

PM: Limit forum to trade issues

MALAYSIA believes that the Asia Pacific Economic Co-operation (Apec) forum should limit itself to trade and economic issues and should not try to have other agenda, such in security matters in the region.

Prime Minister Datuk Seri Dr Mahathir Mohamad said security issues should be settled in talks between nations.

"We do not want to discuss security in Apec, and we think such things should be settled bilaterally," he said at a Press conference here yesterday after the conclusion of the Apec leaders' meeting.

The idea of a security role for Apec was broached by the United States by its Defence Secretary William Perry. He suggested that Apec needs to consider security issues to ensure stability in the region.

It was suggested that the declining US presence in the region with the closure of its bases in the Philippines and growing economic strength of China, which could lead to its increased militarism, are some of the events that led to the suggestion.

"We don't think we should identify future enemies," he said, adding that if a nation did that and started to prepare itself for an eventual conflict, it could result in rising tension.

On the question of where the United States should station its troops now that its bases in the Philippines are closed, and the fate of its base in Okinawa, Japan, in doubt, Dr Mahathir said:

"With regard to stationing of US troops, that is the problem for the US to decide. I would not make any comment, so long as the US



ASIA-PACIFIC ECONOMIC COOPERATION
OSAKA 1995

From Zainul Arifin

troops are not in Malaysia."

Dr Mahathir also commented on the need for Apec members to look into the matter of fluctuations in the money market, which is causing havoc to the economies of the members, especially the developing ones. Sometimes such fluctuations have a net effect of devaluating a currency; foreign debts could suddenly increase; and trade imbalance could deteriorate further.

"Since the adoption of the floating rate there has been almost anarchy in the money market... big speculators are causing economic havoc. Obviously we cannot go back to gold standard and cannot go back to fixed rate. There should be some discussion among financial experts of Apec countries to find solutions to wild fluctuations in exchange rate," he said, adding that trade could not prosper in an atmosphere of uncertainty.

On the proposed East

Asia Economic Caucus (EAEC), Dr Mahathir said the idea would continue despite Japan's absence. Japan, in deference to the United States, which is against the idea, has shied away from committing itself to the caucus.

It was suggested that Japan would only warm to the idea — which plans to group nations of the region in a consultative group within Apec — if Australia and New Zealand were included.

"Australia and New Zealand are not part of Asia. They are part of Australasia. Since this is a geographical grouping, they do not qualify.

"If Japan has put the condition (that Australia and New Zealand be included), then it is an indication that Japan is not interested in joining EAEC.

"In which case of course we need to go ahead without Japan, but we would certainly love to have Japan as a member of EAEC."