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### SESSION III — POLITICAL AND SECURITY ISSUES IN THE ASIA PACIFIC REGION AND INTERNATIONAL SITUATION

**CHAIRMAN**—Delegates to the 8th Annual Meeting of the Asia Pacific Parliamentary Forum, I open the third plenary session and welcome you all here with, as always, a particular welcome to our President, His Excellency Mr Nakasone.

Delegates, if you would just bear with me for a couple of minutes, I would like to read to you my impression of the proceedings yesterday. The proceedings are already fully documented in the proceedings booklet, which you will have, but I want us all to be able to agree early in the conference where we are at, what resolutions we have passed and what we still have to deal with, so that we know precisely where we are on this, the second day.

We started yesterday on the business agenda, with a discussion on agenda item 1, Political and Security Issues in the Asia Pacific Region and the International Situation. We heard a report from Singapore, and we discussed the 6th ASEAN Regional Forum. We then discussed subregional issues, starting with East Timor. Draft resolutions on this matter by Canada and Japan are being consolidated by those countries for return to this plenary for further discussion and consideration today. After a discussion on issues concerning the Korean Peninsula, we discussed nuclear and missile proliferation in the Asian region. Draft resolutions on this topic were submitted by Japan, Australia, Peru and the Philippines. These were subsequently consolidated into one resolution, agreed to by all four countries. This joint resolution was put to the plenary and agreed to by acclamation at about 4.10 p.m. yesterday. We had earlier, at about 3.35 p.m., agreed by acclamation to a resolution from Canada on the peaceful agreement reached by the governments of Peru and Chile.

The plenary also discussed an Australian resolution on regional peacekeeping, and we await the results of consultation between Australia and Indonesia, and perhaps others, to reconsider a joint resolution on this matter. After a discussion on Kosovo, we deferred discussion on two resolutions submitted by Peru, because of the unavoidable absence of the leader of the Peruvian delegation. The New Zealand delegation leader reported on outcomes of the APEC Leaders Meeting in September 1999, and then delegations began discussing the economic situation in the APPF member states. The United States delegation submitted a draft resolution on global trade and indicated that a number of member countries had indicated that they wished to work with the US delegation to submit an amended joint resolution on this subject. We await this revised draft.

The Deputy Chairman, Senator Margaret Reid, advised me that the following countries were on the speakers list awaiting the call on agenda item IIA(2), Economic situation in APPF member states and their efforts towards economic recovery, when she adjourned the second plenary session at the close of business yesterday. Those countries were China, Singapore and Canada. Subject to the agreement of the plenary, I now propose to return to agenda item IC(2) to consider the two Peruvian resolutions and then to follow the agenda seriatim. Before I do, however, I seek comments from delegations on the accuracy of my understanding of the progress of this annual meeting to date. Do delegates agree that we have passed resolutions on the matters I have outlined – nuclear issues and the peaceful agreement reached by the governments of Peru and Chile? If there is no disagreement, I will invite the delegation from Colombia to address the forum.

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**COLOMBIAN DELEGATION**—In accordance with the conversations that we had with the Australian delegation yesterday, and with the backing of the Latin–American delegations, we would like you to consider and adopt as an independent resolution the resolution on the support that the APPF is giving the Colombian peace process. We have already registered it with the secretariat as an independent resolution, and we would be very thankful if this session could consider the resolution of Colombia.

**CHAIRMAN**—Perhaps I should have indicated to the meeting that the only reason I had not reported on the Colombian resolution was that I had been discussing it with President Nakasone and we were about to put a proposal to Colombia on the way it could be dealt with. The proposal was not to exclude the resolution but to consider a way, by consensus, that it could be dealt with. I discussed that with President Nakasone last night and intended to relay it to you later today. So that matter has not been lost.

If there are no other matters and if everyone agrees that that is a synopsis of what has happened, I will proceed as indicated and call the representative of the delegation from Peru to discuss their draft resolution on the protection of intellectual property rights relating to the traditional knowledge of local and indigenous communities. In the process, I will hand the meeting to the Deputy Chairman, Senator Reid.

### **International Issues—Others**

**PERUVIAN DELEGATION**—It has now been a while since the international community and countries around the world got used to dealing with issues relating to intellectual property. Issues relating to intellectual property have mainly come about from technological developments and other intellectual property which developed countries have eagerly tried to protect — and rightly so. In our country we believe that intellectual property must be considered a property like any other and must be protected. This is why the Uruguay Round of multilateral trade negotiations in 1986 and the ongoing evolution of this subject in the WTO framework have been based on a view of economic and technological development that recognises intellectual property as a necessary ingredient and an essential prerequisite for achieving the developmental goals of global trade.

There is, however, another type of intellectual property rights that must also be protected, and that is the one that comes from the traditional knowledge of ethnic and indigenous communities. This is why the Peruvian delegation is proposing a resolution that recognises the importance of intellectual property relating to the traditional knowledge of ethnic and indigenous communities. We are inviting the Asia–Pacific region to undertake measures aimed at passing legislation which will ensure recognition and protection of intellectual property rights relating to the traditional knowledge of ethnic and indigenous communities in their respective countries.

Last night, Madam Deputy Chairman, at the wonderful reception given by you and Speaker Neil Andrew, we saw an extraordinary performance by a musical group which performed Aboriginal and ethnic music. Mr Andrew emphasised how, during his youth, the importance of Aboriginal and ethnic groups had not been considered and how he himself felt responsible for that. My feeling intensified that this resolution we are proposing today will probably start to provide a way for an understanding of the importance of these intellectual property rights.

The indigenous knowledge is the production of elements characteristic of the traditional community patrimony constituted by their group of literary or artistic work, technological

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knowledge, chemical knowledge and therapeutical plant knowledge created in the indigenous territory by unknown or unidentified authors, presumably nationals, which is transmitted from generation to generation and which reflects the artistic and literary expectations of a community.

Madam Deputy Chairman and distinguished colleagues, there have been cases where researchers have entered indigenous communities and benefited from the information provided without properly compensating them for the large economic benefits they get. Actually, they have conducted no research, but they have taken indigenous knowledge directly from the native people. In general, traditional knowledge may be the subject of commercial profit once it has been patented as belonging to someone, as a trademark, commercial logo, invention patent, et cetera . This area must be regulated in the sense that no registrations of trademarks or elements of them may be permitted. The words, letters, characters or signs being used by indigenous religious communities and other non-profit associations, in order to distinguish processing final products or services as well as those constituting the expression of the occult, idiosyncrasies or religious practice, save the application being filed for their benefit, must not be allowed for registration.

This is the case in many countries in Latin America, and I know it is the case in many other parts of the world. This is why, colleagues, we are proposing that this resolution be adopted. I must say, Madam Deputy Chairman, that the resolution has been reviewed by the Chinese Delegation, which has suggested certain changes that have already been incorporated in the draft resolution, revision 1. Further, I must state that the Papua New Guinea Delegation has also proposed certain provisions. Madam Deputy Chairman, after I have finished my presentation, you may wish to give the floor to the representative from Papua New Guinea, who is proposing an addition to this resolution that the Peruvian Delegation wholeheartedly accepts. This is our presentation, Madam Deputy Chairman. Thank you very much.

**DEPUTY CHAIRMAN**—Thank you, Peru.

**PAPUA NEW GUINEAN DELEGATION**—Madam Deputy Chairman, the delegation from Papua New Guinea strongly supports resolutions Nos 11 and 12 from the Peruvian Delegation. My colleague will now speak to the resolutions.

**PAPUA NEW GUINEAN DELEGATION**—The resolutions from Peru on the protection of intellectual property rights relating to traditional knowledge of indigenous communities and protection of cultural goods is very important to our small nation of Papua New Guinea. We have only 4.5 million people, but over 800 languages, an immense cultural diversity and a store of ethnoscience that is still unrecorded. Some of the empirical scientific knowledge is in danger and some has been lost forever; yet, it could serve our nation well in modern times and could even serve humanity in the future. For example, two years ago in Papua New Guinea we were severely affected by drought, and many friendly neighbouring nations came to our aid. People lived on foreign-donated rice as a first resort rather than as a last resort. All tribes in Papua New Guinea have traditional survival techniques, which should have been used as a first resort, and some of these techniques are actually in danger of being lost. Presently, the SBKH Institute is undergoing research on betel nut chewing and hypertension and cardiac arrest. It has been presented at an international forum and could later prove quite useful in scientific development.

As well as traditional knowledge, cultural goods must be protected and, when appropriate, retrieved from their country of origin. A lot of the early history of Papua New Guinea is in museums and libraries in Britain and Germany. Even today there is little protection from exploitation when artefact dealers travel to remote areas to stock their stores. Indigenous artists and crafts people are rarely given the recognition they deserve and, unfortunately, some styles of tourism devalue their talents and are exploitative in nature. Unfortunately, poverty often negates the chance of fair

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negotiation and recognition of talent. At the least, within our region, we can give mutual respect as it is due to each other.

