

# Dr. M: How we can hit back against unfair practices

# Asean to act Opec-style?

24 FEB 1979

**KUALA LUMPUR, Fri. —**  
**Datuk Seri Dr. Mahathir**  
**Mohamad has proposed**  
that the combined economic strength of Asean countries be used "Opec-style" to protect the interests of the five members.

The Deputy Prime Minister who is also the Trade and Industry Minister said such a step might be necessary for instance, when developed countries imposed unfair duties on imports from their Asean partners.

He added: "Here we are talking about the combined economic strength of the five Asean nations. Quite obviously these five nations control a fairly considerable quantity of trade as well as certain commodities which may be regarded as essential."

"With that knowledge it may be possible for us to use our economic strength to take counter measures against certain measures which are being taken sometimes by other countries...."

Should the meeting, to be attended by Asean Economic and Foreign Ministers and the Australian Foreign Minister and Minister of Transport, "fail to yield the desired results", the form of counter-measures against Australia "will be indicated and effected", the statement said.

"I don't rule out anything. The last time I said 'we'll go to war,'" the Deputy Prime Minister said.

The Economic Ministers noted that the problem arising out of the implementation of ICAP would not be confined to Asean and Aus-

• The new ICAP low-fare scheme would not be viable for participation by the national airlines of Indonesia, Malaysia, the Philippines and Thailand because of their present limited capacity and landing rights.

To overcome this, Asean should seek stopover rights at reasonable surcharge; and obtain additional capacity and landing rights.

• It would be necessary for the Asean countries to act collectively in their negotiations with Australia.

He was speaking to newsmen here early this morning at the end of the Asean Economic Ministers meeting. The special day-long session, which began at 9.30 a.m. yesterday and ended at about 1 a.m., was convened to re-examine Australia's new International Civil Aviation Policy (ICAP) and its implications.

Asean strongly opposes the Australian "cheap-fare" policy implemented from Feb. 1 because it could harm the interests of the Asean airlines.

A joint Press statement read out by Datuk Seri Dr. Mahathir said the meeting agreed to establish a panel of experts to gather data for the purpose of studying the factors that could contribute to the economic strength of Asean.

Elaborating, Datuk Seri Dr. Mahathir who chaired the meeting, said Asean countries had been subjected to a lot of economic pressure by developed nations and the grouping needed to compile statistics on certain commodities which it had control of.

For example, he said, certain countries had laws which enabled them to impose "countervailing duties" on Asean products which they classified as products which had been subsidised by Government.

Asean, after having studied its own strength, "may need to provide ourselves with similar laws so that together we may impose countervailing duties also in order to protect our own interests."

This was the purpose of the studies which would include not only data on Asean's production of certain commodities but also its contribution to the international shipping and airline business.

"Once we know our economic strength it may be possible for us to change the pattern of our trade so as to gain some advantage. I suppose if you study Opec, you understand what it means."

The Economic Ministers also proposed that negotiations with Australia on ICAP be held in Jakarta during the second week of next month.

tralia alone but would also involve other countries.

The implementation of ICAP, if allowed to go unchallenged, "would set a precedent for other developed countries to adopt a similar policy."

"The meeting emphasised that the ICAP is a manifestation of the tendency of developed countries to change the rules as soon as the developing countries have mastered their old rules and overcome the obstruction posed by them."

### Reiterated

The Economic Ministers reiterated their commitment to the Asean common stand and agreed on the following principles for negotiations on ICAP:

- The Asean airlines should be allowed to participate in the new low-fare scheme between Australia and Europe with or without stopovers in Asean countries.

- There should be no reduction in the present capacity of Asean airlines.