



DEPARTMENT OF FOREIGN AFFAIRS AND TRADE  
AUSTRALIA

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### PRIME MINISTER'S VISIT TO SOUTH EAST ASIA

The following is the text of a statement in the House of Representatives by the Prime Minister, The Hon. E.G. Whitlam, Q.C., M.P., Thursday 7 March 1974:-

Mr Speaker -

In this, the first week of the new session of Parliament, I wish to report to the House and to the Australian people on my recent visit to South East Asia. I believe that visit advanced Australia's national interests in a region of continuing and increasing importance to this country.

No one in this House would deny that Australia and the countries of South East Asia share profound and lasting common interests. No one in this House would deny that the maintenance of close relationships with these countries is one of several important challenges facing Australian foreign policy. The confluence of our history and geography - our mainly European origins and our location on the edge of South East Asia - affords us a unique opportunity to demonstrate that countries with different cultural, ethnic, social and religious backgrounds can evolve intimate and lasting relationships. The Government is determined to seize that opportunity and to ensure that Australia is accepted as a good neighbour and a co-operative and helpful member of the Asian and Pacific region.

I visited Malaysia from 28 to 31 January, Thailand from 31 January to 4 February, Laos on 4 February, Burma from 4 to 6 February, Singapore from 6 to 9 February and the Philippines from 10 to 13 February. I also paid a brief visit to the Malaysian Air Force Base at Butterworth where our Mirage squadrons are stationed and a brief private visit to Kota Kinabalu, at the invitation of an old friend, the former Malaysian High Commissioner to Australia and Dean of the Diplomatic Corps and present Governor of Sabah, Tan Sri Stephens.

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I have now visited, in the 15 months since the Government came into office, virtually all the major countries in the Asian and Pacific region. No former Prime Minister has done more. Visits by the Prime Minister and other ministers symbolise the importance that the Australian Government attaches to the countries visited. But there is more to it than that; the results which will flow from my visit will, I believe, advance our interests and involvement in this region to a new level.

I had four main objectives in undertaking this visit, I believe I succeeded in fulfilling them.

My first and perhaps my principal objective was to emphasise to leaders in South East Asia the continuing and undiminished importance which my Government attaches to its relations with the countries of South East Asia. I wanted to explain to them that what had changed was not the degree of Australian involvement in the region but the nature and direction of that involvement. I wanted to make clear that our emphasis had shifted from an involvement based mainly on ideological considerations and military alliances to one based on more enduring ties such as trade, aid programs, regional co-operation, economic co-operation, and the development of a network of cultural contacts and agreements.

My second objective was to establish or reinforce personal contacts with South East Asian Heads of Government. I was able to have very frank and detailed talks with them.

My third objective was to outline to Government leaders in the region the positive character of the Australian Government's foreign policy and to dispel any misunderstandings about it.

My fourth objective was to seek practical and enduring ways in which co-operation between Australia and the countries of the region can be strengthened.

In all the countries I visited Australia has, and always will have, an important influence. While our foreign policy interests have been diversified and our horizons are now wider

than the United States, the United Kingdom and South East Asia - we no longer ignore, for example, the existence of Communist Asia, including China with its 800,000,000 people - the fact remains that it is in our own immediate neighbourhood that we are most likely to find an effective role for Australia. I found that the new friendships which we have developed with countries like China and North Viet-Nam have in no way diminished our traditional friendships with the countries I visited. If anything, they have enhanced our standing in them and increased their interest in us.

Foreign policy cannot be created in a vacuum. It must grow out of national aspirations and patterns of events in our environment. We need to take account of the evolving Great Power relationships. In the sixties the main thrust of United States policy in this area was the containment of China by military involvement in Viet-Nam. But the United States has itself opened up new opportunities by abandoning these policies; it no longer looks to Australia to provide a mere supporting echo of policies which it has itself progressively abandoned.

As Dr Kissinger, the most realistic and pragmatic negotiator to fill the office of Secretary of State, has shown, initiatives in foreign affairs open up new possibilities for progress and understanding. Such initiatives will not always produce predictable or entirely desirable results, but log-jams are broken, stale habits of mind are abandoned, and movement is often preferable to a dogged perseverance with an outmoded status quo.

