if money is kept, it depreciates in value because of inflation. If the interest rate is high, then this compensates for the depreciation in value. But high interest rates can only be paid if the money can be lent as capital for business. If people will not spend money, business would not be good and money would not be borrowed to be invested.

Spending money is therefore very important for stimulating the economy and creating wealth. In fact, the U.S. prospers by spending borrowed money. However, this cannot go on forever. It is bound to have an adverse effect later.

During the economic recession in Malaysia, the government increased its spending to the point of having a deficit budget. Part of the money is paid to civil servants as bonuses so that they would spend more money. We found that by doing so, retail business improved and this was followed by other business activities. As corporate profits went up, corporate taxes also went up. In other words, the government recovered quite a fair amount of the money it expended.

However, encouraging spending can result in inflation. This can worsen the economic situation. To prevent this, we have price control of essential goods in Malaysia. This prevents rapid inflation and the damage caused by pouring money into the system is minimised.

Price control is a war-time device to control high inflation because of shortages of food and other goods. But Malaysia has continued to apply price control on essential goods until now. It is a good way of stabilising the

economy. People feel more confident to save or to spend because price fluctuation is minimal.

In some Latin American countries, the inflation is so bad that the price of a certain product in the morning is different from the price in the evening. People must spend their income immediately. But in order to hedge against the effective currency devaluation, interest rates are very high. The spending will therefore not result in stimulating the economy.

This loss of confidence in the currency can result in its rejection, and in favour of foreign currency, like the U.S. dollar. This could damage the local currency further. In Malaysia, we do not have inheritance tax. There used to be a tax called death duty: when a person died, part of his property had to be paid as tax. We have abolished that. I have heard that inheritance tax is a big issue in Japan. They have a saying that a family goes bankrupt over three generations because of this tax. That is something we want to avoid here. Inheritance tax has served its purpose of naturally abolishing aristocracy and hierarchical society. Now, it unnecessarily places heavy burdens on families. The family system is being destroyed as a result of taxes like this. Together with the family system, they destroy the tradition, culture and legacy of the society. Today, it is more important to create family than to destroy it.

Knowing yourself is the key to success

In Malaysia, we always try to examine things very carefully. Although we may seem to be doing things differently from others, these are the results of our objective and detailed

study. We look at things from different angles, from the viewpoint of different cases. We make comparisons, and then we plan. In Malaysia, we have five-year plans. They are very carefully thought out. When we make plans, we make sure we can carry them out. Some countries make great plans but never manage to carry them out, or the government changes before the plan can be accomplished.

Socialist countries make plans too, but most of them fail. This is because they make plans that cannot possibly be implemented. When we plan, we limit ourselves to what can be done. Some people want to see development—they want their country to have, for example, a high-speed train, but this is not within their country's means. I am surprised to hear so many leaders I meet saying, "Oh, this is what we want to do in our country," when I know that what they want is not feasible because they simply do not have the money. So when we plan, we plan to do what is feasible. We know how much money we have, and how much money we can collect. We know the ability of our people. We do only what we can, and as a result, our plans are not just plans, they are blueprints for projects that will definitely be implemented. Plans, not castles in the sky.

In communist countries, everything is under government control. They control every single thing—from raw material production right down to the end product. I know of one country that was asked to produce 28,000 trucks a year. All of the raw materials belong to the government, as did the factory that assembles the materials. Even the vehicles produced belonged to the state. In such a case, how does one determine the price? It seems to me that it is impossible to know the price of

anything as there are no sales or purchases by anyone. There is no mechanism for determining the price. Therefore, there are no means of making profits or losses. in such circumstances. Even the mining to produce the iron is done by the government.

That is why they failed. If you are asked to produce 28,000 trucks a year, it is hard to know where to sell them. One could send them back to the person who ordered them in the first place. They know nothing about sales. That is the difference between them and us. We are a free market. Prices are determined by the market, by buyers being willing to pay the prices asked by the sellers. That is why it works here. Although many communist countries also make plans, they do not know how to implement them, which is why they sometimes fail.

The biggest mistake many countries make is not being able to diagnose the situation in their own country. Sometimes, we also ask for loans from Japan or international institutions to carry out a project. In that case, we must first conduct a feasibility study of the project to determine whether or not we can do it, and only then will we be able to borrow the money. Therefore, we provide the lenders with all of the necessary information. We tell them everything we plan to do and how much it will cost. We present our feasibility study and outline our reasons. Only then can we succeed in getting a loan. We do not ask for aid. We ask for loans. We borrow money from Japan. When we want to borrow money, we do not ask for money just like that. We have to show that we really need it for specific purposes, and we pay back all that we borrow. The

important thing here is that one must be knowledgeable regarding one's own country.