The addition that we have suggested to the Peruvian Delegation is to do with protection of our environmental biodiversity. There is a need to selectively develop the unexplored potential of environmental biodiversity. Unrecorded species of flora and fauna are still being discovered in the vast forests and surrounding waters of Papua New Guinea, the land of the last unknown. Their scientific potential is largely unknown. Property rights and commercial benefit from any important discoveries must be ensured for the home nation. The ethno-medical knowledge in Papua New Guinea is not systematically documented.

The past can give us our footprints to the future. In Papua New Guinea some of the footprints are disappearing. They must be recorded before it is too late. This is a task that could be made easier with regional cooperation and exchange in technical skills, because often we are lacking the skills and expertise to do this. Once recorded, these footprints must be protected from commercial exploitation by more powerful forces.

The Papua New Guinea Delegation strongly supports the draft resolution from Peru.

**COLOMBIAN DELEGATION**—The delegation of Colombia would like to join the delegation of Papua New Guinea in supporting the draft resolution submitted by Peru on the protection of intellectual property rights relating to traditional knowledge of local indigenous communities. We would call upon this community of the Asia–Pacific to recognise the importance that the Amazon Basin has. It is the lungs of the world. It is a world heritage area. Jointly with Peru, Brazil, Ecuador and Bolivia, Colombia has great richness of world biological diversity. Basically, one of the aspects that we must preserve in this 21st century — I am sure that the main theme is going to be environmental protection — is the consideration of biodiversity as world heritage, with the possibility that the countries that have this wealth because of the natural environment will have the opportunity of benefiting from that wealth and considering what the scientific advances have been in their own communities for their own benefit.

One of the difficult problems that we are faced with today — especially the less developed countries — with regard to globalisation is the preservation of cultural identity, a cultural identity that we see not only through music, art and customs, but also, as others have stated, through traditional knowledge of medicines obtained from flora and fauna species that I am sure could have much better healing powers than those produced in laboratories throughout the world today. That is why Colombia would like to fully support the possibility that at the world level we should preserve all of these ancestral principles and cultural identities as one way for the people of the world to maintain and continue with this process of globalisation and to maintain their own identity, the identity that gives us the possibility of living together in a world full of wealth but also full of differences — differences that are very creative, that could always join us for common goals.

Colombia therefore fully supports this draft resolution and sees as extremely important the proposal of Papua New Guinea to add to this draft resolution the topic of biodiversity as one way of protecting what in the future are going to be the resources of raw materials, the resources for medicinal plants and scientific research that will benefit all of humanity.

**SINGAPOREAN DELEGATION**—The Singaporean Delegation agrees with the Peruvian, Papua New Guinean and Colombian delegations that this is a very important subject. But, in view of the fact that the world community is still at a stage of trying to understand fully how traditional knowledge can fit into the present regime of intellectual property, we would like to propose certain

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amendments to the Peruvian draft resolution so as to obviate the need to pass legislation and to require instead a study of the subject by various countries.

**AUSTRALIAN DELEGATION**—Australia would certainly support the Peruvian motion. We think it is very important. I will not go on at length except to say that it is a matter that applies quite seriously in Australia as well. The artistic designs and the intellectual property of our indigenous people, the Aboriginal people and the Torres Strait Islander people – an example of which we saw at the dinner last night – are certainly under attack. There have been far too many instances where their intellectual property rights have been, to use a colloquial term, just ‘ripped off’. We do not believe that this should continue, and we support the Peruvian motion.

**CANADIAN DELEGATION**—The Canadian Delegation supports this draft resolution with some enthusiasm. From my perspective, this indicates a bit of a breakthrough. If the APPF passes this, we are saying that we acknowledge the very important contribution that indigenous cultures can make to our societies. We were reminded by the Chairman at the opening comments of this convention that, while European settlement in this area has been relatively brief, indigenous settlement in this area has been here for some time. I think all of us are well aware of the lack of attention that has been paid to the intellectual property associated with indigenous peoples. As we now approach the next millennium and we are all developing knowledge based economies, intellectual property becomes perhaps more important than ever before. And today, with the passage of this motion, we are saying that we also recognise the tremendous contribution that indigenous peoples and their intellectual property can make to our societies of the future. I think this is a very progressive draft resolution that has been brought forward by Peru, and I thank them.

**INDONESIAN DELEGATION**—Good morning, everybody. Intellectual property rights cannot be divided from human rights, so we believe that protecting the intellectual property of individual countries means also protecting human rights in those countries. Some are quite general to all, but some are quite particular. To achieve the objective, one might be supported by others or by their own people. In order to be able to protect the rights, powerful institutions are needed, such as social movements, organisations or a state, so that the freedom to govern is the same as the right to preserve the culture. Preserving culture – including religion, of course – is also the right of the government of the country.

Likewise, upholding property rights goes hand in hand with the upholding of not only human rights but also culture, and in upholding culture you have uphold the government as well. In other words, protecting property rights belongs to the protection of human rights, and the protection of human rights cannot be carried out without the protection of the government. The protection of the government should include protecting the rights of the citizens. In other words, when we are preserving property rights, at the same time we are preserving the rights of the government and the rights of their own people. So there are some which belong to general ideas and there are some which belong to very particular ideas for particular nations. We support the resolution.

**DEPUTY CHAIRMAN**—We are dealing with resolution No. 11, submitted by Peru, to which there is an amendment, accepted by Peru, from Papua New Guinea. I do not believe all delegates yet have a copy of that amendment, so it may be best to postpone dealing with the resolution until everyone has had a chance to see it.

**PERUVIAN DELEGATION**—Madam Deputy Chairman, I agree with your proposal. Allow me to thank the delegates of Papua New Guinea, Colombia, Singapore, Australia, Canada and Indonesia for their support for the resolution. We are already in consultation with the Papua New Guinea Delegation on the revision that they have proposed. The Singapore Delegation also has proposed a small change that we will be very happy to accommodate. So if you allow us, we will

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consider these changes and we will have a second revision distributed, at which time we will ask you to again ask delegates whether they approve the revised draft.

**DEPUTY CHAIRMAN**—Thank you. We will proceed in that fashion. We will now move to resolution 12, which is also submitted by Peru. I call Peru to present the resolution.

**PERUVIAN DELEGATION**—This proposed resolution is on a similar topic to the one we have just been dealing with. In this case it has to do with the protection of cultural goods. This is mainly related to archaeological remains of different sorts. In 1970, the United Nations Educational, Scientific and Cultural Organisation approved a convention on the means of prohibiting and preventing the illicit import, export and transfer of ownership of cultural property. Also, there is a 1972 UNESCO convention on the protection of the world cultural and natural heritage. Unfortunately, many countries — most specifically Peru — have been faced with the situation where unscrupulous people have dug up cultural remains, specifically pieces of an archaeological nature that correspond to museums in our countries. There have been cases, as has been stated previously by the delegate from Papua New Guinea, where some of the heritage of many countries is exhibited in other museums around the world, and these things have been taken out in the form of contraband. We believe that this organisation should emphasise the fact that we must promote the adoption of a regional consciousness and awareness of the need to preserve the cultural diversity of the people of the region through the implementation of different mechanisms and strategies that should be enabled by member states. We believe that the expropriation of this cultural heritage at the national level and the international level is contradictory to the reinforcement of cultural identity. So it is time that this organisation — as I recall, maybe for the first time — should emphasise not only the awareness but also the preoccupation that the Asia Pacific Parliamentary Forum shows for the protection of cultural goods. It is for that reason that the Peruvian Delegation proposes that colleagues consider this draft resolution and, hopefully, approve it.

**AUSTRALIAN DELEGATION**—I am pleased to be able to support this resolution from Peru. I would make the observation, for those who were not at last night's very enjoyable function, that we had a performance by Torres Strait Islander dancers, who are part of our indigenous population. Over the last 200 years — in excess of 200 years — indigenous Australians have found themselves and their lifestyles exploited by the colonialists. It has only been over recent decades that Australian consciousness has been raised to provide some protection for indigenous Australians against the exploitation of their culture and its appropriation by others. Indeed, there is now a very active exercise performed effectively by indigenous Australians to regain some of that lost heritage, much of which is exhibited in museums around the world. These indigenous Australians, with the support of non-indigenous Australians, have been making it their business to seek to repatriate artefacts from these museums which were in effect stolen from them over past years. It is extremely important that, while we can take great comfort in the fact that Australia has at last given some decent recognition to indigenous culture in this country, we have been responsible over 200 years for supporting its exploitation and its theft. Therefore, it is with great pleasure that I am able to support this Peruvian resolution and I would encourage all delegations so to do.

**DEPUTY CHAIRMAN**—We are dealing with resolution 12. It seems to have unanimous support. Would the meeting indicate that, perhaps by acclamation, if I have interpreted it correctly? Thank you. We will now shift the draft resolution on humanitarian assistance to 2B(5) on the agenda, which is the place where it fits most appropriately, and return to where we were yesterday afternoon.

