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PRIME MINISTER

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**SPEECH BY THE PRIME MINISTER
PARLIAMENTARY LUNCHEON FOR PRIME MINISTER LEE KUAN YEW
CANBERRA - 16 NOVEMBER 1988**

Last year I had the honor of an invitation to visit Singapore to deliver the annual Singapore Lecture. It was an invitation I was very pleased to accept, and I chose as my theme "The Challenge of Change in the Asia/Pacific Region".

As I told my audience on that occasion, there could be few more appropriate places than Singapore to discuss the challenge of change in our region. For in many ways Singapore is a model of the region's increasing importance in the global economy; it has proven itself a paragon of flexibility in the face of changing circumstances.

Ladies and gentlemen, today it is our very great pleasure to welcome the man whose leadership and vision has been crucial, over a long and distinguished career, in making Singapore one of the success stories of our times. There can be no question that our guest today, Prime Minister Lee Kuan Yew, is one of the great figures of our region, and of the Commonwealth, and it is indeed an honour and a pleasure to welcome him and his party to Canberra today.

Prime Minister, this Bicentennial year has been a year of celebration for Australia, a year in which we have received many distinguished visitors from all corners of the world. But let me say that your visit looms large on our Bicentennial calendar, and we welcome you today as a special friend of Australia.

It has been gratifying to note during the course of the year that the friendship between our two countries and peoples has been underlined repeatedly by Singapore's participation in Bicentennial events, including Expo 88 in Brisbane, the International Bicentennial Trade Fair in Melbourne and, most recently, at the Aerospace Exposition in Sydney.

Prime Minister, during your time in government you have seen profound changes take place both in Singapore and in Australia : the development of Singaporean nationhood, and the emergence of the Singaporean economy as a powerful force in an increasingly dynamic region - and, for our part, our transition from an inward-looking, protectionist, sometimes xenophobic presence perched on the edge of Asia to a nation more thoroughly and effectively enmeshed in the opportunities and challenges of regional development.

Under your leadership, Singapore has always been at the forefront of this regional dynamism. Apart from brief downturns this decade, you have maintained consistently high growth rates over the last twenty-five years, and your per capita income has risen rapidly to become one of the highest in Asia.

I quote such achievements in order to comment on the means by which they have been achieved - in particular, to note that your prosperity has been underpinned by an open approach to international trade, with virtually no tariffs and a strong exposure to international market forces. That Singapore is a leading trading nation is a testament both to your own leadership and to the drive and commitment of your people. As you reminded us this morning, Singapore's total trade is three times its GDP.

At a time when so much needs to be done in cutting back protectionism and discriminatory policies in the international economy, the Singapore experience bears witness to the advantages of a competitive export-oriented approach to economic growth.

Of course our two economies have very different economic resources and specialisations. But in an interdependent world, open, diversified trade for both of us is the key to enhanced prosperity.

Our recognition in Australia of that fact has led us to undertake a broad-ranging program of structural reform. Our policies of deregulation and trade liberalisation are intended to place Australia's manufacturing and services sectors in a better position to join with Singapore and the other countries of the region in a more integrated commercial relationship.

In other words, Australia increasingly recognises that our future prospects depend on our continued ability to enmesh ourselves successfully in this region. As my colleague, John Button, the Minister for Industry, Technology and Commerce said to you this morning in our talks, over the last five years Australia's attitude to trade with the Asia-Pacific region has transformed from a perception of threats to a perception of opportunities.

In the early 1950's, less than 20 per cent of our exports were to the countries on the western rim of the Pacific. Today 54 per cent of Australia's exports are destined to these countries, which in turn provide 41 per cent of our imports. Among ASEAN nations Singapore is our largest trading partner, with two-way trade exceeding two billion Australian dollars in 1987/88.

In a time when we may be seeing the emergence of trading blocs which could have long-term effects on the multilateral trading system, Australia and Singapore have a common interest in strengthening multilateralism and contributing thereby to economic growth and stability for all countries.

Mr Prime Minister, I have concentrated thus far on economic and trade issues. In so doing I do not wish to understate the many global and regional issues that are of shared concern to us both.

As Australia's ASEAN dialogue partner, Singapore has a key role in our relations with ASEAN - which is now entering its third decade as one of the most successful regional organisations in the world.

You and I have discussed many times the issues of a continuing United States' presence in the Western Pacific and I know that you are a strong supporter of that presence. I am also very pleased to note your steadfast support for the Five Power Defence Arrangements and for a continuing active Australian defence presence in the region.

Singapore, as a signatory to the Nuclear Non-Proliferation Treaty, shares Australia's views about the vital importance of the Treaty and the need to make every effort to prevent the spread of nuclear weapons. And our officials are discussing Australia's suggested exploration of a regional effort against the proliferation of chemical weapons.

There are many political problems that remain in the region. We need to face continuing problems in Indo-China, with a just and lasting resolution to the Cambodia question only now possibly beginning to emerge, and with the question of the refugee outflow from Indo-China still to be resolved. There is uncertainty in Burma.

There is also however, some cause for optimism, with a more favourable super-power relationship, an emerging Sino-Soviet dialogue, continued economic growth in the region and democratic reform underway in the Republic of Korea.

Singapore's voice in the affairs of the region is always listened to with respect.

I was very pleased to note, for example, that in your visit to Fiji last week, you spoke on the value of racial tolerance and inter-ethnic harmony. This is an issue in which you have taken an unyielding and consistent stand in many international forums, not least in Commonwealth deliberations on South Africa.

Singapore has long been regarded as a model of a successful multicultural society. That success is due in considerable measure to your own efforts. As in economic matters, your success in this regard provides a valuable example for the Asia-Pacific region.

Mr Prime Minister,

Singapore and Australia have traditionally maintained an excellent dialogue on all issues - international, regional and bilateral - no matter how difficult they may be. Healthy regional relations depend not only on the free flow of goods and services, but also on the free flow of ideas, both directly and through the media.

You and I have met many times in many parts of the world. We have discussed, dissected, argued over and agreed on many issues, but always as partners and always as friends.

That partnership and friendship is one that I personally value. It is one that is valued by all Australians and it is one which I believe is of benefit to Singapore as well.

It is against this background that Hazel and I are pleased to have you and Mrs Lee with us today. Your visit allows us to repay something of the friendship you have shown towards Australia over your many years as Prime Minister of Singapore. It seems only fitting that as our Bicentennial year draws to a close we should receive you as our special guest.
