

'ANCHOR' FOR EAST ASIA

20 JUL 1991
Dr M: EAEG to help nations weather the adverse trade winds

KUALA LUMPUR, Fri. — The East Asia Economic Group (EAEG) will be an “anchor” for countries in the region to weather and withstand the “adverse trade winds which are blowing,” Datuk Seri Dr Mahathir Mohamad said today.

A strong and united Asean, politically as well as economically, could bring the Malaysia-proposed EAEG into shape and make it work for the benefit of all, the Prime Minister said.

“The EAEG will be Asean’s contribution to the maintenance of an open global trading system,” he added when opening the 24th Asean Ministerial Meeting at the Putra World Trade Centre here.

He said the economies of Asean and the many developing countries that were dependent on the open trading system were being threatened by new waves of protectionism.

“It is to defend the open multilateral trading system that the formation of the EAEG has been proposed. The EAEG mirrors our basic belief in close consultation and co-operation between regional countries for the common good.

“It also reflects **Asean’s** concern over the spread of regional trading blocs and constitutes a realistic approach to counter the adversarial and **protectionistic** stance adopted by some countries and economic groups which is putting the multilateral trading system in jeopardy,” he said.

Dr Mahathir reiterated that the EAEG was not a trade bloc, **but** would provide **Asean** and other East Asian countries the leverage and platform to act in concert and speak with one voice in any trade problem or **trade-** related issue affecting the region.

“It will not work to restrict or constrict trade. Its imperatives will be the **defence** and maintenance of free trade and expansion of economic relations between regional **countries** as well as with those outside the **region.**” he **said.**

Dr Mahathir said this meeting was being held at a momentous time in world history, in which events at the closing years of this century would rewrite the equation of political and economic balance in the emerging new world order.

He said that even though the Cold War had ended, new uncertainties had arisen which threatened to erode the open global trading system.

He said there was concern over the trade disputes

between the economic superpowers — the United States, Japan and the European Community.

Another political and economic reality of the world today was the trend towards closed regionalism.

“Managed trade, bilateralism and trading based on reciprocity endanger the open multilateral trading system and, consequently, the growth of world trade,” he said.

Dr Mahathir said the West considered democratic freedom and human rights fundamental to the achievement of economic and social development.

He said **Asean** never disputed that democracy for the people and opportunity for the individual to develop their potential were important principles.

“We disagree, however, that democracy has only one definition or that political systems qualify as democratic only when they measure up to certain particular yardsticks.

“Similarly, when the issue of human rights are linked to trade, investment and finance, we cannot but view them as added conditionalities and protectionism by other means.

“We question whether the motivations have not, in

fact, been political and self-serving,” he said.

Dr Mahathir spoke of the problem of developing countries securing a fine balance between the need to ensure national economic development and the kind of individual and group disruptive activities which tended to destabilise society and inhibit growth.

“Nobody can claim to have the monopoly of wisdom to determine what is right and proper for all countries and peoples.”

He said **Asean** had learnt that peace and security, democracy and freedom as well as stability were possible and sustainable only when the people were free from economic deprivation and had a stake in national life.

In this, he said, **Asean** had placed a high premium on political stability by managing a balance between the rights of the individual and the needs of society.

“This has enabled **Asean** countries to make great strides in the socioeconomic advancement of their peoples. It has also enhanced the resilience of individual countries and the **Asean** region as a whole,” he said.