

## CHAPTER 2

### The Birth of PECC: The Canberra Seminar

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## THE BIRTH OF PECC: THE CANBERRA SEMINAR<sup>1</sup>

As described in the preceding chapter, during the 1960s and 1970s the interests of the Asia Pacific region were beginning to be promoted through organizations such as the Pacific Basin Economic Council (PBEC), the Association of Southeast Asian Nations (ASEAN) and the Pacific Trade and Development (PAFTAD) Conference. By early 1980, there was a widespread view that the time was ripe to take a new step towards ongoing Pacific economic cooperation.

The research work of PAFTAD had demonstrated that the rapid economic integration of the region was driven by market forces. As economies with very different resources and comparative advantage opened their economies to international trade and investment, the private sector had responded to these opportunities. Some 57 per cent of exports and 55 per cent of imports of the market economies of the western Pacific and North America were already traded among themselves.

Sustained increases in trade and investment among Pacific economies were yielding significant mutual benefits. Some Pacific economies were already trading their way out of poverty and many were reducing obstacles to international trade and investment. Others, such as Indonesia, were becoming intensely engaged in the regional and international economy, while China was beginning, cautiously at that time, its "opening to the outside world".

Each opening enhanced the competitiveness

of the economy undertaking the reform and created new opportunities for other economies, encouraging further reform and further opportunities for market-driven integration. The work of PAFTAD served to underline the crucial role of the international trading system based on the General Agreement on Tariffs and Trade (GATT) in this process. The virtuous cycle which was leading to the relative increase in the Pacific region's share of global economic activity relied on confidence in such an open, rules-based and non-discriminatory trading system.

Discussions in the PBEC had generated awareness that closer communications and cooperation among the governments of the region could serve to improve the commercial environment for trade and investment. Governments were becoming aware that swiftly changing patterns of comparative advantage would require continuous and significant structural adjustments. The costs of these adjustments would lead to stresses in trade relations and resistance by those who wished to shelter themselves from new sources of international competition. As noted by Mark Borthwick (Chapter 1, this volume), some government leaders knew that these problems could not be addressed adequately by unilateral actions, or by bilateral agreements which did not take adequate account of the interests of other Pacific economies.

ASEAN had created a precedent for cooperation among Southeast Asian nations. The formation of ASEAN in the 1960s had demonstrated that a voluntary association of diverse nations and

<sup>1</sup> I would like to acknowledge the helpful advice of Peter Drysdale in preparing this chapter. He would have done a better job than I have done, but did not have time. I also thank the Australia-Japan Research Centre, which has kept detailed records on the lead-up to and conduct of the Canberra Seminar in five big file boxes. It took a while to find them as we were looking for boxes on PECC, a name that was not created until the second seminar in 1982.

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diverse economies was possible. By 1980, ASEAN members had developed a strong sense of community and were able to project a powerful, collective influence on potential Pacific-wide cooperation.

Against this background, there was ever-wider consensus that some form of regional institution involving policy-makers from the region had become desirable and that it needed to be considered soon. Statements about the scope for greater economic cooperation were coming from many parts of the region. Some of these statements were enthusiastic; some were wary. While there was willingness to consider a potential institution, there was certainly no consensus about the potential nature of such an institution, which economies would participate and who would represent them.<sup>2</sup>

In Japan, the Pacific Community concept received official support from Prime Minister Ohira, who initiated a study group which submitted an interim report in 1979 and its final report in 1980.<sup>3</sup> That report gave most attention to trade, investment, energy and minerals, food production and supply, marine resources and development assistance. The authors called for the creation of common bonds through overcoming cultural diversity, which could facilitate and increase confidence in longer-term economic contact around the Pacific. The interim report recommended that an international

symposium be convened, involving respected individuals from Pacific economies, to discuss options for ongoing cooperation. As noted by Terada (1999: 219), this proposal was later merged with the proposal for the Canberra Seminar.

