

STATEMENT TO LEAD THE DISCUSSION ON THE ITEM "REGIONAL ECONOMIC AND FUNCTIONAL CO-OPERATION"

CHOGRM III, SUVA, FIJI

18 OCTOBER 1982

Mr. Chairman,

It is indeed a pleasure and an honour for me to be present here today in this gathering of Heads of Government of Commonwealth countries of the Asia-Pacific region. I am all the more honoured to be given the privilege of initiating our discussion on the item "Regional Economic and Functional Co-operation".

2. Perhaps I may be stating the obvious, Mr. Chairman, when I express the conviction that it is regional economic and functional co-operation that stands out as the main thrust of CHOGRM. Undoubtedly, our deliberations here would also focus on international economic as well as political issues. But these are global issues that are discussed in the wider context of the Commonwealth at the full Heads of Government meetings. They were discussed at Melbourne last year and I am sure they will be taken up in New Delhi next year. However, the issues related to regional economic and functional co-operation cannot be adequately considered but within a set-up such as CHOGRM. It would have been a missed opportunity if we did not devote to this item the very serious consideration that it merits.

3. The Commonwealth countries of this region, Mr. Chairman, represent in fact a microcosm of the world at large. As an observation, one would note more diversities than similarities among these countries. From an economic plane alone, the Commonwealth countries of this region, are at different levels of economic development. At one end, we have the industrialised countries such as Australia and New Zealand; while at the other end, we have the newly independent small countries of the South Pacific. In between these two extremes, there is a wide range of more advanced but still developing countries. I would like to put forth the view that the situation provides us a real challenge and potential for regional economic and functional co-operation among the Commonwealth countries in our region. In this situation, the opportunity and the need exist for the more developed members to assist those which are less developed. As most of the countries in the region are developing countries, there exists a challenge for cooperation among the developing countries themselves to assist each other on a regional basis.

4. I would not deny the fact that most developing member countries, including Malaysia, have derived certain benefits from their continued membership of the Commonwealth. In this regard, the various programmes of assistance under the Commonwealth Fund for Technical Co-operation (CFTC) have been particularly productive. However, we would be indulging in self-comfort if we do not at the same time admit that in recent years the clout of the commonwealth has somewhat diminished. It is indeed unfortunate that this situation has come about ironically as a result of the actions or inactions of the prime movers of the Commonwealth themselves.

5. The potential of regional economic and functional cooperation was recognised in CHOGRM I in Sydney in 1978 and reaffirmed at CHOGRM II in New Delhi in 1980. In pursuance of this objective, CHOGRM has established a number of Consultative and Working Groups on economic matters such as the Consultative Groups on Trade and Energy, the Working Group on Industry and the Expert Study Group on Agricultural Research and Development. The reports of all these Groups as well as proposals for further expansion of regional co-operation in other areas such as human resource development, as well as the Secretariat's proposal for the establishment of a CHOGRM Project Fund are all before us for consideration. I do not wish to dwell at length on the activities of these Groups or the proposals mentioned above since I am sure these are matters that we will take up in the course of our discussion. However, I wish to underscore the fact that the work undertaken by the above mentioned Groups clearly manifest that there are various functional areas in a number of fields of economic activity where Commonwealth co-operative endeavours are possible. I believe that it is on these economic areas that CHOGRM should continue to focus its attention.

