SPEECH BY PRIME MINISTER LEE KUAN YEW AT THE LUNCH HOSTED BY SECRETARY OF STATE AND MRS SHULTZ ON 8 OCT 85 IN THE UNITED STATES OF AMERICA

My pleasure in visiting the United States at this time is enhanced by the very good bilateral ties between the US and Singapore. Problems between our two countries are few and far between. Our relationship rests on a firm foundation of shared ideals and in democratic principles. We both believe in open and fair trade.

Mr Secretary, I share your optimism about the dynamism of the Pacific Rim countries. There are firm grounds for this optimism. Despite the two recessions brought on largely by the 1973 and 1979 oil crises, the Pacific states have achieved growth rates of between 5.5 per cent and 10 per cent over the last decade.

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Trade between the US and the East Asian-Pacific region (estimated at $170 billion in 1984) is one-third of total US trade. The US is ASEAN's second largest trading partner, after Japan. ASEAN is fifth amongst the trading partners of the US. Between each of the ASEAN countries and the US there is

confidence and goodwill. In the last eight years, the ASEAN-US Dialogue has given rise to useful projects in technical cooperation. It has created channels for better understanding and improved the climate of our economic relations. Our mutual efforts in working towards a new GATT round is evidence of this healthy cooperation.

The Administration you serve is against protectionism. US exports to the West Pacific have created jobs for America's industries. Much can be done to reduce the big trade imbalances, between the US and its major trading partners, in particular, Japan. But measures taken to redress the problem should increase, not reduce trade.

The ASEAN countries have registered an average annual growth of 6-7 per cent. We are confident that they can continue to do well. Direct American investments in the ASEAN countries have been registering an average increase of 15 per cent over the last four years. With a combined population of 250 million, consumer spending has grown more than three-fold over the last 20 years. ASEAN will grow more important as a market.

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With Singapore undertaking the co-ordinating role for the ASEAN-US Dialogue, we hope to find more areas for our co-operative endeavours. I know that with you, as Secretary of State, we can count on the United States to explore new forms for improving our relations.

Your Excellencies, ladies and gentlemen, may I invite you to join me in a toast to he good health and success of Secretary of State and Mrs Shultz.

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