

PM keen on second 'golden triangle'

By AHIRUDIN ATTAN BT 24 AUG 1990

PRIME Minister Datuk Seri Dr Mahathir Mohamad has indicated interest in the proposed second golden triangle incorporating the northern peninsula states, southern Thailand and northern Sumatra.

Speaking at a news conference in Sungai Petani after the first day of his scheduled two-day visit to Kedah yesterday, the Prime Minister said Malaysia will always welcome proposals to forge greater economic ties with its Asean neighbours.

He said with the northern states of the peninsula already making headway to jointly develop their economic potential, the Government is open to proposals to extend the idea of integrated development with Indonesia and Thailand, as proposed.

The proposed second triangle, mooted at an international seminar in Penang this week, entails joint development in tourism and investment in areas within an

imaginary line linking Penang, Surat Thani in Thailand and Medan in Sumatra.

Economists and politicians who debated the idea compared the opportunities in the proposed triangle to an existing golden triangle centred on Batam island. Malaysia agreed with Singapore and Indonesia to jointly develop this golden triangle in view of its vast tourism and manufacturing opportunities.

On development of the northern states of the peninsula, Datuk Seri Dr Mahathir said a committee is in the process of identifying industrial areas and infrastructure projects which can be developed jointly.

Earlier, addressing thousands of workers from 47 manufacturing firms in Kuala Muda, the Prime Minister said the US Generalii System of Preferences (GSP) will be used to hold Malaysia at ransom as long as the

country relies heavily on the trade privileges the system offers.

He urged workers to ensure that Malaysian goods that enter the US market remain competitive even after these benefits are withdrawn. The way to attain this is to increase productivity and maintain a conducive environment for business and investment to flourish.

He reminded the nation that the GSP is a privilege. "What they give us, they can take back." The US recently threatened to withdraw these benefits from Malaysia if the Government goes ahead with its intention to turn away Vietnamese boat people, he said. "For as long as we're over-dependent on these benefits, the GSP will be used against us."

The Prime Minister wrapped up his visit to the Kuala Muda area at a mammoth reception in Sungai Petani. Police estimated

some 40,000 Barisan Nasional supporters turned up to meet leaders of the coalition, which included the MCA, MIC and Gerakan presidents. Datuk Seri Dr Mahathir was given Malay headgear and a long kris, the state's time-honoured tradition of welcoming a "warrior".

In his address, he told the people to be wary of opposition leaders who will do anything to achieve their self interests, even if it means dividing the people and disrupting national harmony.

Datuk Seri Dr Mahathir earlier announced that the Government has agreed to backdate payment for the increased padi price subsidy rate to farmers who started their harvest in July.

He announced the 50 per cent increase in subsidy, which will cost the Government an additional \$135 million a year, when launching the National Farmers Day in Shah Alam last week.