

D O K U M E N T A T I O N

"Political and Economic Aims of ASEAN"

An address by ACM Siddhi Savetsila,
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Mr. President (Dr. Günther Diehl),
Excellencies,
Ladies and Gentlemen:

I should like to express my gratitude to the Society for arranging this evening's activities. I am honoured to have this opportunity to address the subject that you have chosen for me, namely the "Political and Economic Aims of ASEAN".

The Association of Southeast Asian Nations, or ASEAN, is this year celebrating its fifteenth anniversary. It is also the year in which Thailand holds the chairmanship of the ASEAN Standing Committee. In other words, I am entrusted by my colleagues with the duty of being ASEAN's Spokesman. In the relatively short span of time since its inception, ASEAN has come to be widely recognised as a force for stability and progress in Southeast Asia. It has become a model of harmonious cooperation among developing countries. In the face of formidable challenges, both political and economic, ASEAN has consolidated its unity and demonstrated its determination to forge for itself a community of nations, which seeks to promote the development of each member state as well as progress of the regional organization as a whole.

Historically, Southeast Asia has experienced extensive external political and military interference and domination. In many cases, some of the Southeast Asian peoples had brought this state of affairs on themselves. They quarrelled and fought with each other and brought in powerful outsiders to help. The present Kampuchean problem is an example of such local conflict which has drawn outside powers into the region. It stands in the way of ASEAN's political goal of establishing Southeast Asia as a Zone of Peace, Freedom and Neutrality.

Vietnam's invasion of Kampuchea in December 1978 violates the sacred principles of national sovereignty and territorial integrity enshrined in the United Nations Charter. This act of aggression against an independent state must be condemned. Vietnam's puppet regime in Phnom Penh is not acceptable. It is a colonial set-up with no rights of its own. Vietnam's massive military presence in Kampuchea has upset the balance of power in Southeast Asia and poses a threat to Thailand, which finds itself the frontline state for the rest of ASEAN.

Moreover, it has drawn external powers into the region. Vietnam's military adventure in Kampuchea is completely dependent on Soviet support. The Soviet Union gives Vietnam millions of dollars each day to keep that country's war economy going. It replenishes regularly Vietnam's arsenal with new weapons, assault rifles, tanks and artillery. The Soviets have of course made demands in return for their assistance. For the first time, they have established themselves on mainland Southeast Asia. They have been given facilities at Cam Ranh Bay and Danang, from where their planes and ships pose a threat to the sea-lanes of the South China Sea, which are vital to the security of Japan, East Asia and the western Pacific. China cannot accept this situation and has given Vietnam a lesson. All this has made Southeast Asia once again an arena for external powers rivalry.

Thailand and ASEAN want to live in peace. We want to develop our countries. We want Southeast Asia to be a Zone of Peace, Freedom and Neutrality, where nations can live together regardless of difference in ideologies and systems of government. That is why ASEAN has been working so hard for the past four years to solve the Kampuchean problem by peaceful political means. For three consecutive years, the overwhelming majority of the international community has expressed its support for the ASEAN position on Kampuchea at the United Nations General Assembly. The ASEAN position on Kampuchea is very clear, namely the total withdrawal of Vietnamese troops from Kampuchea and self-determination for the Kampuchean people.

Vietnam's interests have been fully taken care of when the Declaration and Resolution of the International Conference on Kampuchea of 1981 called for the restoration of Kampuchea as an independent and neutral nation posing no threat to others. Prince Narodom Sihanouk's recently formed Coalition Government provides Vietnam with the opportunity of

finding an alternative way out of the Kampuchean quagmire. Prince Narodom Sihanouk's Address to the United Nations General Assembly two weeks ago confirmed the fact that he represents the will of the Kampuchean people. That his Coalition Government is the legal Government of Kampuchea is confirmed by the fact that the credentials of the Delegation of Democratic Kampuchea to the 37th Session of the United Nations General Assembly was not challenged in the Credentials Committee of the General Assembly this week.

Vietnam has failed to make the world accept the fait accompli in Kampuchea. Vietnam had won two hard-fought wars but she is losing the peace. The overwhelming majority of the international community has not been won over by Vietnamese propaganda as it was in the early 1950's and mid 1970's. ASEAN has convinced the world of the righteousness of our position on Vietnam. We wish to convince Vietnam that Vietnam's military adventure in Kampuchea is detrimental to Vietnam's own interests. Vietnam's quest for security and development would be better served by Vietnam's cooperation in solving the Kampuchean problem in a peaceful political way in accordance with the Declaration and Resolution of the International Conference on Kampuchea.

