

SPEECH BY PRIME MINISTER
LEE KUAN YEW AT THE OPENING OF
THE 15TH ASEAN MINISTERIAL MEETING
ON 14 JUNE 1982 AT DBS AUDITORIUM

May I extend a warm welcome to the distinguished foreign ministers of ASEAN on the occasion of their 15th ASEAN Ministerial Meeting.

The political Basis of Regional Cooperation

ASEAN is an exception in the Third World. With the end of colonial rule, many Third World countries are trapped in new rivalries or revived hatreds. Resources that should have gone into nation building are wasted in wars. By as much divine providence as diplomatic foresight, foreign ministers met in 1967 to set about building a framework for our cooperation. Thus were ASEAN members spared from feuding. Of course, we are not without problems and differences. However, we have learned to manage these differences and to contain them. Most important, we have made a habit of working together, of consulting each other over common problems.

All the five ASEAN countries concentrate on economic development and construction. We give our peoples fuller lives, and thus ensure political continuity and stability. All have made rapid economic growth. All our economies are market-oriented, encourage free enterprise, and with high levels of external trade flows with the major industries countries.

It has become ASEAN practice for Ministers and officials of ASEAN governments to maintain close contacts with each other through ASEAN meetings and through informal multilateral visits. At people-to-people level, there is greater awareness and empathy of each other through the mass media, professional conferencing, academic exchanges, and tourism.

Our progress towards regionalism has been less structured than that of the EC. It must be so because our histories in the colonial period before World War II were different.

We have made progress in an Asian manner, not through rules and regulations, but through musyawarah and consensus. We have developed a mutual appreciation for differences in culture, and learned to make allowances for differences in style.

I am happy to be able to say that in the five years since I last opened an ASEAN Ministerial Meeting in Singapore, rapport and camaraderie have further developed, and not just at the level of ministers. There is more vibrancy and vigour in the organisation. Of the persons I greeted on the last occasion, only His Excellency Carlos Romulo of the Philippines still represents his country as Foreign Minister. He is indestructible. The others have moved on. You, their successors, have inherited their legacy of trust and a habit for consultation that makes your work that much easier.

ASEAN Economic Cooperation

Intra-ASEAN economic cooperation is progressing at a steady pace. Under the ASEAN Preferential Trading Arrangements, 8,563 items have been accorded tariff preferences. Total intra-ASEAN trade, including non-PTA items, increased from US\$9,848 million in 1978 to US\$19,800 million in 1980, an increase of 101%. Intra-ASEAN trade under the PTA is growing, but at a slower pace. PTA imports accounted for 1.5% of total ASEAN imports in 1978, and increased to 2% in 1979.

Progress in ASEAN industrial projects has been slow, without losing its momentum. Four projects have been approved and are in various stages of implementation.

In the field of ASEAN industrial complementation, for which an agreement was concluded last year, progress beyond the initial first package of automotive products has been slow.

The ASEAN Swap Arrangement has worked since the agreement was signed in 1977. Most member countries have used this facility. In 1978, the swap facility was increased from US\$100 million to US\$200 million. A third supplementary agreement was signed in February 1982 extending the swap arrangement for another five years.

In telecommunications, the third segment of the four-segment ASEAN Submarine Cable project, namely, Malaysia-Singapore-Thailand, should be ready in March 1983. As for the last segment, Thailand-Philippines, a traffic study would be conducted to determine its viability.

The Agreement on the ASEAN Food Security Reserve came into effect in 1980. No ASEAN Country has needed to draw upon it.

Cooperation in Non-Economic Areas

ASEAN has also made progress in non-economic areas. Our dialogue partners have provided assistance in non-economic areas, in preference to giving better access for ASEAN exports to their markets. ASEAN has used such assistance for intra-ASEAN cooperation in the cultural, science and technology, and social development fields. The ASEAN Cultural Fund has enabled member countries to cooperate in numerous projects. For the 1981-82 period, US\$2 million have been earmarked for 22 cultural projects.