Like most of the leaders I met, I believe that detente between the Great Powers must be made to work. The journey down this road has begun. It will not be smooth. Peace and security do not come simply because we wish them to come. But diplomacy must be based on realistic hopes rather than on resignation and despair. It was in this spirit that I went to South East Asia. And it was this spirit which evoked such a warm response. I recall, in particular, the remarks by the Prime Minister of Singapore at a dinner he gave for my delegation. I shall seek leave to table the text of that speech, and all other principal speeches during my visit, later this evening.

TRADE AND ECONOMIC LINKS

I turn now to trade. I believe that increasingly our foreign policy in South East Asia will be related to our efforts to develop mutually advantageous trade. In each country I visited I expected, and found, keen interest in closer trading and economic links with Australia.

Australia has long established and valued trading ties with all the countries I visited. Last year we had a favourable trade balance of \$225 million with these countries and we expect this favourable balance to increase in the short term. Our exports last year to these countries totalled \$318 million, of which over 40% were manufacturers; our imports from them were \$93 million. It can be seen that this situation, while advantageous to us now, could generate friction if neglected. So in each country I made a point of explaining the 25% tariff cut made by the Government in July last year and the greatly expanded scheme of tariff preferences for developing countries which came into force on 1 January. I told them of the special service which has been established in the Department of Overseas Trade to help developing countries in market research and commercial contacts. I arranged for experts from Australia to visit all the countries on my itinerary, as well as Indonesia, in March and April. This will ensure that new preferences and trading opportunities are understood and that the countries concerned can take full advantage of them. These experts will also visit a number of other developing countries later in the year. I elaborated on the statement on Australian investment policy which the Government issued on 22 January. I emphasised that, for the first time, an Australian Government had adopted a co-operative and creative role in encouraging Australian investment overseas, particularly in South East Asia. I made it clear that such investment must accord with the social and economic objectives of the host country and be consistent with progressive labour relations and local environmental policies. I was also able to point to the expansion of the EPIC investment insurance facilities and the creation of two separate funds, one of \$250,000 a year and one of \$100,000 a year, to promote respectively, investment feasibility studies

overseas by Australian manufacturers and investment awareness within Australia.

All these policies and initiatives were warmly welcomed. I believe the ground is now laid for increased Australian investment in South East Asia. The obvious link between trade and investment and the general acceptance of Australia as a source of investment was widely recognised.

We have reached understandings that our trade agreements with Malaysia and the Philippines will be updated and that new Trade Agreements with Thailand and Laos will be negotiated. A feature of such agreements will be the establishment of mixed commissions of Australian businessmen and officials, who will meet their counterparts in the other countries on a regular basis to examine the practical problems of two-way trade and to seek their prompt resolution.

I also took the opportunity to stress the desirability, wherever practicable, of securing access to markets over a long term for the products of Australia's rural industries. Since my visit, the parties directly concerned have met to explore the possibility of long term contracts for the export of substantially increased quantities of wheat and sugar to Malaysia. An inquiry for 500,000 tons of coal from Thailand is under consideration and export approval has been given by the Australian Government for 150,000 tons of coal to Burma. A number of countries I visited inquired about products essential to their economic development, including nitrogenous fertilisers, steel and engineering products. These are being dealt with as a matter of urgency. An Australian investment of over \$4 million in the forging industry in the Philippines was approved within a few days of my raising this question with President Marcos. In Thailand our offer to assist with the establishment and training of their Trade Commissioner Service was accepted and the initial moves are already under way. We are also examining, as a matter of urgency, requests received during my visit for extensions to our scheme of tariff preference for developing countries.

All of this provides a practical illustration of our present objective of securing a thriving and well-rounded

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commercial relationship with the countries of South East Asia. The Government's decision last October to respond positively and constructively to interest in the ASEAN countries in Australian co-operation with agreed ASEAN projects was also well received in the ASEAN capitals I visited. In fact, all our policies and initiatives in trade were accepted as evidence of our strong continuing involvement in South East Asia and our willingness to assist our Asian neighbours in genuinely constructive ways.

#### DEFENCE

During my visit I stressed on a number of occasions that although the emphasis of our policy is changing we still retain important defence interests in South East Asia.

We no longer look on the countries of South East Asia as buffer states or as some northern military line where a possible future enemy should be held. Rather, we look upon them as countries having a common interest with Australia and New Zealand in consolidating the security and stability of the region as a whole.

