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Howard's valuable, positive approach to secure Apec future

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THE expectations were always going to exceed what might possibly be achieved at the Leaders' Meeting of the Asia-Pacific Economic Cooperation forum.

And so the obituaries were written for Apec. There you go - nothing more than an international talk shop, the leaders lining up for no more than the photo gallery. Waste of time. Of no consequence. So the criticisms went.

Worse, Prime Minister John Howard in Kuala Lumpur had appeared to lend "some degree of aid and comfort" to a Government that threw its opponents in jail, beat them up in custody, trumped up charges against them, and used violence to put down demonstrations in protest.

Howard wouldn't toe the United States line to boycott face-to-face talks with the Prime Minister, Datuk Seri Dr Mahathir Mohamad. In so doing, he sought to define the value of Apec to Australia, and Australia's value to Apec, "the Australian way".

Apec at the best of times had been an enigma. Four incongruous adjectives in search of a noun, the former Foreign Minister Gareth Evans called it.

At a time of economic crisis threatening to spill into social and political disruption in Apec member economies, the relevance of the regional grouping was put to serious test.

Howard returned, facing a tall order to argue his claim to satisfaction that Australia had contributed to Apec's relevance, and that Australia had enhanced its interests after Kuala Lumpur.

How could it have? Deferring to Dr Mahathir apart, Australia had to make do with the 'second best' outcome to have the regional grouping's previously agreed Early Voluntary Sectoral Liberalisation trade initiative referred to the World Trade Organisation.

This after Howard had at the top of his agenda for Kuala Lumpur the preservation of Apec's free-trade focus, if for nothing else, as a symbol of Apec's continued commitment to free trade.

The EVSL compromise obscures the gains to Australia beyond trade and economics. Kuala Lumpur presented an occasion to affirm Howard's faith in a bridging role for Australia between the two rims of the Pacific - geographically and philosophically.

And thanks to Al Gore.

The sentiment Howard expressed the night he was re-elected to a second term in office on Oct 3 had not figured in his Apec mission to Kuala Lumpur.

"No nation on earth so uniquely combines the heritage of our Western civilisation, our great links with the nations of North America, and our placement here in the Asia-Pacific region," Howard had said.

"We have a capacity and an opportunity to use that conjunction of circumstances to our benefit, and to the benefit of the region and to the benefit of the entire world."

Apec in Kuala Lumpur was to have been about trade. It was to have been about Australia putting out a hand to help build financial processes among economies stepping tentatively into free-market capitalism. It was to have been about reviewing the international financial architecture to keep in check the hedge funds.

There was the matter of the treatment of Datuk Seri Anwar Ibrahim.

Howard was unwavering in his intention, which was to tell Dr Mahathir what Australia and Australians felt, in private talks with the host.

The foot that Gore put in his vice-presidential mouth reinforced the argument for one purpose of Apec for Australia.

Primarily, Apec - which Australia claims to be the brainchild of its former Prime Minister Bob Hawke - is valued as a forum to keep the US engaged in Asia.

Among Apec's members in Asia, Australia offered an avenue to trade and the technology of the world's largest economy, leveraging on Canberra's strategic and diplomatic ties with Washington.

As the insults flew in Kuala Lumpur, Howard enhanced the standing of Australia to bring together the Asian and non-Asian nations around the Pacific rim.

Australians would be loath to associate Australian decorum with any "Asian way". Next to kurang ajar Gore, however, Howard was positively Asian, and yet forthright.

Howard called it "the Australian way", which was to say what Australians had to say face-to-face, in private, not to lecture other countries through a speech.

And just as privately, Foreign Minister Alexander Downer met with Anwar's wife Dr Wan Azizah Wan Ismail.

Australia's conduct had enhanced relations with Malaysia, was Howard's assessment of his meeting with Dr Mahathir.

Not that his approach was universally applauded back home. Kim Beazley, the leader of the opposition Labor Party, said Howard had demeaned Australia's position. Howard has agreed with his deputy, the Trade Minister, Tim Fischer, that Gore had been "playing to the cameras".

Yet Howard's 'Australian way' had been little different from that of Beazley's predecessors, Paul Keating and Hawke, in their time as Prime Ministers, even if their relations with Malaysia had not been all plain sailing.

As for the achievements of Apec, there are those who feel too much has been made of trade liberalisation as Apec's reason for being. Among them is Alan Oxley, chairman of the National Apec Study Centre housed at Monash University, in Melbourne.

"Apec has always been far more than just a programme for trade liberalisation," Oxley says. "There are at least eight ministerial forums on issues unrelated to trade liberalisation."

While trade liberalisation has been the focus of media and public attention, Apec has in fact been working on economic and technical co-operation issues in its less publicised Ecotech Agenda, according to the centre's deputy director, Darby Higgs.

These were reflected in the 4,400-word declaration at the end of the Kuala Lumpur summit. They ranged from measures to restructure national financial and corporate systems and the harmonisation of standards and investment codes, to ways to deal with the year 2000 bug.

The Monash centre had been busy leading up to Kuala Lumpur. Among its contribution to the summit were recommendations of a symposium it held on corporate governance, funded by AusAID and held in association with the Australian Treasury and regulatory authorities.

The symposium included representatives from central banks, stock exchanges, securities commissions and business from countries in Asia, the Asian Development Bank, the World Bank and the Organisation for Economic Cooperation and Development.

Howard in Kuala Lumpur pledged A\$50 million (RM120 million) over the next three years to help in crisis management of economies affected by the turmoil.

The Treasurer, Peter Costello, will chair an economic crisis group that will deal with corporate debt failure, the movement of short-term capital, and financial assistance to economies in distress.

And Apec put its weight behind strengthening the international financial architecture.

Howard's summation of the future of Apec sits with his election night speech of Australia straddling the two rims of the Pacific.

"You don't get a grouping like that, and you don't get a sharing of experiences like that, anywhere else in the world," he said. "And to turn your back on that would be crazy and would be counter-productive and self-defeating."

And of Australia's approach, "we've certainly been able to demonstrate that there is an Australian way which is different and is very valuable and very positive in the region".

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