

PM: Malaysia backs oil consumer-producer cooperation

By SHARIFF HAMID

MOVES for consumer-producer cooperation in the oil industry should not leave room for one party to dominate proceedings. It should be mutually beneficial.

Malaysia supports such cooperation in the oil industry to ensure greater stability and predictability in prices, Prime Minister Datuk Seri Dr Mahathir Mohamad told reporters after chairing the Umno Supreme Council meeting at the party's headquarters in Kuala Lumpur at the weekend.

Malaysia will not oppose any measure to perk up oil prices. But prices should not be pushed up to levels which will have an adverse impact on the economies of consumer countries, he said.

The Prime Minister said there will obviously be many advantages if there is cooperation among producers and consumers to ensure the stability of oil prices. Such cooperation will prevent future "oil shocks" which can have adverse effects on the economies of both producer and consumer countries.

Of late, a number of leaders, including President Francois Mitterrand of France, President Carlos Andres Perez of Venezuela and former Saudi Oil Minister Sheik Zaki Yamani have voiced support for such cooperation.

The secretary general of the Organi-

sation of Petroleum Exporting Countries (Opec), Dr Subroto, said recently that efforts towards such cooperation are already being looked into. The cooperation envisaged will be informal in nature and not based on buffer stock operations as is the case for natural rubber.

He also said bilateral and multilateral efforts are being made by Opec, the International Energy Agency and the United Nations to promote such cooperation. As a start, a dozen oil producing and consuming countries are expected to meet in Paris in July.

On the US statement that it does not oppose the proposed East Asian Economic Group (EAEG), Datuk Seri Dr Mahathir said "it is a good sign", but added that it is the right of the US to oppose or disagree with the move to set up the EAEG. It is, however, also Malaysia's right to make the proposal, he said.

"As long as we get the support from the countries involved in the proposed set-up, it is up to us to form the grouping," he added.

The US State Department issued a clarification, through its embassy in Kuala Lumpur on Friday, that the US does not oppose the proposed EAEG. It, how-

Cont'd Back Page, Col. 2

KL backs cooperation

■ FROM PAGE ONE

ever, reiterated that a new economic cooperation body that includes most, but not all, members of the Asia-Pacific Economic Conference will undermine Apec.

Commenting on the United Nations Development Programme (UNDP) report based on 1985 statistics which said Malaysia scored high marks for human development but performed poorly in human freedom, Datuk Seri Dr Mahathir expressed regret that such "a baseless accusation" had come from the UNDP.

He said he believed that such

unfavourable reports about Malaysia were part of efforts by certain quarters to tarnish the good image of the country. "All these years the UNDP did not make such statements and comparisons. I don't know what is their function now and who gave them the right to make comparisons between one country and another.

"Their accusations are fantastic to the extent of saying that the level of human rights in Malaysia is lower than that of Israel. I do not know what basis they used to come up with such a comparison," he said.