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THE ASIA PACIFIC AND GLOBAL CHANGE

The following is the text of an address to be delivered by the Minister for Foreign Affairs and Trade, Senator Gareth Evans, to the Trilateral Commission, Tokyo, tomorrow, 20 April 1991.

CANBERRA



THE ASIA PACIFIC AND GLOBAL CHANGE

Address by the Minister for Foreign Affairs and Trade of Australia, Senator Gareth Evans, to the Trilateral Commission, Tokyo, 20 April 1991.

Global management in the post-Cold War era is a pretty daunting theme, and must seem so even to the three Titans of the Trilateral Commission. You will appreciate that your conference theme is even more daunting for a country of Australia's size and location, not least when you consider our legendary cultural reputation for shyness, modesty and reserve. I am delighted, under these circumstances, that you should think us capable of making a useful input into your deliberations here. Certainly, given the Trilateral Commission's reputation as a leading opinion former in the Western world over the last few decades, it is a great honour to be invited to talk to you.

If we do have a contribution to make to your thinking about the reshaping of the world order - and the Asia Pacific regional order - that is being stimulated by this extraordinary period of history, it is because we ourselves in Australia have been engaged in recent times in fundamentally rethinking and reshaping our own future in the light of international developments. And we have been thinking particularly hard in this respect about our future as part of the Asia Pacific region.

Despite its population - not much more than 1/20th of the ASEAN nations alone - Australia has long been a significant presence in Asia, geographically and economically: we are a major resource supplier to the region and the world, Japan's sixth biggest trade partner, and have an economy larger than India's, or than all six ASEAN countries put together. But it is the case that we have for most of our 90 year history

perceived ourselves, and been perceived by others, as being in the region but not of it: something of a European outpost or, as I have said elsewhere, a cultural misfit trapped by geography.

The task we have set ourselves in recent years is nothing less than to turn that perception on its head. We know that Asia is where we live and must seek our security, base our livelihood and build our future. We want to be seen not as outsiders, suppliers to the region, but as partners with the region. And so we have gone about systematically establishing a new set of credentials as constructive participants in the region's affairs.

In the first place, since the early 1970s we have practiced a wholly non-discriminatory immigration policy, and the proportion of Asian members of the Australian community is steadily growing as a result.

Secondly, throughout the 1980s we have been reshaping our economy, breaking down protectionist barriers, and deregulating, loosening and opening up the economy to both the discipline and opportunity of greater trade and two-way investment.

Thirdly, since the mid-1980s we have also been fundamentally reshaping our defence posture: while still wholly committed to the Western alliance, we no longer begin and end our planning - as generations of previous Australian governments have - on the assumption of reflex support from great and powerful friends. By contrast, we have now built our defence philosophy and force structure around the concept of defence self-reliance - developing the capability to handle all but the most extreme contingencies with our own resources. (I should say in this respect that we are entirely comfortable with the "cooperative vigilance" approached to Asia Pacific security recently enunciated by the Pentagon, which implies a sharing of security responsibility by both senior and junior alliance partners.)

And, finally, through most of the 1980s, but most visibly in the last few years, we have been conducting an energetic foreign policy in the region - built around, but not confined to, some high profile initiatives like Asia Pacific Economic Cooperation and the Cambodian UN Peace Plan. In our external relations we have tried to make up what we lack in population size with creativity, energy and a diplomacy sensitive to the currents and nuances of the region.

Whether we have succeeded in all, or any, of our aspirations to date is for others to judge. We have to acknowledge that it will never be possible for Australia - with its distinctively European history, demography and culture - to become as fully Asian as other nations in the region. And there are all sorts of cultural, social, political and economic links with Europe and North America that in any event we want to retain. But it is fair to say that we are increasingly coming to be seen no longer as "odd man out" in this part of the world, but rather "odd man in".

If there is any single theme which has governed Australia's attempts to come to grips with the world and the region in the rush of recent events, it is our perception of the interdependence of things - the realisation that no country or group of countries can any longer sensibly stand outside the mainstream flow; that no country's or group of countries', interests can usefully be pursued in isolation from everybody else's; that a great many problems on the international agenda can only sensibly be addressed by cooperative action; and that different kinds of problems - economic, security, environmental and the like - can no longer be quite as readily quarantined from each other as might have been the case in the past.

That theme of interdependence is a useful starting point for any discussion of global trends and their application to the region. There are four distinct currents of new thinking determining the shape of the post-Cold War world, through each one of which the concept of interdependence runs as a central

thread. I would identify those currents as new ideas about security, about international trade, about good international citizenship and about the virtues of liberal democracy. Let me say a little more about each in turn, particularly as they impact on the Asia Pacific region, and how these ideas are affecting what governments are and should be doing.