The United States Congress had commissioned and received a report by Peter Drysdale, from Australia, and Hugh Patrick, from the United States. That report (Patrick and Drysdale 1979) recommended the establishment, not necessarily immediately, of an Organization for Pacific Trade and Development (OPTAD). OPTAD was to be a formal intergovernmental organization, albeit with minimal formality or bureaucracy. It was expected that it would commission research on freer trade, structural adjustment, regional development financing, direct foreign investment, resources, energy security and trade with non-market economies.<sup>4</sup>

In ASEAN, Thailand's Deputy Prime Minister, Thanat Khoman, was the most enthusiastic proponent of Pacific-wide cooperation. He believed that such cooperation could succeed despite wide disparities in development. Obstacles due to historical and psychological factors could be overcome, provided cooperation was non-exclusive, drawing in anyone willing to accept the principles and share the purposes of a potential Pacific Community. He thought it could draw on the

<sup>2</sup> Many of these views can be found in the readings prepared for participants in the Canberra Seminar. The readings were later published in Crawford and Seow (1981).

<sup>3</sup> See Pacific Basin Cooperation Study Group (1980). Chapter 9 of this volume, by Hugh Patrick, elaborates on Prime Minister Ohira's contribution to the concept of Pacific economic cooperation.

<sup>4</sup> Terada (1999: 220–224) describes the genesis of the OPTAD proposal and the United States Congress hearings on the concept held by the Sub-Committee on East Asia and Pacific Affairs of the Committee on Foreign Relations. These hearings, held on 12 July 1979, were chaired by Senator John Glenn. Hugh Patrick, Richard Holbrooke and Larry Krause gave evidence in support of OPTAD.

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experience of ASEAN, without seeking to imitate it or overshadow it. By contrast, Mahathir Mohammed, then Malaysian Deputy Prime Minister, was rather skeptical of the need for, or the viability of, region-wide cooperation.

Comments from many sources identified a long list of sensitivities that would need to be handled carefully on the way to Pacific-wide economic cooperation. These included:

- the awareness of wide cultural and ideological differences among potential participants with vastly differing populations, geographic size and economic strength;
- the fear that new region-wide arrangements would weaken either ASEAN or the South Pacific Forum, which had been set up by Pacific island nations;
- the fear that any new institution could become dominated by the biggest participants, at that time the United States and Japan;
- the fear that the lack of diplomatic relations between various potential members would make it difficult to involve governments;<sup>5</sup>
- the difficulties of interaction between market economies and the socialist states of the region (against the background of confrontations between the United States and the Soviet Union; many potential participants including the members of ASEAN were committed to non-alignment with either);

- a strongly shared view that any new organization should deal with economic rather than military or security issues;
- a concern that any new formal organization could seek to impose binding obligations on sovereign states;
- a recognition that it would be difficult to include Taiwan or Hong Kong, two significant economies, but not nation-states, alongside the People's Republic of China; and
- awareness that any cooperation which sought to enhance economic ties among Pacific economies could lead to actual or perceived discrimination, which would cut across the region's overriding interest in a rules-based multilateral trading system.

The imperative to "hasten slowly" became the most resonant phrase among those hoping to create a structure for Pacific cooperation. While accepting the need to proceed carefully, they were also determined to keep exploring options which might be able to lead to mutually beneficial region-wide interaction, despite all these constraints.

In 1980 the Jakarta-based Center for Strategic and International Studies (CSIS) convened a conference in Bali to evaluate options and risks.<sup>6</sup> At that time, the OPTAD proposal was the option for Pacific-wide cooperation which had been articulated in most detail. In a letter to the Australian National University (ANU), Gough

<sup>5</sup> For example, at that time, several significant Pacific nations, including Indonesia and Korea, did not have diplomatic relations with China.

<sup>6</sup> The conference, held on 10–13 January, was titled "Asia-Pacific in the 1980s: toward greater symmetry in economic interdependence".

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Whitlam, a former Prime Minister of Australia, commented as follows on the outcome of the Bali Conference:

The general view was that the structures suggested by Patrick and Drysdale were too formal at this stage and that the arguments for U.S. leadership, however necessary to persuade Congress, were too pointed to persuade other countries.

But the overall consensus was to attempt something. The summary record of the Bali Conference included draft terms of reference for a CSIS-supported Steering Committee to consider progress.

