

FOREIGN POLICY

# Closer economic ties with neighbors

The Philippines is currently undertaking a general review of its foreign policy in order to gear it to the basic goal of national development.

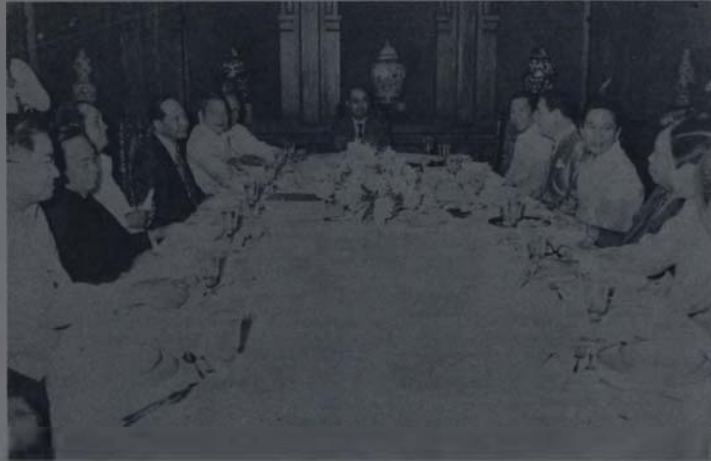
President Marcos underlined this new policy trend, with emphasis on regional cooperation, on at least three occasions last week — during two consultation meetings with incumbent and former national officials and in a major speech at the opening of the five-day conference of the Jaycees International attended by some 1,000 delegates from 20 countries.

The restudy of the country's foreign policy was disclosed by the President after he met with the national leaders for the second time Thursday. He said the review was being made on a worldwide and regional basis with the aim of converting it into an instrument for economic development.

While reiterating the country's policy of self-reliance and its desire "to be left alone" in shaping its own destiny, the President indicated that such a policy did not rule out mutually beneficial arrangements with other countries, particularly its neighbors.

"We seek friendship with no more motivation than respect for human dignity and the enhancement of the right to prosper, and, therefore, are intent on pursuing a policy of mutual accommodation in our relations with our neighbors," the President said in his speech before the Jaycees.

Within the same week, the President lent substance to this posture by giving the go-signal for the country's membership in the Asian Rice Trade Fund which is designed to stabilize the export-import trade on rice in the region. He also pressed for the immediate creation of the Asian Forum where nations in the area "irrespective of persuasion and ideology" can exchange ideas and find solutions to



President Marcos and former national leaders: consultation on the redirection of foreign policy and economic development.

common problems, and reiterated his proposal for the formation of an Asian Payments Union and the Asian Producers' Union within the Association of Southeast Asian Nations (ASEAN).

He noted with satisfaction the impending implementation by the United Nations Economic Commission for Asia and the Far East (ECAFE) of an Asian payments system similar to the one he proposed for ASEAN and asked the Central Bank and the Department of Finance to look into the mechanics of the Ecafe-sponsored payments union.

In his speech before the Jaycees, the President stressed the need for greater regional cooperation, especially during the period of development because, "divided, obviously alone and by ourselves, often divided

by indifference and lack of understanding, even ignorance, the nations of Asia have seldom been sufficiently strong or free to make decisions that the big and powerful nations have not already made for them."

The Asian Rice Trade Fund is to be set up officially during the 29th session of ECAFE currently being held in Tokyo and where the Philippines is

represented by an 11-man delegation headed by Secretary of Trade and Tourism Troadio Quiazon Jr. The other nations which have initiated the agreement are Cambodia, Sri Lanka and Thailand. Four other countries — India, Laos, Vietnam and Singapore — have formally endorsed it.

The Fund will initially be capitalized at \$50 million through low-interest or interest-free loans from developed countries and international financing institutions.

