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Mahathir-Israel

ISRAELI REJECTION OF PALESTINIAN STATE WILL AFFECT PEACE TALKS: DR M

2

KUALA LUMPUR, Feb 24 (Bernama) -- Israel's rejection of the establishment of a Palestinian state will affect the West Asian peace talks, Prime Minister Datuk Seri Dr Mahathir Mohamad said today.

He said the rejection could also undermine Yasser Arafat's leadership of the Palestinians as the support he received from them depended on the level of freedom he could obtain for them.

The Prime Minister said due to the Israeli stand, Malaysia continued to be suspicious of and unhappy with the Tel Aviv government.

And because of that, Malaysia would not establish diplomatic relations with the Jewish state, he told reporters after receiving cheques from contributors to the Le Tour de Langkawi cycling race of which he is the patron.

Israeli Prime Minister Shimon Peres was reported yesterday as saying that he rejected the formation of a Palestinian state.

On the call by British Foreign Secretary Malcolm Rifkind for Australia, New Zealand, India and Pakistan to be included in the second Asia-Europe Summit (ASEM), Dr Mahathir said so far there was no need for the participation of Australia and New Zealand.

He said if ASEM was extended to include more nations, it would become unhealthy and create conflicting interests.

A real dialogue could not be held, he said adding: "It fact it will become so confusing and in the end nothing can be achieved."

Asked when Australia and New Zealand could join ASEM, Dr Mahathir said that depended on the extent the two countries considered themselves as part of Asia.

India and Pakistan could participate in ASEM, he said, but added that there should be a criterion to qualify them for the summit as otherwise other nations like Bangladesh and Nepal too may want to join.

He said it was appropriate that at present participation be limited to countries from East Asia and Southeast Asia.

Asked if ASEM need to be expanded to a second ASEM, Dr Mahathir said: " I think we have to see whether the first ASEM will work or not. As you know the Japanese have come out with trade figures which indicate that the European Union trade to East Asia is diminishing ... whether it is due to the closing of the EU to foreign trade we will have to study."

" As you know even a small producer of electronic products run by KUB (Kewangan Usaha Bersatu) has been slapped with a 46 per cent duty on its products. I dont know on what basis.. as far as I know they have not started to examine in detail whether the company is dumping or not."

The capacity for such a small company to dump its products into Europe was unthinkable, he said.

He said once the EU imposed such conditions it would affect not only Malaysia but other East Asian countries as well. --BERNAMA.

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