The New International Security Environment

On the subject of security, there are in fact two big ideas on which governments around the world at the moment are acting - or to which they are reacting. One, associated with the end of the Cold War, is common security; the other, associated with the Gulf War, is collective security. They are mutually reinforcing and in our view equally important.

The central idea of "common security" is that lasting security does not lie in an upwards spiral of arms development, fuelled by mutual suspicion, but in a commitment to joint survival, to taking into account the legitimate security anxieties of others, to building step-by-step military confidence between nations, to working to maximise the degree of interdependence between nations: putting it shortly, to achieving security with others, not against them. The clearest institutional expression of that process at work is the 34 nation Conference on Security and Cooperation in Europe - the Helsinki conference process. So unpromising when it began in the 1970s, the CSCE has been now overwhelmingly recognised as the formal vehicle for winding down the Cold War, certifying its demise, and building a more permanently secure European future.

With 50,000 nuclear warheads still shared between the United States and the USSR (along with another 1200 for the other nuclear powers combined), and a very large question mark hanging over the future of the Soviet Union, no-one can pretend that all our global security troubles are over. But for the first time in the nuclear age, we have - with a new arms control and disarmament agenda - the prospect of

replacing the vicious circle of the nuclear arms race with a virtuous circle where confidence builds on itself, cooperation extends and security is strengthened.

Common security, despite its origins among European social democrats, is not a security policy for wimps. Nothing in the idea implies passivity or appeasement in the face of a security threat. It does not involve emasculating our military forces, nor removing our capability to respond to direct threats to our nations, nor denying the legitimacy of a collective military response - as in the Gulf - to threats to the international security framework. The corollary to common security is in fact collective security. While the former is about building confidence over time, through dialogue, transparency and the steady accumulation of patterns of interdependence, the latter - collective security - ensures that the process will not be blown off course by the aggressive behaviour of individual states, or that if it is, the international reaction (preferably through the processes of the United Nations), will be swift and effective.

The successful use in the Gulf, for the first time since Korea, of the collective security system provided for in the Charter of the United Nations, will set a precedent of great relevance for this region. Even with a minimalist interpretation of the Gulf outcome, we are left with a very positive balance-sheet: the standards of international behaviour embodied in the UN Charter have been reinforced; a benchmark has been established to which the international community can be held in the future; and importantly, even if we cannot be certain that the collective security function will operate as effectively a second time, the potential aggressor cannot be sure that it won't - and that can only increase the doubts and risks attached to international lawlessness.

There is a fascinating debate going on at the moment about whether common security concepts have any applicability to the Asia Pacific region, away from the Cold War theatre of the North Atlantic. Nobody is naive enough to think that the CSCE

process can be simply recreated in the Asia Pacific environment. There are too many obvious differences for that: no single East-West confrontation to contend with, but a heterogeneous collection of cross-cutting cultures and conflicts and cleavages. But just because institutional processes can't be translated half a world away, that is not to say that the relevant habits of mind cannot be translated either. Here as elsewhere, security is enhanced by reducing heat, and introducing light, into exchanges between traditional adversaries. Greater degrees of transparency can be introduced into military arrangements, and confidence building measures like joint exercises can be devised, without stepping over predetermined lines, let alone sliding over the precipice of naval arms control or succumbing to any of the other horrors that policy makers in some high places keep worrying about.

It is important to appreciate in all of this that traditional alliance relationships - and in particular the Western alliance, to which Australia remains a fully committed party - still have a crucial role to play in both global and regional security - so long, at least, as they operate not as ends in themselves, but as means to the end of greater security. They operate as a fail-safe mechanism support system in the event that security fails: in the uncertain multipolar environment of the Asia Pacific that kind of very basic reassurance has a particular resonance. They help make the international collective security system work: while the USSR and China cooperated throughout the Security Council's handling of the Gulf War, it was the United States and its western allies who unequivocally took the lead in mobilising and sustaining the international response. And they can serve, as was the case in Europe, as a very helpful transition mechanism: providing again the sense of stability and reassurance that is necessary if the process of confidence building is to keep moving forward.

It will be a long time yet before we could contemplate disbanding the Western alliance, in the Asia-Pacific region or anywhere else, in the knowledge that we have in place a self-

sustaining, self-regulating alternative security system based on the principles of common security and collective security, one in which conflict between nations - if not within them - has become a thing of the past.

