

Free trade NST - 1 MAR 1983 still the 'best bet' for all

KUALA LUMPUR, Mon. — **Datuk Seri Dr. Mahathir Mohamad** today urged EEC industrialists to use their influence on their governments to lessen protectionist policies and actions.

He said free trade was still the ideal policy for the interdependent world.

"We cannot hope to grow economically by internal generation alone — even if we are several hundred million strong and affluent as well.

"Sooner or later, in one area or another, we are going to need supplies or expertise or capital from outside. And when we are in that situation our protectionist attitude is not going to help as we are going to meet with reciprocal protectionism," he said.

Barter or counter trade, he said, has become appealing in view of the protectionist attitude.

Datuk Seri Dr. Mahathir conceded that counter trade would not work as well as free trade, but the choice now is not between free trade and counter trade but between counter trade and no trade.

"In that situation, counter trade will not only look good but will give some results and sufficient counter trade will succeed to damage the protectionists to some degree," he said.

Using oil as an example, he said the recent fall in the price of the commodity may be a

cause of much rejoicing in the industrialised countries for they will no longer be held to ransom by OPEC and no longer will OPEC lord it over the world.

But the banks which lent money to some Third World countries and oil producers are going to suffer from the collapse of these countries, he said.

"Clearly then, interdependence means interdependence. It does not mean dependence of the weak on the strong.

"It means that the weak and the strong must support each other in good times as in bad. It means they must depend on each other.

On Asean development, the Prime Minister said what has developed to date is merely the tip of the iceberg.

He said Asean was progressing with "deliberate speed."

"We want to build a structure, brick by brick, so that the final edifice will stand the test of time.

"We do not want to act in haste, just to satisfy our ego that we have a great economic grouping, only to regret at leisure when we find the structure falling apart at the slightest stress," he said.

Datuk Seri Dr. Mahathir said Asean has learned a lot from the EEC in terms of mistakes to avoid, and paths to pursue, thus Asean will continue to "make haste" cautiously.