If, for instance, a person chooses to participate in a marathon for the first time, what does he have to do to prepare? If he has never run a marathon before, he has to find out his condition. He has to know whether he possesses the physical strength to run long distance in the first place. Then, he has to know what kind of training he should do to get his body into the right condition—all this before participating in the race. Otherwise, he will end up not being able to finish the race, or he will not even qualify. It is the same in development planning. If one does not know the situation of one's country, one's plans are no more than impossible dreams.

If we want to industrialise, but our people do not know anything about industry, what should we do? We invite people from other countries to come here. We try to convince them that if they come here, our people will prove to be very skillful. We let them know that there are no strikes here, and that if they set up business here, they will make a lot of money. When they move here, our people learn the technologies and skills. Thus, products produced exclusively before by foreign investors can now be produced by Malaysians, because they have learned how to do so.

Previously, when we wanted to build a road, we had to get a Japanese company to build it. Now, we have learned the technologies, and we even build roads in other countries. We build roads in India, we build roads in Bosnia. The same logic applies to our national car, the Proton, as well. It was developed completely by Mitsubishi

in the beginning, but now we design, produce and export it ourselves.

We succeed in doing things because we know what we can do and what we cannot. Most developing countries fail because they plan to do things they cannot do. For instance, a country decides it wants a steel mill and then they borrow money and call somebody in to build a steel mill. However, when it is built, they do not know how to operate it. If you do not know how to operate the steel mill, there is no point in having it. We are slowly learning. Knowing yourself is the key to success.

So before you make a plan, you have to diagnose the country's ability to carry it out. Being a medical doctor myself, I follow the latest trends in medical science methodology. Medical science is very methodical. To do something, one must know exact procedures. You come to me, and you say you are sick. I ask you how you feel, if you have a fever, if you have a cough, if you are sleeping well, and a host of other things, and then I carry out a medical examination. After that I send you for tests in the laboratory, and then I tell you what your problem is. Only after all this will I know what medicine to prescribe. It is the same for running a country. To do something, one has to find out all the necessary data—what it will cost and so on. Being a medical doctor helped me organise my mind for political affairs.

Listen to all the voices

Once you get to the top and become a leader, people around you tend to talk only about the good things and

pass on good information to you; the negative information, which tends to reflect the reality of the society, is hard for the leader to come by. In order to prevent this from happening, one has to listen to everybody. Even if someone is a friend, what he says will not always be the same. Each person has a different perspective. A leader must, of course, also listen to those who do not like him, and as a politician, there will always be many people in the society who do not like him. Then, a leader must find out if what they are saying is right or wrong. When one has an idea of all the different perspectives on an issue, then one can decide which are correct.

Listening to the people we don't like is very important. We can read a wide range of commentary, analysis and opinion in the newspapers. Sometimes we read what opposition papers have been criticising us for, and critical articles about us in foreign newspapers. Whether they are correct or not is unimportant; we still need to know what is being said. I have people working for me, i.e., members of my own staff, who inform me about what is being said.

The human body is made in such a way that we have two ears, two eyes, and a nose. We listen, see, smell and taste, without discrimination, digest this sensory information within ourselves and then make a decision. Then we voice that decision. The human body senses the truth of life.

For me, it would be impossible to avoid listening to the people even if for some reason I did not want to listen to them. Our practice here is that the leader must meet the people. We have regular sessions where we call on the

leader to meet the people. So many people gather and I talk with them. They put questions to me and I answer.

I sit down and talk with the business world every year too. The Japanese Chamber of Trade and Industry, Malaysia (JACTIM), for example, meets me and explains their problems. So I have a chance to know what is on their mind too. This constant dialogue, with all people, from industry right across to people in rural villages, enables me to know what is required of my government, what must be done. In most western countries leaders appear only during the election time, obtain the support of the people, and then disappear until the next election. However, we are constantly among the people.

We must meet the people. When I go shopping, I drive my own car and mix among the people. Lots of people come to shake my hands, and ask how I am and so on. Meeting people like that is fine for me. That creates a human element in the relationship. People here do not see politicians as being that far removed from them. We are all on the same level.

It is our custom in Malaysia open our houses during festivals. I have actually shaken hands with 30,000 people in one day. From morning till evening, I stood there, shaking hands. For 8 hours I was standing, without sitting down at all, shaking hands with everybody. Sometimes having my picture taken, sometimes taking photographs myself. I look forward to this event every year. I enjoy being around many people. When I announced my retirement, many people were upset. Some women cried. Somebody even said I was like the father of Malaysian

people, but, of course, such high praise is more than I deserve.

Leadership is about convincing people

At any event, people cannot lie to me because I know what is happening on the ground. I see it with my own eyes and hear it with my own ears.

When we want to achieve something, we have to sell the idea to the people. As with anything you would want to sell, you have to explain both its good and bad points. Sometimes you just have to say, "Sorry, but we need to do this." It may not be good for the people at first, but in the end it will be, and good for the country. If you are up front about things, I think most of your decisions will be accepted. Explanation is one of the most important jobs of a leader.

