

'WITH OR WITHOUT JAPAN'

KL to push for East Asia pact

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By AZAM ARIS

WITH or without Japan, Asia's number one economic power and a leader on the world front, Malaysia will proceed with the initiative of setting up East Asia economic cooperation.

Prime Minister Datuk Seri Dr Mahathir Mohamad said such a set-up is necessary for countries in the region to increase trade without having to deal directly with or be too dependent on the market of developed nations — which themselves are moving towards regionalism.

"We have to be united and have a trade and market pact of our own. If not, we will not be able to protect our trade share, as individually we don't have the economic strength. The Western countries have set up their own common market or free trade areas and they will continue to impose trade barriers.

"We have predicted that the current Uruguay Round of the General Agreement on Tariffs and Trade (Gatt) will not reach a consensus. It is clear now that the developed countries are inter-

ested in protecting their own interests, especially in agriculture products," he told reporters after opening the 23rd International Chinese Newspaper Convention in Kuala Lumpur yesterday.

Malaysia is proposing economic cooperation consisting of Asean, Indo-china, China, Taiwan, Hong Kong, South Korea and Japan. The Pacific island nations are expected to be invited but economic cooperation will not include Australia and New Zealand.

Economic cooperation like this, smaller than the Asia-Pacific Economic Cooperation (Apec, which groups Australia, New Zealand, Canada and the US), will be easier to operate, yet have a large enough market.

Datuk Seri Dr Mahathir said Malaysia will want Japan, as a world economic power, to be in the group but it expects that Japan, or for that matter any other country, will be pressured by the developed nations against joining such an economic cooperation.

"If Japan joins, then it will be good.

Malaysia feels that it needs to propose the setting up of such economic cooperation. If there are no other countries willing to take the initiative, we will," he said.

Datuk Seri Dr Mahathir said he will be discussing the economic cooperation idea with Chinese Premier Li Peng who is on a four-day official visit to Malaysia.

He said East Asian countries need to cooperate as it is unlikely that developed countries will ever give further concessions in trade, especially in agriculture.

"How can they give in when they have a large number of electorate who are farmers. These governments are being pressured by strong lobbyists and farmers to continue blocking the inflow of agriculture products.

"These governments are scared of the lobbyists and the large farming electorate and they will eventually bow down to these pressures. They will not care about

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the fate of developing countries. This is clear," Datuk Seri Dr Mahathir said.

The Prime Minister likened Gatt and multilateral trade negotiations with international labour movements — which act in the interest of industrialised nations rather than developing countries.

"Do we really think that they are interested in helping us? It must be a fantasy ... if we do," he said.

After four years of negotiations, the Gatt Uruguay Round was to have come to a conclusion last week following the ministerial meeting in Brussels.

However, the talks broke down following the European Community's failure to make further concessions in agriculture.

Trade ministers will continue where they left in Brussels when the talks resume in Geneva early next year.