6. Mr. Chairman, I hope that I may be permitted to make some brief remarks on another regional grouping, ASEAN, on economic collaboration. I must say that ASEAN has made great strides in its economic integration programmes. It has approved four ASEAN industrial projects, signed a Basic Agreement on ASEAN Industrial Complementation as well as has proposed the setting up of ASEAN Industrial Joint Ventures. In the field of trade liberalisation, the ASEAN Preferential Trade Arrangements are expected to further promote intra-ASEAN trade. ASEAN is in fact promoting economic co-operation among its members in virtually every area of economic activity including, among others, in energy, transport and communication, banking and finance and agriculture. With its major focus on economic co-operation,

ASEAN has now developed as a significant regional grouping which has attained positive results not only in economic areas, but has also contributed much to regional stability. I have dwelt on ASEAN, Mr. Chairman, because I feel that CHOGRM could benefit from the ASEAN EXPERIENCE. I would not venture so far as to say that what may be applicable to ASEAN may necessarily be applicable to the CHOGRM countries. However, I am convinced that CHOGRM could identify those areas of common concern on which functional co-operation is possible.

7. Mr. Chairman, CHOGRM has always recognised the particular problems and needs of the small island member states especially in the South Pacific. On our part, we in Malaysia too see the need for the injection of greater assistance to the South Pacific island countries so as to enable them to build up their national resilience and independence. Although Malaysia herself is dependent on technical assistance to accelerate her pace of economic development, in a spirit of co-operation Malaysia has launched a technical assistance programme to assist developing countries which are less fortunate than she is. In the context of the Malaysian Technical Assistance Programme (MTAP), we have provided technical assistance to a number of South Pacific island countries including Fiji, Western Samoa and the Solomon Islands, as well as to Papua New Guinea. In view of our own financial constraints, our technical assistance has to be on a modest scale and is generally confined to those areas where Malaysia has, over the years, gained some experience and expertise. I wish to state that we will continue to render technical assistance to a number of developing countries in the CHOGRM area and it is our intention to concentrate this assistance on those areas that would be particularly beneficial to these countries.

8. We are fully conscious of the fact that the piece-meal efforts undertaken by a number of countries, including Malaysia, to assist the less fortunate among us, such as the South Pacific island countries, will not generate as rapid an improvement as these countries need. However, if concerted and continued efforts are made in this direction, I am positive that we would have gone a long way to help these countries. I therefore would like to appeal to others in the CHOGRM region to join us in these endeavours.

9. Personally, I believe that we can all do even a little better than what we have done so far. This meeting is most timely from the point of view of learning what projects the island countries of the South Pacific have for their own development. We can then consider what concerted action or assistance will be needed to ensure that the projects towards their self-sustained development will have a fair start. As I have said earlier, regional economic and functional co-operation in the Asia Pacific region is one way to revitalise the Commonwealth. As a matter of fact, the Commonwealth is now on test. If the Commonwealth countries in our region cannot actualise economic and functional cooperation, the prestige of the Commonwealth itself will go down and the effectiveness and value of the Commonwealth will be questioned.

10. While we are meeting here, I feel we cannot avoid commenting on the world economic chaos. I feel there still exists a lingering mentality within the free enterprise system that because of the emphasis on the word "free", some industrially developed nations really feel free to scour and devour the developing nations by their exploitative methods and practices. They seem incapable of realizing that such libertine activities would only lead to the destruction of the free enterprise system itself.

11. GHOGRM, which now consists of countries born as a consequence of "Dumberton Oaks" and the United Nation decolonization programme, should bring home the point to the developed countries that their exploitative activities under the umbrella of the free enterprise system are self-destructive. Our advise to these countries should be that they talk less of their generosity to provide assistance to the poor nations and instead undertake a thorough soul-searching examination with a view to increasing their own productivity without their exploitative activities. Only then could they begin to sincerely appreciate the problems of the poor nations and the need to resolve them urgently. Until lately, the productivity of the developed countries could be sustained even with labour problems and strikes simply because they had their colonies to lean on. But now, without their colonies and their areas of influence it is no longer possible for these countries to maintain their once-enviable economic growth, especially when workers are not prepared to work for so many hours a day and for so many days a week. It is not uncommon now to find some of these countries registering zero or even minus zero growth rate.

12. We, therefore, hope that this CHOGRM will be able to send this very important message to the developed countries, firstly within the Commonwealth and secondly outside it.

Thank You.