When we were working on the Proton national car project, we had to convince a Japanese company to work with us as our partner. We went to Mitsubishi and Daihatsu—both of them just wanted to assemble their own cars here, and not Malaysian cars. They told us that we could not do it, that it would be too costly. So I told them that before, when the car was first invented, they built one car at a time, and they still had a market. Then, of course, you build more cars and eventually develop assembly lines. So I said we are at this stage, where we can sell 25,000 cars a year at most. I told them that number would increase in the future. However, the fact is that people were building 25,000 cars a year a long time ago. Toyota probably produced 25,000 cars a year before the war, and there was a

market. So why can't we come into the market and then expand?

In any case, we made it attractive for them to become partners with us. We protect the market, of course, and it has become a success. Proton cars have already been exported to England. We also export to Turkey, Egypt, Lebanon and many other countries. In the U.K., we have won several medals. Now we have the Proton and Perodua. The Perodua is by Daihatsu. I drive a Perodua sometimes. I use a Proton for official use, but I have a Perodua for private use.

It is my principle to solve problems through dialogue. Whenever I have a problem, when I have a problem with a union, for example, I prefer to talk to them, and find out what it is they are not happy about, and find ways to help them overcome their unhappiness.

Before I became a Cabinet member, I was the non-executive chairman of Food Industry of Malaysia (FIMA). As world demand for pineapples grew, we tried to export canned pineapple to the U.S. At first, however, the quality control of the products was not good. People complained about the quality of the pineapples. So I went down to the factories to see how the pineapples were being processed.

Pineapple is divided into different grades. So what I did was to check whether one person's grading was the same as another's, and I found discrepancies. There was no consistency and the standards were not good. Even as the pineapples were packed, some were saying it was one grade and others were saying another.

It was the process that was wrong. We had to make sure that quality control was consistent and standardised, and not depending upon one person's subjective judgment of whether the quality was good or bad. We changed the system, and quality control improved. Eventually, we were able to sell the pineapples smoothly

In the early stages we experienced rejection. One problem was labour management in the factories. The workers were unhappy with the way they were being treated, so they spoiled the products, putting cigarettes and aluminium foil inside the cans. Of course, the people who finally got the products complained when they opened the cans, and as a result, five containers were rejected. We had a problem on our hands, because once the pineapples were rejected, they had to be taken out of the U.S. They could not be just thrown away, and it cost us a lot to remove them. In response to this, I improved the relationship with the workers, talking to them, becoming friendly with them, getting to know their leaders. As a result, I managed to gain their cooperation and problems like that have not arisen since. When people are not satisfied, they will do many things to damage a company, and, of course, in the end they lose, because if the company closes down, workers lose their jobs. So we have to tell the workers, "Look, this is as much your company as it is ours. If you damage the company, then we will be forced to close the factory and you will lose your job. So you must help us, make a profit for the company, and when we make a profit, of course, we can pay you better."

Most of society's problems have a human element. In that case, the best solution for them was to make them

recognise that they were part of the very group they were complaining about. If they realise that is it also their problem, then they start to think of ways to improve the situation.

What is lacking in the leadership of developing countries, where dictatorship tends to be common, is an ability to explain things to the people. It is a common practice here to talk directly with the people. I am not talking only about myself—all the other leaders did the same. We must get among the people and talk to them. Communication between the ordinary people and the leadership is very close here in Malaysia. The first Prime Minister was really popular among the people. That's why he lasted 13 years. Finally, of course, he did lose an election. His poor showing in the election meant he had to resign, but the transition was smooth.

Politicians and fraud

I did not bother to define the word politician. I am not a political scientist, but you know, under the British rule, we were banned from participating in politics. Politics was confined to the British and the rulers. However, immediately after the war, the British wanted to form a Malaysian Union, effectively the same as what they did in Palestine. They took Palestinians away from their land and gave the land to the Israelis. They wanted to take our land, and gave it to whoever wanted it. Because of that we protested. Wanting to be responsible for the nation to participate in the determination of policy of the local community and of the entire country is wanting to be a politician.

Now politicians are no longer respected, and are seen as not doing their job. They are seen as corrupt, having no policy, and even if they do, they do not have the ability to implement it. This is the general impression of politicians in all countries. Politicians are regarded as corrupt and do not really work for the people. People who wield authority or power can become corrupt. Even people who criticise corruption may become corrupt when they get into a position of authority.

During the struggle for independence, politicians were very sincere. They wanted to free the country. But when freedom and independence are achieved, politicians tend to become corrupt. It may well be the nature of politics: if you want to ask a politician to do something to your village, you vote for the politician who supports you and whom you support. This is the beginning of corruption, for the politicians become tied down with local or individual interests.

