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PRIME MINISTER

FOR MEDIA

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ADDRESS AT DINNER GIVEN BY THE PRIME MINISTER OF MALAYSIA

I have looked forward very much to this visit and the opportunity it provides to have discussions with you and your government on international and regional developments which affect our countries' interests.

This is the first time I have visited Malaysia since you became Prime Minister, and looking from Australia, I have been impressed by the determination of your government to generate national co-operation and dynamism in order to achieve economic growth and continue to build a modern progressive society.

I hope that this meeting will help to strengthen the close understanding and forward looking approach which has been established between our two governments. It is clear from our talks that we have a large number of shared and complementary interests, which will ensure that we maintain the vitality of our bilateral relationship.

Relations between countries are, however, founded on more than relations between governments. They are built on a mutual knowledge and understanding between peoples. The foundations were laid long ago for an enduring and warm relationship between Australians and Malaysians. We have shared adversity and we have shared peace and growing prosperity, and our people have numerous contacts.

Thousands of young Malaysians come to Australia and we like to feel that through these contacts, Australia and Malaysia are working together to develop skills which are needed to sustain long term economic growth and cope with a continuously changing world. We place particular value on this aspect of our relationship, and look forward to maintaining it.

Our defence co-operation arrangements represent a common commitment to the security of our region, and have contributed to its stability. These varied ties have been strengthened by economic links which have grown as our two economies have prospered. Our bilateral trade grew by an average of 20% per annum between 1975/76 and 1980/81, and there is now considerable Australian investment in Malaysia, and Malaysian investment in Australia.

Politically, Malaysia's role as our ASEAN contact partner has been especially important in our evolving and healthy relationships with ASEAN. Of course our political, defence and trade relationships are very important for a number of strategic and economic reasons, but the greatest value of these contacts is their role in creating mutual respect and understanding, which guarantees our close relationship in the future.

The world has experienced great strains both politically and economically over the last few years. The world economy is now going through a prolonged recession, a recession which is having a detrimental impact on both our economies. I understand that despite the impressive economic growth which Malaysia has achieved, the world recession is posing difficulties for your economy. Falling export markets and commodity prices in particular will no doubt prove a hindrance to your expanding economy and your successful plans for economic diversification.

Australia has also had comparatively high economic growth in recent years, but as a major trading nation we are heavily dependent on exports for our economic growth, and we are now seriously affected by world recession. This world situation has been compounded as countries have tried to protect themselves by increasing protectionist devices and export subsidies. These measures are depressing world trade, and together with falling commodity prices, contributed to a contraction in world trade in value terms last year for the first time in over 20 years.

Some economists have been predicting that the world economy will recover in six months time. They have been saying this for years, and each six months has seen the situation become more serious. I believe that the world cannot afford to just sit back and do nothing, and I also believe that moves to take effective action need not just be the prerogative of the big powers. Many of us were disappointed that the recent Versailles Summit failed to act with the vigor or vision which could achieve the kind of economic breakthrough which we all want so much.

For our part, Australia has advanced a concrete multilateral proposal which, if implemented, would assist in restoring stability and confidence to the world economy. We have called for a freeze on increases in levels of protection, followed by negotiations designed to lower protection, and a phasing out over five years of export subsidies. These proposals have been well received by the international community. No country could adopt them unilaterally, no country would find it easy to adopt every part of them, but if countries would act in concert to implement these proposals or something like them, we would all benefit enormously.

The rising tide of world protectionism is making it very hard to make progress on North-South issues and to provide greater economic opportunities to countries in the developing world, many of which, like Malaysia and Australia, are raw material suppliers.

Australia has given a very high priority to the North-South dialogue. Like Malaysia, we endorse the need for global negotiations on international economic development issues, and are disappointed that there has as yet been no agreement on launching the negotiations.. But even this failure should not prevent progress in specific negotiations on North-South issues at the GATT Ministerial Meeting in November, UNCTAD VI next year and the forthcoming meetings of the major international financial institutions.

