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Excellencies, High Commissioners, Ambassadors

Distinguished Participants

Ladies and Gentlemen

1. Every now and then, the countries of a region are presented with an opportunity to change their future for the better. Their past relationships may have been bitter, even tragic. Geo-strategic fault lines may isolate and alienate them. And yet when the window opens, feuds can become friendships, tensions can turn to trust, and hostility gives way to hospitality. When I look at Franco-German relations today, it is hard to remember a time when feelings between the two were not cordial. When I see Japan's businessmen at work and play in the United States, it is easy to forget that the former was the latter's target for the only nuclear devices to have been dropped in war. Today, East Asia is making a transition of similarly historic proportions. For almost three decades, the walls of anger, mistrust and apprehension have been quietly coming down all over the region. In their place, the scaffoldings of friendship, confidence and goodwill are being erected. A region that was once greatly troubled is, by God's grace, turning to one of relative tranquility.

2. The question that lies before us is this: Where do we go from here? In answering this question, we would be absolutely foolhardy not to recognise that there are still many stress points that could quickly become flash points, given the right ingredients and the wrong motives. The Korean peninsula and the Taiwan Straits both remain deeply troubling security issues. Only a few notches lower are the territorial claims and counter-claims in the East China Sea, the South China Sea and adjacent seas. On a higher level, China's growing geo-strategic importance in the region and the world is being seen by the status quo powers as a threat. The state of Japan-China and Japan-Korea relations cannot be described as anything close to desirable. Even within ASEAN, there is evidence that the 'ties that bind' are fraying.

3. With these kinds of issues before us, it is blazingly clear that we cannot simply take the region's tranquility for granted and go about our daily business. Quite the contrary, we must make every effort, invest every resource, and utilise every opportunity to make our region as peaceful, prosperous and progressive as we possibly can while we still can. This course of action has substantial payoffs and few penalties. If we are wrong, we have nothing to lose. If we are right, however, we avoid a great deal of turmoil, some of which may even be life-threatening. The choices are, as the Americans say, a 'no-brainer'.

4. East Asia today has the means and opportunity to turn an uneasy peace among former adversaries into a warm peace among good friends. We really should not have to shout over the fence to our neighbours in order to settle disputes, as we still do so today. We should be able to invite them into our living rooms and to speak

civily to them. We really should not have to engage in saber rattling or table thumping to enforce what we see as our legitimate claims as we still do today. We should be able to calmly appeal to one another's good sense and judgment to resolve our problems. We should not have to plot all kinds of secret schemes and intrigues to realise our national interests. We should be able to openly cooperate and collaborate to achieve mutually beneficial outcomes.

5. The region's immense diversity means that our perceptions, approaches and interests will, depending on individual situations and circumstances, differ in many ways. These, however, are not obstacles to where we want to go. Those who say so have never engaged in substantive diplomacy. Diplomacy exists precisely because we are all different. Nor do we have to wait for complete convergence before we feel at ease with one another. Those who say so will be waiting for a very long time. We only need to be in complete agreement on just one thing: We need relationships that are robust enough to accommodate our enormous differences; to cope with the vagaries of a changing world; and to prepare us for unexpected challenges. If we can have this, we will have underscored and perpetuated a peace for generations to come.

Ladies and Gentlemen

6. Many of us have only a vague sense of East Asia's history. We forget that the region is actually quite well acquainted with violent conflagrations. Until recently, it was the stage for armed conflicts of practically every stripe and style. The Vietnam War, the Korean War, the French Indo-China War, the Pacific War, the Sino-Japanese War and the Russo-Japanese War were all fought in East Asia. Add to this the equally sad list of smaller, but nonetheless bloody, border wars, civil wars, genocides, armed insurgencies and protracted territorial disputes – all of our own doing – and it is a wonder that we are not better at making weapons than we are at semiconductors. I say all of this not to dredge up unpleasant memories of the past. The past should firmly stay there. We should focus on building the future. Nevertheless, it would be silly to deny our past mistakes, to not show remorse and to not learn from them and move on.

7. Even most of the founding members of ASEAN had been at each other's throats a decade earlier. Fortunately, after a few brief infractions, good sense prevailed and they put their differences onto the back burner. They began to find areas where they could work together. Notice that I said they put their differences on the 'back burner'. They did not resolve their problems nor did they necessarily even try. Some bilateral issues remain outstanding until today. Nevertheless, by engaging members repeatedly in constructive pursuits, ASEAN prevented bilateral problems from blowing up or melting down. It was this that contributed to a more stable regional environment.

8. By the mid-70's, ASEAN member states had made so much progress in working around their differences that they were able to sign the 1976 Treaty of Amity and Cooperation in Bali, Indonesia. Today, that Treaty, or TAC has become the centrepiece of East Asian diplomacy, but let me address that later. To be sure, relations between countries could be warmer, and indeed, they must be made warmer. As I have said, there are a host of thorny issues, both big and small, that have yet to be resolved. Some countries have yet to reach full closure on their past relationships. Nevertheless, the temptation to reach for a weapon to resolve an outstanding dispute or to settle an old score is something in the past, and hopefully

will stay there.

