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PM: WE WANT FAIR TRADE, NOT AID

KUALA LUMPUR, APRIL 24³⁶ (BERNAMA ES)-- DATUK SERI DR. MAHATHIR MOHAMAD TODAY STRONGLY CRITICISED RICH INDUSTRIAL GIANTS FOR THEIR UNFAIR TRADE AND MONETARY POLICIES WHICH HAVE PLACED POOR COUNTRIES LIKE MALAYSIA INTO HARDSHIP.

THE PRIME MINISTER SAID IN DEVALUING THE US DOLLAR TO BALANCE UP THEIR TRADE, THESE COUNTRIES UNFORTUNATELY DID NOT CONSIDER THE OTHER COUNTRIES OF THE WORLD.

"IT WOULD SEEM THAT COUNTRIES LIKE MALAYSIA ARE FORCED TO PAY FOR THE IMBALANCE IN TRADE BETWEEN THE GIANTS OF JAPAN, EUROPE AND THE U.S.," HE SAID IN A HARD-HITTING SPEECH AT THE OPENING OF THE JOINT MALAYSIA-JAPAN AND JAPAN-MALAYSIA ECONOMIC ASSOCIATIONS (MAJECA-JAMECA) ANNUAL CONFERENCE HERE.

BUT HE MAINTAINED THAT EVEN IN THESE HARD TIMES, "WE (MALAYSIANS) ARE NOT ASKING FOR AID. ALL WE ASK FOR IS FAIR TRADE."

HE ALSO BLAMED THE WEST, WITH THE ECONOMIC CLOUT IT WIELDS, FOR THE CURRENT DEPRESSED COMMODITY PRICES, A FALL WHICH HE BELIEVED WAS NOT ACCIDENTAL NOR IT WAS PART OF A CYCLICAL PHENOMENON. --MORE

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DATUK SERI DR. MAHATHIR WARNED THAT MANIPULATION OF CURRENCIES WITHOUT REGARD TO THE EFFECT ON THE DEVELOPING COUNTRIES WILL EVENTUALLY DAMAGE WORLD TRADE.

FURTHERMORE, HE SAID, THE IDEA OF A NEW INTERNATIONAL ECONOMIC ORDER, HAD BEEN ABANDONED.

'NATIONS ARE NOT MOVED BY CHARITY. ONLY SELF-INTEREST WILL INFLUENCE THEIR ACTIONS.'

'SO I WILL NOT APPEAL FOR CHARITY. I WILL APPEAL FOR ENLIGHTENED SELF-INTEREST. IT DOES NOT DO ANY COUNTRY ANY GOOD TO IMPOVERISH POTENTIAL CUSTOMERS.'

'IN THE GOOD OLD DAYS, PEOPLE GO TO WAR IF THEY ARE DEPRIVED OF WORLD TRADE. THE SMALL NATIONS CANNOT GO TO WAR BUT THEY WILL BE TEMPTED TO SEEK OTHER SOLUTIONS, NONE OF WHICH WILL BRING PROSPERITY TO HUMAN KIND.'

THE PRIME MINISTER ASKED: 'WHAT WOULD CONSTITUTE ENLIGHTENED SELF-INTEREST FOR THE RICH COUNTRIES?'

'FEAR OF LOSING A POTENTIALLY RICH MARKET WOULD. THE MARKET CAN BE LOST NOT ONLY THROUGH POVERTY BUT ALSO IF, THROUGH SHEER NECESSITY, THE MARKET OPTS FOR MEMBERSHIP OF ANOTHER CAMP.'

'THE MARKET COULD, PRIOR TO CHANGING IDEOLOGY, UNDERGO TRAUMATIC EXPERIENCES SUCH AS CIVIL STRIFE AND CIVIL WAR. OR IT COULD BE JUST A CHANGE IN THE GOVERNMENT THROUGH THE POWER OF THE VOTE - A CHANGE FROM A FRIENDLY TO A HOSTILE GOVERNMENT.'

DATUK SERI DR. MAHATHIR POINTED OUT THAT SOME OF THESE POSSIBILITIES WERE DISTANT, BUT SOME WERE OBVIOUSLY POSSIBLE.

'IT WOULD BE A PITY INDEED IF AN AREA NOTED FOR ITS STABILITY AND STEADY PROGRESS SHOULD TURN INTO AN AREA OF CONFLICT AND UNCERTAINTY.'

DATUK SERI DR. MAHATHIR FURTHER SAID: 'IF WE LOOK AT THE TROUBLE SPOTS IN THE WORLD TODAY, WE CANNOT HELP BUT REMEMBER THAT THEY WERE ONCE AMONG THE MOST PROMISING AREAS IN THE WORLD.'

WHAT COULD HAPPEN IN THOSE PLACES COULD HAPPEN ANYWHERE, HE ADDED.

'PREVENTION IS POSSIBLE. CERTAINLY IT IS BETTER THAN THE PAINFUL PROCESS OF AN UNCERTAIN CURE AFTERWARDS.'

THE PRIME MINISTER STRESSED THAT MALAYSIA IS NOT GOING TO GO THAT WAY IF IT COULD HELP IT. 'WE ARE DETERMINED TO PULL OURSELVES UP BY OUR BOOTSTRAPS.'

'IT WOULD HELP HOWEVER IF WE DO NOT GET PUSHED DOWN EVERYTIME WE TRY TO RISE,' HE SAID.

ELABORATING ON THE IMPACT OF YEN'S SURGE AGAINST THE RINGGIT, HE SAID NOT ONLY MALAYSIA MUST PAY MORE FOR ITS IMPORTS BUT THE LOANS IN YEN AND OTHER APPRECIATED CURRENCIES HAD NOW INCREASED IN VALUE.

'THE LOW INTEREST RATES THAT WERE CHARGED ARE NOW MEANINGLESS. WE HAVE TO FIND, IN SOME CASES, 40 PER CENT MORE RINGGIT IN ORDER TO PAY OFF THE LOANS WHICH FINANCED PROJECTS WHICH HAVE AS YET GIVEN NO RETURN.'

ON EXPORTS TO JAPAN, THE PRIME MINISTER URGED THE JAPANESE GOVERNMENT TO CONSIDER REVIEWING THE STRONG TRADE BARRIERS ON MALAYSIA'S FINISHED PRODUCTS.

HE NOTED THAT JAPAN'S EXISTING TARIFF STRUCTURE FAVOURED IMPORTS OF RAW MATERIALS RATHER THAN PROCESSED OR FINISHED PRODUCTS.

WHILE LOGS ENTER JAPAN FREE OF CHARGE, SEMI-FINISHED TROPICAL WOOD PRODUCTS ARE SUBJECT TO A HIGH TARIFF DUTY OF 17 TO 20 PER CENT WHEREAS THAT OF SOFTWOOD IS 15 PER CENT. --BERNAMA ES