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## SESSION II — REGIONAL COOPERATION IN THE ASIA PACIFIC REGION

### A — Stabilization of Economy and Further Promotion of Regional Cooperation in the Asia Pacific Region

(1) Asia Pacific Economic Cooperation (APEC) New Zealand Meeting - Report by New Zealand

**DEPUTY CHAIRMAN**—The United States had submitted a resolution to which Japan had indicated that it had a resolution which has now been submitted, draft resolution No. 25. While China is next on the speaking list, I will first ask Japan to speak to their draft resolution.

**JAPANESE DELEGATION**—I would like to explain the draft resolution proposed by the Japanese Delegation that was circulated at the end of the last session yesterday. As you are aware, the third ministerial meeting of the WTO was held in Seattle last year with a view to launching a new and forceful round of WTO negotiations from the year 2000. Japan has made every effort to launch a new round of comprehensive negotiations with the view that such a new round is important to maintain and strengthen the world multilateral free trade system. Unfortunately, no agreement was reached on the launch of the next round of negotiations because of major disparities between the members regarding some issues such as the areas of negotiations. As a result, the work was suspended and is to be resumed at an appropriate time in the future. Nevertheless, the role of the WTO remains vital in supporting the world multilateral free trade system. Its importance is expected to increase in the future, particularly as interdependence grows and globalisation plays its part in the international community.

Japan, for its part, believes that it would be essential for us to call upon the international community to continue the necessary work to launch the new round with a view to further developing the multilateral free trade system under the WTO. Though the draft resolution submitted by the Japanese Delegation includes a concise and powerful message calling upon all WTO members to launch a new round of trade negotiations at an early date, such a message was also included in the draft resolution submitted by the USA as a result of our discussion with the USA last night. Consequently, we would like to cosponsor an amended draft resolution on which some delegations have been consulting. Thank you.

**JAPANESE DELEGATION**—Deputy Chairman, thank you very much for giving me the floor. My name is Seiichi Ikehata. You heard the draft resolution presented by Japan and I would like to offer some remarks with respect to the Japanese draft. Recently, the WTO Seattle Ministerial Conference could not agree to the launching of the new round, as you all know. It was very unfortunate that there was no agreement. As far as Japan is concerned, we believe that the maintenance and strengthening of the multilateral trading regime is very important as a basis for the economic prosperity of the countries of the world. In order to attain that goal, it is very important that we make efforts to materialise the early launching of the round. Going forward, we would like to participate positively and constructively to the discussions to that effect.

As far as APPF is concerned, in order to launch the new round of negotiations of the WTO we need to transmit a very strong message. It is incumbent upon APPF to transmit a very strong message. I strongly hope that the related resolutions will be adopted at this general meeting. I believe the following are the reasons why the launching of the new round was aborted in the Seattle Ministerial Conference. Firstly, in areas such as agriculture, anti-dumping measures and labour issues, the positions of the contracting parties were very substantially different. Secondly, the WTO has become a gigantic organisation, with 135 member economies, and it was extremely difficult to have compatibility between efficiency and transparency in the management of the conference. Thirdly, there was not a substantial amount of consensus regarding the launching of the new round

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itself. I think the aforementioned three points were the reasons for the failure of the ministerial conference.

It is not an easy task to solve all these challenges. Nevertheless, I would like to reiterate the important role of the WTO in supporting the global multilateral free trading system. Speaking from that position, as far as Japan is concerned, we believe it is of extreme importance to cooperate with the people of the countries of the world so that we can launch, as early as possible, the comprehensive round of negotiations. I urge all the people concerned to adopt the draft resolution, reflecting the thinking that I have expounded in my remarks.

Lastly, may I conclude my remarks by sincerely wishing for the overwhelming success of the Sydney Olympic Games, which will be held from 15 September this year. Thank you very much.

**DEPUTY CHAIRMAN**—We are dealing with agenda item IIA(1), resolutions 19 and 25 and the speakers list I have at present is China, Canada, Korea and Australia.

**CHINESE DELEGATION**—I would like to take this opportunity to make some remarks on China's economic situation in 1999. In the just ended 1999, China realised its anticipated goals for the national economy on schedule. In accordance with a series of important guidelines and policies to promote economic roles enacted by the state, an active fiscal policy was implemented. China's economic initiative, which concentrated on reform goals for state owned enterprise and getting them out of difficulties within three years, has made positive progress in the context of controlling total output, restructuring, deepening reforms and improving efficiencies.

According to the statistics, GDP has reached \$US1,020 billion, growing by 7.1 per cent. Agriculture was steadily growing in the course of restructuring and industry has also maintained a steady growth, with the efficiency of enterprises greatly improved. Fixed assets investment was expanding: the fixed assets investment of state owned enterprises and other types of enterprises in the economy was estimated to have reached \$US265 billion, growing by 7.8 per cent.

Exports have also witnessed new developments, turning from losses to benefits in the second half of the year. It is predicted that the total export volume in 1999 will hit \$US195 billion, a 6 per cent growth over that of 1998. The imports volume totalled \$US165 billion. I must emphasise that these achievements have been made under the condition that China has announced it will not devalue the RMB. This policy of not devaluing the RMB has made positive contributions to the recovery of the Asian economy and we consider this far-sighted policy has been correct.

Market prices went down steadily. Estimated retail price decreased by 2.9 per cent and the consumption price fell by 1.3 per cent. So, in the new year of 2000, expanding domestic demand is still the primary task of macro-economic control policy in China. We will continue to implement a positive fiscal policy speed up and price reforms, and deepen investment system reforms to promote economic growth on the basis of economic restructuring, improving the quality of our products, and production efficiency.

We are confident about the prospects of China's economic development. As delegates from Thailand, Indonesia and Cambodia pointed out yesterday, after two years of hard struggle, the crisis-hit economies of some of the Asia-Pacific countries have bottomed out and are gradually recovering and moving in a good direction. This is encouraging development. Let us join hands and seize this opportunity. Let us strengthen mutual coordination and cooperation in light of our actual conditions and make unremitting efforts to promote all-round economic development.

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**DEPUTY CHAIRMAN**—Thank you to the United States and Japan for their contributions on resolutions 19 and 25. If any other countries wish to have some say in the actual wording of the resolutions themselves, then they may like to contact those countries. Under item II(A)(1) — resolutions 19 and 25 — the next speaker on the list is Canada.

**CANADIAN DELEGATION**—I would like to add a few brief remarks on resolutions 19 and 25. I would like to speak in support of both the Japanese and the American resolutions. As all delegates will know, Canada is a trading nation. Each day, we do more than \$1.3 billion worth of trade with our neighbour to the south alone — the United States. So of course we favour the US draft resolution on liberalisation in global trade. Three months ago our International Trade Minister, Mr Pettigrew, said the following —which clearly states Canada's position on WTO and trade:

Parliamentarians and citizens have told us that they support Canada's role in international trade talks, as long as they benefit Canadians as a whole, that they reflect our heritage of democracy and openness, and our ongoing quest for a just society.

He also said:

Canada's position is both forward-looking and balanced. Our economy is based on exports, and we must continue to press for increased access for our goods and services. At the same time, we will continue to safeguard Canada's vital social interests. ... For at least the last 50 years, Canada has been helping to write the international rule book, to emphasize rules, not brute power, as the key to international peace and order.

The real question is: what can APPF do? Yesterday morning, during the debate on North Korea, Mr Ozawa of the Japanese Delegation reminded us that we are a parliamentary group made up of various parties in our respective parliaments, and we should feel free to openly debate and discuss these issues that concern us. It was an invitation to flex our muscles. So what specific things can APPF do to push liberalisation of global trade and get WTO negotiations on agricultural services going once again? In some ways, APPF is like the parliamentary wing of APEC, and maybe this is a cause or an opportunity for APPF to show its colours and to unanimously and strongly urge APEC to invigorate its regional trade liberalisation initiatives, including early voluntary tariff liberalisation and enhanced transparency of trade procedures. Our collective voices — 109 official delegates — can I think make a difference. As Senator Roth said in his opening remarks: 'As legislators, we can play an important role.' APPF's strengths, as a regional institution, can do just that.

In the Japanese draft, there are a couple of clerical errors that they might want to look at. The word 'centred' in paragraph 1 probably should be 'central'. So when the Japanese and the Americans get together to produce one draft, they might want to look at that type of wording.

**KOREAN DELEGATION**—I would like to talk briefly about the economic situation in Korea. I have already given one copy of a report to each delegate. In November in 1997, Korea met with its worse national crisis since the outbreak of the Korean War back in 1950. Fortunately, we were able to successfully overcome the foreign exchange crisis of 1997, and the Korean economy has almost fully recovered.