Its purpose is to help stabilize the region's rice trade through, among others, refinancing of rice transactions between foreign exchange-starved members on a deferred payment basis, elimination of middlemen and brokers, and assurance of supply of the emergency food needs of member countries. Besides helping rice im-

porteders, the Fund will also serve as a boost to exporters of the cereal in the form of an assured market and immediate payment in foreign exchange as well as loans from the International Monetary Fund in the event of export shortfalls due to natural calamities. The Philippines, as well as the other members will benefit either way from the fund.

While the other ECAFE plan — setting up of an Asian payments system — will not initially include the Philippines (the founding members are expected to be Iran, Pakistan, Sri Lanka, Nepal, Burma, South Vietnam, Laos, Cambodia and India), the experience to be gained from it could be adopted into the RP-proposed payments union for the ASEAN, which is composed of the Philippines, Malaysia, Indonesia, Thailand and Singapore.

Under the payments system, importers and exporters would be governed by a check-off system whereby obligations are settled without the usual foreign exchange transactions. For instance, if the Philippines imports rubber from Malaysia, payment will be made in the form of Philippine sugar or other commodities exported to Malaysia. One beneficial effect of such an arrangement is that member countries, by complementing each other's products will by themselves be able to supply the needs of the region.

Mr. Marcos' proposal to form an ASEAN Producers' Union likewise is aimed at pooling the organization's resources to enhance its vast economic potentials, which remain still largely untapped. Occupying about 2.3 percent of the world's total land area and with about 5.4 percent of the world's total population, ASEAN countries produce a considerable portion of the world's major commodities such as sugar, rice, timber, tin, rubber, iron ore and crude oil.

Through cooperation, ASEAN nations can make their products more competitive in cost and quality in the world market. Individually, ASEAN countries cannot hope to match the fast developing technology and economies of the more progressive countries of Europe, North America and Japan.

ASEAN MEETING

# Expression of unity

The search for lasting peace and unity in Southeast Asia gathered momentum last week.

The two-day ministerial conference of the Association of Southeast Asian Nations (Asean) in Pattaya, Thailand, provided the forum for an unprecedented expression of unity among member countries. This sent a new surge of optimism that augurs well for the future of the five-nation organization which is composed of the Philippines, Malaysia, Indonesia, Thailand and Singapore.

Ironically, the testimony of Asian unity emerged from what was earlier billed as a make-or-break session. There had been speculations in the foreign press that the Philippines would use the meeting to condemn



Secretary Romulo: a sound for unity.

foreign intervention in the communal conflict in Mindanao.

But Secretary of Foreign Affairs Carlos P. Romulo surprised everyone by thanking Malaysia and Indonesia for supporting the Philippine cause at the recent Muslim conference in Benghazi, Libya. In that conference, the

two Asean members rejected Libya's radical proposal for sanctions on the Philippines and instead moved for a more moderate stand.

Mr. Romulo said the Malaysian and Indonesian support for the Philippines was one testimony of Asean unity, an asset needed in a region which is in a state of transition and rapid but unpredictable change. He said: "In this context, the Aseans' greatest need is unity. It is only through unity that we can hope to preserve and protect our individual and regional interests. And it is only through unity that we can hope to influence events in a way which takes proper account of our interests."

The Philippine foreign secretary linked the restoration of peace in Mindanao to the overall stability of the region. "Stability in the southern part of the Philippines will mean stability in the whole country which in turn will redound to the greater stability in the Asean region," he said.

And all throughout the conference, other delegation heads — Singapore's Foreign Minister S. Rajaratnam, In-

donesia's Adam Malik, Thailand's C. Chunhawan and Malaysia's Dr. Ismail — expressed the importance of unity and peace to the overall development of the region.

The conferees, among others, also agreed to establish a permanent secretariat in Jakarta, tacitly endorsed Thailand's proposal for the expansion of Asean to include Burma, Bangladesh, Laos, Cambodia and North and South Vietnam, and discussed such issues as Asian neutrality and rehabilitation of Vietnam.

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