



**DEPARTMENT OF
FOREIGN
AFFAIRS**

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ADDRESS BY SPECIAL MINISTER OF STATE

The attached is the text of an address by the Special Minister of State, Senator Don Willesee, to the 29th Session of E.C.A.F.E. (12 April 1973) which is currently meeting in Tokyo.

Senator Willesee was elected one of six Vice Chairmen of the meeting (others were Indonesia, China, Iran, Nepal and the Philippines). Ambassador Tsuruoka of Japan was elected Chairman.

I join in extending the Australian delegation's warmest congratulations to you, Mr Chairman, and to our Japanese hosts for the excellent arrangements for this 29th Session. Australia enjoys especially friendly relations with your country which have an assured and firm foundation in the interdependence of our economic relations. It is the intention of Australia's new Government to work for still better understanding between Australia and Japan and with all countries in the ECAFE region.

Mr Chairman, the 29th Session of ECAFE holds promise of marking the beginning of a new and more hopeful era in the affairs of the ECAFE region. There are three major elements in the present situation which call for special comment.

The first is the signing of the ceasefire agreements in Viet-Nam and Laos. These agreements have been welcomed throughout the world and particularly by the people of our region. Although it would be unrealistic to overlook the problems that are being encountered in carrying out the various provisions of the agreements, it is our hope that they will lead to the re-establishment on a firm basis of conditions of peace in Viet-Nam and Laos. It is our hope also that, despite the continuation and indeed the recent intensification of fighting in Cambodia, a ceasefire may soon be achieved in that country as well.

An end to hostilities throughout Indo-China would improve the prospects of a successful assault on the major obstacles and barriers to economic and social development

in a major area of South East Asia which forms such an important part of the ECAFE region. We in Australia acknowledge that there will be a great need for rehabilitation and reconstruction in the post-war period in Indo-China and our Government intends that Australia should assume a generous share of the reconstruction effort.

The first principle of any effective policy of development assistance, whether multilateral or bilateral, is that no programme can be effective unless it accords with the expressed wishes of the receiving countries. It is perhaps too early to attempt to identify the role which the United Nations including ECAFE, may be called upon to play in the reconstruction effort in Indo-China, but it is clear that the wishes of the countries of Indo-China itself will determine the extent and scope of such a role. If ECAFE is given a role in the work of reconstruction, it will have Australia's full co-operation.

The task for all countries interested in contributing to the reconstruction effort will be to find effective ways in which to act. The winding down of the war may open up new possibilities for the Mekong scheme and we shall be following the possibilities with close attention through our association with the work of the Mekong Committee. We would hope that, under more peaceful conditions, the energies of the people of Indo-China could be directed to the economic development of their region - Australia stands ready to participate with them in this task through the Mekong and other schemes. Meanwhile

I should like to record that the Australian Government is willing to grant up to \$US500,000 for the second phase of the Nam Ngum dam project.

The Australian Government has established full diplomatic relations with the Democratic Republic of Viet-Nam and we are now in the process of setting up an Embassy in Hanoi. A significant part of the work of this Embassy is likely to be concerned with possible Australian aid activities. We look forward to the time when the Government of the DRV will be able to make its contribution to regional co-operation.

The second element to which I refer is that China has now taken her place in the community of nations and a delegation from the People's Republic is present at this Session of ECAFE for the first time. The Australian delegation extends a warm welcome to the delegation of China. Our Government moved to recognise and exchange diplomatic missions with China as soon as we came into office. We believe that the absence of contact with China had led to a build-up of inflexible attitudes which inhibited the scope for co-operation and progress in our region. The assumption of its rightful place in ECAFE by the largest country in the region should help to accelerate the movement towards better understanding among all regional countries and to give greater authority to the deliberations of ECAFE. The Australian delegation looks forward to fruitful and constructive co-operation with the delegation of China.

The third element concerns the administration of ECAFE itself. This will be the last session at which U Nyun will be present as Executive Secretary. I associate myself with the leaders of other delegations who have paid tribute to his service to the cause of advancing the economic and social wellbeing of the people of this region for 14 years. He has been tenacious in overcoming obstacles and in advancing the process of Asian co-operation in the Asian way.

ECAFE has notched notable achievements during his period of office of which the creation of the Asian Development Bank has possibly had the most impact. The Executive Secretary is justified in taking pride in his achievements, especially since the last few years have been a difficult period for the region and inevitably for ECAFE.

