

Please check against delivery

Building the Pacific Community in the 21st Century

Speech by Mr. Ryutaro HASHIMOTO, former Prime Minister of Japan

November 30, 2001

Chairman Dr. William Fung,
Distinguished Chairmen of the Member Committees,
Ladies and gentlemen,

1. New Challenges

(1) September 11 was the day when I further consolidated my determination to play a part in building a better world. Our rage at those terrorist attacks that used innocent and unarmed citizens as weapons of terror and targets for murder was the catalyst for our renewed determination. PECC embodies the concept of "harmony in the ocean of diversity," and we have been reminded of how prescient PECC has been in anticipating the era we are now in. Unfortunately, today, when the threats from the Cold War have become things of the past in many regions of the world, we are now facing new challenges. The recent terrorist attacks have forced us to reconsider the role the state has played and should play in the currents of history. They have also thrust upon us the challenge of if we can prevent the borderless economies, which already exist, from falling into the depths of severe economic downturn. Can we really entrust our hopes to this new century? Will the days when people smiled a natural smile return? What difference can I make as a politician living in this world? Together with all of

you, I will rise to face these challenges.

(2) The world today is facing threats and new issues. One is the increasing widening of the gaps among states as globalization progresses. Coupled with the growing disparities within states, this trend is casting a great challenge to the relevance of the existing international systems. If this issue is mishandled, it could threaten the political stability in the world. The anti-liberalization and anti-globalization demonstrations at Seattle and Genoa presented a challenge to representational systems as well as to other democratic systems and institutions. Moreover, we must deep in our serene mind reflect on the consequences of the loss of some of the best minds at the forefront of globalization, as well as the loss of crucial computer data, by the attacks of September 11.

Another threat is the frequent outbreak of regional conflicts since the end of the Cold War. Confounding this situation is the fact that we now face wars with non-state actors and not traditional state entities, thus a threat to all of humankind.

(3) In economic areas too, we realize that the days are over when only governments could solve problems. Corporate activities extend across national borders, and scholarship and research can no longer be completed in a single national system—research now proceeds from a perspective of global governance. Within this context, PECC is a unique forum for discussion, as it seeks the participation of leaders from industry, government, and academia,

and I believe it has remarkably anticipated the increasing borderlessness of the international community. Thus PECC is an optimum organization for seeking solutions to new issues in this new age; and, for this reason, I feel that PECC can bear our great hopes and expectations.

(4) Even in the aftermath of the 1997-98 Asian economic crisis, the economies of the Asia-Pacific region, at least potentially, have strong fundamentals. This is my honest feeling as a politician who has been involved with PECC and APEC as Prime Minister and a cabinet member for many years. The region's diversity, in which the possibility of real growth lies, and the peoples' diligence and high propensity to save make us aware of the region's very promising foundation for growth. And the region's abundance of human resources, which are underpinned by a strong belief in education, certainly stands in favorable comparison with any other region in the world. Will this region be able to play a leading role in the world in this new century? I feel that such a great responsibility has indeed been placed on the shoulders of all of us gathered here.

2. Issues for PECC

(1) Mr. Chairman, based on this situation, I would like to raise the following four issues as priority areas for PECC.

First, I would suggest that the current global economic conditions in which the major industrial economies are slowing down at the same time are

creating a serious situation that could exceed previous crises, and, as such, urgent countermeasures are needed. In order to restore a brighter outlook for economic conditions, it is clear from the lessons of the past that issues of trade and investment and those of fiscal management and finance should be considered coherently and policies should be formulated accordingly. Since the 1997-1998 financial crisis, in addition to dealing with the trade and investment issues, Asian countries have put great value on instituting specific measures like the Chiang Mai Initiative for ensuring financial stability. I should like to commend PECC for designating trade and financial issues as two of the organization's three priority concerns as the decision is exactly anticipating the times.

(2) Second, I believe PECC should further strengthen its support for the multilateral trading system. In the background of the agreement reached, through a very difficult process of coordination, at the recent WTO Ministerial Conference in Doha to launch a new round of trade negotiations was the firm determination by the participants not to repeat the failure at Seattle but to try to restore confidence in the multilateral trading system. In order to help lead this resolve to tangible results, I believe PECC should provide collateral support for advancing the new round. In particular, as many of PECC's members are from developing countries and regions, surely PECC possesses a good foundation for responding to their concerns and interests. At this opportunity, I would like to welcome the accession of China,

which has one-fifth of the world's population, and Chinese Taipei to the WTO. I believe that the accession of both members is a useful step forward for further developing a global legal framework in the field of international trade as well as for further clarifying the trade rules in the new round.