But we do have an environment in which the major powers are cooperating in the resolution of conflicts as they arise, under the umbrella of the United Nations and using its institutional processes, and giving every indication that they will go on doing so. While that may not constitute every romantic's dream definition of a new world order, in my judgment it is not a bad start.

The New International Economic Environment

Shifting the focus from peace and security to economic growth and development, the prevailing worldwide intellectual current at the moment is squarely in favour of international trade liberalisation. The Uruguay Round of multilateral trade negotiations commenced in 1986 with fifteen separate heads of negotiation aimed, among other things, at removing or reducing tariffs and non-tariff barriers across the whole traditional range of manufactures, removing impediments to trade in agriculture and services, and reshaping intellectual property rules: the Round seemed likely to have as big an impact on the world's economies as glasnost and perestroika were having on the world's political balance.

Certainly the Australian Government is wholly committed to the liberalisation philosophy. Our interests, and we believe those of the rest of the world, lie overwhelmingly in achieving a free trade environment. The GATT, with its principles of non-discrimination, transparency and consensus, establishes a common set of ground-rules which work unquestionably to the advantage of big and small countries alike. That is the view of the fair agricultural trading nations of the world, which we brought together as the Cairns Group in 1986 (and which has been doing battle with the three Trilateral Commission groupings ever since). And that is the

view overwhelmingly endorsed by all the major trading nations of this region when we inaugurated APEC in November 1989, and met again at ministerial level in Singapore last year.

But for all that prevailing current of intellectual opinion, and political support, the Uruguay Round stumbled badly last year, and its triumphant conclusion this year or next is still very far from being assured. There are powerful counterpressures at work. Europe - with the farmers of France and Germany as inward-looking as ever and as politically influential as ever - continues to be very reluctant to move on agriculture: and agriculture has become the key to unlocking the whole Round. Protectionist sentiment in the United States, fuelled by a long series of massive trade deficits and a fear, in particular, of Japan's economic muscle in manufacturing and Europe's in agriculture, is as politically powerful as it has ever been. Governments - not only in the United States - have become more and more tempted by the lure of "managed" trade: the growth of export subsidies, the proliferation of non-tariff barriers and voluntary restraint arrangements, the encouragement of counter-trade, and the growth of resort to bilateral deals and remedies rather than multilateral principles, all testify to a ground swell not easy to resist.

At the same time, not all the trends have been one way. In the United States, there has been some overall reduction in agricultural assistance in the Farm Bill context, rejection of demands for textile quotas, and less belligerent use of unilateral trade bill provisions than some expected. In Japan, there has been a liberalisation of a number of key agricultural imports, including beef, which we hope and expect will be followed by more concessions in the context of the Uruguay Round. In Europe the 1992 measures have, despite fears to the contrary, been trade creating or neutral rather than trade restrictive. More liberal trade policies are being pursued in a number of countries - in Latin America, Korea, and not least Australia. And COMECON, the most extreme example of managed trade, has completely broken down.

The establishment of APEC, which Australia initiated in 1989, should be seen more than anything else as an attempt in this region - the most dynamic and trade dependent in the world - to reinforce and further extend the principles of free international trade. It is not and was never intended to be a defensive trade bloc, determined to build walls around itself and fight aggressive trade wars with everyone else, including Europe. The straddling of the Pacific to embrace the US - rather than create an Asian group that would build a natural rivalry with North America and Europe was wholly deliberate. Equally eloquent in this respect has been the very great caution with which the Malaysian East Asia Economic Grouping proposal has been greeted, at least in its original form as something very closely resembling such an Asian bloc.

APEC was formed with three basic objectives in mind: first, to give political support to the Uruguay Round negotiations, which it has been doing; secondly, to explore the options for regional trade liberalisation on a non-discriminatory basis as against the rest of the world, which it has just started to do; and thirdly, to develop strategies for economic cooperation in data collection and evaluation, common problem solving and sectoral projects of one kind or another - in which areas there are now ten substantial work projects under way.

There was, and remains, a good deal of political caution in the region about APEC: a desire to see it evolve gradually, rather than be imposed as a new institution on others, like ASEAN, still trying to find a voice in economic issues. The question of participation by other economies with major linkages in the region - especially China, Taiwan and Hong Kong - is still being negotiated. Progress generally will be measured rather than spectacular. But APEC has already proved its worth, quite apart from anything else, as a strong mutually reinforcing voice for continued trade liberalisation, and for this role alone it should be appreciated and nurtured, not only in this region, but in the rest of the trading world as well.

