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Hashimoto: We'll not let ourselves be the cause of global depression

ASEAN leaders told Japanese Prime Minister Ryutaro Hashimoto yesterday they hope that the Japanese economy would become more robust so that it would play a leadership role in the region.

Hashimoto also told a Press conference after the Asean-Japan talks that the economic fundamentals and growth potential of countries in the region were good and, with open and sound macro economic policies, growth would return to normal levels.

And with the Japanese financial system under pressure, Hashimoto said drastic measures would be taken to overcome the problems, and made it clear that Japan would not let itself to be the cause of world-wide depression.

In another development, Prime Minister Datuk Seri Dr Mahathir Mohamad told a Press conference, Japan had in the Asean-Japan talks said that it was now time that there was no real leader in the region, and that every country was equal.

However, the feeling was that Japan was the role model for the region and that countries in the region were happy with its present role.

Dr Mahathir also said Asean countries hoped Japan would make a special effort to reduce trade imbalance with the region and in getting the International Monetary Fund to speed up its study on currency trading.

Hashimoto, meanwhile, explained Japan's support for the international framework to help troubled economies to be centred on the IMF.

He added that IMF's involvement would induce financial aid from sources outside the region like the United States and Europe.

He also outlined the latest measures to strengthen Japan's financial system including the issue of 10 trillion yen issue of state bonds, more efficient land use and nurture small and medium scale industries.

On several new initiatives to help countries in the region to restore economic stability, Hashimoto said although the package was different from "what had been anticipated", the proposed Asean-Japan Human Resources Development Programme and assistance for small and medium scale industries was important.

He said this would lay a new foundation for their relations, adding that Japan would train 20,000 people from the region in various skills over the next five years.

He added that there was a need to bring the socio-economic structure of countries in the region to a higher level.

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