

PM: Rich countries blocking free trade

KUALA LUMPUR, Fri. — **Datuk Seri Dr Mahathir Mohamad** said free trade no longer exists in the world because rich countries have erected barriers preventing the access of goods from developing nations.

The Prime Minister said free trade existed when developing nations were the market, but this soon changed when these countries began exporting their products.

"Trade was free when we were the markets but when we want to gain access to the markets of the rich, trade becomes no longer free and now there has emerged very powerful trading blocs which tend to stifle free trade even further," Dr Mahathir said.

In his speech at a dinner given in honour of the visiting Prime Minister of the Czech and Slovak Federal Republic, Dr Marian Calfa, at Sri Perdana here tonight, Dr Mahathir said:

"We in Malaysia too were

told of the virtues of free trade when we became independent. Almost alone among newly independent countries we refused to nationalise foreign-owned enterprises. We kept our markets open to the exports of the whole world.

"Indeed, we encouraged even greater participation of foreigners in our economy and at no time did we restrict the movements of currencies across our borders."

But, he added, Malaysia could not be buying without selling.

Initially Malaysia sold commodities like rubber and tin which are not produced by the developed countries but the terms of trade changed adversely for the country.

Malaysia had to sell more and more commodities and getting less and less of the manufactured goods that were needed.

"The commodity exchanges located in the con-

sumer countries caused a continuous decline in the prices of our commodities.

"To overcome this we switched to manufacturing. From being an almost 100 per cent exporter of raw materials, 52 per cent of our exports are now made up of manufactured goods.

"But while our commodities continue to be subjected to unfair trade practices, our manufactured goods now also face all kinds of barriers. These barriers include so-called human rights practices, environmental issues, labour policies and just plain unfair publicity," he said.

Dr Mahathir hoped that Eastern bloc countries, having discarded their centrally planned and controlled economic system, would have a better experience in the current world trading network.

He said: "It is somewhat ironic that at a time when

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the countries of Central and Eastern Europe are moving towards a free market system, certain powerful industrialised countries seem to be opting for a system of managed trade internationally, the antithesis of free trade."

Earlier, at a Press conference at Carcosa Sri Negara, Dr Calfa said the strengthening of bilateral ties between the Czech and Slovak Federal Republic and Malaysia would boost economic co-operation and provide mutual benefits for both

countries.

He said his country placed special significance on its relationship with Malaysia as the country was one of its major trading partners in the region.

On his meeting with the Yang di-Pertuan Agong Sul-

tan Azlan Shah, Dr Calfa said the King had accepted an invitation from Czech and Slovak President Václav Havel to visit the country.

He said the King had also extended an invitation for Mr Havel to visit Malaysia.