

# افغانستان آزاد – آزاد افغانستان

AA-AA

چو کشور نباشد تن من مباد      بدین بوم و بر زنده یک تن مباد  
همه سر به سر تن به کشتن دهیم      از آن به که کشور به دشمن دهیم

[www.afgazad.com](http://www.afgazad.com)

[afgazad@gmail.com](mailto:afgazad@gmail.com)

*European Languages*

زبانهای اروپائی

SEPTEMBER 12, 2018

by GERRY BROWN  
13.09.2018

## *Malaysia's Mahathir : The Empire's Serendipitous Ally in Chins Bashing*



Photo Source U.S. Department of State | [CC BY 2.0](https://creativecommons.org/licenses/by/2.0/)

As wet dreams go, it's a pretty big one for the empire to turn the nonagenarian Mahathir into an anti-China zealot. All the more so after a string of failures in Southeast Asia, from Duterte of the Philippines to Aung San Suu Kyi of Myanmar or Burma.

It's a pleasant surprise to the empire in more ways than one. First, Malaysia's then opposition alliance headed by Mahathir defeated the ruling National Front coalition helmed by the incumbent Prime Najib in the 14th general election, leading to a change in government in Malaysia for the first time since the country's independence 61 years ago. The opposition won the poll with a razor-thin majority of two, after an unprecedentedly huge vote swing of 11%. This paved the way for the return of Mahathir to Putrajaya (national capital) as Prime Minister, after his previous 22-year tenure ended in 2003.

The second surprise is that Mahathir, who was stridently anti-West during his first outing as PM, has turned out to be more anti-China than the empire's decades-long protégé Anwar Ibrahim, who was languishing in jail at the time of the election after his conviction on a trumped up charge of sodomy. This caused exuberance, nay, euphoria in the President of International Republicans Institute (IRI), a subsidiary of National Endowment for Democracy, who testified before the US Congress in these glowing, almost hubristic, terms :

“IRI has worked to strengthen Malaysian opposition parties since 2002. FOR the first time since 1957 they won and are in power. Democrats around the world can play a long game, confident that sooner or later, their time will come.”

During the 9-day hustings, the opposition focused their firepower on the national development fund called 1MDB scandal said to have diverted \$4.5 billion from the fund, including \$700 million to Najib. In addition, Mahathir pledged to review and renegotiate the \$15 billion East Coast Rail Link (ECRL) awarded to a Chinese contractor.

The opposition had considerable “assist” months before the ballot from Western sources. They included Clare Rewcastle Brown, sister-in-law of former British PM Gordon Brown, with her numerous “exposés” through an online news site Sarawak Report operated from London; Washington Post with its several detailed reports on the 1MDB affair (when was WaPo ever interested in a foreign money scam?); and the US Justice department which had launched an extensive investigation retracing the financial flows of 1MDB round the globe – all giving ample grist for the mill and ammunition to the Malaysian opposition to unseat Najib.

Before he visited China to renegotiate the price of ECRL, he told the press that he wanted a drastic reduction in price. The basis, at the time unstated, was that the ECRL contract

sum was vastly inflated so as to siphon the “excess price” to Najib to help him dig out of the big hole in 1MDB. That bald assertion had been made by Claire Brown, who was welcomed like a national hero in Putrajaya shortly after Mahathir’s coalition pulled off an electoral upset.

When he arrived in Beijing last month, his confidence filled to the brim based on nothing more than the wild claim in the Sarawak Report, Mahathir expected an easy win. Chinese leaders were far from impressed , much less amused, by Mahathir’s brashness and crassness. They flatly rejected his request to have the ECRL price cut drastically when there was nary a shred of evidence of irregularity or legal transgression. At the joint news conference with the Chinese PM, Mahathir let rip with innuendos of Chinese neo-colonialism, causing great offence to the host.

More bizzare still was his temerity, after his Empire-inspired script of Chinese neo-colonialism, to ask for a \$40 billion loan from China when he met President Xi Jinping. Apparently, Xi pointed out the flawed logic of Mahathir wanting a loan to repay the Chinese loan for the \$15 billion project which had already been funded 85% by China’s EXIM bank at well below the market interest rates and with a 7-year moratorium on repayment.

All hell broke loose when a disappointed Mahathir got home. He wanted the enclosure of a massive business park being built by a Chinese contractor in Najib’s home state removed, asserting that it was in violation of Malaysian sovereignty. His foreign minister had to walk back Mahathir’s edict, as it turned out that the boarding was erected not by the Chinese contractor but by a local consortium around its steel mill within the business park . Neither is the enclosure in breach of any law or local regulations, much less infringement of sovereignty.

No sooner was his edict on the enclosure reversed by his minister than he issued another order to forbid foreigners to buy properties in a luxury housing project named Forest City in the southernmost state of Johor, jointly developed by a Chinese company and the Johor Sultan, with whom Mahathir has had bad blood going back to the previous royal ruler. Almost half of the units in the project had been sold to Chinese nationals. It’s pretty obvious that Mahathir took out his anger with Beijing on the developers and Chinese buyers at one go. This caused a storm in the local business community as Malaysia never had such prohibition in the country’s history. That too had to be walked back days later by his Housing Minister. He didn’t relent though, lying to big gathering of Malays that an

influx of 3 million Chinese citizens to the country would push the locals to live in the jungle!

