

# Consider effects on other countries, G7 told

*MAY 1993*  
*Dr Mahathir*  
DATUK Seri Dr Mahathir Mohamad said yesterday that the Group of Seven (G7) industrialised nations, which meet here in July, should take into consideration the effects of their decisions on other countries.

He recalled that in 1985, the yen was revalued upward to help reduce the US trade deficits with Japan.

This decision affected Malaysia to the extent that the yen loans it had secured cost 100 per cent more.

Dr Mahathir said the revaluation was done without taking into account its effects on countries, such as Malaysia, which borrowed in yen and had to buy goods from Japan.

Now, he said, the yen had appreciated by another 20 per cent against the ringgit, making Japanese goods even more costly.

The Prime Minister was responding to a question from the floor following his keynote address to the Asia Society Conference on "Asia and The Changing World Order".

The question was: What message he had for the forthcoming G7 meeting?

He said countries in the G7 should not merely look at themselves because what they do would affect all those who are not in the group.

He said if Malaysia and Indonesia were to get together to work on something their decisions would affect the two countries.

In the case of the G7, everything they do affect other countries, "even the menu they choose may affect us," Dr Mahathir added.

To another question, he said the proposed East Asia Economic Caucus should not be compared with the European Community or the North American Free Trade Agreement because the EAEC was a forum for East Asian countries to come together and discuss common problems and find a solution.

"I have great faith in the human capacity to co-operate...some people don't, but they should try."

Dr Mahathir said he would not be able to say how the West would react to his latest statement on the EAEC, but commented that all people are the same whether they were in the East or West.

Some are reasonable and some are not, but he was hopeful that the reasonable people would hold the reins of power.

Dr Mahathir also said he was more optimistic that the EAEC would be accepted now than it was before.

Previously, there was George Bush, then US President, who was the main obstacle.

Asked for his comment on a news report here that Japan had included Malaysia in its list of countries adopting unfair trade practices, he said:

"Malaysia is also preparing a list of people engaged in unfair trade practices."