In order to convince Vietnam, the Member states of the European Community has an important role to play. ASEAN and the European Community's mutual good understanding can be seen in the Joint Communiqués of the Second and Third ASEAN-EC Ministerial Meeting in Kuala Lumpur in 1980 and in London in 1981. There both sides agreed that there was a common denominator at work linking the situation in Kampuchea to that in Afghanistan. ASEAN-EC political cooperation protects our joint interests in world security which is vital to both ASEAN and the European Community.

The Kampuchean problem has certainly consolidated ASEAN's political cooperation. Yet ASEAN never forgets that it came into being in order to accelerate the region's economic growth, social progress and cultural development.

During the past fifteen years, ASEAN has steadily pressed forward in all fields of cooperation in order to make the region more self-reliant and its peoples more prosperous. Especially since the Bali Summit in 1976 and the Kuala Lumpur Summit in 1977, ASEAN economic cooperation has gathered momentum. The first large-scale ASEAN Industrial Project, the Urea Project in northern Sumatra, Indonesia, will come on stream by late next year. Not long after that,

the ammonia and urea Project in Sarawak, Malaysia, will start operation. The ASEAN Rock Salt-Soda Ash Project in Thailand and the ASEAN Copper Fabrication Project in the Philippines are at the final stages of consideration. It is hoped that three industrial projects will make ASEAN more independent economically. When ASEAN becomes more self-sufficient in fertilizer, ASEAN will be fulfilling one of its major economic aims, namely the raising of the standard of living of its peoples, most of whom are farmers.

ASEAN is also pursuing two other industrial cooperation schemes, both of which were initiated by the private sector. The first scheme is the ASEAN Industrial Complementation scheme. Under this scheme, member countries undertake complementary trade exchange of specified processed or manufactured products within an agreed package. For products under the first complementation package, which consists of automobile parts, there is an intra-ASEAN tariff preference of 50%. This scheme became operational on 1 June this year.

The other scheme is the ASEAN Industrial Joint Ventures. Products under this scheme will receive the same privileges as those granted under the ASEAN Industrial Complementation scheme. The mobilization of the private sector for economic cooperation through ASEAN Industrial Complementation and ASEAN Industrial Joint Ventures will optimize ASEAN industrial potentials for the benefit of ASEAN economic development.

With regard to cooperation in trade, the volume of intra-ASEAN trade is still very small, and the need to improve the existing approaches to ASEAN trade expansion is fully recognized. These will include, among others, extension of the across-the-board approach to trade items of increasingly higher trade values and exploration of the scope for deeper tariff cuts.

Another area of great interest to ASEAN is ASEAN cooperation and approaches to international commodity issues. Over the last few years, developing nations of the world have experienced a sharp rise in the costs of imports and a decline in export prices, particularly of primary products. One of the paradoxes in the present situation is that the remedial measures that have been seen to be necessary in order to bring the developed industrialized countries out of the present global economic recession have had the effect of deepening the crisis itself and aggravating the problems of the developing world. For instance, in Germany, there have

been complaints of high interest rates. But their effect has been even worse for the developing countries, which can ill afford the high cost of borrowing at a time when prices in the commodity markets have reached rock bottom. This is the reason why ASEAN has adopted their joint approaches to international economic issues with a view to contributing to the establishment of the New International Economic Order.

In this connection, ASEAN looks forward to the forthcoming GATT Ministerial Meeting, where ASEAN and the European Community can cooperate with each other in opposing protectionism and in reviving free trade.

As in their political cooperation, ASEAN-EC economic cooperation is making good progress. We are both regional groupings and both our peoples are pragmatic. Our relationship has grown gradually from the first tentative step we took together ten years ago. Today, ASEAN is the only group of developing countries outside the African, Caribbean and Pacific countries of the Lomé Convention, with which the European Community pursues a dialogue at the ministerial level.

The ASEAN-EC cooperation Agreement signed in Kuala Lumpur in March 1980, is a sound basis for the further development of ASEAN-EC relations. It provides for an annual meeting of a Joint Cooperation Committee which reviews the progress of our relationship in all its aspects. The next meeting of the Joint Cooperation Committee will be held in Thailand at the beginning of next month. Prior to that, there is a meeting to promote ASEAN trade to the EC; and after that there is a meeting to promote EC trade to ASEAN in the light machinery sector. So, you can see that there is a two-way traffic in ASEAN-EC economic Cooperation. The relationship is truly one to our mutual benefits.

Even in a period of global economic recession, the ASEAN economies are still the fastest growing in the world. It is a region of great economic potentials with ample opportunities for profitable European investments. ASEAN and the European Community should therefore intensify their cooperation for their mutual benefits. In this connection, the Federal Republic of Germany has played the leading role in building up ASEAN-EC relations. Thailand will host the Fourth ASEAN-EC Ministerial Meeting in the early part of 1983. At that meeting, all the matters adverted to in my talk tonight will be discussed in depth. The prospects for ASEAN-EC relations are brighter than ever.