



PRIME MINISTER

CHECK AGAINST DELIVERY

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SPEECH BY THE PRIME MINISTER
FOR PRIME MINISTER LEE KUAN YEW
PARLIAMENTARY LUNCH - 15 APRIL 1986

PRIME MINISTER LEE

I AM DELIGHTED TO HAVE YOU WITH US IN AUSTRALIA AGAIN. OVER THE YEARS YOU HAVE BEEN A FREQUENT VISITOR HERE AND, WHILE I HOPE THAT YOU HAVE ALWAYS FELT VERY WELCOME, I THINK THAT YOU WILL HAVE NOTED IN YOUR CONTACTS WITH AUSTRALIANS A STEADILY INCREASING WARMTH AND INTEREST TOWARDS SINGAPORE AND TOWARDS EAST AND SOUTH EAST ASIA GENERALLY.

WHEN I REFLECT UPON AUSTRALIAN PERCEPTIONS OF ASIA TODAY I SEE VAST AND WELCOME DIFFERENCES COMPARED WITH 20 YEARS AGO. AT THAT TIME MANY AUSTRALIANS VIEWED OUR REGION AS TROUBLED, EVEN THREATENING. THE INTRINSIC CAPABILITIES OF THE PEOPLES OF ASIA FOR ENTERPRISE, SOUND ADMINISTRATION, ADAPTATION AND CO-OPERATION WERE UNDERRATED. BUT THAT IS TRUE NO MORE BECAUSE AUSTRALIANS HAVE WITNESSED THE FLOURISHING OF ALL THESE THINGS OVER THE PAST TWO DECADES.

WHEN AUSTRALIANS THINK OF ASIA NOW THEY DO NOT THINK OF A REGION ENTIRELY PROBLEM FREE - NO REGION AND NO NATION, AUSTRALIA INCLUDED, IS THAT. BUT WE THINK OF ADMIRABLE AND IN SOME CASES TRULY REMARKABLE ECONOMIC GROWTH PERFORMANCES, THE EFFECTIVE COMBINING OF TECHNOLOGICAL MODERNISATION WITH EXISTING CULTURAL TRADITIONS, EXAMPLES OF MAJOR POLICY TRANSFORMATIONS, AS IN CHINA, AND GREAT ACHIEVEMENTS IN BUILDING INSTITUTIONS FOR REGIONAL CO-OPERATION, NOTABLY ASEAN.

PRIME MINISTER, YOU HAVE BEEN ONE OF THE FOREMOST LEADERS IN THIS PROCESS OF FUNDAMENTAL AND BENEFICIAL CHANGE WHICH WE HAVE WATCHED UNFOLD IN ASIA. YOU HAVE PRESIDED OVER TWO DECADES OF STRONG ECONOMIC GROWTH. TAKING AS A STARTING POINT SINGAPORE'S CENTRAL ROLE AS AN ENTREPOT AND A TRANSPORT AND COMMUNICATIONS HUB IT HAS BECOME AN ECONOMIC METROPOLIS FOR ALL OF SOUTH EAST ASIA.

THIS PERFORMANCE BY YOUR COUNTRY HAS BEEN PART OF THE WIDER PHENOMENON OF THE SURGE AHEAD OF THE SO CALLED NEWLY INDUSTRIALISED COUNTRIES. THIS, IN COMBINATION WITH THE EARLIER ASCENDANCY OF JAPAN TO THE STATUS OF A MAJOR GLOBAL AND REGIONAL ECONOMIC FORCE, HAS MADE THE PACIFIC RIM THE AREA OF GREATEST ECONOMIC DYNAMISM IN THE WORLD IN RECENT TIMES.

THROUGH THE SAME PERIOD AS THESE CHANGES WERE OCCURRING IN ASIA, AUSTRALIANS WERE STEADILY COMING TO TERMS WITH A NEW AND DIFFERENT WORLD, A WORLD IN WHICH OUR INTERESTS BECAME CLOSELY INTERWOVEN WITH THE COUNTRIES OF OUR REGION.

THE SIGNIFICANCE TO AUSTRALIA OF ASIA AND THE PACIFIC HAD ALREADY BECOME APPARENT IN STRATEGIC AND SECURITY TERMS BEFORE IT WAS APPARENT IN ECONOMIC TERMS. THE DRAMATIC ECONOMIC CHANGE FOR US CAME WITH THE IMPACT ON OUR TRADE PATTERNS OF TWO DEVELOPMENTS. THE FIRST WAS THE RAPID ECONOMIC DEVELOPMENT OF JAPAN. THE SECOND WAS THE ENTRY OF BRITAIN INTO THE EUROPEAN COMMUNITY, A GROUPING WHOSE POLICIES HAVE SUBSEQUENTLY HAD SIGNIFICANT IMPACT ON TRADITIONAL AUSTRALIAN EXPORTS.