I have been disappointed that not all countries have been prepared to support the draft Law of the Sea Convention. If implemented it would be beneficial not only to developing countries but to the whole international community. I hope those who are not so far committed to the convention will modify their views in the interests of all of us. But instability and uncertainty are not just confined to the economic sphere. Armed conflict has become so widespread that practically no region of the world is free from war, repression, armed insurgency or terrorism, and we have recently been reminded by the wars between Iran and Iraq and in the South Atlantic of how armed conflicts can erupt quite unpredictably.

International tension has been exacerbated by the expansionist objectives and destabilising influence of the Soviet Union. The Australian Government supports strongly President Reagan's determination to deal with the Soviet Union from a position of strength, for the Soviet Union in its international dealings has no respect for weakness. John F. Kennedy put the argument aptly when he said "let us never negotiate out of fear". Importantly, Kennedy added to this statement the words: "But never let us fear to negotiate". We welcome the decision of the Soviet Union and the United States to begin arms reduction talks, but these talks will achieve nothing unless the Soviet Union is convinced of American and Western determination to counter Soviet aggression and rearmament in every instance.

Mr Prime Minister, the Australian people have been very conscious of the challenge posed by the continued Vietnamese occupation of Cambodia. The crisis in Cambodia is a human tragedy of appalling proportions. The Khmer people have distinctive culture and nationalism, and the current state of affairs in Cambodia should not continue.

The role the ASEAN partners have played to put pressure on Vietnam to restore Cambodia as an independent and non-aligned state has won widespread international support. Australia has supported ASEAN resolutions on Cambodia put forward at United Nations general assemblies, and the work of the international conference on Cambodia, and we share your hope that the recent formation of a tripartite coalition of anti-Vietnamese Khmer groups will contribute positively to a settlement of this issue.

The Australian Government will continue to give active support to humanitarian relief measures and to play a full part in developing solutions to the refugee problem.

Mr Prime Minister, the attention of the whole world has been caught by the constructive role that ASEAN is playing in the region, its considerable economic achievements, and its enormous contribution to regional stability.

It is thanks partly to ASEAN that our region has become one of the most stable and prosperous in the world. ASEAN is also setting an important example to the wider Pacific region. Many new countries have emerged in the Pacific and they face daunting challenges of limited resources and vast distances. The Pacific governments are now playing an active part in broadening their international relationships and working more closely together with the region as a whole.

I know your visit to Fiji, Tonga and Western Samoa recently was greatly valued, as were the offers of technical co-operation which you conveyed to the South Pacific countries. In a few days I will be attending the meeting of the Heads of Government of the South Pacific Forum in Rotorua where matters of direct and practical interest to the Pacific governments will be discussed.

A South Pacific country, Fiji, will be host in October to the meeting of Commonwealth Regional Heads of Government which will discuss a number of major economic and political issues of concern to our region. We see these regional meetings as an example of how the Commonwealth has modernised and kept pace with the needs of the international community. The Commonwealth as a whole still represents a unique forum for bringing together for the common good countries from all over the world and from a number of different cultures and political systems. Its success as the instrument which brought a settlement in Zimbabwe, and its work on a range of North-South issues, are examples of how the Commonwealth can have real, practical significance.

Mr Prime Minister, I have mentioned just some of the wide range of common interests, political economical and strategic which our two countries have. Our close relationship is going to help us contend with the difficulties and challenges before our region and before the world.

If, Mr Prime Minister, my own visit and our discussions have added further to our ties which are a part of history, I shall be very pleased.

May I thank you and your Ministers for the hospitality and generous courtesy which you have given me and my party in this visit. The mutual and co-operative spirit which manifests here in abundance will be for me an enduring memory. In recognition of this spirit of mutual co-operation, I now have the honour to propose a toast to the Right Honourable the Prime Minister of Malaysia, Dato' Seri Dr. Mahathir and Datin Seri Dr. Siti Hasmah.

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