Our foreign currency reserves, which amounted to a mere \$3.9 billion at the beginning of the crisis, have since grown to over \$70 billion as at the end of 1999 — the highest level ever recorded in our nation. Korea has also rebounded enough to fully pay back the entire amount of the urgent rescue loans that it received from the IMF at the height of the crisis. The real economy has also shown clear signs of recovery and our economic growth rate, which was minus 5.8 in 1998, exceeded nine per cent in 1999. It is all the more encouraging that despite this rapid recovery our interest rates, exchange rates and price indices have all remained very stable. Our rapid recovery has led international credit rating organisations to upgrade our national credit rating. At the beginning of 1999 these organisations deemed our economy to be fit for investment, and recently

Korea's credit ratings were raised even further. Above all, Korea's swift economic recovery was made possible by the successful reforms carried out in the financial, labour, public and corporate sectors.

The National Assembly and the government of the Republic of Korea realised that the fundamental cause of the financial crisis was that our economic structure did not allow the principles of a market economy and democracy to flourish. On the foundation of democracy in a market economy we have engaged in consistent efforts to reform the financial, corporate and public sectors of our economy as well as our labour markets. In the financial sector our reforms focused on restructuring and attaining financial soundness. The government minimised its interference in the financial sector by guaranteeing full autonomy over the management of financial institutions while enforcing only these regulations that serve to enhance the soundness of such financial institutions.

The government's efforts to overhaul our financial systems have been another driving force in the transformation of our financial sector into the competitive market driven industry. Enhancement of transparency and accountability in corporate governance has been the foremost goal of corporate sector reforms. Efforts have been concentrated in reforming the outdated corporate management styles of large conglomerates in establishing a market environment that is conducive to fair competition. Laws and institutions have been revamped according to the following five principles of corporate sector reform: improvement of the corporate financial structure, elimination of cross-debt guarantees, transparency in corporate management, industry specialisation and accountability of corporate managers. Such reforms will protect the rights of shareholders and investors, induce more efficient corporate management and encourage the advance of creative new enterprises.

Public sector reforms have focused on downsizing the central and local governments and privatising public corporations. Through bold deregulation the government aims to drastically reduce corruption, strengthen the rights of the people, promote the further developments of the market economy and improve the environment for foreign direct investment. Already the government has abolished or revised half of the 11,000 existing government regulations. Korea has also seen much progress in labour market reforms. While employers are now able to implement lay-offs for managerial reasons, workers may now participate in the labour movement and engage in political activities. The government has also guaranteed the worker's right to back pay and has made extensive expenditures to support the unemployed. With labour, management and government working together, our labour market now has a higher degree of flexibility and the ties between labour and management is far more peaceful than before.

Distinguished colleagues, under three pillars of democracy, market, economy and productive welfare, Korea will continue to build an economy that stands tall among the top nations of the world. Since democracy lies at the heart of economic and social development, we will continue to carry out reforms that strengthen the democratic institutions of our country. At the same time we will keep on steadfastly implementing reforms in the financial, corporate, labour and public sectors in order to firmly establish a sound market economy. Also to build a strong middle class and protect our workers who are essential to a sound democratic market economy, we will persistently make efforts to implement a productive system of welfare in our society. Finally, as a responsible member of the international community, we will do our best to share with other developing countries the know-how and experience that we have accumulated in the process of economic development. Thank you very much for providing all the assistance we received in coming out of economic difficulties in the past two years. Thank you very much.

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**AUSTRALIAN DELEGATION**—At the outset, I would just like to say how very pleased Australia is that China is moving along the track to accession to the World Trade Organisation. It is an issue we have supported strongly and we are delighted that it is finally looking like happening. As for the two resolutions, I would like to suggest that the United States and Japan should not get together and amalgamate it, and I would like to suggest that the conference reject the United States resolution and accept the Japanese one. We certainly welcome United States support for trade reform but, while we would not particularly say they may be on the nose, we think there is just a little whiff, a slight zephyr, on the evening breeze of hypocrisy. It is rather interesting — a wry amusement — that the world's two most protectionist countries are getting into bed together to promote free trade. But we will take the benefit of that as it comes. We share the United States concern at the failure of the Seattle ministerial meeting to launch a new round of multilateral trade negotiations, but we believe a simpler and a more general resolution exhorting World Trade Organisation members to work together to launch a new round would be most appropriate. We think the American resolution is basically a toothless tiger whereas the Japanese resolution really hits the spot.

Regardless of what American resolution 1 says, the mandated WTO agricultural and services negotiations will still commence early this year, and in due course we expect that the agricultural and services work can be incorporated into a broader round. Australia will continue to work hard to ensure that the progress we have made to date is not lost and that the negotiations on agriculture and services begin on time and in earnest. I would also like to say that we have an agreed Cairns Group position, which is to take a low key consultative approach to the built-in agenda negotiations on agriculture and services believing that, in the immediate aftermath of the Seattle failure, it would be counterproductive to be aggressive.

As for resolution 2 — asking for continued negotiations on market access — again, this is already happening. There are potential implications for APEC, and the Australian government will press to invigorate the APEC trade liberalisation and facilitation process. We will take advantage of such opportunities as Australia's hosting of the APEC trade ministers meeting next June to continue efforts to build regional support for a new trade round. We are also seeking to ensure that APEC makes a valuable contribution to the mandated WTO negotiations on agriculture and services. In fact, we believe that this resolution may be seen as meaningless by some and may even be counterproductive to our efforts to launch the built-in agenda negotiations effectively.

As for resolution 3, we would agree that we need to ensure that all WTO members have confidence in the WTO's consensus decision making processes. We see no problem with that.

With regard to resolution 4, we do not see any real fundamental difficulties with transparency at the present time. We believe that the focus for the World Trade Organisation should be on trade, and this is the legitimate activity and concern of the World Trade Organisation. The non-trade issues such as labour matters — trade and labour, trade and investment and trade and competitive policy — are ancillary. They are not part of the real game. If we want to talk about labour problems, let us refer it to the ILO and let the World Trade Organisation get going on trade. As far as we are concerned, WTO is spelt t-r-a-d-e. Rather than focus on transparency and processes, we should concentrate on the real issues of increasing trade.

As for draft resolution 5, we will again be pressing to invigorate the APEC trade liberalisation and facilitation process when we host the APEC trade ministers meeting next June. We share the concern of the United States at the failure of the Seattle ministerial meeting to launch a new round. However, the world media focus in Seattle was not on the issues. Contrary to media reports, the riots were not a major problem for the conference. The real stumbling blocks included:

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an unwieldy agenda; unrealistic ambitions in new areas like investment and competition rules; an excessive emphasis on labour standards, despite determined resistance from developing countries; and strong demands from developing countries that sought to renegotiate Uruguay Round agreements as part of a new round launch.

As much as we love and admire our American cousins, we sometimes think that they 'speak with forked tongue'. We want to call on our American friends to put their money where their mouth is. Words are not enough. We need action from the United States of America as well as words. I will give two examples. Amazingly, the United States is one country in the world which bans the import of high-speed ferries manufactured in Australia, specifically in Tasmania and Western Australia. They are sold all around the world. As my Filipino friends will acknowledge, the ferries are operating in the Philippines and I have travelled on them there. But, because of legislation called the Jones Act, which dates from the American Civil War, we are not allowed to sell our ferries to the United States. I would just like to say to them: the civil war is long gone; perhaps you should get your legislation up to date, too, so that that can help world trade.

The other example relates to Australian lamb. At the Seattle conference some of our people went into the food producing markets and looked at lamb -- \$A30 a kilo for beautiful lamb loin chops. I could take you down to a butcher shop today and show you exactly the same quality of prime lamb loin chops selling for \$A8. I call on our American friends and ask them why they are damaging our producers and their own consumers. It is being done purely, I believe, because of domestic political considerations. Domestic political considerations are not the basis for conducting world trade. What we really want to know is why the Americans are denying their people good quality, cheap, lamb from Australia. I ask: why are you practising trade restrictions that unfairly increase the cost of food for your own consumers?

We believe the American draft resolution should be rejected, and we strongly support the Japanese draft resolution.

**DEPUTY CHAIRMAN**—In the style of the APPF, the draft resolutions will be worked upon by those who have submitted them, with a view to reaching consensus. Anybody who has any contribution to make is able to meet with the Japanese and United States to work towards that. We are dealing with these draft resolutions. Mongolia, were you speaking to these draft resolutions or to the report on economic conditions in Mongolia?

**MONGOLIAN DELEGATION**—Thank you, Madam President. I would like to speak on the issue of Asia Pacific Economic Cooperation, which I think we are discussing presently. Under this agenda item, we appreciate very much the presentation made by the New Zealand Delegation. The Mongolian Delegation has no observation on the draft resolutions put forward by the US and Japanese delegations, but we did have some proposals regarding the draft resolution submitted by the US Delegation. However, after consultations with the US Delegation, we decided to distribute another draft resolution because it seemed to be more appropriate.

