

Conditions for

NST - 1 OCT 1993

① *overseas Trip*

From Zainon Ahmad

NEW YORK, Thurs. — Prime Minister Datuk Seri Dr Mahathir Mohamad may yet attend the US-initiated meeting of Heads of State of Asia Pacific Economic Co-operation (Apec) countries in Seattle in November.

He said Apec countries outside Asean must first be clear and unequivocal in their acceptance of the East Asia Economic Caucus (EAEC) whose set-up would be formalised at the Asean Economic Ministers' Meeting in Singapore next week.

Some countries have yet to make clear their stands on the pretext that they are still considering them even after Asean has reached

consensus on the caucus' formation during its last meeting.

"We hope that when they have considered, when they have made up their minds to accept the EAEC as proposed, then there will be no problems at all in my attendance at the Apec meeting," he said in response to a question by an American entrepreneur during a dialogue with American fund managers and investors after officiating the *roadshow* to promote the Kuala Lumpur Stock Exchange (KLSE) yesterday.

Besides the six-member countries of Asean, the other members of Apec are Japan, US, Canada, South Korea, Taiwan, China, Hong

Kong, Australia and New Zealand.

At the last Asean Foreign Ministers' meeting in Singapore in July it was decided to form EAEC which would function within Apec, which Dr Mahathir said it could function as a caucus outside Apec as well.

"As a forum, EAEC will be able to discuss matters of mutual interest so that we will present a united front when participating in other forums like the GATT," he said.

(Besides the Asean countries, China has expressed explicit support for the EAEC. Japan and South Korea have also said they are prepared to discuss the EAEC further, following

Asean's endorsement of the caucus in July.

(Japan, which had until then been non-committal, said it is prepared to discuss concrete ways to proceed with the EAEC.

(The US, which had opposed the EAEC previously, is also more conciliatory following the change in administration, saying that its reservations about the caucus have been eased following endorsement by Asean.

(Canada welcomed Asean's consensus, saying that it is a positive development.

(Australia, the proponent of Apec, still maintains its objections to the EAEC while New Zealand, Taiwan and Hong Kong have not

attending Apec

made their stands on the caucus.)

Earlier, he said: "As far as my attendance at Seattle is concerned, at the moment I have no plans to attend.

"The other leaders may attend and we'll see what happens," he said. There was no Apec consensus on the holding of the Seattle meeting. It was a unilateral decision of the US to invite Head of Governments of Apec to meet in Seattle.

Asked for his comment on last month's report on an arms race in Southeast Asia in *The Economist*, he said there was no such thing.

"Why is it when Singapore bought F-16s, no one said anything. But when Malaysia decided to buy the

MiGs, suddenly there is an arms race," he said.

Dr Mahathir said Vietnam had the potential to develop into the region's wealthiest nation, when asked how he viewed that country which is still communist but has adopted the market economy.

It must be helped in order that its economy would improve and unemployment among its 60 million population be reduced.

Vietnam, ravaged by war, needs help and Malaysia is helping it to organise itself so that the market economy that it has adopted would be successful. Malaysia is also providing training for Vietnamese in areas like banking and management.

"The country is trying to adjust and we should help it.

"Any attempt to force it to adopt the democratic system would only destroy all that it had achieved so far," said the Prime Minister.

He said Vietnam must be left alone to develop its market economy until such time when the country was on its feet before attempts to democratise it could begin.

Dr Mahathir also fielded questions on the country's telecommunications policies, technology transfer, tariffs and the National Economic Policy.

He left immediately after the dialogue for a lunch meeting with editors of Time and Life Group.