As a result, the politicians become corrupt and the people become corrupt. People do not select representatives according to their ability, capability and good character; they simply choose him because they like him, or because they are from a particular party. They believe that if they vote for a certain politician, they will get something in return. People often do not choose the most suitable candidate. People choose candidates because they can get something from them. Then politicians get blamed for being corrupt, but by making personal demands, voters contribute to the corruption of politicians.

The simple fact is that if the people are wise, they will give their support to a leader who is good. If people start

asking for favours in return for their support, that is the beginning of corruption. The leaders chosen will be those prepared to corrupt the voters. My position has not always been secure, many people have tried to remove me. At those times, I tried to convince as many people as possible that my vision was worthwhile. Because I was not willing to promise things to the supporters, I very nearly lost my election as leader of my party.

Sometimes, politicians are called liars. That is because it is easier to make promises than to actually carry them out. This is generally true for everyone. If a politician loses, then he need not carry out his promise. But if he wins, he is expected to carry out his promises. In Japan, the biggest cause of politicians not keeping promises is because their term of office is too short. As I pointed out before, an average of two years in office is too short to accomplish anything. If they fail to accomplish what they have promised, people lose confidence in them. If they were given a longer time in office, they would be able to plan carefully, and implement the plan slowly and steadily.

Opposition parties also play a major role in causing the people to lose confidence. Opposition parties oppose mainly because they are in the opposition. They will oppose anything. For example, when we wanted to build the national car, they said it was a waste of money. They said we would not succeed. When the project was successful, they refused to acknowledge it. When we say we wanted to build a new administrative city, they say that it would be a waste of money too. But now everybody comes here and they like the place and they are very supportive. Now, if the opposition tell people that it is a

waste of money, they do not get any support. So they stop talking about it altogether.

Opposition parties might promise many alternative options but, when they get hold of power, they soon find out that it is really difficult for them to carry out their promises. The popularity of any government wanes over time. The opposition gains in popularity because they don't have to deliver on new promises.

The reason why they oppose is because their leaders want to get the power for themselves. If they join the government party, their policies would be carried out. But they would not be the leaders. It is therefore not policy but personal ambition.

Sometimes, opposition parties have exactly the same policies as the ruling party. I do not understand why they are opposing. If their sole goal is to come into power, they oppose, even though they have the same policies as the ruling party. That seems to me to be a complete waste of time and energy. If they were really serious about the country, they should rather cooperate with the ruling party and help them improve and implement their plans. I think that is the responsibility of politicians representing a country.

It has been long time since Japanese people started talking about a lack of strong leadership in their country, but I do not think that this has anything to do with Japanese culture or education. Once you are in government, you know there are many restraints, and you cannot do whatever you wish. If your party does not hold a safe majority, there must be sacrifices and original ideas must be modified. Then you find various pressure coming

from business people, from workers, from the general population and from the media. You cannot ignore this pressure.

Suppose you want to reform corporate management. The public might be in favour of such reform, but the business people would be against it. They would resist it at every turn and put across their opinions on why it is not good. After a while you feel you cannot change it, so you stop the reform. Then people say you are not keeping your promises and not doing your job. In fact, you are actually facing up to reality. Before, your idea was not rooted in reality. If the civil servants do not agree with what you want to do, they can prevent you from carrying it out, especially if you do not have strong parliamentary support. That is the reality that you have to face. It is by no means unique to Japan. It applies to every country.

So, if you want a strong leadership, you must have a strong party. If you have a strong party, that will provide a basis for strong and long-lasting government. On the other hand, some say that if you are in power for such a long time, there is a tendency towards corruption and dictatorship. That is partly true. In the democratic system, however, you are continuously checked by the party, by the people and by the media. You are not assured of success if you cannot convince all of them, and if you fail, you will lose the election.

In my party, if I cannot convince my party to support me, I will lose. I was once challenged for the top leadership in the last party election, but I won by a small majority. Following that we had the general elections. If I am not good enough, then people will not vote for me. If that

happens, I will lose the election, and I cannot remain as prime minister.

So I have all the time to work hard to get the support of the people for whatever it is that I am doing. I cannot become like a king who can make decisions with complete disregard for what anyone else says. I have to take note of what people say. I have to go among the people and explain to them my intentions.

Recently, we made the decision that we wanted to teach science and mathematics in English. That went against a previous decision that all education would be in Malay. However, I explained why and the people accepted my explanations. Or, I should say, the majority of people accepted it. If I had failed to convince the people, my position would have been in jeopardy. In a democracy, this cannot happen because people can always reject you during an election. If you are not rejected, it must be because, people want you to continue. A dictator is a leader who will continue in office even when he is no longer popular.

