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PRIME MINISTER

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ELECTORATE TALK

Relations between Australia and our South East Asian and Pacific neighbours are continuing to grow in strength and quality. We have common interests and common goals. In particular, we have a common desire for economic and social stability and enduring peace.

The real worth of this relationship - one that has developed over the last three decades - was demonstrated in Kuala Lumpur last week. The Heads of Government of Japan, New Zealand and Australia met with the leaders of the five ASEAN nations - Malaysia, Thailand, Indonesia, Singapore and the Philippines. It was an occasion of international significance. It was the first ever meeting of its kind. The historic meeting achieved much. Common problems were reviewed in a spirit of goodwill and understanding. Problems were not brushed out of sight, but discussed frankly. The whole tone of discussion was one of mutual concern and understanding, and a desire to find reasonable solutions to problems in a reasoned way. There was a sincere wish to work together for the development of the region.

The meeting was particularly important for Australia. It provided the right opportunity to demonstrate our continuing commitment and involvement in the affairs of this region. At the same time, it gave ASEAN leaders a chance to hear at first hand Australia's policies during our economic recovery.

Australia's commitment to ASEAN itself and to individual ASEAN countries has never been stronger. Our commitment is on-going and a basic part of the Government's foreign policy.

I believe we made this commitment clear to the Heads of Government of ASEAN, through a number of significant initiatives that will bring short and long-term benefits to every country within ASEAN. I will briefly outline our key initiatives.

We decided to provide an additional \$10 million to finance development projects under the ASEAN-Australia Economic Co-operation Programmes (the original pledge of \$5 million has now been fully committed). We increased the level of aid to ASEAN member countries by \$90 million to \$250 million.

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The Government shortly will discuss with each member country details of the particular project they wish to develop. This money will provide a great opportunity for economic and industrial activity within each country. While the money itself is important for each country, the way in which it is being made available is, I believe, just as important. The money is being made available as a committed sum - which, of course, allows the countries to undertake long-term planning. We have also decided to give more of this grant aid in an untied form. This means that each country will be able to make greater use of local materials and equipment. It will certainly assist development of local industry.

ASEAN countries were, of course, keen to increase their share of trade with us. We proposed that ASEAN conduct an annual trade fair in Australia to assist in the promotion and marketing of their goods and services. I explained that there were opportunities - particularly in clothing and textiles - to capture a greater share of our import market. As it stands now, ASEAN countries competing against Korea, Taiwan, Hong Kong and China have only 10% of that trade. In the three years up to and including 1975-76, ASEAN countries had gained a total of \$60.2 million of our import market in clothing and textiles. This compares with a total figure of \$649 million for the other four countries. This trade fair would help ASEAN compete with the other countries in the region for a greater share of the market in these and other areas.

Australia also agreed to sponsor an ASEAN/Australia Investment Seminar and to meet the cost of a joint ASEAN/Australia Research Project.

One of the most significant initiatives to come from the meeting was our proposal that a consultative mechanism should be set up as an 'early warning' signal on trade and other problems. The Foreign Minister, Mr. Peacock, and the Foreign Ministers from the five ASEAN nations, will put up detailed proposals as to how this consultation process will work in practice, at the earliest opportunity. This initiative - which will provide substantial opportunities for consultation both to Australia and to the five ASEAN nations - was warmly accepted and welcomed by ASEAN leaders and officials. The meeting with ASEAN leaders also cleared the air in relation to Australian exports there. As a result of a direct request from me, the Malaysian Trade Minister, in the presence of the Malaysian Prime Minister, told me that special discriminatory measures against Australia had been lifted. This is good news for Australian exporters.

The discussions we held with other leaders and Japan in particular on a number of important issues, will also lead to continuing and mutually rewarding relationships between our countries. Much of the discussion with Japan's Prime Minister concerned the questions of beef. I made it clear that the present arrangements of negotiating beef quotas every six months hindered the beef industry's ability to operate properly as it is an industry which has to plan on a long-term basis.

I suggested that our officials should work together to devise a system which would better serve the needs of stability. The Japanese Prime Minister agreed, and we shall shortly be sending a team of officials to Japan who will be arguing for stability of access.

Overall, the historic eight-nation meeting has cemented the common bonds that exist between us. It has paved the way for a continued strengthening of our relationship on all levels, and it has certainly provided a renewal of confidence in the ability of the region to progress and develop.
