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TIME:

Distinguished Guests;
Ladies and Gentlemen,
I feel honoured to be asked to address this international conference on Southeast Asia and the Pacific Age organised by the Association for the Promotion of International Cooperation of Japan and the Institute of Strategic and International Studies of Malaysia.

2. The presence of so many distinguished participants from Europe and other parts of the world at this gathering must give cause for much satisfaction for the organisers, as it must to the people in this region who are anxious to learn from all continents. At the same time it affords the world an opportunity to know of the problems, hopes and aspirations of the people of this region. No country or community can just be concerned only with the area or region that they are in. Whether we like it or not, we have all become citizens of the world.

Ladies and Gentlemen,

3. Permit me to say a few words about Southeast Asia and the Pacific Age -- the theme of your conference. The Pacific is nobody's lake. It is a vast ocean that for centuries divided two of the biggest land masses -- Asia and the Americas. For a very long time the peoples of the two continents knew nothing of each other.

4. But the wonders of modern communication have made the Pacific more of a lake than the Mediterranean was to the conquering Romans. Today aeroplanes criss-cross the Pacific in a matter of hours, while voices can be heard and scenes viewed the very instant they happen. And so it is no longer strange to talk of Pacific Rim countries or even to propose a Pacific Community. So far we have not gone beyond the stage of talking. And for a long time we will only talk. But it is a subject worth talking. Imagine a community united by a vast ocean instead of by a continent. It may seem a little far-fetched except that the physical obstacles are no longer there. What remains are political and cultural obstacles. Yet compared to Europe in the first half of this century and before, there are less political obstacles in the path of a Pacific Community. But cultural obstacles remain and they are powerful and for the moment

conclusive.

5. The fact is that the Pacific Rim is peopled by people of differing races and cultures, and different stages of development. Unlike Europe which is relatively homogeneous, even the Asians in the Pacific Rim are different from each other. For a long time they know nothing of each other. Naturally they are prejudicial against each other. Such is their difference that even a minimum programme of cooperation is impossible at the moment. And so for a long time there will be no Pacific Community. But this does not mean there isn't or there will not be a Pacific Age. The fact is that for very different reasons each and every Pacific Community has exhibited vigorous growth in the past twenty years or so. Such is the economic achievement that they have largely outstripped Europe -- the centre of modernisation in the last two or three centuries. The indicators show that their growth is likely to continue even if there is no institutionalised relationship between the countries of the Pacific Rim. It pays, therefore, to recognise such growth and to study the effect on both the countries within and the countries outside the region. It may be just an academic exercise which influences not at all the Governments concerned. But such studies may still provide greater understanding of the mechanism, the successes and the mistakes that human societies and communities make. It may provide posterity with a model that they can emulate or avoid as the case may be. In any case, it is far better to make contemporary observation than to have future historians deduce, influenced as they must be by their own contemporary environment and bias.

6. So much for the Pacific, the Pacific Rim, the Pacific Community and the Pacific Age. But we are interested in Southeast Asia, a component of the Pacific Rim that is reputed to be dynamic and growing in importance every day. It is not quite correct, of course, to say that the whole of Southeast Asia is dynamic, economically speaking. Several countries in the Southeast Asia region are actually stagnating or even regressing. The Indochinese Peninsular is still involved in a debilitating war from which it can only emerge weaker and more subservient to foreign powers. Political ambitions and outdated ideas of racial hegemony have led to the expansion of vast amounts of man, money and material in a futile war of conquest. The immediate effect is to make the ambitious conqueror itself a client state and a vassal of a foreign power. In the long term it will impoverish the whole of the peninsular, once the seat of some of the greatest of ancient Asian civilisation.

7. Indochina excepted, the rest of Southeast Asia tells a different story. Although there may be temporary setbacks, on the whole the countries of Southeast Asia excluding Indochina are doing extremely well. Politically they are stable i.e. when compared to the other newly independent countries. Economically they all adhere to a free-market

system, where home-grown entrepreneurs have brought about economic growth that is remarkable even by developed world standards. Thus through the seventies and eighties while the United States of America and Europe grew by an average 2.9% per annum, the growth for the ASEAN countries averaged 6 to 8%. In the last decade domestic investments grew by 1.9% per year in the United States of America and 3.1% in Japan. In the ASEAN countries growth in domestic investment ranged from 7 to 14%.

8. It may be coincidental but the ASEAN countries comprising Indonesia, Malaysia, Singapore, Thailand and the Philippines, seem to have done well since the formation of their Association. Yet ASEAN is far from being an economic community. It was regional politics that prompted the setting up of ASEAN. Out of the ashes of confrontation ASEAN rose like the proverbial phoenix. It should really be an economic animal but, try as the members might, they have not really succeeded in the field of economic cooperation. Instead they have been politically more cohesive, consulting and working with each other not only on regional matters but even when dealing with global affairs. Indeed their political cohesiveness is one of the most important aspects of ASEAN.

9. Even though economic cooperation has not been remarkable, the fact is that the members of ASEAN have each been economically dynamic. With the admission of Brunei into the membership, the group's combined economic performance must be among the most remarkable in the world today. Even the world economic recession has failed to bring the kind of disasters experienced by other developing countries.

10. What is the reason behind this performance? Economic cooperation may be minimal, but there is ample evidence that the ASEAN countries tend to learn from each other. When the open economies of some of the members proved beneficial to economic growth, narrow nationalistic socialism with attendant nationalisations were abandoned. Foreign investment was encouraged, with each country devising a set of incentives in order to attract the highest amount of foreign capital.