THE FIRST OF THESE CHANGES LED TO JAPAN BECOMING AUSTRALIA'S MAJOR TRADING PARTNER AND THE SECOND TO THE DISINTEGRATION OF OUR PREDOMINANTLY AGRICULTURAL EXPORTS TO EUROPE AND, MORE RECENTLY, TO COMPETITION IN THIRD MARKETS FROM HEAVILY SUBSIDISED AGRICULTURAL PRODUCTS. THE MAJOR RE-ORIENTATION IN OUR TRADE PATTERNS, TOGETHER WITH THE SHIFT TO THE PACIFIC BASIN AS THE MAJOR CENTRE OF TRADE AND ECONOMIC GROWTH, HAS CHANGED THE FUNDAMENTALS OF AUSTRALIA'S INTERNATIONAL RELATIONSHIPS.

HOWEVER IT IS NOT ENOUGH SIMPLY TO RECOGNISE THAT THE INEVITABLE REALITY OF OUR GEOGRAPHY, AND AUTONOMOUS ECONOMIC FORCES IN THE OUTSIDE WORLD, HAVE WORKED TOGETHER TO MAKE IT NECESSARY FOR AUSTRALIA TO FOCUS ON ASIA AND THE PACIFIC IN THE CLOSING DECADES OF THIS CENTURY. THAT CONJURES UP TOO PASSIVE AND DETERMINISTIC A PICTURE. I WANT TO SAY INSTEAD THAT WE WILL BE AN ENTHUSIASTIC PLAYER IN THE ECONOMICS OF THE REGION, EMBRACING THE OPPORTUNITIES WHICH OUR ADVANTAGEOUS GEOGRAPHICAL POSITION OPENS UP, AND RELISHING THE PROSPECT OF CLOSER INVOLVEMENT WITH PACIFIC RIM ECONOMIC GROWTH.

TO ACCOMPLISH THIS IS PARTLY A MATTER OF OUR ADOPTING APPROPRIATE POLICIES IN AUSTRALIA ITSELF. MY GOVERNMENT IS PLACING CONSIDERABLE EMPHASIS ON THE DEVELOPMENT OF A MORE DYNAMIC AND INTERNATIONALLY COMPETITIVE INDUSTRIAL BASE. THIS IS REFLECTED IN OUR APPROACH TO INDUSTRY RESTRUCTURING AND THE MOVEMENT TO LOWER LEVELS OF PROTECTION. THE AUSTRALIAN STEEL AND CAR INDUSTRY PLANS, AND THE EXTENSIVE MOVES MADE TO LOWER INDUSTRIAL PROTECTION TO MINIMUM LEVELS ON COMPUTERS AND OTHER HIGH TECHNOLOGY ITEMS - ITEMS OF KEEN EXPORT INTEREST TO COUNTRIES SUCH AS SINGAPORE - HAVE TOGETHER SECURED A QUALITATIVE CHANGE IN AUSTRALIA'S IMPORT REGIME. THESE POLICIES WILL CONTRIBUTE TO OUR ABILITY TO INCREASE OUR TRADE WITHIN THE REGION AS BOTH AN EFFICIENT AND COMPETITIVE SUPPLIER OF AUSTRALIAN PRODUCTS AND AS A MARKET FOR GOODS FROM OUR NEIGHBOURS.

WHILE AUSTRALIA AND SINGAPORE WILL BOTH BENEFIT UNILATERALLY FROM THE DEVELOPMENT OF OUR REGION WE SHOULD ALSO BE ALIVE TO OPPORTUNITIES WHERE THE BUSINESS INTERESTS OF BOTH OUR COUNTRIES COULD GAIN FROM WORKING TOGETHER TO SECURE JOINT VENTURE PROJECTS OR INCREASED MARKET OPPORTUNITIES. OUR RESPECTIVE INTEREST IN THE POSSIBILITIES ASSOCIATED WITH A NEW, DYNAMIC CHINA SEEMS PARTICULARLY SUGGESTIVE OF SUCH CO-OPERATIVE APPROACHES.

TO NOTE THE VITALITY OF PACIFIC RIM ECONOMIES IS NOT TO DENY OR IGNORE CURRENT PROBLEMS AND THE NEW CHALLENGES THEY POSE. THE INTERNATIONAL ECONOMIC ENVIRONMENT IN WHICH THE REGION MUST OPERATE IS NOT AN EASY ONE. POOR COMMODITY PRICES, FOR EXAMPLE, ARE TAKING A TOLL ON SOME OF THE MAJOR ASIAN ECONOMIES AS THEY ARE ON AUSTRALIA. I AM AWARE, PRIME MINISTER, THAT SINGAPORE'S VIRTUALLY UNSURPASSED RUN OF ECONOMIC GROWTH HAS SLOWED. YOUR GOVERNMENT HAS EMBARKED UPON A SUBSTANTIAL RE-EVALUATION OF ITS ECONOMIC POLICIES WITH A VIEW TO RESTRUCTURING AND RE-ESTABLISHING THE CONDITIONS FOR GROWTH. SINGAPORE IS NOT ALONE IN FACING THAT KIND OF PROBLEM BUT YOU ARE DOING IT WITH CHARACTERISTIC DETERMINATION AND PURPOSEFULNESS.