For years Mongolia has devoted great efforts towards joining APEC. As you know, at the Kuala Lumpur meeting of APEC, after the acceptance of three new member countries — Russia, Peru and Vietnam — a 10-year moratorium was imposed on accepting new members. But, because of both the geopolitical situation and the present need for the integration of economies in this part of the world, we cannot allow a delay of 10 years to occur before our country can be included in APEC as it is of strategic importance to the future of Mongolia.

You all know that the geopolitical situation of our country is such that for over 70 years our country was dominated by the Soviet regime and belonged to the Commecon bloc. Ten years ago,

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after the democratic revolution in Mongolia and the collapse of the socialist bloc, all the Eastern European countries as well as the CIS countries found suitable accommodation in the European Economic Community. That was due to many reasons unthinkable for Mongolia. Therefore, because our country has only two neighbours, being part of the APEC is the only hope for its future development. We propose a draft resolution calling upon the APEC to review the decision made at the Kuala Lumpur meeting and to open the membership earlier and, in particular, to accept Mongolia as a new member. Thank you very much.

**MEXICAN DELEGATION**—The Mexican Delegation wishes first of all to welcome all the delegations in the APPF. It reaffirms its enormous interest in the development of this forum as well as in the strengthening of regional cooperation amongst all the countries of the Asia–Pacific region.

We have a rather extensive delegation — that is what we have been told, anyway. I would like to say that our interest is even greater in being close to this region and in strengthening our relations with the countries of the Asia–Pacific. Especially from this parliamentary forum, we urge the strengthening of APEC and the multilateral negotiations for investment and trade. That is why I am making reference to the draft resolutions of the United States and Japan.

In general terms, Mexico supports these draft resolutions. We have had discussions with the United States about the introduction of certain amendments to the draft resolution. Mexico has played a very active role in international negotiations. We have participated in many fora and have been working in many regions of the world with a negotiating team that has been one of the best negotiating teams in the vast international trade. That is why we are almost the only country in the world that has a free trade treaty with the United States in North America and a similar treaty with Europe. We have a free trade treaty with six countries in Latin America. This year, we will finalise the negotiations for a free trade treaty with Israel and Japan.

We are firmly convinced of the important role of the World Trade Organisation. This forum should express its support for the next round of negotiations of the World Trade Organisation. We should be vigilant about all the concerns that have been expressed throughout the world and that are very relevant because they are showing signs of a new protectionism. We see that new protectionism in both the labour and environmental sectors.

We know that the Seattle problems or disturbances were, to a large extent, domestic or internal problems. The round of agriculture and services is an agenda that has been agreed to and which we have to fully support so that it is fully implemented by the WTO countries and the APEC countries who are members of the WTO. International trade has been a very important development factor for many Asia Pacific countries, and it has also been a very important factor for Mexico. Our international trade volume today exceeds more than \$250 billion. This allowed us, in a record time, to overcome the crisis that we had in 1995. We are experiencing growth, and this has been promoted by international trade. We believe that the next APEC meeting, under the leadership of Brunei, should also support the agreements of the WTO. We need an irreplaceable forum for negotiations for trade and investment at the international level, and this would be the WTO. Regulations and international trade have undeniable benefits for all of us, and Mexico fully agrees with many other delegations in so far as we have to support the strengthening of the WTO and that the next APEC meeting also supports the WTO agreements. In that way we can overcome these new tendencies of protectionisms that we have seen over the last round of negotiations.

**INDONESIAN DELEGATION**—This morning we have two resolutions which we think have similar areas of interest. The first is the need for an early new round of multilateral trade negotiations and the second is that the WTO should continue to play a central role in the

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international economic system in this 21st century. We would like to suggest that these two resolutions be combined. We would like to adjust point 4 of the American Delegation's resolution. The last sentence - the sentence mentioning the inclusion of early voluntary tariff liberalisation and enhanced transparency of trade procedures - is to be deleted from the draft.

**AMERICAN DELEGATION**—The moment has passed, but I was going to respond to the gentleman from Australia and his kind comments about our resolution on trade. I appreciate his getting his gas off his stomach, but the resolution was intended to help, not be divisive. If he has a question with Australian lamb, let's talk about it.

**COLOMBIAN DELEGATION**—As with Indonesia, Colombia has found in the draft resolution of the United States and the draft resolution of Japan two common objectives that our delegation supports. They are: firstly, the investigation of the possibility of a new round of negotiations, and secondly, the strengthening of the WTO as the main forum to consolidate free trade throughout the world. Along the same lines, we would like also to support the proposal of Mongolia on the drafting of a new resolution. Colombia is a member of the Pacific Basin Economic Conference, but today Colombia is not a member of APEC. This situation will keep us away for the next 10 years from the possibility of sharing trade in one of the richest areas – the production of technology – and also in sharing in international cooperation.

Colombia had applied to become a member of APEC before this moratorium on accepting new members, but unfortunately this possibility is now denied to us for the next 10 years. Although our country has an opportunity to work in the group on energy and telecommunications, we are calling for solidarity at Brunei which will host the next APEC meeting. We appeal to the other member countries of APEC to review the resolution to freeze the acceptance of new members into APEC for the next 10 years because, together with Mongolia, Colombia will be prejudiced by this decision. We believe that belonging to APEC is a very important element in our country's eager search for peace. Today we ask all of you to express solidarity at the next APEC meeting in Brunei for a reconsideration of the decision to freeze acceptance of new members for 10 years. In 10 years time, with the speed of technological development throughout the world, we, the people of Colombia – and, I am sure, the people of Mongolia – will be marginalised from progress and from technology. That is why we would like to be members of that important organisation, and that is why we are sharing this with you at this conference – so that the countries that you so well govern today may help us acquire that for our wellbeing. Thank you very much.

**DEPUTY CHAIRMAN**—Perhaps you would like to join the drafting committee of the United States and Japan so that you have some influence on the resolution that is finally adopted by this committee. It is nearly morning tea time. Does Australia have a short intervention?

**AUSTRALIAN DELEGATION**—Madam Deputy Chairman, mine will be a short intervention. This debate really shows that the countries that are represented in the APPF are a very diverse family. Many of the countries have developing economies, and many have different trading arrangements. The other important thing that must be said about APPF is that these parliamentary delegations include not only government members but also opposition members and we are able to put our personal views, so in some of the things that I am going to say I might be in disagreement with my honourable colleague Mr Nehl from the Australian Delegation. I want to reassure our honourable friends from the United States that I agree wholeheartedly with what they said about our present problems with the trade in lamb, and I welcome the intervention by the United States that they are willing to talk more about that issue.

I think we must recognise that one of the reasons that the Seattle meeting failed was quite predictable. Even before the Seattle meeting, President Clinton himself was flagging issues that

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would need to be discussed at that meeting. President Clinton indicated some three or four weeks before the Seattle meeting that the United States would be pushing for a working group to look at integrating labour standards into the World Trade Organisation's work. President Clinton summed up the situation best when he said that the World Trade Organisation needed to be more responsive to the views of a civil society.

So it is not only the activists who were protesting on the streets of Seattle; President Clinton had flagged his concern. President Clinton went one step further, and this goes to a point where I disagree with my good friend Mr Nehl about the transparency of the World Trade Organisation. Before the Seattle meeting, President Clinton said that much of the criticism of the World Trade Organisation was of its own creation. He said that for too long it had been treated like some private priesthood for exports where 'we know what is right and we pat you on the head and tell you just to go along and play by the rules that we set'. I think it is important that we understand that what the WTO trade round should be about is not simply a matter of free trade; it should be about fair trade. What is the purpose of trade if expected standards such as basic human rights are disregarded or the environment is destroyed to produce that trade? Countries should, of course, retain the sovereign right to reject products that have been produced under conditions that are below their standards. This is a primary duty of government — to protect the national interest. It must never be forgotten that trade is not an end in itself. Trade is a means to an end.

Having said that, I know that these issues being raised in a forum like the WTO cause concern for countries because of the different stages of development of their economies. But I think that this body, as a representative body of the Asia-Pacific region, should flag that these issues need to be taken seriously in the context of world trade and the globalisation of that trade. To ignore important issues that are tied up with economic issues would be to lose sight of the genuine concerns that have been expressed. Whilst I am not being bold enough to suggest that at today's meeting we are going to seek a resolution that puts my private views, I hope that in continuing discussions in forums such as APPF these matters will be taken seriously. I look forward to a resumption of the WTO negotiations. I look forward to those negotiations taking into consideration the best interests of all, but we must realise that the best interests of all are competing and conflicting. So we need to go into those negotiations with the greatest of goodwill to achieve something that is best, especially for the region of which we are representatives.

**DEPUTY CHAIRMAN**—This item will continue after morning tea, and a representative of the New Zealand Delegation will be the first speaker. I return the chair to the Chairman. He has some matters to deal with.

