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## DOCUMENTATION

Shultz's Statement at the ASEAN, EEC, Australia, Canada, Japan, New Zealand, and U.S. Meeting, in Kuala Lumpur, 11 July 1985.

The following is the text of the opening statement by U.S. Secretary of State George Shultz at the meeting of foreign ministers of the six ASEAN countries and their counterparts from Australia, Canada, Japan, New Zealand, and the European Community, held on 11 July 1985 in Kuala Lumpur, Malaysia.

Thank you, Mr Chairman. First, I'd like to join my colleagues in thanking you for the wonderful hospitality extended to us, for the fine organization of this meeting, and for the general ambiance that Malaysia is providing us here. And also, I would like to join them in expressing my admiration and appreciation for the ASEAN countries and the ASEAN organization. You have created something unique and important in the world, and it does provide for us, your dialogue partners, a chance to come here to meet with you in an organized and systematic way and, among other things, to reflect on developments in the Asia-Pacific basin, as well as the direct matters concerning our countries and the ASEAN countries, as such.

As the final speaker here, I find that practically everything that I might have said has been said, and so I don't want to just reiterate what others have very well put forward. But I do take note of the fact that there is virtually a consensus of views about what are the important things to focus on here and, in a broad way, what the direction of our efforts should be. So that as we proceed in our discussion, we don't need to argue about broad objectives, but we need to get down into operational details of exactly what can be done to make headway on the issues that have been highlighted. Just to go through them very briefly.

Of course, of central concern, as everyone has addressed here, are the issues presented by Vietnam's occupation of Cambodia. We join you and others in rejecting that occupation, in supporting the Democratic opposition in all ways that we can, in recognizing the importance of maintaining not only the strength of purpose there but the willingness to have a negotiated outcome, if such an outcome can be found that meets the terms that have been put forward — namely, Vietnam leaving Cambodia; the emergence of some process by which the people of Cambodia select the government of their own choosing and through which those who have been displaced from that country have an opportunity to return with safety and honor to their own country.

In the end, it seems to me that there must come a point where the government of Vietnam and the people of Vietnam reflect on what they are doing to themselves, let alone to others. And the fact of the matter is that the Vietnam economy, the Vietnam standard of life, has stagnated these many years. While all around them, they must observe economies that are progressing and progressing rapidly and leaving them far behind. Their self-imposed isolation is imposing deprivation on their own people, and from that standpoint, they have much to gain by rejoining the international community in a proper way.

Of course, the Cambodian tragedy has brought forward many refugees and displaced

persons. Speaking from the standpoint of the United States, we have and will continue to work strongly with you to help deal with these problems. We have taken something like 750,000 refugees during the course of this program, including around 50,000 this year. Like all of you, we would hope that conditions could stabilize so that we wouldn't have continuing refugee problems. But in the meantime, we pledge to work with you and continue our part in this important program.

Each speaker has highlighted the drug problems, and we certainly feel them in the United States and admire the ASEAN initiative that has been referred to and look forward to detailed discussions here and elsewhere on these problems. I sense that there has been some turn in this in the United States, particularly, as the result of the involvement of Nancy Reagan, the President's wife, who has taken a very strong interest and somehow has been generating an important shift in attitudes toward the consumption of drugs. And we have noticed that as the first ladies of countries around the world take more and more interest in this — and the first lady of Malaysia came to a meeting in Washington and has worked effectively here — that in many ways this may be an important avenue into turning people to attack this problem and really do something about it. But at any rate, I agree with the thrust here — of the importance of this problem.

As is also true with the problem of terrorism. It is an international, worldwide phenomenon, and I think (Canadian Foreign) Secretary Clark's outline of the various places where even recently we have seen terrorist tragedy strike serves to make that point. We will look forward in this discussion to giving our views from the standpoint of the United States as to what should be done about it. But certainly we do have to recognize that it is a major problem, that there are international links involved, and there are states in this world that support terrorism — you have to look that reality in the face — and also that there is a link between drug trafficking and terrorism in which the drug trafficking provides a lot of the money and the terrorists provide some muscle. So, that joins those two problems together.

Finally, I would just comment briefly on the subject of international trade and the international economy — obviously something of great importance to all of us. The United States is an important trading partner to every country represented in this room. I would say that no country suffered more than the United States from the outbreak of protectionism which rolled through the world in the 1930s. No country has benefited more than the United States by the emergence of a more and more open trading system in the years following World War II. I hope we don't have to learn that lesson over again. So it is extremely important for us to work on this problem of maintaining open markets. I speak as a country that has a deficit in our trade as a result of the huge amount of imports that come into the United States — that is, a deficit of record proportions. And so we feel all of the political repercussions that come from the fact that we are inundated with imports and find ourselves restricted in our capacity to export.

I think there are some deep-lying causes for some of these developments, and the trade regime is an extremely important part of it but not the only reason for this big deficit. But work on the trade regime is essential; I don't think there is the slightest doubt about it. As I think Mr Clark said, if we don't have a new round started and working so that the effort to open markets further stands at the center of attention, then what will happen is that the efforts of those who want to close markets will stand at the center of attention. It won't be possible to clean up what's left over of the Tokyo Round or do other things that we want to do, we will be so busy fighting protection. So, I think the start of a new round is essential, and there are things that we can do about it, particularly, perhaps right here.

There were meetings in Geneva earlier this week to approve the preparatory session

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which is more or less scheduled, I think, for September. That conference failed to achieve the unanimity necessary. I believe the two countries that continue to have their reservations, and at this point are blocking progress, are India and Brazil. It seems to me in our various ways we ought to be in touch with them, and promptly, to see if their minds can't be changed on this important subject. There is a meeting of GATT on 16 and 17 July, I think it is, and that presumably is a decisive meeting as far as the preparatory work is concerned. So, there is a little time here, and I think that it's important to turn this around and have this show get on the road and move. Certainly, the United States strongly supports such an effort.

Well, I look forward very much to my time here, and the time of my delegation here, and to exploring this vast range of important issues with you individually and collectively. Thank you, Mr. Chairman.

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SOURCE: United States Information Service, Singapore.

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