9. For this, the countries of East Asia must take full credit. By fixing their eyes firmly on economic development and not on each other, by opening up their countries to integrate into the regional and world economies, and by adopting pragmatic and not ideological policies, they have not only improved the standards of living of their people, but they have made for themselves, the region and the world at large, a much safer place to live. This is not always recognised because so little thinking about East Asia is done from the inside. Most of the political and strategic assessments that are made about us are scripted in the West. Few of our intellectuals even bother to write our histories for the world at large. As a result, and to our enduring shame, most of us have to study about our region in foreign universities and from foreign experts. But even if we never win the Nobel Peace Prize for our efforts, we should take pride in knowing that the over two billion inhabitants of the region are better off as a result of our actions.

Ladies and Gentlemen

10. All ASEAN and ASEAN Plus Three countries are now signatories to the TAC. Others from outside the region are also being drawn in by its deceptively simple yet universally appealing provisions. Who could have predicted thirty years ago that ASEAN would have been responsible for an ever-widening virtuous cycle? For those who may not be aware, the countries that sign TAC agree to, and I quote, "promote perpetual peace, everlasting amity and cooperation among their peoples which would contribute to their strength, solidarity and closer relationship," unquote. They also agree to abide by the TAC's guiding principles. The first of these is mutual respect for the independence, sovereignty, equality, territorial integrity and national identity of all nations. Second, they agree that every State has the right to lead its national existence free from external interference, subversion or coercion. Third, there is to be non-interference in the internal affairs of one another. Fourth, differences or disputes are to be settled by peaceful means. Fifth, the High Contracting Parties renounce the threat or use of force. Sixth, they pledge effective cooperation among themselves.

11. On the surface, these seem like 'motherhood' principles. However, if you examine them more closely, especially how they have become integral ASEAN values, beliefs and attitudes, you will find that they had a great impact on the ordering of regional affairs. I will return to this very important subject a little later. It is anybody's guess as to what the strategic environment would have been like had there not been an ASEAN to provide the vehicle for constructive engagement in a non-threatening environment. To a certain extent, a lessening of tensions would have occurred regardless. Countries that have been ravaged by war are usually the first to opt for the stability they need to heal their wounds and rebuild their economies. The desire to cooperate is also usually strong.

12. The mere absence of war, however, is not usually sufficient to ignite economic growth and development. For that to happen, economic agents need to be able to have a long-term perspective of the country that they are investing in and trading with. The act of opening up also entails a measure of risk, especially if the countries concerned were previously closed off to the world. It is far easier to do so from a position of strength rather than weakness. Unfortunately, it is a course of action that is most usually taken only when all other options have run out. In the case of East Asia, the process had to be taken with a great deal of patience and dogged

determination. Once begun, there could be no turning back. Resistance was encountered each step of the way and leaders knew that they would get little sympathy or help from the world community if they made a misstep or, worse, if they failed. It is a tribute to them that when faced with the certainty of isolation or the uncertainty of integration, most of the countries of East Asia chose the latter.

13. This is not to say that the opening up of East Asia is complete or necessarily even very advanced in some places. Far from it. For a few countries, it is only just starting and there are still apprehensions and tentativeness about how far and fast to go. For most, however, there remains a great deal more to be done before they can rest on their laurels. It could take many years, even decades, to accomplish what has been begun. But the process does not have to be finished before the benefits are felt. Let me repeat that again: The process does not have to be finished before the benefits are felt. So long as countries focus on development, keep looking outward, and adopt and adapt pragmatic policies to improve their standards of living, their energies will be devoted towards productive rather than destructive purposes.

14. A regional environment that makes member states feel safer and more secure will enable them to be less concerned about preparing for worst case scenarios. We must never forget that although the forces for cooperation and integration can be very compelling, so too can those for exploitation and disintegration. At the heart of the environment are people and structures. I do not have to tell you that people and structures change all the time. Sometimes the change is for the better and sometimes for the worse. Some leaders are truly great and visionary statesmen but others could be mere petty politicians playing to the gallery. It would be a great error to take the future for granted no matter how many pieces of paper are signed. Great allies have been known to become equally great adversaries in less than one generation.

15. In East Asia, the enormous differences in wealth, power, influence and resources make this a distinct possibility. It is always easier to coerce a small country to do one's bidding than to coax it to do so. It is always faster to confront than convince. This, however, is precisely the kind of situation that we want to avoid. If, in one of our madder realpolitik moments, we were ever to allow strong arm tactics to be a legitimate form of diplomacy, this region would essentially be finished. East Asia would be a geographical entity but little more. For then, there would be every reason for smaller and weaker countries to retreat into their shells rather than openly cooperate with the larger and more powerful ones. Even to subject regional decision-making to adversarial 'win-lose' type outcomes is to significantly discourage the engagement and interaction of all but those countries that can prevail.

