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Mahathir-EAEC

UNITED STATES' RESPONSE TO EAEC IMPROVES, SAYS PM

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KUALA LUMPUR, July 30<sup>94</sup> (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad said today he considered the latest response from the United States to the East Asian Economic Caucus (EAEC) as better than the previous total rejection of the proposal.

He was asked to comment on a statement by US Assistant Secretary for East Asian and Pacific Affairs, Winston Lord, for more detailed information on the EAEC.

"We are prepared to send an Asean delegation to explain the EAEC concept if the United States so requires," he told reporters after opening the 23rd delegates conference of the Parti Gerakan, here.

Dr Mahathir said he wished to know which area was still unclear to the Americans because Malaysia had explained the EAEC in detail and they still failed to understand.

Lord had made the statement at a news conference the United States' embassy here yesterday at the end of two-day visit to Malaysia after attending the Asean Regional Forum (ARF) and the Post Ministerial Conferences (PMC) in Bangkok. -- more

Mahathir-EAEC 2 (last) Kuala Lumpur

"We have explained that the EAEC is not a trading bloc like Nafta (North American Free Trade Agreement), it does not intend to obstruct trade," he said.

Dr Mahathir said that as such the United States could trade directly with Asia and that Malaysia had explained that the aim of the EAEC was to serve as a forum to discuss common problems.

"Is it because we cannot (do it)? If so, is it because we are Asians or because it is contrary to human rights, or on what basis?" he asked.

He said he believed that the EAEC concept will be eventually accepted.

On a suggestion by Gerakan president Datuk Seri Dr Lim Keng Yaik that civil servants be given a salary increase so that they would not opt for early retirement, Dr Mahathir said it was the desire of the government to raise their salaries but it must at the same time take into account its ability to pay.

It was for this reason that several government departments were privatised to reduce the size of the civil service, and by doing so the government would have the revenue to provide for a salary increase, he said.

However, he added, the government always emphasised that salary must be commensurate with productivity.

He said there was only one problem now, that is outstanding civil service officers opted to retire early to join the private sector for higher pay while the government hoped that the deadwood would leave. --

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