The drawbacks to long-term government

Long-term governments do, however, have a weak point. If one leads a country in a strong and efficient manner, the followers or deputy official may stop thinking about what is good for the country, because they are so confident that the boss has everything under control. I must say that there is a great danger in always referring to the top leadership for decision-making. People become too dependent on the leader. That has happened here as well.

We try as far as possible to allow people to make decisions through committees. In the Cabinet, for example, we make decisions together. We all share responsibility for these decisions. So if I am not here, the decision-making mechanism still remains. Of course, sometimes people still tend to try and get me to make the final decision. I sometimes send it back to the Cabinet for them to decide. There are certain things that I can decide, and certain things that I must report to the Cabinet.

The same is true for the public. We provide practically all the needs of the people, even though we are not a socialist state, but in terms of welfare, we look after everyone. We provide houses for the poorest people; we provide assistance to small to medium-size businesses, and even help big companies. We are constantly ready to hear their complaints. They can complain to me, or to my office, and we take it to the Cabinet and say, "This is the complaint, which is a concern for such and such a ministry." So everybody participates in the decision-making process. Of course, we cannot deal with so many complaints.

This is the problem of high expectation and high dependency on the government that is prevalent in Malaysian society. It is just like children who are very comfortable living in the family house because their parents take care of everything. Once they get to the age where they have to be independent, they do not know what to do. This problem of overdependency is one of the reasons I decided to step down. It is very difficult to satisfy everybody.

The only way to educate the next generation of leaders is by example. We have a motto, "leadership by example."

We try to show what is good leadership, and everybody tries to lead by example. Of course, you also tell them what to do and what not to do as a leader. But, you cannot force others to do things that you could not do or things that you did not manage to accomplish.

I have no instructions for the next prime minister. It is up to him. He knows the system. He can work it out himself. People are not the same. Everybody is different. The first prime minister was different from the second, third and fourth; I am quite sure the fifth prime minister will be different from me. He will have his own ideas, his own concepts and his own value system. He will do things his own way, but because he has a Cabinet that is familiar with the system, there will be a minimal amount of sudden change.

Five Japanese leaders I have encountered

If I were asked to name five Japanese people who have impressed me, I would name three politicians and two businessmen. The politicians would be Prime Minister Yasuhiro Nakasone, Prime Minister Keizou Obuchi, and Morihiko Hiramatsu, the governor of Ohita Prefecture. The businessmen I would name would be Konosuke Matsushita and Akio Morita.

I think Nakasone had a very clear idea about what he wanted to do. He provided leadership for Japan for a longer period than most other prime ministers. I first met him when he visited Malaysia right after he became Prime Minister. We often meet whenever I visit Japan, and

recently, I was able to meet with him and discuss many things.

Obuchi was a very compassionate man. He listened to people, even though he did not speak English. I got the impression that he relies a lot on his aides, discussing things with them before making decisions. It is a great pity that he passed away.

Konosuke Matsushita, as I mentioned before, is a great businessman, a businessman who rose from nothing, and Akio Morita of Sony Corporation developed his company during the most difficult period in Japan's history. I think all Japanese should read his book, because it outlines his early struggle, and how difficult things were immediately after the war. Fortunately, at that time Japanese were willing to make sacrifices. Even if they did not get paid, they still worked as long as they were given some rice and some soysauce and so on.

Then, Hiramatsu had ideas that involved ordinary people, like villagers, and how to help them. The "one village, one product," idea has caught on in Thailand and in Malaysia. All of these people are people with ideas.

We have some people who have done very well. They have built something from nothing and become very successful businesspeople. There are many successful businessmen in Malaysia.

Go to the ground to see the reality

The prevailing theory coming from the West is that you must not help the private sector. If they go bankrupt, it is because they are inefficient. They should go bankrupt so

that only efficient companies will emerge. The world that they are forcing us to live in is one of survival of the fittest. This way will cause many social problems, and we do not believe in that.

We think we should help, because if a company goes bankrupt, the government loses money. Not intervening creates unemployment and social unrest. Unemployed people cannot purchase much, and they cannot contribute towards economic development. There is nothing good about a company going bankrupt. So we help them to do well in their business.

We help companies—both big and small—to recover. This is what we did after the currency crisis, when companies faced severe difficulties. Sometimes we injected capital, sometimes the government institution took over the company, restructured their loans, and then sold them back to the market. There were many things we did to ensure that companies remained viable. Even then, there are some companies that went bankrupt. However, because of government help, the bankruptcy rate was not very high.

In Japan there are many small to medium-size factories, which are equipped with the world's leading technologies. High-tech and high-quality components and spare parts produced in these family companies actually support the high level of Japanese industries. However, it is also these family companies that have been affected most in the recent recession. Many of them became victims of bad loans—and the banks just stopped lending money to them.

