

# PM: GO FOR TRADE PACT

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By Wong Chun Wai

**KUALA LUMPUR, Mon. — Malaysia has offered to lead in setting up an Asia-Pacific trade market to safeguard the economic interest of countries in the region.**

Prime Minister Datuk Seri Dr Mahathir Mohamad said today Malaysia would play an active role in the proposed trade pact if other member nations were not prepared to.

He hoped Japan would be willing to play a leading role, but said he expected Japan to be pressured by other in-

dustrial nations in such a move.

Dr Mahathir said the trade pact would act as a fallback position for countries in the region as he was apprehensive of success in the Uruguay Round of the General Agreement on Tariffs and Trade (GATT) talks.

"Having such a trade pact is appropriate as we have found that many Western countries are forming regional trade pacts," he told newsmen after opening the International Chinese Press Convention here.

Dr Mahathir said Western countries were imposing protectionist measures.

"If we do not unite, every country in

the East will try to defend their interest, but without unity we will still be weak," he added.

The Uruguay talks, which have been suspended following a dispute over farm subsidies between the European Community and the United States, are seen as important as it will determine not only trade issues but the shape and fate of the world economy, culture and politics for decades to come.

But Third World countries have been increasingly frustrated by the confrontational stand of the North.

Dr Mahathir said the developed countries were more concerned with their

own interest, particularly agricultural products.

"They have a large electorate comprising farmers ... their governments are afraid of the strong and powerful lobbyists," he added.

Similarly, he said, trade unions in the West were only interested in protecting their own interest and "if we think they wish to help us, that is just a fantasy."

Dr Mahathir criticised moves by industrial nations to inject new items for inclusion into GATT.

He said the talks had started off with manufactured items but had now included intellectual property rights.

Dr Mahathir said he would discuss the proposed trade pact with visiting Chinese Premier Li Peng.

Sources said that China, which is hoping for an economic takeoff, was likely to support Malaysia's initiative.

It is understood that the Japanese have reacted favourably to the pact but did not want terms like "bloc" or "pact" to describe the grouping.

"The Japanese prefer the grouping to be known as a trade co-operation or forum," said an official.

Dr Mahathir is expected to discuss the issue further with Japanese Prime Minister Toshiki Kaifu who will visit Malaysia next month.