The New Internationalist Agenda: Good International
Citizenship

The foreign policy agenda these days is not just confined to security and economics. In a sense, of course, it never was: from time immemorial countries have been negotiating agreed ground-rules for the sending of letters, the protection of diplomats and migratory birds, the passage of aircraft and the rest of the stuff of everyday international life. But what one might call the "third agenda" of foreign relations has in recent years been rapidly expanding, and occupying much more of the time of ministers and diplomats around the globe. Countries have come to appreciate their interdependence, and the need for cooperative solutions, on a whole new range of problems. These include most conspicuously the environment (climate change, tropical forests, driftnet fishing, Antarctica and all the rest), but also matters such as unregulated population flows, narcotics, AIDS and terrorism.

One way of capturing the flavour of this expanded new internationalist agenda is to say that it is about good international citizenship. Countries are appreciating that there are innumerable areas where cooperation produces benefits for everyone, and where self-interest and selflessness are not competing values, but complementary ones.

The Asia Pacific region has its full share of responsibility in relation to the issues on this new global agenda. We speak correctly of the region's dynamism, but it also has vast areas of acute economic underdevelopment; its problem of displaced persons and refugees is amongst the most intractable in the world; the pollution of the atmosphere in its cities and the contamination of its waterways is as disturbing as in any other region; and in addition, some of the smaller Pacific island states face the unique threat of extinction from sea-level changes resulting from global warming. The challenges are visible and urgent: their resolution can only be found in a combination of regional and global cooperative strategies.

The Values of Liberal Democracy

There is one further global trend that deserves to be mentioned, not least because in many ways it underlies the themes I have referred to so far. This is the rise to more or less absolute intellectual dominance, world-wide, of the political and economic philosophy of liberal democracy.

Francis Fukuyama characterised this phenomenon as "the end of history", and was roundly misunderstood for his trouble. What he was saying was not that international life was henceforth going to be without conflict and trauma; rather that there was - at the level of underlying ideological consciousness - simply no competing philosophy that any longer had the capacity to move decision-makers and their publics, and that this state of affairs was likely to continue into the indefinite future.

Written in mid-1989, Fukuyama's thesis gained obvious momentum from the rush of events in Europe in late 1989 and throughout 1990. There have been those, however, who have questioned the applicability of this analysis to the Asian region. Certainly the record of political and economic change here has been a mixed one, with not quite that inexorable sense of forward momentum towards political democratisation and economic liberalisation that we have seen in Eastern Europe and, perhaps for that matter, in Latin America.

But there has nonetheless been a litter of encouraging small examples, from Nepal to Bangladesh to Mongolia - and Burma as well before the military regime reasserted its minority authority. Even in China, what was more remarkable than the awful repression of June 1989 was the rapid growth and strength of feeling underlying the democratic movement; nobody really now doubts that the eventual changing of the present leadership guard will herald a re-affirmation of that democratic and humanitarian impulse. There are those, not least in China, who will cling for some time yet to the notion that a measure of economic liberalism can be conceded without having any implications for political democracy or the respect

for human rights that goes with it. But this is as misconceived as President Gorbachev's disastrous reverse conclusion last year that a measure of political democratisation did not need to be accompanied by any concession to economic rationality. The point is simply - as good Marxists should be prepared to concede - that economic and political change is inseparable.

For any observer of the international scene, the conclusion is hard to resist that the example of democracy and economic growth is simply too infectious to contain. The turning point for me came, I think, in 1988 during my first visit to Vietnam, then as now sternly and self-consciously committed to the trappings of communism. Foreign Minister Nguyen Co Thach told me during that visit that his favourite bedtime reading that year had been "a book on economics - by an American man called Samuelson"!

While, at the level of ideas, the liberal consciousness is almost as comprehensively prevailing in Asia as in Europe, the triumph of these values on the ground is not yet remotely complete. But I suspect that, along with everything else that is happening in the world and region, we may all stand to be surprised by the pace at which our region moves to affirm and apply in practice some of those basic political and economic values that your countries, and mine, so clearly stand for.

Currents of thought in international affairs cannot easily be imposed. But they can be picked out and highlighted where they do exist, their flow channelled to some extent and their impact reinforced. It is hard these days, and not very popular, to lead by direction, but there is plenty of opportunity to lead by example.

Part of the agenda for this meeting, as I understand it, is for the Trilateral Commission to rethink the role that it and the countries associated with it might play in the future of this Asia Pacific region - in contributing to its security,

its dynamism and the development of responsive and democratic forms of government. Perhaps you will allow me to suggest that the most valuable job you can do in this respect is to articulate, and show by example, your unequivocal commitment to multilateralism in trade, liberalism in politics and cooperative internationalism in the general conduct of international relations.

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