The reason I know all this is that I visited many small to medium-size factories around Haneda and Kamata four years ago, factories that make small component parts for

electronic products. There was a clear objective to my visit. I wanted to invite small Japanese family factories with skill and technology to our country. Thanks to the national car project, there is a demand for components, but we do not have factories making these components. So, if they come to Malaysia and operate here, they can make a profit and we can learn from them.

However, these are family companies. They are not familiar with working outside their own country. Japanese people are very conservative. They do not want to do things which they are not familiar with. They do everything that they are familiar with very well, but if you ask them to do something they are not familiar with, they will refuse. We wanted them to come here, where the cost is very low, and where they would have customers because they are producing the component parts for the electronics industries. If they come here, they can make these components at a low price. This will make them very competitive. However, they do not want to come here. We tried to encourage them to do so, but practically nobody came. In July of this year, however, another small group will come here to tour the place. Big Japanese companies are used to working abroad, but these small family industries are not.

I like visiting construction sites, because I like to see things growing. I visited Petronas Twin Towers while it was being constructed. I actually went up to the top of the towers using the workers' lifts outside the building. Because of the shape of the building, I had to change lifts three times to get to the top. Many of the people who actually built the towers have never done what I did.

I want to see to the progress of such construction and the problems. I want to know if they have anything to tell me. I have also learned a lot by doing this. I understand construction enough to understand why certain difficulties arise, and whenever there is a new industry, we like to know everything. Not only the officers involved, but also the technologies.

As for the Petronas Twin Towers, a Japanese company constructed one of them, and a Korean company constructed the other. It is a meaningful symbol of the "Look East" policy.

Actually, we have learned a great deal from foreign construction companies. We have constructed an administrative city in Putrajaya, and its construction involved very difficult engineering problems. For example, one of the bridge was extremely difficult to build—it is a cable-stayed bridge and the shape is specially designed. Building it involved great engineering skills.

The building that has just been constructed for the Organisation of Islamic Conference (OIC) cost us RM615 million. If it had been constructed in the U.S., it would have cost US\$2 billion. But we built it at a cost of RM615 million in 22 months. It has already been completed. It was constructed by a local company, designed by a local architect, and built by a local contractor. We had to use foreign workers, simply because we did not have enough local workers available. Putrajaya is a symbol of Malaysian domestic construction technology.

Provide vision

In the old days, there were kings. One of the most famous kings in Islam was Harun al-Rashid. He went out at night and checked whether people were happy. We come across this kind of philosopher king every once in a while. If you have such a king, you are lucky. In a democracy, you may not have a good leader. Politics is all about the people, not the system.

To be a leader, you must really lead. You must show the way. If you already know the way, it is not sufficient to just go that way. Sometimes, a leader must find the best route possible, tell the people what to do, and explain to the people the reasons and objectives for going that way. If there is no road, we have to build one. If there is an obstacle, you should show how it can be overcome. All leaders should do this. Otherwise, they are not leaders.

Although Malaysia was just a producer of rubber and tin, we wanted to become an industrialised country, to become a developed country. We needed to know what to do in order to achieve that. After giving directions, we must know how to reach our goal. If you say, "I want to become rich" without knowing how to become rich, you cannot become rich. The way must be shown. To show the way, of course, you have to know the way. That is why I go to the factories, why I go to see other countries and try to learn new things.

If you are the leader of a big country, or of a big company, you do not have to do it all yourself. There are many specialists around you, but for a developing country like Malaysia, you have to show how things are to be done. To show how things are to be done, you must know how to

do them. If you do not know, you cannot tell the people to do things—like building a national car, for example. If you don't know how to do something, you have to find someone who does, and learn from them. We learn from the Japanese through our joint ventures with them; we have to send people there, for many things must be done. Once people know how it is done, the rest is easy. Development cannot be achieved just by sitting in an office and making decisions. You may make the decision and then instruct officials to do certain things. They may not know how to do them. They may not even know what you are talking about. This means, obviously, that they won't be able to do what you are asking. You have to explain things clearly. You have to work with the people.

Here in Malaysia, ever since independence, we have been having Cabinet meetings every Wednesday morning. After the Cabinet meeting, every minister chairs for a post-Cabinet meeting with his staff and he explains the decisions made by the Cabinet that relate to his ministry, which means his staff know what decisions have been made. He also explains why decisions have been made. If he does not do so, the staff might think the decision is wrong and will not carry out the decision properly and whole-heartedly.

In the case of Japan, it is quite the opposite. In Japan it is a bottom-up decision-making process, where government officials propose something, pass it up to higher officials, who in turn pass it on to the Minister and Prime Minister for approval. There is probably no explanation or regarding the decision. Ours is top down. Of course, we listen to our staff. If they have ideas, we give

them due consideration. But the difficulty of the top-down system is that you have to be very familiar with the topic before you decide on anything. So you have to continue to study what is necessary, and it is vital to know and understand the details. Without the details, decisions cannot be made. For example, when a leader says it is important to develop IT, if he does not use a computer himself and has no knowledge of IT, nobody will take him seriously. If I want to build something, but I do not know if I have the money, if the people have the skill, if we have to bring in people from overseas or not, and if we have to import technology or not, I cannot make a decision. It is just not possible. Decision-makers should have an understanding about all of these, have full comprehension and awareness of what needs to be done, and explain this to the implementors.

