

# PM TO JAPAN: PLAY FAIR

S2 8 AUG 1984

By K.T. ARASU

**PETALING JAYA, Mon. — Datuk Seri Dr. Mahathir Mohamad hit out at Japan today for its protectionist tendencies, indirectly accusing it of "economic colonialism" in its trade relations with Malaysia.**

The Prime Minister reminded the Japanese that many Asean raw materials contributed to the "lifeblood of Japanese industry and the foundations of

Japanese prosperity."

He told the Japanese that they had to play a more statesman-like role in world economic affairs.

"We are anchored in Tokyo Bay. If you turn us away, we will be back... prepare for the Second Opening of Japan," Dr Mahathir said in his speech at the first Malaysia-Japan Colloquium at a hotel here. His speech was delivered by Trade and Industry Minister Tengku Raxaleigh Hamzah. (Pull text on Page 6).

While conceding that Malaysia was grateful to Japan for a great many things, the Prime Minister pointed out that Japan had decid-

ed on its co-operation and assistance "on the basis of market forces, and sometimes enlightened self-interest."

Dr Mahathir cited several examples of the "unequal relationship" between Japan and Malaysia.

He said that while Japan mainly imported Malaysian raw materials only, Malaysia imported a wide range of Japanese manufactured goods.

He urged Japan to change this "colonial pattern" and throw open its protected market to Malaysian manufactured goods.

Dr. Mahathir said: "We cannot

and will not 'remain merely as hewers of wood and drawers of water.'"

He also mentioned the "dishonest and tension-generating practice of transfer-pricing" and said something had to be done to reduce Malaysia's invisibles deficit with Japan, which he estimated at US\$594 million (\$1,366 million) next year.

The Prime Minister called for fairness and determination from both sides in tackling this problem.

He said more should be done in terms of transfer of technology, the use of local materials, equal

partnership and participation in connection with consultants, sub-contractors, professionals and manpower training and development.

He indicated that there were more grievances on his list but added: "You may be relieved to know that today I don't intend to bring up the problems of air rights and improper behaviour."

Dr Mahathir also asked why Japan was not a teacher to the world.

He said: "Unesco reported in 1981 that there were 8,100 foreign students in Japan. Britain had more than 55,000, France more than 100,000, and the United States more than 300,000.

"For the 200 Malaysian students that are now in Japan, we are most grateful. But in the United States there are more than 20,000 of our students," he added.