BUT CLEARLY NO AMOUNT OF SOMETIMES PAINFUL BUT ESSENTIAL ADJUSTMENT IN THE DOMESTIC ECONOMIC POLICIES OF SINGAPORE, AUSTRALIA OR ANY OTHER COUNTRY WILL BE EFFECTIVE IF IT IS STYMIED BY TRENDS IN THE INTERNATIONAL TRADING ENVIRONMENT WHICH ARE HOSTILE TO GROWTH. AUSTRALIA AND SINGAPORE SHARE A COMMON CONCERN ABOUT DEVELOPMENTS WE HAVE OBSERVED IN THE INTERNATIONAL TRADING SYSTEM OVER RECENT TIMES. TRENDS TOWARDS PROTECTIONISM AND BILATERALISM ULTIMATELY ARE TO THE DETRIMENT OF ALL TRADING NATIONS.

DURING MY FORTHCOMING VISIT TO THE UNITED STATES AND EUROPE I WILL SEEK TO IMPRESS AUSTRALIA'S CONCERNS WITH PROTECTIONIST TRENDS AND TO HIGHLIGHT THE EXTREME IMPORTANCE TO ALL COUNTRIES OF ENSURING THE COMMENCEMENT OF AN EFFECTIVE AND BALANCED ROUND OF MULTILATERAL TRADE NEGOTIATIONS.

AUSTRALIA ATTACHES PARTICULAR IMPORTANCE TO THE ISSUE OF SUBSIDIES ON AGRICULTURAL EXPORTS. AUSTRALIA'S INTERESTS IN THE NEW ROUND NEVERTHELESS EXTEND BEYOND THE AGRICULTURAL QUESTIONS. WE ALSO CONSIDER IT ESSENTIAL THAT PROGRESS BE MADE ON OTHER MATTERS OF MUTUAL INTEREST TO SINGAPORE AND AUSTRALIA. THESE INCLUDE VOLUNTARY RESTRAINT ARRANGEMENTS, LICENSING ARRANGEMENTS, PRODUCT STANDARDS AND TRADE IN SERVICES.

I AM VERY PLEASED WITH THE RESPONSE OF COUNTRIES IN THE REGION TO MY PROPOSAL THAT WE JOINTLY EXPLORE THE SCOPE FOR CO-OPERATION IN ORDER TO MAXIMISE OUR REGION'S INFLUENCE ON THE NEW ROUND OF MULTILATERAL TRADE NEGOTIATIONS. IN PARTICULAR I WISH TO RECORD MY APPRECIATION OF THE STRONG SUPPORT THAT SINGAPORE HAS PROVIDED TO THIS PROCESS. VALUABLE PROGRESS HAS BEEN MADE IN IDENTIFYING AND DEVELOPING SHARED PERCEPTIONS IN THE PREPARATION FOR THE NEW MTN ROUND.

MR PRIME MINISTER

OVER THE YEARS THE RELATIONSHIP BETWEEN AUSTRALIA AND SINGAPORE HAS DEVELOPED GREAT SUBSTANCE AND DEPTH. NOT JUST THE STRENGTH BUT THE WARMTH OF THE AUSTRALIA-SINGAPORE RELATIONSHIP IS REFLECTED IN THE EASE WITH WHICH WE ARE ABLE TO MOVE IN ONE ANOTHER'S COUNTRIES, THE MANNER IN WHICH WE ARE ABLE TO COMMUNICATE, THE WAY IN WHICH WE CAN FEEL AT HOME WITH ONE ANOTHER AND OUR ABILITY TO SPEAK FRANKLY BUT WITH FRIENDSHIP AND UNDERSTANDING NOT ONLY WHEN OUR PERCEPTIONS CONVERGE BUT WHEN THEY SOMETIMES DIVERGE.

PRIME MINISTER, I AM SURE THAT YOU AND MRS LEE HAVE FELT THIS WARMTH DURING YOUR CURRENT VISIT TO AUSTRALIA, AS YOU HAVE ON PREVIOUS OCCASIONS AND I KNOW THAT YOU WILL CONTINUE TO FEEL IT AS YOU TRAVEL AROUND OUR COUNTRY. YOU ARE MOST WELCOME HERE AMONG US AND I WISH YOU A MOST PRODUCTIVE AND ENJOYABLE STAY.