**CHAIRMAN**—Thank you, Madam President, for filling the role as Deputy Chairman. I will now run briefly through what it is that makes our democratic system in Australia work. On the screen you see a map of Australia. I hope you will be interested to note that it is not all that far from the east to the west when you consider where Sydney is located on the map and where Canberra is located. In spite of a lengthy journey on Monday, we did not get very far towards Western Australia. But I did not come to bother you with a geography lesson. I wanted to tell that when Australia was first settled by Europeans, over 200 years ago, it was progressively made into a series of states — New South Wales, Victoria, South Australia, Western Australia, Tasmania and Queensland — and two territories — the Northern Territory and, ultimately, the Australian Capital Territory. The states had governments of their own, and they still have state governments. Next year, we will celebrate the centenary of this federal parliament. The federal parliament came into being as a result of the states — with some reluctance in the case of Western Australia — getting together and establishing a federal parliament, with the states ceding to the federal parliament some of the powers they had.

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So this parliament is a creature of the states, and each person who makes up this parliament represents 80,000 Australians.

The result of that, if I can be parochial, is that if you were to start in the centre, as it were, there are 12 South Australians with a job like mine. There are 12 South Australians representing 80,000 other South Australians aged over 18 and able to vote. There are 13 Western Australians with a job like mine. If we go in a clockwise direction, there is one person from the Northern Territory, who happens to be Mr Warren Snowdon, who is a delegate to this conference, and who represents the entire Northern Territory. There are 27 people from Queensland and, if you were to go right to the bottom, there are five people from Tasmania and two people from the Australian Capital Territory, where we are now. The figures that I find quite surprising but that illustrate matters are that there are 50 people from New South Wales and 37 people from Victoria who represent their states in the federal parliament. If you are from one of the states of South Australia, Western Australia, Queensland or Tasmania, you may feel you are being swamped by people from New South Wales and Victoria, who, along with the Australian Capital Territory, number 87 people in the federal parliament. That is one of the reasons why, along with the House of Representatives, which is a popularly elected House on a one vote one value basis — on equal representation, with 80,000 people in every electorate — we also have a Senate. In the case of the Senate, there are 12 senators from every state. There are 12 senators from each of the states of South Australia, Western Australia, Queensland, New South Wales, Victoria and Tasmania, and there are two from the Northern Territory and two from the Australian Capital Territory. So that states that feel they are under-represented have equal representation in the Senate.

It has been the tradition within the Australian system, in the case of the Conservative side of politics, for the Prime Minister, who clearly leads the majority party, to select his ministry from among those who have been elected. In the case of the Australian Labor Party, the Prime Minister of the day has his ministry elected from the Labor Party caucus. But, in either case, you have a frontbench joining the Prime Minister in the House of Representatives, and the opposition always selects shadow ministers to shadow the role of each of the ministers. I look forward to having the opportunity to talk to you about what happens in the House of Representatives in a few moments, when you join us in the chamber of the House of Representatives.

**Proceedings suspended from 10.32 a.m. to 11.09 a.m.**

**CHAIRMAN**—I welcome back delegates to the 8th Annual Meeting of the APPF. I declare this part of the Plenary Session open. I thank you for your accommodation because we are now in fact 20 minutes or so behind schedule. I do not wish to limit debate, but we hope to hurry the agenda along in this period between now and 12.30 p.m. We are discussing, under agenda item IIA(1), draft resolutions 19 and 25 submitted by the United States and Japan respectively. New Zealand's resolutions are on global trade. New Zealand has the call.

**NEW ZEALAND DELEGATION**—Thank you, Mr Chairman. New Zealand lives by trade. We export nearly 90 per cent of the production of all our farm based products, our fisheries production and nearly that much in forestry production. Whilst we are often thought of as part of the developed world, our dependence on agriculture, forestry and fishery exports makes our position rather more similar to that of developing countries than developed countries. So we strongly identify with the developing countries which typically are in the southern half of the APEC region more so than with those in the northern part.

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I share with the Australian delegate who spoke earlier in this debate his thrust in respect of the source of these two resolutions from countries whose rhetoric at times is strongly in favour of opening trade but their actions are often to the contrary. I cannot let this opportunity pass without making a very loud bleat on behalf of the 40 million sheep in New Zealand and the four million New Zealanders in respect of the United States restrictions and new tariffs on lamb. Our dependency on lamb exports is proportionately far greater than Australia's, but we stand firmly with them in calling on the United States to reconsider its position there.

Why these issues are so important is that for the countries which are so dependent on the production of their lands, forests and fisheries to make progress they must have access to the developed country markets. We have had much talk about security and a much wider view nowadays of what security entails. But there can be no security if there cannot be the ability for countries to make progress. Indeed, unless there is progress there is the potential for increasing conflict. I have a particular background in fisheries having been minister for six years. I want to suggest to this conference that, unless there is real progress made in respect of removing tariffs, quotas and other restrictions in a number of developed markets, then the pressure that they are bringing to fisheries around the world will lead to increased tension, pressure and conflict. There is no reason why progress cannot have been made and there is no reason why progress should not be made at an early date in respect of access for seafood and forest products from the principal exporting nations. Those who will support resolutions about environmental sustainability cannot do so in good conscience unless the crazy situation existing in respect of the fisheries policies of many Northern Hemisphere nations are promptly addressed. I appeal to the conference on behalf of countries like ourselves and many in the Pacific who are not even represented here today who are even more severely affected than ourselves.

I turn now to the two resolutions in particular. The earlier Australian speaker took the United States proposal to pieces, but I would suggest that, subject to some sensible amendments, it is a sound basis on which to proceed. It does have this virtue: by listing a series of specific actions we are better able to monitor how people are applying themselves to these activities and to be better able to judge what progress is being made, who is obstructing it and why and to be able to bring pressure to bear to make progress topic by topic to advance the situation for the benefit of all concerned.

The Japanese draft resolution has the virtue of brevity, but not much else. What is 'to actively engage more constructively'? Is it a few more meetings, a few more emails, faxes and letters? Signs of activity should not be confused with progress. I would suggest to the conference that it is so generalised, so lacking in specificity, that it might generate some warm fuzzy feelings today but will achieve little progress.

Both resolutions suffer from what we call 'weasel words'. Weasels are a kind of rodent. In the Japanese version, they are 'important challenges the WTO faces'. Many of us know what those are. They are downright obstruction by countries who, by their great power, have been able to secure positions to the great disadvantage and handicap of the less developed and those more dependent on the export of primary products. The United States' resolution has the same kinds of phrases when it refers to 'concerns of all WTO members'. These are sort of code words, if people are not too keen on the phrase 'weasel words'.

I would suggest that we need to be honest with ourselves, to acknowledge that, yes, there are very real problems, but we need to make a commitment to real and specific progress, and in finalising a resolution by further consultation and negotiation I think we ought to be mindful of that need to be, as it were, transparent and make a serious commitment. After all, we are here arising out

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of the APEC process. At its centre is the opening up of economies, the advancement of economies, for the benefit of our people. But we cannot stand on pious declarations from the advanced countries about meeting their labour standards in every particular. Of course we are all opposed to child labour, to the use of forced labour. Is there anyone who favours such things? Of course there is not.

But, for the less developed countries and those dependent on the export, as it were, of simple products, one of their only advantages — and it is one that they do not naturally choose — is that their labour costs are lower. So how can we make progress unless we give opportunity for the less developed to have access to the markets of the developed? I would suggest that security, stability and environmental sustainability are amongst the great benefits which will be achieved by the powerful, the developed, really facing up to the leadership burden which is theirs to enable progress to be made. Thank you, Mr Chairman.

**FIJIAN DELEGATION**—Mr Chairman, I wish to comment on the draft resolution on global trade, as submitted by the American Delegation for deliberation. At the outset, I wish to reiterate that Fiji shares the sentiments of our American colleagues on the lack of progress at the Seattle conference and that we wish to see that there is an early resolution on the agenda of the new round of discussions as soon as possible.

I am also aware of the heavy responsibilities upon me now in making this presentation. I believe that what we are about to contribute could very well be on behalf of the many small island state economies like Fiji who may not be here with us today. In saying this, on behalf of our delegation and maybe on behalf of other similar economies and states, we wish to present the following cases on resolutions 1 to 5, as submitted by the American Delegation.

Resolution 1: as you may be aware, Mr Chairman, Fiji depends heavily on agriculture as the backbone of its economy. Agriculture makes up two-thirds of our economic productivity, including employment, foreign exchange earnings and food and fibre. We are an island nation in the midst of the Pacific Ocean; we are surrounded by a vast body of water. The hard realities of life we face are the tyranny of distance and the costs of isolation, which already make us lose our competitive advantage in the world market. Most honourable delegates may be aware that Fiji's export earnings are derived from the export of sugar to the European Union under the Lome trade arrangement. Our other export commodities include tuna, fishery products and garments which are also exported to this market.

The salient point of which we wish to remind honourable delegates is that this is a preferential market access arrangement which, since its inception more than two decades ago, has benefited our country tremendously. It provides employment for the majority of our families and secures the much needed foreign exchange earnings that allow us to thrive as we are today. The removal of this arrangement will adversely affect our existence both as a sovereign independent nation as well as a small developing economy.

