

ASEAN MUST GIRD TO MEET REGIONAL CHALLENGES, MAHATHIR SAYS.By **Chaitanya Kalbag**

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MANILA, Dec 14, Reuter - South-East Asia's non-communist countries must gird to meet challenges posed by uncertain political and economic conditions, Malaysian Prime Minister Datuk Seri Mahathir Mohamad said on Monday.

He told the opening meeting of the third Association of South East Asian Nations summit, in Manila, that the group must also tackle common problems like drug abuse and trafficking and the continuing influx of Indochinese refugees.

Mahathir reiterated calls for the withdrawal of Vietnamese troops from Kampuchea and said Malaysia strongly backed the turning of the region into what is officially called a Zone of Peace, Freedom and Neutrality.

ASEAN's Kampuchean policy must not only aim for a Vietnamese pull-out but also at ending growing superpower rivalry in South-East Asia, he said.

"Let South-East Asia be for South-East Asians," he added.

He rejected the formation of an ASEAN security arrangement or military alliance, saying the group's main goal was economic cooperation.

"ASEAN has had its share of critics... We have on numerous occasions launched into self-appraisals ... which quite inevitably conclude in our own grim, uncomplimentary and critical assessments of ASEAN's performance in the area of economic cooperation," Mahathir said.

Malaysia, which has a mandatory death sentence for drug trafficking, recognises the problem needs concerted international action, he said, adding: "We must remain steadfast in the fight against the drug menace."

Mahathir said the presence of Indochinese refugees diverted attention from other regional priorities and said the problem required a solution at its source.

Mahathir noted that the United States, with a ballooning trade deficit and a looming recession, still provided the largest market for ASEAN.

He said Japan's emergence as the world's largest creditor nation would not do the regional group any good "if there are insufficient sustained efforts on Japan's part to liberalise her trading practices and help redress the international trade and monetary situations."

In a reference to Malaysia's position as ASEAN's major commodity exporter, Mahathir said the group had suffered from poor demand, low returns and increasing protectionism.

"ASEAN should increase its efforts in safeguarding its long-term interests in the area of commodities," he said.

He struck a gloomy note about the state of the world economy and added: "We may indeed be in danger of coming close to a serious breakdown in the system if the present trends persist."

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