Perhaps the most influential advocates of taking some initiative were Saburo Okita, Japan's Foreign Minister in 1979 and early 1980, and Sir John Crawford, the Chancellor of the ANU. Both of them had long and distinguished experience in promoting domestic as well as international economic development. They had commended the OPTAD proposal to their governments, but had decided not to pursue the establishment of such a formal entity for the time being. They decided to find a way of bringing together a group of people to think through the challenges and opportunities. They were able to rely on long-standing and strong ties between Australian and Japanese leaders – between Prime Minister Ohira and Okita, Okita and Crawford and Crawford and Prime Minister Malcolm Fraser.<sup>7</sup>

Meanwhile, in late 1979, Okita had asked Crawford whether the ANU would host a seminar to consider options for fostering a Pacific Community. Crawford replied:

Yes, provided the two Prime Ministers do not attempt to give me instructions about it.<sup>8</sup>

Both Crawford and Okita approached their governments on this basis, and Prime Minister Fraser raised the concept with his counterpart when he visited Japan. That cleared the way for a decision to convene the Canberra Seminar. When Prime Minister Ohira visited Australia in January 1980 and met again with Fraser:

.. they agreed that the Pacific Basin Co-operation Concept represented a significant longer term objective and expressed their intentions to pursue it further, on the basis of a broad regional consensus. They observed that a series of non-governmental seminars arranged by academic or similar institutions within the region would be an important means of developing the concept.<sup>9</sup>

At the same time, Okita visited Crawford and Drysdale at the ANU seeking their agreement to host the Pacific Community Seminar there.

### The Road to Canberra

The Australian government formally invited the ANU to convene a seminar later in 1980. That sparked eight months of intensive, careful

<sup>7</sup> Nagatomi (1983), cited in Terada (1999: 203–204).

<sup>8</sup> Handwritten note by Sir John Crawford, dated September 1980, now in the Australia–Japan Research Centre (AJRC) archives.

<sup>9</sup> Report of Ohira's visit by the Prime Minister's office, now in the AJRC archives.

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preparations. Peter Drysdale and Ross Garnaut were the core of a small group at the centre of region-wide preparations under Crawford's leadership.<sup>10</sup>

Without pre-judging eventual participation in subsequent cooperation, it was decided to invite the main market economies from North America and the western Pacific – namely the members of ASEAN, South Korea, Japan, Canada, the United States, Australia and New Zealand – along with representatives from the Pacific island nations.

Between them, Crawford, Drysdale and Garnaut visited all of the economies to be invited in order to explain the purpose of the seminar, listen to suggestions about the nature of the discussions that should be encouraged, consider who might attend, and extend formal invitations to foreign ministers to nominate official participation. The Australian Department of Foreign Affairs helped to set up meetings for the team. Many of those visited, including some ministers, had been associated with PAFTAD and PBEC.

Crawford's consultations in ASEAN confirmed positive interest in an unofficial seminar to explore further the various proposals for a potential Pacific Community. Thanat Khoman was positive, as expected, while Mahathir felt that ASEAN was being unduly pushed. In Indonesia, Jusuf Wanandi, the head of CSIS,

suggested that officials be invited in a private capacity. In the United States, an invitation to nominate a US official participant was extended to Secretary of State Vance through the Deputy Secretary of State for Economic Affairs, Richard Cooper. The main interlocutor was Richard Holbrooke, then Assistant Secretary of State for East Asian and Pacific Affairs. There is no room in this volume to summarize all the highlights of hundreds of records of conversation, but they will provide invaluable material for historians.

Other economies with a potential interest, including China and Latin American Pacific economies, were kept informed. China was positive and relaxed about not participating in the initial seminar.<sup>11</sup> PBEC was also consulted. In May, Prime Minister Fraser foreshadowed the Canberra Seminar in his speech to the plenary meeting of PBEC in Sydney. It was agreed that PBEC and PAFTAD would be asked to send observers to the seminar.

The media were also informed. An article in the *Australian*, just before the seminar, was based on an interview with Drysdale. He explained that the seminar was highly informal, with officials there in a private capacity, and that none of the participants considered that any discriminatory trading arrangement was necessary, feasible or desirable. Nevertheless, foreshadowing decades of misunderstanding of PECC and, subsequently, APEC, the article was captioned "Diplomats to discuss Pacific trade bloc".

<sup>10</sup> Drysdale and Garnaut, and later Seow and others, volunteered considerable time and effort. Meticulous records of correspondence and the logistics were kept. Some gems include the estimated cost of lapel badges (35c each) and a plaintive note from the Registrar to the Chancellor that extra chairs in the meeting room in the Chancery might damage the newly polished floor.

