

# Dr M, Kaifu discuss EAEG

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KUALA LUMPUR, Sat. — Prime Minister Datuk Seri Dr Mahathir Mohamad and visiting Japanese Prime Minister Toshiki Kaifu, meeting for the first time today, held discussions with the proposed East Asian Economic Group at the top of the agenda.

The two Prime Ministers also expounded regional issues, financing of Malaysian projects under the Sixth Malaysia Plan and Malaysia's success in implementing its Look East policy.

During the talks Dr Mahathir explained to Mr Kaifu that the EAEG would not be a trading bloc but would be a vehicle for countries in the region to voice their views and sentiments over protectionist policies of other trading blocs.

Dr Mahathir explained that the EAEG's singular voice would be more effective than for smaller countries to individually influ-

ence larger trading blocs over protectionist attitudes.

Deputy secretary-general of the Foreign Ministry Datuk Abdul Majid Mohamed, who briefed the Press after the meeting at the Prime Minister's Department, said: "Dr Mahathir wanted to clear certain misunderstandings over the proposal to establish the EAEG.

"He explained that it was not his idea to form a trade bloc but a group which will try to ensure there is free trade throughout the world."

He said Mr Kaifu expressed concern over growing protectionism in the world and added that Japan would follow further developments over the establishing of the grouping.

Datuk Majid said Malaysia was not seeking Japanese endorsement for the grouping but added that being the largest economy in the region its support could

be important.

He said Malaysia was satisfied with Japan's response and would continue with its efforts to establish the group. The group would endeavour to assist countries in the region which need economic help and expertise.

Japan has also agreed to continue to finance development projects under the Sixth Malaysia Plan and further negotiations would be held on the projects and the quantum of loans.

On the Look East policy, Malaysia has proposed to increase the number of trainees sent to Japan from the current 500 to 2,000 a year. Mr Kaifu has indicated the Japanese Government's willingness to accommodate the request.

Several training programmes to facilitate the increase in the number of trainees to Japan would also be implemented.

Datuk Majid said Mr

Kaifu thanked the Malaysian Government for allowing its flotilla of minesweepers to call at Penang and added that it was only a peace mission.

"Mr Kaifu gave an assurance that Japan has no intention to become a military might in the region. He also said Japan was conscious of the unhappy events during the Japanese occupation of Malaya during World War II," he said.

He said during the talks between the Malaysian and Japanese delegation bilateral trade was a key issue since the two-way trade amounts to \$25 billion or 20 per cent of Malaysia's total trade.

The Malaysian delegation has requested that tariffs for certain manufactured and processed products be reduced to cut down on the exports of raw materials which accounts for 90 per cent of Malaysian exports.