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EAEC PROSPECTS MORE PROMISING NOW, SAYS MAHATHIR

From K.C. Leong

P overseas trip

TOKYO, May 13 (Bernama) -- Prospects for the realisation of the East Asia Economic Caucus appear better now than previously, Prime Minister Datuk Seri Dr Mahathir Mohamad said today.

The United States had opposed the EAEC under the former Bush administration but President Bill Clinton had so far made 110 pronouncements on it, he said in a question-and-answer session after delivering his keynote address at an international conference on "Asia's Role in the Changing World Order".

"As long as he (Clinton) keeps mum, we can hope (that he will not oppose the EAEC). And when he opens his mouth, I hope it will be to say that it is a good thing to have the EAEC," he added to much laughter and applause from a packed hall at the Hotel Okura here.

He was responding to a question whether he felt that chances for the realisation of the EAEC had improved following changes in the United States, Asean and Japan as well as the announcement of the design parameters for the EAEC by Dr Mahathir himself in his address.

To another question, he said the EAEC was neither an illusion nor obsession but would become a reality that could contribute towards much more rapid growth and development, for the whole of East Asia.

He added that it was also not possible to judge the EAEC based on the experiences of the European Community or the North American Free Trade Arrangement, as unlike them the EAEC was merely a forum, in which East nations could get together to discuss and try to solve common problems.

The EAEC could also work how best to help those of its members which were lagging behind the others. While this was already happening, by coming together, such efforts would be better co-ordinated, he said.

He agreed that cultural differences had contributed to some lack of understanding of the EAEC but said that generally, people were the same everywhere, some were reasonable while others were not.

Dr Mahathir said it would be a disaster if those who were not reasonable got into positions of power but at the same time there was always the chance that those who were reasonable would hold the reins of power and that they would see that the EAEC is really harmless.

Certainly the EAEC was nowhere near the kind of closed cooperation that existed in the European Community or in NAFTA, he said.

He was confident that by continuously explaining the EAEC, others who still did not understand the proposal would one day back it. I'm hopeful, he said.

Dr Mahathir also said that if he had one message to deliver to the G-7 (group of seven leading industrial nations) whose leaders hold a summit here on July, it was that they should think not only of themselves but of the rest of the world.

He referred to a previous G-7 summit which decided that a revaluation of the yen was the best way to reduce Japan's trade surplus with the U.S.

However, the effect for a country like Malaysia was that the value of the yen appreciated 100 percent against ringgit, resulting in a doubling of the amount of ringgit Malaysia needed to repay yen loans also expanded as well as for its purchases of goods from Japan.

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He noted that in recent weeks, the yen had again been talked up and had appreciated some 20 percent against the ringgit, resulting in the same effect on Malaysia.

So if there is a message for the G-7, it is this: Please don't just look at yourselves but look also at the rest of the world because what you decide will affect us, he said.

Replying to a question about why important issues such as migration had not been touched on in his address, Dr Mahathir said it was very much in the agenda because nobody could overlook this problem.

Malaysia itself had some one million foreign nationals within its borders, most of whom were in the country illegally, he added.

Asked to comment on a recent report that Japan had included Malaysia in a list of countries with unfair trade practices, Ire said to much laughter that "Malaysia is also preparing a list, of people with unfair trade practices and I have a feeling that Japan is included in that."

The General Manager of Asia's Operations at the regional Head office of Mitsui Marine and Fire Insurance Co Ltd, Encik Nobuaki Yabe, said he was encouraged by the prime minister's openness.

He also felt that Dr Mahathir had received the most enthusiastic response among all the keynote speakers who had addressed the conference so far and had handled questions posed very well.

Two senior officials of Mitsubishi Electric Corp Ltd said they had registered to participate in the conference principally to listen to Dr Mahathir. They said they were reassured by his candid and vivid explanation. -- Bernama