16. Countries may be small but they expect, and they should be accorded, the full respect for their sovereignty and equality. This is probably why it is the first principle enshrined in the TAC. By signing on to it, the large and potentially dominant countries of East Asia are saying that they will treat others as they themselves would like to be treated. They are committing to abide by group norms and not to be independent of them. They are pledging to work to establish group consensus and not, from a commanding vantage point, dictate it. If you think about it, a mechanism whereby big and rich countries agree to be treated no better or worse than small and poor ones is no small diplomatic achievement. It is a mark of a truly democratic and inclusive regional organisation.

Ladies and Gentlemen

17. Community building in East Asia is primarily relationship building. This simple fact escapes many political commentators who think and write about these matters, and even those who should know better. The way that we behave towards one another is as, if not more, important than what we achieve together.

18. This is not to say that results are unnecessary. Processes that have nothing to show for themselves are unlikely to remain around for very long. ASEAN itself has, from time to time, had to raise the level of its ambitions and reinvent itself to remain relevant to member countries. In other parts of the world, grand and ambitious projects have been undertaken only to have them flounder because mindsets are mismatched, sufficient trust is not built up, and interests are too narrowly defined. If East Asia does not have a single currency or monetary fund soon, does that mean that community building has failed? If it takes a decade or more to build a transnational railway, pipeline or free trade area, does it mean that the community should be written off? The answer clearly is 'no'.

19. If, on the other hand, the countries of East Asia were to stop talking to each other, if they were to distance themselves and, indeed, start 'stirring the pot' or agitating against one another, there would be a very good case to say so. Even the rising volume of trade between two countries does not necessarily indicate the strength of their relationship. We have today good examples of countries that are trading and investing in one another to unprecedented levels but their relations are so bad that their leaders cannot even sit in the same room together. When leaders cannot spend face time together, there can be no doubt that community building efforts are failing.

20. At its most basic, community building is simply showing good neighbourliness. It is driven by a noble altruistic value contained in the human spirit. That value means that whenever a natural calamity or crisis devastates any of our neighbours, we respond with concern, sympathy and assistance. Malaysia, like many others in East Asia, did so during the Asian financial crisis, the tsunami of a year ago, and we also did so after the earthquakes in Pakistan.

21. Community building is also about breaking down the barriers of isolation, ignorance and indifference. The more that one knows about a people, the harder it is to either demonise or deify them. In none of this is there anything wrong or sinister as some would have it. A big part of the problem is that there are countries that suspect that East Asia will end up doing what they themselves would be doing if they were in our position. Some see East Asia heading the way of an economic block like the European Union. To my knowledge, no leader of an East Asian country has ever said that this is what we are aspiring for. Even if they did, I do not see that European integration has been a liability or hindrance in any way to the world. Indeed, it has been a very strong force for peace, development and stability.

22. No matter how much criticism and frustration there is about the slow, unfocused and seemingly 'unproductive' nature of a relationship-driven process, in community building, we need to maintain the 'high touch'. We need to be attuned to one another's aspirations, fears and sensitivities. I ask you to think of the alternative. If regional relations are ever approached on the basis of heavy-handed power and narrow-minded interests, states would start to choose their friends more carefully or else withdraw altogether. Sub-regional alliances and coalitions would form. In such an environment, states become increasingly misaligned in the way they think and

act. This can have dire consequences because if the relationship is ever tested, as by something out-of-the-blue, there is every chance that it will fail. Even now, there are some that seem determined to stress-test the East Asian community by seeking to challenge and change existing processes and institutions.

Ladies and Gentlemen

23. In this Third East Asia Congress, the question is asked as to whether countries are doing enough with respect to East Asian co-operation. The theme of 'past accomplishments, future goals' is appropriate given the fact there has been quite a substantial amount of engagement in the past nine years. Nevertheless, the time is right to take stock of where we are and how high to raise the level of our ambitions for the future. This is particularly necessary in view of the pressing economic and social needs of individual countries, the increasingly integrated nature of the region's economies, the logic of collective action among neighbouring states, especially in the area of security, and against the backdrop of an increasingly uncertain and unstable world.

24. The good news is that the world economy continues to expand, with East Asia at the forefront. The downside is that there are much greater risks of currency turmoil, asset disinflation and the potential for interrupted growth. The world is plagued by growing instability arising from large macroeconomic imbalances and, as usual, it is the countries of East Asia that are productive, which export and that save, which are held responsible for the problems, and resolutions. On the trade front, a great deal of lip service is paid to multilateralism but so far actions have fallen far short of the rhetoric. Global competition for strategic control of resources and skilled labour continues, environmental degradation is unabated, and the risk of global health epidemics rises with each passing year.

25. The East Asian community can address these problems by, first, attending to the domestic foundations of their economy by ensuring competitiveness, resilience and good governance, second, facilitating deeper and more extensive intra-regional trade and investment and, third, promoting a sense of collective and comprehensive security. In the final analysis, the aim of East Asian community building is to create a framework for principled state actions and communitarian approaches and, as much as possible, avoiding power- and interest-centric inter-state relations.

26. In closing, I wish all participants well in their deliberations. I am hopeful you will have meaningful and substantive discussions, develop greater common understanding and build stronger personal relationships coming out of this Congress.

Thank you.