<sup>11</sup> The Chinese Geographical Association prepared a think piece in July 1980 which expressed the following sentiments: "let there be a community, but do not seek a common policy" and "it would be desirable to commission a work programme for mutual benefit".

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After completing the first round of consultations, it was possible to define the structure of the Canberra Seminar, as described in an “Agenda Memo” which Crawford sent to potential participants in early August 1980. This stressed that the Seminar would discuss options but that no particular outcome was to be sought.<sup>12</sup>

There were to be three participants from each economy. One would be nominated by each of the governments involved, but would participate as a freely-speaking member, in a personal capacity. The ANU selected the other participants, with a view to attracting senior private sector representatives as well as academics with a long-standing interest in economic development and integration among Pacific economies. They included some known to be skeptical of the Pacific Community concept. Eight of them, none from Australia, were asked to prepare short opening statements for the first four sessions.

There were to be four sessions over two days, to discuss motives, constraints and options for cooperation, followed by a review session. To facilitate frank discussion, these sessions were to be closed. A public forum was scheduled for the following day to inform the public and the diplomatic community based in Canberra.

### The Canberra Seminar

The Seminar was held on 15–17 September

1980, chaired by Crawford, assisted by Garnaut. The officials who participated included some very senior people, notably Thanat Khoman, Richard Holbrooke and Saburo Okita.<sup>13</sup> Mekere Morauta – then Secretary for Finance, subsequently Prime Minister, of Papua New Guinea – represented the Pacific island nations. In a subsequent address to the East–West Center in Honolulu, Crawford commented<sup>14</sup> that these officials played their expected role:

...expressing their own views, but occasionally helping by explaining the official policies of their governments in recent years.

Several senior business executives attended, some of whom had participated in PBEC, including Eric Trigg from Canada, David SyCip from the Philippines, Richard Wheeler from the United States and Sir James Vernon as an observer on behalf of PBEC.

The seminar participants and observers are listed in Appendix 2.1. They included several people who later took up ministerial or vice-ministerial posts in their governments and some who later became senior business executives. Narongchai Akrasanee, from Thailand, became both at the same time. As Stuart Harris has often remarked, there are a lot of tripartite people in the Pacific region.

Salient points from the sessions include the following.

<sup>12</sup> See Terada (1999: 244–245).

<sup>13</sup> Following the death of Prime Minister Ohira, Okita had stepped down from his role as Foreign Minister to become Ambassador Extraordinary, looking after Japan’s foreign and external economic interests.

<sup>14</sup> Address given at the East–West Center, Honolulu, 24 September 1980.

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### Session I:

#### What are the forces promoting the growth of the Pacific Community idea?

The opening statements from the Canberra Seminar have been published in Crawford and Seow (1981). Dr Don Brash, from New Zealand, remarked on the recent integration and growth of Pacific economies, noting that while they are highly interdependent there is also “occasional indifference shown by Pacific Countries to other Pacific countries”, indicating that some structure for consultation and cooperation was, indeed, desirable.

In his opening statement, Dr Hadi Soesastro, from CSIS Indonesia, stated that any community needs to share a common objective and agree on the means of realizing this. He said that it could not be assumed that interdependence necessarily led to shared objectives, raising the question “Are we happy to be interdependent?” He noted that much work would be needed to socialize the idea of Pacific cooperation and that “More communication and contact among the people of the Pacific is one useful beginning.”

The chairman summed up the subsequent discussion, noting that all participants were conscious of enormous diversity, including in economic strength. He said that the Pacific Ocean was not itself a unifying factor, but there was a distinct group of economies around the Pacific which were being rapidly integrated by market forces. He noted that the membership of this group lent itself naturally to dialogue among developed and developing economies.

There was agreement to look for cooperation from which all could gain. The North–South terminology was in vogue at the time, and

seminar participants suggested that one aim of cooperation should be to ensure that the South received a “better deal” in order to narrow existing disparities.

### Session II:

#### What are the issues for substantive cooperation?

Professor Han Sung-Joo, subsequently Foreign Minister of Korea, was not convinced that anything really new was needed. He stated that Pacific cooperation should be consultative and should stick to economic issues, leaving culture and politics for elsewhere. Some aspects of the European Economic Community (EEC), the Organisation for Economic Co-operation and Development and ASEAN could offer guidance for the nature of cooperation, whose objective should be to achieve more rational cooperative relations, instead of relying on unilateralism or bilateralism.