I made it clear to representatives of the Lao Patriotic Forces in Vientiane that Australia was concerned that all foreign countries withdraw their forces from Laos. I also expressed the hope that the Great Powers would cease supplying arms to North and South Viet-Nam. I said so in the firm belief, which I have expressed before, that the opportunities which were lost after the signing of the Geneva Accords of 1954 should not be lost again. The prospects for reconciliation and for the formation of genuinely national governments in the countries of Indo-China would be greatly enhanced if external interference of all kinds could cease.

We have pledged that the terms of the Five Power Arrangements will be honoured in full until a more enduring settlement is reached in establishing the peace, freedom and neutrality of the region. Our defence co-operation programs with countries like Malaysia, Singapore and Indonesia will be maintained. I also indicated that Australia's Mirage squadrons would remain at Butterworth as long as they are relevant to

the needs of both our nations and the realities of the region and that, as previously announced, this question would be reviewed, as appropriate by the two Governments.

It has been suggested that because I believe our interest in this region have in the past been seen excessively in terms of Defence, Australia is in some way drifting towards isolationism. I repeat categorically what I said several times in South East Asia: Isolationism is not a policy option for Australia. It is precisely because I thought that we were isolating ourselves from a quarter of the world's population in China, and to some extent, from Black Africa and Europe east of the Elbe, that I have stressed since December 1972, the Government's wish to diversify its foreign policy interests. In fact, in both action and philosophy, I believe that my Government is the most genuinely internationalist government Australia has had.

#### RACE, CULTURE AND IMMIGRATION

The Government's attempts to rid Australia of any lingering racist image are very warmly welcomed in South East Asia. They are especially welcomed in Singapore and the Philippines.

Race is a transcending international and moral issue. I am not prepared to allow the bridges that have been built to the countries of Asia, and which are currently being widened and strengthened by the Government's policies, to be undermined by stigma of racism. The Minister for Immigration and his Department are working to ensure that there are no gaps between our enunciated principles and our administrative practices. As I said in Manila, we want no double standards in this matter.

I was particularly concerned in Manila to explain to President Marcos the Government's uncompromising opposition to racism in all its forms and to assure him that our immigration policy is non-discriminatory. I was able to announce that the Government had given its agreement in principle to the entry of 35 Philippine skilled workers for the Leyland Factory in Sydney. A team is to go to Manila next week to help select the immigrants who will come to Australia.

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The Government's wish to negotiate cultural agreements with Malaysia, Thailand, Singapore and the Philippines evoked a warm response. As a result of my visit we have undertaken to double the number of cultural agreements we now have. We already have such an agreement with Indonesia. The new agreements will mean that we shall have cultural agreements with all members of ASEAN. This is a manifestation of the importance the Government attaches to promoting a distinctively Australian culture and excellence in the arts generally. It acknowledges that we have much to gain from the rich and ancient cultures of our Asian neighbours.

#### CONTACTS WITH YOUTH

During my visit I sought, with members of my party, to establish contacts with student and youth leaders. I visited the University of Singapore, Nanyang University and the University of the Philippines, at which I delivered a major speech. In Thailand a senior Foreign Affairs official accompanying me and two members of my personal staff spent five hours in discussions with Thai student leaders. These contacts, unprecedented in a visit of this kind, were of value to both sides.

#### DISCUSSIONS

The discussions I had were, of course, confidential and lasted many hours. It would be impossible to summarise them all in detail. The roles of the great Powers - The United States, the Soviet Union, China and Japan - in the Asian region were discussed in each capital. I discussed my own visits to China and Japan and economic problems in the region, including the effect of the oil shortage and the energy crisis.

I discussed the situation in Indo-China and general questions of security and stability in South East Asia. I found these discussions in total educative, valuable and of great interest. In Malaysia, Thailand, Singapore and the Philippines there was an acknowledgement that the normalisation of relations between China and the countries of South East Asia is inevitable. Burma and Laos already have diplomatic relations with China. In the other countries the issue is not one of principle but of timing.