(3) The third issue is how the private sector and government can collaborate together to solve problems, and I think this issue should be considered in a concrete manner. PECC, having many of leading corporate leaders active in the world's markets as members, has a basis for harnessing the expertise and desires of the private sector. By also utilizing the enforcement ability of government officials and the knowledge of academics, PECC should be able to play a leading role in this area.

Also in this regard, I believe that promoting meaningful and dynamic collaboration with APEC is extremely important for energizing cooperation throughout the entire region. As the "parent" of APEC, PECC should offer its wisdom and, by positively providing input, play a role as a "brain," so to speak, for APEC. Particularly since it is difficult for various reasons to expand APEC's secretariat, I am sure that this role for PECC can lead to the activation of both processes.

(4) Fourth, regarding the merits of globalization and its reverse side of the coin, a great many issues have been pointed out through many discussion held up to now, but the problem facing us at present is less about questioning the right or wrong of globalization but rather how globalization can become

an ally for us and increase our prosperity, and how we can transcend the problems attendant to globalization.

In contrast to internationalization, which seeks to deepen mutual ties among states—a kind of “point to point” contact—globalization is a process that seeks to deepen relations across society, including citizens—a sort of “plane to plane” contact. Globalization seeks to give great opportunities for all people to carry out their business dealings around the world; moreover, the spread of IT is creating the capability and the means for people to communicate with each other wherever they are. To let people understand that these advances will lead to a higher standard of living for them is the starting point for overcoming the problems resulting from globalization.

Through its wide-ranging activities, PECC can not only promote this understanding among people but also enlighten those people who are particularly focusing on the negative aspects of globalization.

3. Light and Shadows in the Community

(1) Mr. Chairman, when the first PECC general meeting was held in 1980, the notion of community and identity in the Asia-Pacific region was quite weak. Since then, PECC has been steadily promoting collective efforts among members in the Pacific region in diverse fields like trade, finance, telecommunications and so on, and it can be rightly proud of its

achievements in creating a sense of community in the Asia-Pacific region.

In particular, PECC has put forward essential principles and guidelines for uniting the Pacific region, which contains quite diverse backgrounds regarding culture, religion, level of economic development, and so forth. "Open regionalism" has staved off the rush to a parochial and narrow-minded regionalism spurred by the sharp increase of regional trade agreements in the 1990s. The laudable traditions of placing importance on consensus and respecting diversity have ensured the vigorous participation of the region's members and created the current harmony in this ocean of diversity.

(2) However, some enemies not readily visible in the building of the Pacific community have begun to emerge. One of them is the rapid spread of illegal narcotics, which is beginning to undermine families and young people, who must support the future of the community. Since seeing, as a neighboring country, the horror caused by the Opium War, Japan has strongly suppressed the use of illegal drugs, but, regrettably, narcotics, particularly synthetic stimulant drugs, have recently begun to contaminate the country. Fifteen-year-old girls, ordinary housewives and others are being duped by supposed diet drugs and getting caught up in illegal drug use. Because this is a global problem, I launched the Federation of Japanese Parliamentarians to Fight against Abuse of Narcotics and ATS, and next April in Tokyo we will hold the International Drug Control Summit 2002, which will be attended by

parliamentarians and experts in the field from around the world. I would like to call for the participation of representatives from as many Asia-Pacific countries as possible in this conference.

(3) Although different in nature, another hidden enemy impeding the growth of the Pacific community that must be pointed out is the drying up of water resources. Since many informed people have already discussed this issue, I will not dwell on it for long, but I would like to stress that the destruction of forests—or what may be called natural dams—in water source areas due to sharp increases in population and rapid economic growth is threatening to create serious problems for our future generations. Recently a preparatory meeting for the 2003 Tokyo World Water Forum was held in Egypt, and as a promoter of the Forum I would like to call for increased emphasis on the importance of reminding people around the world of this problem. In this connection, I would also like to inform you that an international exposition is scheduled to be held in Aichi Prefecture in Japan in 2005 under the theme of harmonizing nature and development. I should like to say that this series of events to be held in Japan carries as a central concern the need for society's co-existence with nature, the realization of which, in the case of Japan, is based on the many failures we have committed while rebuilding our own community from the defeat in the Second World War to the present day.