

22 NOV 1996

CLINTON MADE LITTLE PROGRESS TO ACHIEVE APEC'S GOAL, SAYS HERITAGE

WASHINGTON, Nov 22 (Bernama) -- The Clinton administration's "vacillation on free trade has damaged US credibility so badly" that Malaysian Prime Minister Datuk Seri Dr Mahathir Mohamad has revived the idea of an "Asia-only trading bloc that excludes the United States", a conservative think tank, the Heritage Foundation, alleged here Thursday.

Robert O'Quinn, a policy analyst at the Heritage, claimed that talks about EAEC (East Asia Economic Caucus) had "died off," but if Apec trade and investment liberalisation should falter, "nationalists in Asia could press once again to convert the EAEC into an Asia-only trading bloc."

The Heritage, known for its leanings towards rightist Republican views, said that an inward-looking Asia-only trading bloc could reduce American exports to Asia and threaten the paychecks of many American workers. US two-way trade with Asia exceeded US\$403 billion in 1995, supporting more than 3.8 million jobs in the US.

O'Quinn, who released his paper "Restoring American Leadership" at the Asian Trade summit, on the eve of the Apec leaders summit in Manila, said that President Bill Clinton had made little progress towards achieving Apec's goal of creating a "free trade and investment areas in the Pacific."

He said Clinton's policies, which included pushing for managed trade with Japan; failure to work with Congress to reform US agricultural programmes that harm other Apec members; and dishonoring US commitment to conclude World Trade Organisation (WTO) agreements to liberalise trade in certain services -- have dismayed American trading partners in Asia.

O'Quinn suggested that the president asked Congress for "fast track" authority to negotiate free-trade agreements without getting bogged down in contentious labour or environmental issues; invited Argentina and Peru to join Apec, which would shift the balance of power within the trade group away from the "go slow" countries of China, South Korea and Malaysia.

Taken together, the 18 Apec economies have a gross domestic product exceeding US\$13 trillion, or about one-half of the world's total output. --

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