We must know where we are going. If a leader is just there in order to do what is already done, and just to continue that what is being done everyday, it is not a good leadership. Anybody can do what is already being done every day. Leaders must provide direction for their country. Leaders must ask themselves where the country is going, and what the country wants to become, and then make a decision based on that.

In the old days, the leader of a country fought in wars as the head of the army. Nowadays, however, leaders do not fight. They just stay in their offices and instruct others to fight. They remain comfortable in their offices as others die. It is easy to make a decision, but more difficult to actually lead in its implementation.

How do you make people follow you? You have to get down to the level of the people and be friendly with them. Just because you are the prime minister does not mean that you are king or a god or something like that. Water runs down slopes. If you make yourself lower, there will be moisture. If you make yourself high and arrogant, you dry yourself up. I have to be re-elected, and people will not elect me if I am arrogant, do not speak to the people, and do not shake their hands. I meet the people, I talk to them, and lots of people see me on any given day. If you cannot do this, you are not qualified to be a leader.



Chapter TEN
EPILOGUE:
**MAY THE 21ST CENTURY BE THE
“CENTURY OF THE WORLD”**

I HAVE NEVER believed in the Asian Century. This term implies that you are happy to see only Asia develop. That is self-centred. Would Asians be happy if somebody said the 21st century is the Century of America?

I have always said that it should be the world's century—the Century of the World. Everybody should benefit from a better distribution of wealth. In the 21st century, we have to create a world where everybody helps one another and lives side by side with each other in joy and peace. We have to think wider and larger.

The concept of world tax

I suggested that we should have a world tax for companies that operate beyond national borders. My idea is that they should pay a small tax and the money collected should be used for the poorer countries. It would not cost these companies much. Development aid from Japan, Europe, Scandinavian countries, and the U.S. is currently falling. If

we have a world tax administered by an international body, we could develop the developing countries, particularly the poor countries, which have no money themselves.

International body means another organisation separate from the World Bank or the International Monetary Fund (IMF). Those particular institutions are nothing more than extensions of America. There must be an independent international agency run jointly by people from developed and developing countries. The U.N. could be a good model in this regard.

If money is borrowed, it must be repaid. If a country cannot repay its debts, it has to allow intervention by the IMF or the World Bank. If they use aid, they are obliged to the donor country, but if they use this world tax money to develop their infrastructure, they would have no political obligations. This would surely help them to develop.

I think the developing world can develop with correct planning and the appropriate finance. Say, you are living in Central Asia. In Central Asia, the communication system is bad. There are no seas, and they cannot sell their products abroad easily. So it is difficult for them to get a good price. If you want to buy something, you have to spend a lot on transportation costs. If this transportation problem were resolved, these countries could prosper. Simply constructing the infrastructure, airports, railways, roads and electricity could do that, which would result in these countries having a share of the prosperity of the rest of the world.

Some countries are very rich and some very poor. Looking at the overall wealth of the world, everybody should be rich. Why do people need excessive wealth? The

per-capita income of Switzerland or Luxembourg is US\$44,000. On the other hand, there are people in other countries who live on less than a dollar a day. So, if rich countries give up a little of their wealth, many lives would be saved. That wealth could feed millions of people. In the 21st century, if the rich countries shared their wealth with poor and underdeveloped countries, there would be fresh air for everyone. That would lead to the 21st century being the Century of the World.

The concept of world tax for development is not unique. The Islamic banking system basically has the same concept. Historically, during the time of the Prophet, moneylenders were oppressing borrowers. If you could not pay you became a slave, and you were able to release yourself only by paying what you owed. As a slave you could not earn money, however, so you become slave for life. This was all due to not being able to repay the money you borrowed. It was a very oppressive system. So Islam says that moneylending with interest is wrong. Muslims must not lend money based on interest.

Islamic banking is a way of sharing. If you lend money, you share in the profits of the enterprise. Of course, if the enterprise loses, you lose as well. However, if the enterprise makes a good profit, then you get back your money and profit. That, basically, is Islamic banking. So, the Muslim finance system is highly developed, and we think it is a more justifiable and fair way of lending. Of course, since there is a possibility of not getting your money back, you are much more careful about lending. You want to lend only when you think the money is going to be used in a way that will give a return. In interest-based banking, you

do not care much about whether or not you make a profit. Even if you lose, the lender will take all your property and you can just declare yourself bankrupt. That is the other system. That is why the Islamic banking system is accepted by non-Muslims as well. To prosper together and work together—this should be the ideal of the 21st century.

