

U GE 14-10 00206 EA412

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MAHATHIR HITS OUT AT U. S. FOR BLOCKING EAEC

Maha thi r-EAEC

From Azman Ujang

HONG KONG, Oct. 14 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad today strongly criticised the United States for blocking the formation of the East Asia Economic Caucus (EAEC) and warned of a possible, <sup>overseas</sup> <sup>trip</sup> backlash from its friends in East Asia for practising double standards.

He said the United States' opposition to the EAEC was not only a case of double standards but also a +racist+ policy because it insisted on becoming a member of the EAEC.

Speaking at the luncheon meeting of the Foreign Correspondents' Club here, Dr Mahathir also said that fears among some East Asian countries themselves that the EAEC would be dominated by Japan were unfounded because Japan. +will be as strong as Japan is and Japan will be with or without the EAEC.+

He added that the EAEC was prevented from taking shape solely because of the United States' +vehement objection+ despite the EAEC being formed chiefly for the purpose of providing a strong voice for East Asian countries in trade negotiations with the rest of the world without being a trading bloc. -- more

▼14/10/12-34MST

CNS7124

U GE 14-10 00201 EA414

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Repeating, correcting last graf

Mahathir-EAEC 2 Hong Kong

Explaining what he meant by U.S. double standards: Dr Mahathir said while it was anti-EAEC, the U.S. was forming a pro,tectionist group like the North America Free Trade Area (NAFTA) which. would favour it; members against non-members,

The Malaysian proposal for the EAEC was not only necessary but inevitable because for a long time voices of developing countries, like Malaysia, or even groups like Asean were not respected, he added.

+But, a regional forum with China and Japan, together with the Asean six as members will have a much greater clout if they speak with one voice on common problems affecting them,+ he told a packed gathering of foreign journalists.

Dr Mahathir, who arrived here yesterday for a three-day visit, said the EAEC was neither an original or an unusual idea because it was essentially an extension of Asean but. on a less formal plane.

The EAEC was also a reaction to delays in the General Agreement on Tariffs and Trade (GATT) talks and other protectionist tendencies of the single European market and NAFTA, he added. -- more

▼14/10/12-49MST

CNS7125

U GE 14-10 00203 EA415

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Mahathir-EAEC 3 Hong Kong

Speaking mainly on the subject of regional groupings and regional development, he said the EAEC should neither be a regional grouping like Asean nor should it be a trade bloc like NAFTA or the European Community (EC) but dedicated to world, free trade.

He added: +If the EAEC is allowed to be formed, it will result not only in maintaining free trade but the economic development of the lesser economies of East Asia as well.

+It will result in a crescent of prosperity stretching from Northeast Asia to Southeast Asia.+

To counter U.S. opposition to the EAEC, Dr Mahathir said since it would create a market of 1.8 billion people for the rest of the world, it would certainly be a rich market for the U.S. itself.

Dr Mahathir then posited whether the U.S. opposition to the EAEC was due to its fears about Japan's dominance with the economic might of the East Asian countries behind it.

+If this is so, then it is very unfortunate. Maybe, the containment of potential foes is still the basic creed of the U.S.+ he said. -- more

▼14/10/12-50MST

CNS7131

U GE 14-10 00174 EA416

aae tbe

Mahathir-EAEC 4 Hong Kong

He argued that neither China nor South Korea would allow Japan to play the lead role in EAEC.

He said: +There will be no dominant power in EAEC. In any case, it will not be a formal grouping. Japan will be as strong as Japan is and Japan will be with or without the EAEC.

+But, balancing Japan's clout will be China and South Korea, two countries which are more concerned than the U.S. is about Japan. By allowing the EAEC to hasten the development of China and South Korea, the threat of Japan will be reduced.

Elaborating on why he thought the U.S. anti-EAEC policy would cause a backlash, Dr Mahathir said it was likely to create bitterness even among friends of the U.S. in East Asia.

+Dark talk of Imperialism, neo-colonialism and hegemony are being heard at seminars and workshops all over East Asia. And it is all so unnecessary,+ he added. -- more

▼14/10/12-54MST

CNS7133

U GE 14-10 00165 EA417

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Mahathir-BAEC 5 (last.) Hong Kong

Dr Mahathir said he once raised the ire of the U.S. by suggesting that there was a racist element in its attitude towards the EAEC.

He questioned the U.S. insistence that, it 'should be a member of the EAEC.

The U.S., he said, insisted that any regional grouping of the Pacific Rim countries must have itself as one of its members but yet the U.S. was not a member of several regional organisations involving Latin American countries on the Pacific Rim or of Asean.

+If being on the shores of a vast ocean qualifies one to be a member of a regional organisation, then the U.S. should also be a member of the EC which is made up of countries of the Atlantic Rim.

+But, the U.S. made no such claim. So, why does the U.S. insist on being a member of the EAEC?+ -- Bernama

▼14/10/12-54MST