Dr Laurence Krause, from the United States, noted the existence of divisive forces and some insularity, including in both the United States and Japan. He thought it would be desirable to add a government dimension to what is covered by PAFTAD and PBEC, recommending that governments of both developed and developing economies be involved. Creating and disseminating information on sectors such as energy, agriculture and fisheries could serve to identify opportunities for substantive, mutually beneficial cooperation. Krause urged commitment to an evolutionary process, whose purpose was “nothing less than the reinforcement of the forces promoting peace and economic prosperity”.

Crawford noted that, by the end of the second session, a long list of issues were seen to deserve attention and the discussion had drawn



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out the nature of cooperation needed to deal with them. There was firm agreement to avoid military security issues, because participants believed that there were no early prospects of easy options for Pacific-wide cooperation on those matters.

### Session III:

#### Which countries are interested to participate and in what form?

Professor Amado Castro, from the Philippines, suggested some criteria for membership – in particular, that participants should be in the Pacific and have substantial dealings with each other. That could include China, Russia and Latin America, raising the question of whether members should be market economies.

Professor Castro said that cooperation should add to the strength of ASEAN and should avoid North–South polarisation. It might be practical to commence cooperation with restricted membership but, like ASEAN, remain open to others who subscribe to the objectives of the potential community. Professor Castro agreed with Larry Krause that any organization should not be a negotiating forum, but should look for substantive results.

Professor Seizaburo Sato, from Japan, also endorsed the idea that the envisaged Pacific Community should “be loose and relatively unstructured, but practical and purposeful”. He thought that a steering committee would be useful to sustain momentum and to manage the work of task forces on some of the issues which had been identified in the preceding sessions. In order to be effective, he recommended:

While this standing committee would be unofficial and informal in nature, its members should be persons of influence on governments.

### Session IV:

#### What steps could be taken?

In opening the fourth session, Dr Snoh Unakul, from Thailand, was able to state that participants had agreed they wanted to translate the basic concept into “practical realities” and that, while a formal organization was premature, it should not be ruled out forever. He suggested allowing two years to develop a proposal for what kind of organization might make sense. He endorsed the concept of a tripartite standing committee (government officials in a private capacity, researchers and business people), backed by a small secretariat. He suggested that the committee could set up some task forces and look at organizational options with a view to another meeting in two or three years.

Eric Trigg, from Canada, noted that the region was already quite integrated without any institutions. Therefore, he said:

Any new steps should be careful, to reinforce positive trends, while gradually eliminating the negative points, whether they are investment barriers or political uncertainties.

As a leading member of PBEC, Eric Trigg emphasized the need to keep the private sector involved.

Professor Kiyoshi Kojima, who observed the meeting on behalf of PAFTAD, later recalled (Kojima 1990) that some skeptical, cautious and critical views, mainly from ASEAN, had dominated the opening session. But the mood changed after Vernon, Khoman, Okita, Holbrooke and Snoh expressed support for some form of Pacific organization. The mood then became ever more optimistic on the second day, with Khoman proposing to host a follow-up seminar in Thailand.

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### Summing up

Crawford summed up the main points of agreement emerging from the preceding discussions in the following terms.

There was agreement that some ongoing cooperation should be promoted. The nature of any organization was expected to take shape over time, rather than being decided immediately. Moves towards economic cooperation in the Pacific should proceed by hastening slowly and respecting existing organizations, especially ASEAN and the South Pacific Forum.

It was also agreed that the private sector was the main contributor to growth, leading to the increasing global significance of the Pacific region and to interdependence which was already creating some sense of community. At the same time, Crawford noted:

..there were important problems in the economic relations of Pacific countries which blocked the full realisation of the region's potential for productive economic exchange.<sup>15</sup>

These problems stemmed from inadequate mutual understanding, racial, cultural, linguistic and ideological differences and disparities of economic development.

Potential tensions which could disrupt current mutually beneficial trends were being generated. They included:

- uneven sharing of the benefits from economic growth;

- the rise of Japan, the emergence of ASEAN and the beginning of "opening to the outside world" in China;
- the need for continuous structural adjustment to cope with change and new sources of competition;
- growing protectionist pressures in some economies; and
- increasing regionalism, particularly in Europe.

