

PREFACE TO THE FIRST ACCCI *OPINION PAPER*

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For Australia's economic prosperity and security since 1989, the year of the founding of the Asia Pacific Economic Cooperation group of countries, APEC has remained the most essential regional body for diplomatic focus.

More than any other organisation APEC has 'chaperoned' China's re-emergence into the global community post the events of Tiananmen Square, Beijing, in June 1989. It has provided a valuable dialogue platform from the end of 1991 for the three Chinese Economies of the PRC, British Hong Kong/Hong Kong SAR and Chinese Taipei/Taiwan that does not exist anywhere else in the world.

APEC has been and remains a very important 'safety valve' to resolve economic crisis and anticipate potential political tension in the Greater Pacific Region through regular annual meetings that bring together all the leading members of governments across very diverse geographical areas that nevertheless have a common self-interest in stability.

APEC is perhaps the most important diplomatic triumph in Australia's foreign policy history. The Hawke and Keating Government initiatives are arguably more significant than the Whitlam Government recognition of the PRC from December 1972 or the work of the Chiefly Government to establish the United Nations post 1945. Dialogue, even if from time to time it is little more than a yearly 'talkfest', is of intrinsic value when China and/or ASEAN talks to the USA and/or Japan, when the medium sized countries of Canada and Australia, or South Korea and Mexico have a place at the table, and when the smaller economies such as Chile and New Zealand, Peru and Papua New Guinea can voice their concerns.

ACCCI from its founding in 1976 has always strongly supported an Asia Pacific focus to Australian Foreign Policy. APEC not only gives Australia a vital window to the world outside Europe, Africa and the Middle East (in this respect it is disappointing that India is unlikely to be admitted to membership in 2007), but far more importantly APEC as currently structured provides "flexibility in adjusting to continuous change in the economic and political environment of the Asia Pacific region". This flexibility will be essential over the next 20 or so years as the rise of China – economic, political and military – places enormous pressures and strains on the present US/Japanese economic hegemony.

The role that Australia should play inside and outside the meetings of APEC is a very interesting question. One thing is certain – many events will be totally unexpected.

For example when in August 1945 Generalissimo Chiang Kai-shek, then President of the Nationalist Republic of China Government, shook hands in Chongqing with Chairman Mao Zedong of the Chinese Communist Party (and future leader of the October 1949 established People's Republic of China Government in Beijing), no scholar or politician predicted the rapidity of events in China's immediate years of post Japanese occupation. From Nanjing 1937, via Wuhan and Chongqing to Beijing 1949, was a period that witnessed the beginnings of the twin US military commitments to the conflicts in Korea and Vietnam together with the separation of Taiwan Province.

That is not to say the APEC dialogue is sufficient – after all the Royal Houses and Presidents/Prime Ministers of Europe had much dialogue throughout the years prior to 1914. But it can help.

The following *Opinion Paper* on APEC recommends the retaining of a structure that is capable of facilitating dialogue on any eventuality in the future affairs of the Asia Pacific.