11. Domestically private enterprise began to replace unbearable. Today the process of denationalisation has progressed to a point where privatisation has not only become respectable but has become a by-word in the Association. In Malaysia privatisation has been made possible by the emergence of a group of indigenous entrepreneurs who have benefitted from the New Economic Policy.

12. Government expenditure on infrastructure and administrative reforms attracted the attention of all the ASEAN Governments. While there are still a lot of

weaknesses there is no doubt that the Governments of ASEAN countries have become more efficient and outward-looking, at least by comparison to the state of affairs before the emergence of ASEAN.

13. No one can deny that great strides have been made by all the ASEAN countries. Such is their achievement that ASEAN has become the second most effective regional grouping in the world, next to the EEC.

14. Perhaps the ASEAN experience could provide a guide for greater Pan Pacific cooperation. ASEAN has become a successful and effective grouping not tied together so much by the dictates of contractual obligations and treaty undertakings as by a strong sense of community and what we in ASEAN call the "ASEAN spirit". ASEAN is not premised on any grand design. There is no great economic or political blueprints. But the spirit of partnership continues to be nurtured even as we continue to give priority to each of our national interests. Over the course of time, and because of the broadest range of shared discussions, shared activities and shared decision-making, there has arisen cooperation and partnership for progress, interdependence and a mutuality of interests.

15. Grand economic designs were disregarded at the inception of ASEAN. To expect too much would have resulted in achieving nothing. If ASEAN had started out to become another EEC, it would never have got off the ground. People and nations cannot get on together until they know each other. If there is going to be some quantum leap in cooperation between the countries of the Pacific, then the appalling ignorance even among neighbours in the region must be overcome.

16. It follows that if the Pacific Rim countries are interested in some form of association, a grand economic design should be the last thing that they should think of. Instead, they should try to get to know each other better. As a start discussions of non-controversial issues of interest to everyone, such as meteorology, rescue operations, charting the seas and oceans and the like could be held. Over the course of time, more and more subjects could be discussed and new areas of cooperation embarked upon. All the time, the numerous contacts, formal and informal, multilateral or bilateral, will stimulate a greater knowledge and appreciation of each other. In time, a sense of community will emerge that will make mutual help and cooperation almost second nature. If in the meantime deliberate programmes of studies and exchanges such as this Global Community Forum are organised, the process can be considerably accelerated.

Ladies and Gentlemen,

17. Today it seems to be fashionable to talk in terms of

the Global citizen, the Global Community and things that are Global in nature. While it is a noble concept that ought to be pursued and at the same time a very good academic exercise, nevertheless we should not lose track of the more immediate problems facing us today. While we are gathered here, exchanging ideas and thoughts on how we can work globally, there are many others elsewhere who are working and even scheming to make the world anything but global. I refer to those countries who have now become more inward looking, and are only thinking of their own selfish interest. We see states forming groupings or exclusive clubs to keep others out of their combined markets. World bodies and organisations are ignored. Much work now tends to be done outside the framework of the United Nations. Far from showing greater concern for the developing countries, the advanced North have introduced tariff and non-tariff barriers, to hinder and frustrate the economic advancement of the developing South. The developed countries have also come out with other measures under the guise of assisting domestic industry and stimulating domestic economic growth. In reality, they are nothing but protectionist measures to deprive the entry of products from developing countries.

18. Of course, the developed countries by virtue of their economic strength and control of the world's economic systems can go on doing this. They can continue to influence the world markets to their advantage. They can continue to deprive the legitimate interests of the South. They can also continue to carve their spheres of economic influence. But these developed nations must surely realise that in the end there will be a price to pay. We are really interdependent and even the developed must one day bow to the developing. We saw the results of the prolonged exploitation of the oil producing countries. Surely we do not want to see that repeated in other areas even if it be on a lower scale.

19. The inequities in our shrinking world must be reduced and the developed countries cannot dismiss these inequities as irrelevant. The collapse of the financial systems in some developing countries carries a lesson for all. As much as the developing countries must be responsible, the developed countries must also stop shirking their responsibilities.

Ladies and Gentlemen,

20. It is also disheartening to note that there are those who still believe that if you want peace, you must prepare for war and that the only guarantee of stability is the creation of balances of military power. In the past it may have been logical for a peace-loving nation to be so well-armed for defence that no one will dare to attack it. But in these days of enormously expensive star-war weapons, such a notion is ridiculous. No sooner have you invented a weapon to defend yourself against the latest in weapons of

mass destruction when the other side will come up with a weapon to render ineffective your defence system. And the same is true the other way round. The result will be an escalation of expenditure on defence and offence that will pull the rest of the world along with them. We are seeing it happening now. The Global Community which sounds so good may only mean global destruction if the idea of preparing for war in order to avoid it is carried to its logical conclusion.

21. We, in Malaysia, believe that the first line of defence of any country is not its military capabilities. The first line of defence lies in its national resilience and in shaping a strategic environment where threats are minimised. It lies in the policy of making friends with those who want to be friends with us. This Global Community Forum I hope will be part of this exercise in making friends.

Ladies and Gentlemen,

22. I must thank you for this opportunity to say my piece on the subject you are going to discuss -- Southeast Asia and the Pacific Age. I am sure that in any case you are all going to have a highly stimulating academic discussion. If you have any time at all, spend it in having a look at one showpiece.

23. I now have much pleasure in declaring this Forum open. Thank you.