Global and Regional Security

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The changes in global and regional security environment of ASEAN have affected our perceptions and policies, though not in their fundamentals. Détente between the US and the USSR has cracked under the pressure of Soviet moves in Indo-China, Angola, the Horn of Africa, and Afghanistan. The events in Poland have put an end to an era of wistful diplomacy.

Sino-American relations have also not been without travail. It seems that we were premature in assuming that the congruence of American and Chinese interests in containing Soviet expansion will make them de facto allies. The present balance of relationships amongst US, USSR, and PRC is more fluid and uncertain than it was a year ago.

In Southeast Asia, the Soviet Union has underwritten Vietnam's design in Indo-China. In return, the Soviets have acquired access to bases in Vietnam and probably Kampuchea. This Soviet intrusion has predictably drawn a response from China. Over Indo-China, China and the Soviet Union are engaged in a sustained contest of will and power for pre-eminent influence. Until one side finds it burdensome and not worth the cost, there is little hope for peace.

This, however, has not prevented the Soviets from making overtures to China for dialogue and accommodation. And these overtures have not been rejected. The increasing to-ing and fro-ing between Soviet and Chinese officials, and the settlement of China's border disputes on the long Mongolian frontier, are not signs which can reassure Vietnam of unremitting Soviet support at any costs and for all time.

The US has become a spectator in Indo-China after being the principal participant until 1975. The Americans are not disinterested in the outcome, but they are careful to leave the burden of the costs of this new contest to these two adversaries. We, the non-communists of Southeast Asia, will have to carefully pick our way through the complexities of a new minefield of conflicting great power interests in Indo-China.

Vietnam and Cambodia

It is worth repeating that we in ASEAN do not object to the Indo-Chinese states coming together. Our objection is over the manner in which Cambodia was forcibly incorporated by Vietnam. It is ASEAN's interests to have the Indo-Chinese states work together and cooperated with ASEAN. This would have precluded either a Soviet or a Chinese dominance over the region. Vietnam's forcible occupation of Cambodia created opportunities for great powers to intervene in Southeast Asian affairs, as indeed they have. Time will demonstrate to Vietnam that she has nothing gain from this primarily Soviet-Chinese conflict.

Time will also prove to Vietnam that ASEAN was not acting in collusion with great power at the International Conference on Kampuchea which was

convened in New York in July 1981. It will also show that, at that Conference, ASEAN helped to provide the basics for a fair and just political solution.

Global Economic Problems: Impact on ASEAN

On the economic front, the effects of the prolonged world recession and inflation have affected ASEAN. After sustained rapid economic growth in the 1970s, ASEAN's economic growth has slowed down. Inflation, trade deficit problems, and shrinking foreign reserves are also common problems.

External trade in the ASEAN countries bore the brunt of the world recession as imports and exports account for more than 50% of ASEAN's GNP. ASEAN's exports of primary commodities suffered in 1981. As economic growth in the industrial countries stagnated, commodity prices have declined. A fall in demand, together with energy conservation in the West, also led to a weakening of crude oil prices for ASEAN exporters throughout 1981.

ASEAN Economic Cooperation: The Next Steps

ASEAN's problems with the industrial countries may increase. To withstand external pressures and problems, ASEAN must stay together for greater collective strength. Subtle measures will be used to divide ASEAN to

make protectionism less blatant. We may see new economic manifestations of the old colonial policy of divide-and-rule. ASEAN will have to resist short-term benefits, offered individually, against the long-term losses which will result in weakened unity and bargaining strength.

We must make it a practice to act jointly to protect both our agricultural, industrial and commercial interests. Through our unit and cooperation, we have strengthened our position on issues on the Common Fund, GSP, shipping, international civil aviation, commodities; at GATT, UNCTAD and other international economic bodies.

Conclusion

We have made substantial progress. Political and economic developments have brought us closer together because our political standpoints and outlook are similar. Our national interests are also in congruence. The Foreign Ministers of ASEAN, and their Economic Ministerial colleagues, have labored hard to break the ground in the last 15 years. We can now plough it and sow it so that our peoples will reap the harvest in the years to come.

Now, I have the pleasure of declaring open the 15th ASEAN Ministerial Meeting.

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