

WAY NOW CLEAR

Mahathir welcomes Clinton's statement on EAEC

By WONG CHUN WAI

KUALA LUMPUR: East Asian countries no longer have any excuse not to join the East Asia Economic Caucus following President Bill Clinton's statement that he is not against it.

Prime Minister Datuk Seri Dr Mahathir Mohamad said Japan and South Korea were previously reluctant to join the EAEC due to US opposition.

He said now the way was cleared for them and there was no valid reason to have any reservation.

"I welcome Clinton's declaration that he has no objection to the EAEC,"

he told newsmen at Parliament House yesterday (*see also Page 2*).

Clinton told a press conference in Seattle last weekend that he was not against the EAEC as long as it expanded regional economic opportunities and opened opportunities to others.

He said he was in favour of anything which increased regional economic co-operation and advanced the economic interests of people.

Japan and South Korea have been identified as core members of the EAEC which Asean has endorsed.

On Clinton's hopes of meeting him, Dr Mahathir said he had expressed the same intention in a letter to Clinton to say he was not attending the

Asia Pacific Economic Co-operation (Apec) summit.

On the North American Free Trade Agreement (Nafta), Dr Mahathir said Malaysia would watch its development closely.

"We will have to see whether its actions will cause us losses. As it is now, we cannot be sure how much it will affect us," he said.

But the Prime Minister said with Mexico's lower cost of production, Malaysia would be affected if US investors went south.

Asked whether Malaysian businessmen should adopt the attitude of "if we can't beat them, join them" by setting up factories in Mexico, Dr Ma-

hathir said that was one possibility.

"But if we invest in Mexico, it means we are creating job opportunities in Mexico instead of Malaysia.

"Our capital will also be flowing out. There may be benefits, so we will have to study them first," he said.

Developing countries including Malaysia are worried that the United States and Canada will make use of Mexico as their cheap source of production.

On a proposal by Singapore's premier Goh Chok Tong that Apec be made part of Nafta, Dr Mahathir said Malaysia would have to consider the implications of the proposal.

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