U Nyun will be succeeded as Executive Secretary by Ambassador Maramis of Indonesia. Ambassador Maramis has had a long experience in the Government and foreign service of his country and he already has a strong background of work and achievement in the economic field. We are confident that, under his leadership, the Secretariat of ECAFE will meet the new challenges of a more hopeful era. The new Executive Secretary will have Australia's full support and co-operation.

Mr Chairman, Papua New Guinea is represented at this, as at previous recent ECAFE sessions in its own right, on this occasion by the Minister for Finance, Mr Julius Chan, who will

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explain the policies of his Government. All that I want to say, as Australia's representative at the session, is that our Government's policy is to move with all due speed towards the creation of an independent, united Papua New Guinea. We propose to reach this objective in the closest consultation with the Government and the House of Assembly of Papua New Guinea within the lifetime of the present Australian parliament. It is our intention to introduce legislation providing that Papua New Guinea should be self-governing by 1 December of this year or as soon as practicable thereafter. Australia is deeply committed to continue a substantial programme of economic aid to an independent Papua New Guinea.

The peace and prosperity of the ECAFE region is a major commitment of the Australian Government. We see our participation in this Economic Commission as affording opportunities by which we will be able, as a significant economic power in the region, to identify and adopt constructive policies aimed at honouring this commitment. We shall be looking to the discussions within ECAFE for guidance and stimulation.

The Secretariat is to be commended for its systematic presentation of social and economic performance in the region for the First Biennial Review of the second United Nations Development Decade in conjunction with the Economic survey for 1972.

The Survey shows, however, that the performance of individual developing countries are continuing to fall short of

desirable levels of achievement. The average weighted annual growth rate for all ECAFE developing countries reached almost 7% by 1969, but had fallen back to 5.6% in 1971 and the survey states that it may have been below this level in 1972.

The rapid and sustained reduction in mass poverty, which is recognised as a special priority goal for the ECAFE region, is not being achieved at current rates of growth in production, while population continues to increase at high levels - in some cases up to 3.5% per annum. The table on page 34 of the English language text shows that in 1971, GNP per person grew at substantial rates of over 7% in only two of the nine countries listed - Iran and the Republic of Korea. Indonesia achieved an encouraging 3.8% per capita but the per capita rates for the other countries were all below and in some countries will be below 3%.

The survey explains the slower growth rates in terms of two major short-term factors: the slowing down in the economies of Japan, Western Europe and North America and the droughts and other adverse conditions which afflicted agriculture and crops in most ECAFE countries in 1971 and 72.

The first of these factors points up the need to solve the problems of basic economic stability and growth in the advanced economies so as to provide the essential conditions for stable trade and payments. The survey rightly draws attention to the benefits for the developing countries from steady growth and high levels of employment in advanced

economies accompanied by a rational solution to the current international monetary problems.

ECAFE will not be able to do its best work until these problems are being successfully tackled. Individual developing countries will be able to plan effectively for their development and for the welfare of their people only in circumstances which offer reasonable predictability of income prospects and trade returns. These are the preconditions for making more resources available for human welfare.

The restoration of order in the international monetary system will require concerted efforts by individual countries to achieve equilibrium in their own balance of payments. Australia is working actively within the Committee of Twenty to further the possibility of reforming the international monetary system and it is reassuring that the developing countries of our region are represented in the Committee by India and Indonesia.

In the latter part of the year, a further round of trade and tariff negotiations within the GATT should commence and we will be working for meaningful results which recognise the particular interests of the developing countries as well as countries like Australia which are major exporters of primary products.

We hope that developing countries, particularly the countries of this region, will avail themselves of the opportunities available under Australia's scheme of tariff preferences for

developing countries which has now been in operation for seven years. Our Minister for Overseas Trade recently announced a further extension of the scheme and we have been active in bringing concessions under the scheme to the attention of regional countries. I would like to stress that our representatives are always available for consultation on ways of taking advantage of the scheme.

Against the background of uncertainties surrounding the future of international trade and payments, it is not surprising, though disappointing, that the total flow of resources from the advanced economies to developing countries in the region has continued to decline. In 1971, the developed countries as a whole contributed only .35% of their GNP to the developing countries in the form of official aid compared with .53% at the beginning of the 1960's. Australia has maintained its good aid performance of the recent past and the annual flow of official development assistance from Australia remains at over .5% of GNP. Meanwhile we have continued to surpass the 1% Target for the transfer of all resources, official and private, for each of the last three years and this situation seems likely to persist at least for the next year or so. The total value of Australia's official aid for the current financial year is likely to be \$A220 million or \$US308 million and has been increasing at around 11% per annum. As delegations are aware, nearly all of this assistance goes to the countries of this region.

