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Mahathir - Goh '''

KUALA LUMPUR, Jan 11<sup>1991</sup> (Bernama) -- Asian countries on the Pacific Rim, which have the potential to collectively provide a dynamic core of growth, should explore ways of strengthening regional co-operation, Prime Minister Datuk Seri Dr Mahathir Mohamad said tonight.

+Initially at least we should learn to consult each other and speak with one voice when negotiating with the European and American blocs,+ he said at a state banquet for visiting Singapore Premier Goh Chok Tong.

Encik Goh arrived today for a three-day visit, his first since assuming office last November.

Datuk Seri Dr Mahathir who recently called for the setting up of an East Asian Economic grouping said while the world was witnessing an unprecedented unity among the community of nations in the political arena, unfortunately a reverse trend threatens to develop in the multilateral trading system, with the establishment of trading blocs.+

As such, he said the Asian countries should look into ways of enhancing trade among themselves in order to build up their markets and make them attractive to the European and American trading blocs. -- more

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+That way we will be able to have more bargaining power and be in a better position when negotiating for freer flow of goods among all nations,+ Datuk Seri Dr Mahathir said.

Saying that they would not be abandoning multilateralism he said: +In order to save multilateralism we must stand up to trading blocs which have already been formed and are working against free trade.+

+The choice is not for us to make. It has already been made for us by others.+

+If we do not know how to act or are afraid to do so because of labels which may be attached to us, we are surely going to lose.+

+We really do not understand why it is proper for some countries to come together and protect themselves while others may not do so,+ Datuk Seri Dr Mahathir added.

He also expressed the hope that Singapore would keep an open mind on the Malaysian proposal for closer economic co-operation involving the Pacific seaboard of Asia.

On ties between the two countries, Datuk Seri Dr Mahathir said Malaysia held the view that its relations with its closest neighbour were of utmost importance and would always give close and constant attention to the development of good relations between their two countries. -- more

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+The media has often been guilty of an inordinate amount of speculation on our bilateral relations, but this is only to be expected given the fact that Singapore and Malaysia were once one nation which separated because we had differences. It is natural to expect those differences to continue to haunt our relations,+ he added.

Datuk Seri Dr Mahathir said looking at the achievements they had made so far, he was confident that with continued close co-operation they could forge a common destiny that would benefit their two nations.

Noting that both Singapore and Malaysia remained strongly committed to Asean, the Malaysian leader said it was crucial that Asean member countries find new ways to break down barriers to achieve even closer economic co-operation in the region.

He said while Asean's achievements in the political arena had gained for it a considerable reputation as a strong regional organisation, the effort to promote economic co-operation among member countries had been equally important.

+In a period when our wider interests and well-being are being threatened by political and economic uncertainties, it is crucial that we find new ways to break down barriers to achieve even closer economic cooperation among Asean member countries,+ he added. -- more

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Encik Goh said he supported Datuk Seri Dr Mahathir's idea of closer economic co-operation among countries on the Asian side of the Pacific Rim. Describing the idea as having immense potential, he said it was far-sighted and imaginative.

+I support it.+

+I am in favour of strengthening regional economic co-operation among the Asian countries of the Pacific region, whatever the outcome of the Uruguay Round,+ he added.

Encik Goh said the two countries shared common economic objective -- to increase economic co-operation, to promote free trade and to enhance their leverage in support of free trade.

Closer regional co-operation in Asean together with the countries of East Asia, he said, would maximise the economic potential of the region and enhance trade and investment flows.

+Since this can be done in accordance with GATT rules, it will boost the multilateral free trade system, supplement Asean economic co-operation, and give greater meaning to the APEC (Asia-Pacific Economic Co-operation) process without jeopardising our traditionally important trading ties,+ he added. -- more

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Noting that the Asean economic ministers had been discussing the idea of closer regional economic cooperation for sometime although they had yet to find the mechanism to bring it about, Encik Goh said the Malaysian leader's proposal +will give this work greater impetus.+

+And we can better safeguard our interests in case the GATT talks fail to reach a satisfactory conclusion,+ he added.

Encik Goh said both Datuk Seri Dr Mahathir and his predecessor, Encik Lee Kuan Yew, had built a solid framework of co-operation between their two countries, citing the Water and Gas agreements signed recently as a high point in their relations.

+I am fortunate to take over\*from Mr Lee Kuan Yew this happy state of bilateral relations. I intend to build on it.+

Encik Goh said they might have occasional differences as any two very close neighbours anywhere in the world would have. But, he said, they had managed these differences better than most others, and their relationship was stronger for having overcome their differences or at least keeping them in check.

The Singapore leader also said he wanted to develop as many areas of co-operation as possible with Malaysia.

-- Bernama

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