In saying this, I wish to reiterate that we do not necessarily wish to oppose the liberalisation of the agricultural sector of all the sectors in our economy. We wish to stress that, since becoming a member of the World Trade Organisation in January 1996, Fiji has always been committed to our single undertaking and binding obligations, and we have never reneged on our commitments. Some of our specific needs include the following: one, recognition of our special situation of being vulnerable and mostly dependent on a mono or single agricultural and agrobased commodity for export earnings; two, appropriate assistance in terms of capital resources that will address special problems of supply constraints; and, three, the provision of an effective adjustment period that will allow us to prepare well and become fully integrated into the world economy.

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In view of these factors, Mr Chairman, our country will continue to push for recognition of the multifunctional role of agriculture, as being expounded by Japan and the European Union. Our support for the new round of negotiations heavily hinges upon recognition of the above-mentioned factors. With regard to services, we have a small but very dynamic service sector. We have identified the subsectors that will be liberalised or opened up in conforming to our commitment under the General Agreement on Trade in Services, or GATS.

Resolution No. 2: as mentioned above, our country will continue to support negotiations on other market access issues but with the above-mentioned rationale in mind. Resolution 3: Fiji will support the creation of a negotiation process that will effectively address the concerns of all World Trade Organisation members, especially the small, vulnerable and weak economies. Resolution 4: we also support this resolution to enhance transparency and democratisation of the World Trade Organisation. Resolution 5: we wish to state that our country is not a member of APEC and therefore cannot provide concrete support to it. Mr Chairman, I thank you for your indulgence and I thank honourable members for their attention.

**CHAIRMAN**—Are there any other interventions on this question of world trade? As there are not, I understand that the Japanese, the United States and a number of other people are currently busily working on this particular resolution and will await its return to the plenary session..

**Economic situation in APPF member states and their efforts towards economic recovery**

**CHAIRMAN**—We have had a number of interventions from members who have wanted to discuss their economic situation. Do other members wish to participate in this debate? I recognise Mr Pyne of the Australian Delegation.

**AUSTRALIAN DELEGATION**—Australia was initially concerned that the Asian financial crisis would cause difficulty for our economy in 1998. Fortunately, following the crisis, Paul Krugman, the well-known United States economist, described Australia — forgive me if I appear to be boasting — as the miracle economy of the world. That theme was taken up by the *Wall Street Journal* in the United States.

We weathered the economic conditions that were created by the Asian crisis for two primary reasons. The first was that the new Commonwealth government had brought government debt under control, even to the point of bringing the Commonwealth government's budget into a surplus in the years before the Asian financial crisis. Second, flexibility had been introduced into the economy over the previous 10 years by governments of both political persuasions, which allowed our exporters to redirect their exports to other economies outside Asia. For example, exports to the European Union jumped by 40 per cent in that period.

I think our current economic circumstances can best be described by quoting from the recent OECD survey of the Australian economy. The OECD found that the impressive performance of the Australian economy represents the fruits of a consistent and comprehensive set of interacting macro-economic and structural policies. Moreover, the OECD also notes that the introduction of a more efficient tax system in July 2000 should help to consolidate the productivity gains that are now being seen.

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The OECD went on to endorse the government's reform of the institutional framework for fiscal policy, including the charter of budget honesty and the introduction of accrual budgeting. The OECD stated that, with these reforms, fiscal institutions in Australia represent best practice in terms of assuring prudent and efficient fiscal management. The OECD also endorsed the reforms of the government in respect of the labour market, the flexibility and enhancement to the economy, and the adaptability to external shocks and changing economic environment that the flexibility brought about in the labour market would ensure. The substantial improvements to be achieved under a new tax system, which this government has introduced, are also acknowledged by the OECD. The OECD noted that it had long advocated that Australia should reform its indirect tax system and introduce a broad-based consumption tax.

The conference might be interested in a few specific figures with respect to our key indicators for the next 12 months and for the last 12 months. Since coming to office in 1996, the current government has managed to reduce Commonwealth debt by \$A24 billion. Our economic growth in the last 12 months was 4.1 per cent. The forecast in 1999—2000 is 3.5 per cent and in 2000—01 it is 3.75 per cent, which I note is well above that of our major trading partners and most OECD countries, which is a great success.

In the last 12 months, our retail trade grew by 7.6 per cent. House prices in our capital cities grew by 5.8 per cent. Unemployment fell to 7.1 per cent and is forecast to fall to 6.5 per cent by the OECD. Our company profits increased by 17.5 per cent in the last 12 months, and our annual growth in dwelling unit construction grew by 19.2 per cent. Job vacancies grew by 7.9 per cent. The OECD expects our inflation to be about 2.25 per cent after the introduction of the GST in July this year. In a plug for my state and your state of South Australia, Mr Chairman, which is the great wine state, wine industry exports grew to \$1 billion in the last 12 months, which is a great success. In the short time available, I am happy to put those figures in front of the conference so that they can understand how Australia weathered the storm of the last two years and, hopefully, will continue to grow into the next millennium.

**CHAIRMAN**—I thank Mr Pyne. My colleague Mr Nugent will be pleased to know that I will now have less need to call Mr Pyne when the parliament resumes, given the time he has had for consultation and constructive debate here. I call Canada.

**CANADIAN DELEGATION**—Canada has strong economic fundamentals. The Canadian dollar is holding its own against other currencies. Inflation is at 2.6 per cent and is well within our inflation targets of one to three per cent annually. The unemployment rate was 7.5 per cent in September — the lowest level since June of 1990. In November it was 6.9 per cent — the lowest since 1981. Business investment in plant and equipment increased 1.7 per cent in the third quarter. We saw a sharp jump of 15 per cent in real exports in the third quarter due to much stronger foreign demand for Canadian products. One factor behind this was strong growth in real GDP in the United States in the third quarter. This boosted US imports from Canada, especially in the automotive products area. Our export of computers and telecommunications equipment, particularly Nortel Networks, also rose very sharply. Even our unemployment figures are good. More than 340,000 net new jobs were created in the 12 months since November 1998. These are good fundamentals, and the IMF has recently upgraded to 3.8 per cent its forecast for growth of our real gross domestic product for the end of 1999. Our main economic concern in Canada now is inflationary pressures that might materialise in the US, forcing our Governor of the Bank of Canada, who is the head of our central bank, to intervene and start to raise interest rates. It is my view that, if interest rates start to rise again a quarter of a point or a point, this will materially slow down our economic activity. So we can only hope.

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The first part of the question was the economic situation in APPF member states and the second was their efforts towards economic recovery. I would like to refer all honourable delegates to the theme papers that have been presented by Canada. In those theme papers, there is a very thorough analysis and discussion of what Canada has done. I would like, Mr Chairman, with your leave, to refer to only two brief paragraphs from those theme papers to show the leading role that Canada has played. Canada has advanced a proposal designed to strengthen participating countries' banking systems by subjecting these countries' supervisory systems to international review. The Canadian initiative, made public in the spring of 1998, was endorsed by the G7 leaders and Asia Pacific Economic Cooperation — APEC — Finance Ministers in May and by the Commonwealth Finance Ministers in October 1998. Both the IMF and the World Bank were asked by the G7 Finance Ministers to examine mechanisms to close the existing gaps in organisations' surveillance of financial systems. Specifically, the Canadian proposal called for greater cooperation between those two institutions as well as the Basel Committee, the International Organisation of Securities Commissions and the International Association of Insurance Supervisors.

The Canadian plan has prompted the formation of a financial stability forum which incorporates a peer review process but only by G7 countries. One of the things that other APPF members might want to consider is that, eventually, the emerging economies could be brought into this process. This peer review process, supported by existing IMF and World Bank staff, would result in periodic assessments of financial supervisory systems by existing supervisors in other countries. Such reviews would give supervisors in emerging market countries practical insight into effective forms of financial supervision. While participation in the scheme would initially be voluntary, the long-term goal would be to involve all countries. It is my hope that the APPF might have an opportunity to discuss how that could be followed up.

**LAO DELEGATION**—Laos is the least developed country, and it is a landlocked country. It has conducted a market economy and has widely opened its economic operations and promoted foreign investment since 1986. About 13 years before the Asian economic crisis, our economy continuously developed at an average rate of five per cent per year. That constituted important basic infrastructure for developing fields of economy of the country, including sustainable rural development. The amount of foreign investment increased. The total value of foreign investment currently is about \$US7 billion, with 718 foreign investment projects. Unfortunately, our young economy was hit by the Asian economic crisis.

The economic crisis caused imbalance of the currency exchange rate. In 1998 to 1999, inflation increased to 90 per cent. The money cycle into the banks failed. Foreign and domestic investment decreased. The government put all of its efforts into solving the economic and financial crises of the country. The government amended the country's banking laws and reformed the commercial banking system. It promoted food and commodity production to ensure domestic consumption and to decrease imports. It mobilised people to make more savings deposits by selling more bonds at an intensive rate. It improved the import and export taxation systems, including the payment system.