Our Prime Minister has indicated publicly that Australia's intention is to have a substantially increased foreign aid

programme and we are currently working to improve still further the quality of the programme.

We expect these efforts to result in a closer alignment of our programmes with the policy measures which are emphasized in the survey.

In collaboration with recipient countries we will, for example, be looking intensively into the possibilities of giving greater emphasis to social fields and to the effects of our programmes on income distribution and employment problems.

We will also be looking into the possibilities of increasing the number of our projects in rural areas so as to bring benefits more directly to the people of developing countries.

Mr Chairman, there are many practical problems in achieving effective regional co-operation in an area as vast as the ECAFE region and the Australian delegation is concerned that the approach of ECAFE to questions of regional co-operation should be constructive and pragmatic. Accordingly, it would seem desirable to outline, in broad terms, some thoughts on ways in which ECAFE might strive to develop more effective techniques for tackling some of the practical problems of regional co-operation.

In recent years there have been criticisms that the sheer size and scope of the Commission's activities, although

well intentioned, have imposed a heavy administrative burden on the Commission and on Governments. For understandable reasons, ECAFE has given much of its attention to approaching problems on a region-wide basis. A number of the Commission's projects have been of considerable value to the region, but other proposals have not been launched because of the difficulties of putting them into practice.

Sub-regional approaches have been adopted but usually in regard to a limited range of topics of interest to a small number of countries. Some examples are seen in the work of the Typhoon Control Committee, the Mekong Co-ordination Committee, the Committee for Off-shore Oil Prospecting and the Asian Commodity Communities. These activities have generally been of considerable value to member countries and we feel that the Commission might be encouraged to apply more of its resources to ways and means of developing sub-regional approaches to problems. One technique might be to select groups of member countries with common problems, and to deal with them through task forces cutting across individual disciplines and sectors where necessary.

We are not, of course, suggesting that the Commission abandon regional projects of proven value and indeed we encourage all measures of regional co-operation which are feasible and practical. We feel however that a greater degree of emphasis on the sub-regional approach could lead to a more positive identification of solutions for particular problems and could facilitate the mounting of projects which have clearly identifiable and attainable aims. Regional developing countries have themselves been showing the way.

Mr Chairman, there are two broad areas which are currently the subject of intense discussion internationally and within countries: these concern the environment and population. There have been profound changes in the attitudes of governments in our region to these two matters in the recent past. Australia's attitude to both questions is positive and our government looks forward to effective co-operation with Asian and Pacific countries in these two areas.

We understand and sympathise with member countries in their efforts to arrive at an appreciation of where the emphasis should be placed as between the objectives of economic and social development on the one hand and the maintenance of a sound environment on the other. We consider that the most fruitful approach is to regard the objective of maintaining a sound environment as complementary to, rather than in conflict with, the objectives of economic and social development. The problems are complex, however, and ECAFE should be able to assist Governments to formulate realistic policies for environmental protection as they pursue their developmental goals.

ECAFE will have a sound basis for its work in the relevant proposals of the Stockholm conference which have been adopted by the General Assembly. Australia has already shown its support for international co-operation on environmental matters by pledging a contribution of \$US2.5 million to the U.N. fund.

There is widespread acknowledgement by regional governments that the adoption of effective measures to limit rates of population growth is an important factor in the achievement of improved living standards.

The Australian delegation welcomes the work of the ECAFE Secretariat in the population field. The contribution of the Secretariat was a major factor in the success of the Second Asian Population Conference held in Tokyo last November.

Australia is now contributing financially to the major international population funds and we expect that in future we will be able to assist ECAFE countries on a more vigorous basis in this important area. The contribution of the ECAFE region to the World Population Conference in 1974 will be a particularly significant one. We shall be aiming to ensure that Australia's position at the Conference is closely aligned with that of our friends in this region.

Mr Chairman, the Australian Government intends that Australia should have warm, friendly and co-operative relations with all countries in the region. Our attitude on United Nations matters is in close alignment with those of our friends in this region. This applies here in ECAFE, as well as in the other organs of the United Nations, including the Security Council.

The Australian Government will work strenuously for the improvement of co-operation in the region and intends to give its full backing to the valuable contribution of ECAFE to the tasks of economic and social progress in this the most populous part of the world.