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MC.OCT.13/77(FOREIGN AFFAIRS)

15 OCT 1977

Acc. No. NARC TEXT OF SPEECH BY THE SENIOR MINISTER OF STATE (FOREIGN AFFAIRS),
ENCIK A. RAHIM ISHAKAT THE OLD OUTRAMIAN'S ANNUAL DINNER AND DANCE
AT THE COCKPIT HOTEL ON SATURDAY, OCTOBER 8, 1977 AT 7.55 P.M.

Although the impetus behind the formation of ASEAN in 1967 was political, the goals set up by the five Foreign Ministers were economic. From 1965, the Vietnam war escalated and by 1967 there was growing domestic opposition in the United States against American involvement. South-east Asian leaders realised the possibility of an American withdrawal and the fall of Vietnam to communist hands. Hence, there was growing interest in non-communist South-east Asia about the eventuality of having to live with communist neighbours in the north. The dual objectives of political and economic co-operation motivated the five Foreign Ministers to sign the Bangkok Declaration giving birth to the Association of South-east Asian Nations on August 8, 1967.

Regionalism, at that time, was a new phenomenon. The two previous experiments, ASA and Maphilindo, had failed. Apart from Thailand, the other four member nations of ASEAN had become independent only a short time ago. The sense of nationalism was burning strongly and the task of nation building had just begun. As a result, it was difficult sometimes to sacrifice national interest for regional welfare.

The first eight years of ASEAN also faced other obstacles. There were unresolved conflicts among its members. For example, the territorial dispute between the Philippines and Malaysia over Sabah and the lingering atmosphere of suspicion and distrust between Malaysia, Singapore and Indonesia. To aggravate the situation, some leaders of ASEAN did not know each other on a personal basis.

ASEAN was also hampered in the first eight years by the fact that it was organisationally weak. In the Bangkok Declaration, areas of regional2/-

of regional co-operation were marked out but little thought had gone into the formation of a viable and effective working machinery. The inevitable happened - a proliferation of meetings, tall piles of documents and beautifully-worded recommendations which remained on printed pages.

Despite such difficulties, ASEAN in its first eight years of history can be said to be relatively successful as an initial adventure into regionalism. It helped to reduce the prospects of certain intra-regional differences from escalating and it also provided a channel of communication among its leaders through which understanding and goodwill were fostered.

There was modest achievement in the field of economic co-operation in the first eight years - in tourist promotion, shipping and in petroleum exploration, areas in which the member nations did not regard as controversial. Only 206 recommendations were implemented between 1967 and 1975 accounting to only 20 per cent of the total number of recommendations made.

The meeting of ASEAN Heads of Government in Bali in February 1976 was a turning point in ASEAN's history, for the occasion signalled the cumulative will of the member states to surge ahead. In this respect, the fall of Vietnam, Cambodia and Laos to the communists provided the necessary catalyst. ASEAN leaders were prompted to reassess the seriousness of the situation in which communist and non-communist states in South-east Asia would have to live as neighbours in peaceful competition.

Three important documents were signed in Bali: The Declaration of ASEAN Concord; The Treaty of Amity and Co-operation; and, the agreement to set up the ASEAN Secretariat. These documents mapped out the direction in which future regional co-operation was to be taken and areas which were to be given priority. There was agreement to co-operate on the production of basic commodities, particularly food and energy, to co-operate in the establishment of large scale ASEAN industrial projects and to promote intra-ASEAN trade working towards preferential trading arrangements. In Bali, therefore, economic co-operation was given prominence.

The advantages3/-

The advantages of intra-ASEAN economic co-operation are not difficult to name - bigger markets, better employment prospects, bigger foreign exchange earning capacity, etc. The impediment towards economic co-operation is obviously not economic but political. Arguments have been levelled against the gradual or absolute abolition of tariff barriers. Those who argue this way put forward the idea that those members who have more advanced economies would flood those less advanced with goods so as to affect adversely their domestic industries which are largely import substitution oriented. In my opinion such an argument is erroneous because ASEAN members in fact have more or less the same level of development; the major difference lies in the types of goods produced, some in textiles and footwear, others in calculators and transistors. Our economies are in some ways already complementary, rather than competitive and our economic planners could co-operate to make this even more so.

Moves were made to open dialogues with the EEC, Australia, New Zealand, Canada, Japan and the United States after 10 years of growing economic co-operation within ASEAN itself. We were propelled by the quest for better trading terms, easier access to world markets, bigger investments bringing with them the useful transfer of modern technology. These dialogues are particularly relevant today as there seems to be a growing tendency towards protectionism.

In conducting these dialogues, ASEAN countries are aware that they could best achieve their goals when they talk to others as a group, more so than if they were each to do this individually. For example, in the pursuit of greater access to the West European market, ASEAN's joint approach to the ECC on the Generalised System of Preference have been productive and rewarding. Bilateral objectives coinciding with the benefits for the region are more easily attainable through a collective lobby. In all these dialogues I have mentioned, economic co-operation is the hallmark. ASEAN realises that it could move further ahead in co-operative endeavours with these industrialised countries who share ASEAN's view that the economic and political well-being of the country rests with the ability of the government to

provide social4/-

provide social and economic security. This is our strongest weapon against our adversaries who fight for the hearts and minds of the people more with promises than with concrete advancement in living standards. Singapore's persistent concern and deep conviction that economic co-operation should be given priority within ASEAN is, therefore, not without justification. The series of dialogues with our bigger and stronger friends have vindicated this emphasis. All of them without exception revolve round economic issues.

These dialogues have proved yet another point. Doubts have been cast by certain powers and direct allegations made that ASEAN is an instrument of neo-colonialism and would eventually become a military organisation under aegis of another power. Such statements are groundless and typical of communist rhetoric. Yet these quarters know that ASEAN's ties with the major non-communist countries are solely economic and are based on the belief that with economic co-operation the governments of ASEAN could best deliver the goods to their peoples.

We in ASEAN are optimistic about the the future of economic co-operation. Despite initial difficulties we have with some political will moved ahead with Preferential Trading Arrangements and feasibility studies are now being conducted on the industrial projects. All this would mean cheaper products, better employment opportunities and a better and a more productive life for ourselves and for our children. Although we have moved in the right direction of economic co-operation what we now need is more political will to provide the impetus for enhanced economic achievements.

OCTOBER 8, 1977.