It was agreed that some institutional arrangements to promote consultation, including among governments, would help manage these problems. While existing forums and institutions provided a base, it was not possible to rely on existing forms of cooperation. Nor could the nature of any future structure imitate any other form of regional cooperation.

There was certainly no desire to emulate the EEC: such a formal organization that imposed binding conditions on members was neither feasible, because of diversity, nor desirable, since European cooperation was inward-looking. Seminar participants preferred an organic, evolutionary approach, and rejected any form of cooperation which would discriminate against non-members. Crawford noted:

...the wise have already said no support for building a discriminatory trading block in the Pacific along European lines and I hope we can put peace to that.<sup>16</sup>

<sup>15</sup> From Crawford's opening statement to the last session of the Canberra Seminar.

<sup>16</sup> From Crawford's opening statement to the last session of the Canberra Seminar.

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It was agreed that any future organization should have a loose, non-bureaucratic structure, with all members taking part on an equal footing. Membership should remain open-ended, so there was no immediate need to decide who should participate.

Appendix 2.2 shows the full list of recommendations.

Substantive cooperation was to focus on issues with potential for all-round benefit; particularly on issues which were not being managed effectively, and were not likely to be managed effectively, either through bilateral consultations and negotiations or through established multilateral mechanisms.

Crawford proposed that the first goal of evolution was to build tripartite arrangements which were “loosely structured but purposeful”. He said that it was also desirable to launch some substantive work to define issues and potential interests without pre-commitment to a formal organization. It was agreed that any steps taken would be interim in nature. Crawford (1982) urged that any such actions:

.. no matter how long or how briefly they last, should have a value in themselves, should produce worthwhile results regardless of the ultimate outcome of the movement toward a permanent form of inter-governmental organisation.

The main recommendation was to establish a tripartite standing committee of about 25 people,

initially drawn from the economies represented at the seminar. The committee was to coordinate an expanded exchange of information, to set up task forces to undertake major studies and to explore the nature of a possible permanent institutional structure for Pacific cooperation.<sup>17</sup>

It was agreed that any task forces should be open to people and nations around the Pacific who had a direct interest in the topic concerned, rather than being restricted to the countries invited to the Canberra Seminar. Finally it was agreed that the chairman was to report to governments. An aide memoire summarizing the meeting and its recommendations was sent immediately to all interested governments.

### After the Seminar

The mood directly after the seminar was upbeat. There had been a remarkable convergence of views and a willingness to take further, careful exploratory steps. Just a few days afterwards, Crawford began his debriefings in Hawaii. In a 50-minute speech he conveyed the spirit as well as the substance of what had happened in Canberra.<sup>18</sup> He commented that the structure of the seminar had:

... impressed itself so much on the members that it was part of their recommendations for ongoing activities.

A little later Dr Mark McGuigan, Secretary of State for External Affairs, Canada, described

<sup>17</sup> Appendix 2.2 lists the task forces recommended at the Seminar. Subsequently, as discussed below, four task forces were commissioned in 1982.

<sup>18</sup> In an address given at the East-West Center, Honolulu, 24 September 1980.

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the possible eventual shape of the community expected to emerge as:

... unique in human experience, possibly more a multi-layered and informal mix of associations and linkages, than a formal inter-governmental organization in any classical sense, with different groups of countries participating in different activities.<sup>19</sup>

Subsequent reactions were more cautious. “Hasten slowly” was still the watchword. ASEAN governments needed time to consider and needed to be assured that a potential Pacific Community was not going to weaken ASEAN, or be caught up in big-power games.<sup>20</sup>

In a letter to Indonesian Foreign Minister Mochtar Kusumaatmadja, on 21 May 1981, Crawford gave an assurance that the Seminar’s conclusion was that the “time was not yet ripe for a formal inter-governmental body in the Pacific”, while noting that “co-prosperity spheres are more likely to flourish in the absence of the Pacific Cooperation Committee” and encouraging the convening of a second seminar somewhere in the ASEAN region.

In early 1981 CSIS hosted a workshop to consider “ASEAN and the Pacific Community Idea”. By May 1981, the previously cautious Wanandi was a supporter and was preparing position papers for ASEAN ministers. The report of a meeting of a Pan-Pacific Community

Association’s Planning Session at the East–West Center noted that some in ASEAN were in favor of an eventual inter-governmental organization.

