

PM: The US is practising double standards

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From Balan Moses

MEXICO CITY, Thurs. — The United States practises double standards by taking part in the proposed North American Free Trade Agreement (Nafta) but opposes the idea of an East Asia Economic Group, Datuk Seri Dr Mahathir Mohamad said yesterday.

This reflected its contradictory stand on issues affecting developing nations, the Prime Minister added.

He said: "On one hand the US considers it its right to form an association with neighbouring countries for the purpose of lowering trade barriers and to increase economic and trade interaction.

"On the other hand, we in East Asia are not even allowed to call ourselves East Asians. We are now told we may only refer to ourselves as Pacific people.

"This stand is incomprehensible as the EAEG is not a trade bloc nor a free trade zone. The EAEG is going to be a forum to discuss certain common issues with regard to free trade with the intention of defending free trade in international forums like GATT."

Speaking at a Press conference here, Dr Mahathir said this was all countries in the proposed EAEG wanted to do.

"However, the US is opposed to it and we cannot understand this," he added after a working breakfast with businessmen.

The hour-long meeting was jointly chaired by Dr Mahathir and Mexican President Carlos Salinas.

Dr Mahathir was earlier asked for his opinion on why the US opposed the formation of the EAEG but was actively negotiating for the creation of Nafta.

To a question on whether Malaysia was using the back door in trying to gain access to the US market through Mexico, Dr Mahathir said Malaysia would "use the back door if this is the only way".

"However, if it was possible to enter the US market through the front door, we will do so. But conditions are difficult for us to use Mexico as a conduit for goods to the North American market."

Dr Mahathir said Malaysia is keen to trade with Mexico "whether it is a member of NAFTA or not".

Malaysia would continue to trade with the US through accepted channels which is the "front door" to the latter.

Asked to comment on comparisons being made between the Asian dragons —

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Singapore, Taiwan, Hong Kong and South Korea — with Mexico which is called the Jaguar, the Prime Minister said:

"Although Mexico could rise to such a position, Malaysia was worried about the implications of such status. This is because such a classification would lead to, among others, withdrawal of privileges and workers seeking higher wages besides possible upward revaluation of currencies."

Efforts by specific quarters towards developing countries on their industrial status were aimed at making them less competitive.

Asked to elaborate on the point he raised at Tuesday night's state banquet hosted by President Salinas that developed countries had a cynical attitude towards developing countries, the Prime Minister said:

"Third World countries are practising democracy at the moment. But certain democratic values are being forced on us which we do not consider essential.

"Take, for example, the carrying of weapons. This is good for some countries but not for us (in Malaysia). While we respect the right of minorities, it should also work the other way around and we should not be forced into submission."

On the question of whether Malaysia was facing problems owing to high labour costs, he said this was not really an issue as wages have traditionally been higher in Malaysia compared with most neighbouring countries.