Another common theme was regional co-operation. The ASEAN countries naturally attach priority to the consolidation of ASEAN, an organisation which Australia does not seek to join but which has our wholehearted support. I was encouraged, however, to find a widespread interest in the idea of a future wider regional association in which the countries of Asia and the Pacific could meet at a high level for informal discussions, much in the manner in which Commonwealth Heads of Government meet. The Philippines, in particular, fully agrees with this concept and President Marcos has advanced almost identical proposals.

#### STUDENTS

I had the opportunity during the visit to discuss with a number of countries in the region their concern over students. The countries I visited - in particular Malaysia, Thailand and Singapore - continue to place importance on the opportunities for their students to study in Australia. The sponsored student programs, that is, the Colombo Plan and other official programs - in the main run smoothly and successfully. There are no difficulties in this area. There have been some difficulties, however, with private students in Thailand over the English test, which is a pre-requisite to entry for study, and the level of entry for their students. I have agreed to look into these problems and the Departments concerned are at present conducting a review of policy with a view to resolving them. The Ministers for Education and Immigration have also had discussions with the Thai authorities on this matter.

In Singapore there were discussions on the return of private students and the so-called brain drain. Under our non-discriminatory immigration policy, private students enter Australia on the understanding that they will return home. However, if they can meet migration criteria they are allowed to remain in Australia. The Singapore Government was perturbed about this and have now decided to sponsor officially all private students coming to Australia. Sponsored students have always been required to return to their home country on completion of their studies and this has been at the express insistence of their home governments.

I want to make it clear that if any student from Singapore is to be sent home, it will be as the result of his sponsorship by the Singapore Government and not as the result of a decision taken on its own account by the Australian Government. Mr Lee also raised the question of students already in Australia and I have agreed to look into this.

#### AID

I did not see my visit as an occasion for new aid commitments. I believe that visits by the Prime Minister and Ministers to neighbouring South East Asian countries should be seen as part of a regular pattern of visits and not necessarily as occasions for important new aid agreements.

Naturally, however, bilateral aid programs were discussed in each capital. In Kuala Lumpur I undertook to study Malaysian requests for assistance in preparing a feasibility study on the development of the Trengganu River Basin and on the development of the proposed Kuantan industrial area. In Vientiane I undertook that the Government would consider assisting that city in its proposed expansion of its city water supply. I stressed to the Prime Minister of Laos and the leaders of the Lao Patriotic Forces that Australia would do all it could to help in the postwar rehabilitation of Laos. In Bangkok I announced that Australia would support the Pioneer Medical Volunteers Program of the Princess Mother. We will provide ambulances and radio transceivers for the pilot project. In the Philippines I was glad to announce that the Australian Government had agreed to enter a joint aid project with the Philippines Government for the construction of roads and related irrigation and agricultural development in Zamboanga Del Sur. This is a large project which will cost the Australian Government approximately \$2 million a year for each of the next five years.

I take this opportunity of informing the House that the Australian Government has decided to contribute \$18,150,000 to the Asian Development Fund. This decision, following as it does on our decision to join the Ministerial Conference for the Economic Development of South East Asia and the South East Asian Ministers of Education Organisation, and our decision to help finance agreed ASEAN projects, is a further manifestation of the Government's growing interest in the well-being of the South East Asian region.

I mentioned during my visit the possibility of sending Australian staff and other forms of assistance to Asian educational institutions. This would ease the demand for places in Australian universities. I expect it to become a more significant part of our aid programs. It would not, however, mean that we would be unwilling to continue to assist in training the students and officials who come to us under the Colombo Plan and other aid schemes. The presence of overseas students in our educational institutions and in our whole society is a valuable means of furthering understanding between Australia and Asia. This view was also put to me by the Prime Minister of Singapore and the Prime Minister of Thailand.

I believe that during my visit I was able to affirm Australia's genuine, continuing and growing interest in South East Asia. I was gratified that the leaders with whom I spoke and their statements were reflected in the press of the countries I visited saw fit to praise Australia and the Government's policies in terms that went beyond the normal requirements of courtesy to a visiting Head of Government. I believe Australia walks taller and stands in higher regard in South East Asia than ever before. Our policies are understood. Our continuing and growing interest in the region is accepted and appreciated. As one leading South East Asian statesman said to me, our present policies are "approved and applauded". I believe we are rightly regarded in South East Asia as a genuine and trusted friend.

(I seek leave to table the six main speeches I made during the visit and the main speeches made by the six heads of Government of the countries visited)."