The Pacific Community concept was discussed at the June 1981 dialogue between ASEAN and its dialogue partners. Terada (1999) reports that there was little debate on the Pacific Community concept and an indifferent reaction towards it. Nevertheless, a consensus on the need for some follow-up emerged gradually.

Thanat Khoman informed Okita that he was willing to host a second meeting in Bangkok. That meeting was held on 3–5 June 1982. The Bangkok Seminar agreed to an institutional framework including the establishment of the International Standing Committee responsible for organizing the next conference; Ali Murtopo, the Indonesian Minister for Information, offered to host such a further “non-government” meeting in 1983.

Four task forces were established to study options for cooperation in trade in minerals and energy; trade in other primary products; trade in manufacturing; and investment and technology transfer.

The name “A Pacific Economic Cooperation Conference” was agreed and the Canberra Seminar then took its place in history as PECC I.

<sup>19</sup> From a letter to Crawford of 21 January 1981, now in the AJRC archives.

<sup>20</sup> People from ASEAN raised these concerns in a constructive way. By contrast, a histrionic commentary, by Vselovod Ovchinnikov, in *Pravda*, 18 November 1980, describes the recommendations of the Canberra Seminar as “Rimpac”, a potential alliance which would become a new form of neocolonialism and a weapon for enslaving the developing countries by the industrialized powers of the region.

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### Appendix 2.1 Participants and observers at the Pacific Community Seminar, Australian National University, 15–18 September 1980

#### PARTICIPANTS

##### Chairman

Sir John Crawford  
Chancellor,  
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assisted by Dr Ross Garnaut

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Professor A. Castro  
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Mr David SyCip  
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Professor Kernial Sandhu  
Director,  
Institute of Southeast Asian Studies

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### Appendix 2.2 Recommendations of the Pacific Community Seminar, Australian National University, 15–18 September 1980

- A standing committee of about 25 persons be established to coordinate an expansion of exchanges of information within the region and to set up task forces to undertake major studies of a number of issues for regional cooperation. The Committee, which could usefully be called the Pacific Co-operation Committee (PCC), will be unofficial, private and informal. The Committee would advantageously have a designated contact institution in each country. The Committee should include a mixed group of business, academic/professional, and government persons of considerable authority. The Seminar noted, in this context, the contribution of Dr Thanat Khoman, Dr Okita and Mr Holbrooke to its own deliberations.
- The Committee would require secretarial assistance. An existing institution would be invited and assisted to provide support for the Committee.
- That a prime responsibility of the Pacific Co-operation Committee would be to establish task forces in agreed areas to explore substantive issues for regional economic cooperation, to review their reports and transmit them to governments with such comments as they may wish to make. The Committee would also usefully continue the exploration, begun in this Seminar, of a possible future permanent institutional structure for Pacific cooperation.
- That the members of the Committee be drawn initially from North American and Western Pacific market economies represented in this Seminar.
- That participation in each task force may sensibly involve countries of the wider Pacific region who were interested in and shared the objectives of the exercise.
- That the first meeting of the Committee should take place in the next southern autumn (northern spring).
- The Committee would be responsible for the organisation and timing of future seminars around its own and task force activities, the first of which would take place within two years from now.
- That the Committee establish task forces to undertake studies and to report to it upon some of the following issues:
  - Trade (including market access problems and structural adjustment associated with industrialisation in the developing countries).
  - Direct investment (including guidelines for investors and harmonisation of foreign investment policies).
  - Energy (including access to markets, assurance of continued supply, alternative forms, conservation and research exchanges).
  - Pacific marine resources.
  - International services such as transportation, communication, and education exchanges.
- In the work of the task forces, we would

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expect considerable support from established research institutions.

- That an existing institution or institutions be strengthened to:
  - facilitate an enhanced exchange of information among the various private bodies concerned with regional affairs, including business sector organisations such as the Pacific Basin Economic Council (PBEC).
  - provide a basis for continuity in the activities for the Pacific Trade and Development Conference amongst Pacific scholars.

### **Final Recommendation:**

- That the Chairman of the Seminar when he reports to governments on this Seminar should advise interested governments on arrangements necessary to establish the Pacific Co-operation Committee, secretariat and questions on funding, including their need to consult with non-governmental groups.