Fact is only 31,700 foreigners have been approved under Malaysia's My Second Home scheme since the year 2002 – – 8,000 Chinese nationals, 4,100 Japanese, 3,400 Bangladeshis and so on. The scheme allows them to reside in Malaysia with a 10-year multiple-entry visa, but those aged below 50 are forbidden to work locally. It'd take 4, 000 years for Chinese nationals to hit 3 million under the scheme and if they were immortal! Mahathir conveniently failed to mention that millions of Muslims from Indonesia, the Philippines, Bangladesh and Myanmar have migrated, most of them illegally, to Malaysia over the past few decades. In the Borneo state of Sabah, Mahathir as PM encouraged hundreds of thousands of Filipino Muslims from Mindanao to emigrate to Sabah, dethroning the indigenous Kadazan-Dusun tribes as the largest ethnic group. Mahathir did so largely for political reasons – the Sabah natives often voted against the ruling party, and most of them are Christians to boot.

Back to the ECRL episode upon his return to Malaysia after the largely self-inflicted snub in Beijing. At the same time as he let go with his anti-China rhetorics and edicts, he discovered to his horror that cancellation of ECRL would incur a penalty of \$7.5 billion or half of the contract sum. Calling Najib stupid and a kleptocrat, he then claimed the contract terms were lopsided and patently unfair to Malaysia. He asserted that the project could be built at two-thirds of the agreed price, and further made the farfetched claim that some unnamed foreign and local companies had told him that they could build the ECRL at one-fifth of the Chinese bid. Citizen Najib suggested that Mahathir set up a Commission of Inquiry (COI) to look into the ECRL project thoroughly. Mahathir brushed aside the COI proposal summarily. It doesn't take a genius to figure out why Mahathir chickened out on establishing a COI as proposed by Najib even though the COI would be under the control of Mahathir's brand new coalition government. Najib mounted a spirited defence of the cost of the project. The oft-cited \$10 billion project estimate was done in 2009. Between then and the project tender in 2016, the Malaysian currency had depreciated by more than one-third against the USD, not to mention the length of ECRL has been extended by some 80 kilometers from the initial plan of 545 km in 2009 and rail realignment which entails tunneling close to 50 kilometers through the Central mountain range so as to minimize land acquisition costs. A comparison with similar rail projects awarded in the previous two years in Thailand shows that the cost of \$20 million per km is well within the regional ballpark.

Compared to the cost increase for the yet to be launched Singapore-Kuala Lumpur HSR project, a joint venture between the Singapore and Malaysia governments, the ECRL is a bargain. A large local contractor YTL group offered to build the HSR in 2006 for \$2 billion. The cost estimate now is between \$14 and 18 billion. Put another way, the cost of Singapore -KL HSR has skyrocketed more than 7 times over the same period as ECRL, which has only gone up by half.

The empire's long game of regime change in Malaysia has paid off after 15 years. That came to pass as much by fortuitous circumstances as by Mahathir's bigotry and anti-China sentiment arising from his blunder with Chinese projects and vile rhetorics against Beijing. He failed to appreciate that China will NOT brook any hostile antics and rhetorics from any nation, much less a mid-size country like Malaysia. Over the years, China has bent over backwards to accommodate the interests of Malaysia, especially Malaysia's extraction of more than a trillion dollars worth of oil and gas from disputed waters in the South China Sea since the 1980s, to which China has strong claims.

In recent years, China has become Malaysia's largest trading partner and foreign direct investor. Malaysia's trade with China grew at a double-digit clip last year while its other bilateral trades slowed down to sub-ten levels. China is the largest market for Malaysia's multi-billion palm oil exports. China could switch the supply to Indonesia with the blink of an eye. Ditto for electronic components from Malaysia, the other main export to China. As for direct investment, China has more choices than it can cope with, from Myanmar and Cambodia in Southeast Asia, Pakistan and Bangladesh in South Asia, and the entire African continent. The Maritime Silk Road (MSR ) is merely one of the six economic corridors in the Belt and Road Initiative. Already, the oil and gas pipelines from Myanmar to Kunming in southwestern China, and Port Gwadar along CPEC in Pakistan bypass the MSR altogether. If necessary, there's always the option of building the Kra Canal in Thailand which would render the Malacca Strait irrelevant.

Mahathir's anti-China rhetoric and policies have backfired. He came back from Beijing empty-handed, whereas his predecessor Najib now in opposition clinched \$30 billion deals on his last state visit. Malaysia's budget carrier Air Asia's plan to build a huge hub in the Central region of China has gone awry as a result of Mahathir's anti-China sentiment. Both bilateral trade and investment in China could suffer further if Mahathir doesn't change his wayward way towards China.