In Malaysia, we have established an organisation called Malaysia Debt Ventures (MDV), where we offer Asia's first-ever project debt financing programmes comprising project-based loans, guarantees to banks and export financing for projects in the ICT and high-growth sectors, including biotechnology. MDV also offers other value-added support services such as business nurturing, building profitable business platforms and, Research and Technology services. Its attractive fixed interest rate offerings, lower than the prevailing market lending rate, flexible collateral requirements and four-week processing turnaround time, make financing appealing and, an easily and speedy accessible option, even to foreign companies operating in Malaysia. In order to retain transparency in MDV's operations, it has developed a unique and Comprehensive Operations Manual and Process (COMP), which embeds MDV's 3-Ts business philosophies—Transparent, Trustworthy and Timely. The COMP includes an internally developed and proprietary due diligence credit rating methodology and loan monitoring system that are reputed to be of world-class quality. Compared to the conventional bank loan system, MDV weighs the content of the loan application, through active involvement in the pre-application stage to ensure that it fits MDV's requirements and risk appetite. Hence, leading the

application to a higher success rate. The system adopted by MDV, therefore, resembles that of the Islamic banking system.

Help each other and live in peace

The 21st century should be a century where people help each other and live in peace. In the 21st century, the rich should give to the poor; everybody should prosper together. The self-centred way of doing things should be left in the 20th century.

The 20th century was a century of confrontation. Confrontation is not good in any situation. When you confront somebody, he naturally wants to fight back. Communication breaks down and nothing can be solved. The only way to solve problems that have arisen is through discussion.

When you confront somebody, you cannot solve the problem, because you are not talking to each other. Instead, you say, "I am strong, I will beat you." That is both unfair and damaging. If there is war, many people will be killed. So, I am against war as a means to solve problems. You know, some people think that when you have a problem, if you are strong you beat the weak person, and the problem is solved. It is not a human way of solving problems. The problem is not solved, because sometime later they will fight back, and the damage will be great. More people will be killed in a continuous circle of violence.

I think all confrontation is evil. The physical capacity of the human being is inferior to animals. The human body is fragile compared to some animals. That means humans

are not made to fight. On the other hand, humans have the capacity to talk. They are also equipped with the unique capacity to give to others. Animals do not have these qualities. That should be an indication of the direction in which humans should go in the future.

In the European way, people confront each other. If the employees don't meet the demands of the workers, they will go on strike. Then the employer will say that if you go on strike, he will close the factory, so everything is lost. When the workers go on strike, the business would be damaged. In the end, the workers would suffer.

This also applies on a country level. We make friends; we used to be very anti-communist, because there was a communist uprising here. They tried to overthrow the government. We therefore were not friendly with China, because it was a communist country. However, although we still have these communist guerrillas, we decided to establish diplomatic relations with communist China. We did that, and eventually the communists in this country stopped getting support from China, and they soon gave up. They could not fight anymore.

In this century, we are faced with the ultimate questions: world environmental issues, energy issues, or food shortages. All these are transnational issues. No one country alone can solve these problems. Power cannot solve these problems. We need to cooperate to overcome them. We should stop the confrontation and start helping each other. We should respect different ethnicities, cultures, religions and value systems and live together in peace. In other words, we should have "Asian tolerance" to

overcome foreseeable hardships, and it is Japan that should take the lead in this.

Dr Mahathir Mohamad has been prime minister of Malaysia since July 16, 1981. One of the most durable and outspoken figures on the world political stage, he first came to prominence in 1969 when he was expelled from UMNO, the ruling party, for writing a letter critical of the then-prime minister, Tunku Abdul Rahman. Before being readmitted to UMNO in 1972, he wrote his famous, highly controversial work, *The Malay Dilemma* (1970), which examined the economic backwardness of the Malays, and advocated state intervention to bring about their rehabilitation. The book was promptly banned in Malaysia. In *The Challenge* (1986), he explodes fallacies and exposes distortions concerning religion, education, democracy, communism, freedom and discipline, and the concerns of this world and the next. In *A New Deal for Asia* (1999), Dr Mahathir reflects on Malaysia's fight for independence and rails against those who blindly worship the free market.

As Malaysia's fourth prime minister, Dr Mahathir has played a pivotal role in the confident march of his people towards Vision 2020, his blueprint for Malaysia's advance towards fully developed status. Born on December 20, 1925, Dr Mahathir studied medicine in Singapore, where he met his future wife, Dr Siti Hasmah Mohd. Ali. After working as a doctor in government service, he left to set up his own private medical practice in his hometown, Alor Setar. In 1974, he gave that up to concentrate on his political career. Dr Mahathir and his wife have seven children and ten grandchildren.

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