Laos has an abundance of natural resources and rivers where hydro-electric dams can be built to generate electricity to sell to our neighbouring countries. We believe that the capacity of our neighbouring countries to buy electricity will increase after the crisis. By concentrating those efforts and measures of the government, in combination with the assistance of friendly countries and international financial institutions, our economy will continue to develop towards recovery. My point of view is that good socioeconomic development plans should be made with the real circumstances of each country in mind and to the capacity of its people. If countries did so, they

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would be able to avoid big economic crises. Laos has to work harder to develop human resources as they are a basic means for sustainable socioeconomic development. Thank you.

**SINGAPOREAN DELEGATION**—The Singapore economy staged a steady recovery in 1999. We have achieved a real GDP growth of about six per cent which slightly exceeded the official forecast of about five per cent. The last quarter was particularly strong. The GDP growth was 8.2 per cent compared with 0.6 per cent in the first quarter of 1999. The star performing sector was manufacturing, which has achieved double-digit growth, but the construction sector still had negative growth. The unemployment rate stood at about 3.7 per cent and inflationary pressures remained subdued, averaging about 0.4 per cent for the first 11 months. Regarding investment commitments, the pipeline of manufacturing commitments remained healthy last year, with \$1.7 billion in the first quarter, \$2.1 billion in the second quarter and \$2.6 billion in the third quarter. I do not have the figures for the final quarter.

Let me share with delegates the outlook for this year, the year 2000. The upturn in global industrial activity has become more broad based. In particular, the US is set to enter its longest postwar period of expansion, with growth showing signs of strength while inflationary pressures remain low. In the EU, leading indicators are heralding further positive developments ahead. In the region, positive sentiments prevail — bolstered not least by Indonesia's peaceful presidential election. Most of the Asian economies continue to post growing and healthy economic results, helped by strong global electronics demand as well as a steady recovery in private consumption expenditure.

In line with the encouraging external environment, the outlook for the Singaporean economy in the year 2000 remains sanguine. This is corroborated by positive, forward-looking indicators such as the composite leading index and business expectations. The effects of the external upturn which has thus far boosted the internationally oriented and exportable sectors have begun to show up more strongly in domestic demand. As a result, sectors such as business services, retail trade, hotels and restaurants were among the best performing sectors. This momentum is likely to carry over for the rest of the year. The only sector that would continue to lag behind, as I just mentioned, is the construction sector. However, there are still some external reefs that bear watching against this rosy outlook. In the US, the possibility of stock market hot lending is still a clear and present danger.

Despite the recently announced ¥18 trillion economic stimulus package, the Japanese economy is still fragile. In particular, the excessive strength of the yen, if not curbed, could stifle Japan's export competitiveness and stall its ongoing recovery. Should that happen, it would send adverse spillover effects to the recovery of Asia, given the strong trade investment and financial linkages between them. Barring unforeseen circumstances, the official preliminary 2000 GDP forecast for Singapore is between 4.5 per cent and 6.5 per cent.

**CHAIRMAN**—Are there any other interventions on the question of the theme paper referring to the economic situation for APPF member states?

**CHILEAN DELEGATION**—Thank you, Mr Chairman. I will be very brief. Economic development for each of the member countries of the APPF, and in general for all countries throughout the world, undoubtedly is a very important topic. However, in summarising all the interventions that we have heard, and others who have not presented their situations but who are in the theme papers, there is a whole range of problems that should be underlined so that our forum, if not now, either in the Chile meeting or in another meeting, can pronounce itself on these points.

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There are two basic elements in economic development, at least in my country, and we believe in the rest of the world as well. The first of these is to actively participate in the social market economy, which undoubtedly requires two basic elements to function, the first of these being the rules, regulations and laws that allow the men and women living in a country to fully develop their identity and their economy — in my country Chile and in the rest of the world. The second very important element is to have a very efficient government, a very efficient state, to develop all the necessary capacities, the society and all the fields that require state support, to end up with a situation of equality of opportunity in all fields of human endeavour.

But there is a third element that affects all of us — that is, that the protection and freedom of each country by necessity must lead to an open trade development, one that is very transparent and clean. This has been a great problem in our economic development. It has been efficient in many areas, but our producers are competing with other producers throughout the world that receive direct or indirect subsidies from their governments. This not often touched upon topic is indeed a very worrying factor for the economic development of a country, and in particular of my country. From our point of view, this is what creates the majority of problems in trade relations — that is, the fact that we have government subsidies for products that are being exported to certain countries, especially developing countries, through indirect subsidies that are very well structured so that there is no awareness of them. But this is what causes the damage; this is what causes the problems when trying to develop trade in a transparent and clean way.

Secondly, and this is my final point, the economy of my country is a healthy one. It has developed adequately. We have no debt. The national debt is a result of the private sector and has been well managed. In some social strata they have had enormous success. In the housing sector, for example, we have 3.86 inhabitants per house. This is an objective that we wanted to reach. Our problems are based on the main future steps that we should be taking for our economy. One basic element for us is this market transparency and the total elimination of subsidies, or all of us supporting trade where government subsidies would no longer exist. That is the way that we will have a globalised economy throughout the world, and that is the way that we will have alternatives for full economic development. We will be able to manage our own freedom much better and will reach the full capacity of the economic development that every country aspires to. Thank you very much, Mr Chairman.

**CHAIRMAN**—There is a request for recognition from Mexico, and I call them now.

**MEXICAN DELEGATION**—In Mexico we have undertaken an enormous effort to achieve a very important economic recovery. With a lot of discipline, with a lot of conviction and determination, in Mexico we have managed to overcome the most serious economic crisis in our history, a crisis which began with the destabilisation of the financial system in 1995. After those difficult times that we went through, we have managed to get back on the road to growth and recovery and we have managed for the past four years growth rates of five per cent of GDP — a minimum of five per cent. For the year 2000, the economic program of Mexico has set very clear objectives — to reduce inflation to less than 10 per cent, maintain growth at five per cent of GDP and — the most important point — together with the promotion of foreign investment and national investment so as to generate employment and wealth, raise internal consumption by the same proportion as our growth rate; and most of our public expenditure will be directed towards eradicating poverty and promoting social development in order to create a more equal society, as all the political forces in Mexico want to do.

This enormous recovery effort has been undertaken within the framework of a desire to construct a democratic society that is consolidating itself. This fact will be expressed on 2 July,

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when we elect a new government in Mexico and we totally renew the chamber of senators and the House of Representatives in the Mexican congress. The composition of the Mexican delegation that is here at this forum — integrated by parliamentarians from the five most important political parties in Mexico — clearly shows that the will to create a more just society within the framework of stability as a member of the international community, with intelligent and prudent but firm management of the interests and the sovereignty of our country, has placed us on the right road to permanent recovery and to translating this recovery into raising the living standards of the Mexican society.

Fraternal greetings from my country, which feels very proud to be a member of this parliamentary forum.

**CHAIRMAN**—We are winding up submissions on the economic situation in APPF countries. Is there anyone that I have overlooked?

**AMERICAN DELEGATION**—Mr Chairman, I am pleased to report that we now have a draft resolution on global trade liberalisation that has been submitted by the American and Japanese delegations. This modified resolution, No. 19, also contains suggestions by Mexico, China, Thailand and Indonesia.

**CHAIRMAN**—Senator Roth, could I interrupt you there. Just before we move to that matter, which I concede is critical, I did want to resolve whether there are any other interventions on the question of the economic situation in the APPF. I will, of course, come back to you with the call to follow through the trade draft resolution. There are a number of other resolutions I would like to refer to before we break for lunch. On agenda item IIA (2), 'Economic Situation in APPF Member States', are there any other submissions? If not, I thank the conference for the submissions to date on that item. It was in fact a theme paper and there are no particular resolutions to be considered there.

The United States want to report progress on their trade paper. I understand from the secretariat that the United States draft resolution referred to by Senator Roth is currently being circulated. We will wait for every member to receive it before we bring it back on the agenda.

### (3) Reform of the International Financial Architecture

**CHAIRMAN**—I now turn to agenda item IIA(3), which is 'Reform of the International Financial Architecture'. Originally, papers were presented by both Japan and the Philippines — they were papers 8 and 17. They have now been resubmitted as paper 8 Rev. 1, and I invite someone from the Japanese or Philippine delegations to refer to this paper. I recognise my friends from Japan.

**JAPANESE DELEGATION**—I will speak to the draft resolution on strengthening the international financial architecture. The world economy, affected by the Asian currency crisis that broke out in July 1997, was last year regaining stability, thanks to the steady effort and cooperation of the international community towards strengthening the international financial architecture. For example, almost all of the emerging markets in Asia which were hit hard by the 1997 currency crisis are showing remarkable improvement in their economic activities and are expected to post positive economic growth for 1999 and to experience even further acceleration in the year 2000.

The Japanese economy has also bottomed out the worst period, and it is now on its way to gradual recovery. According to the estimates of the IMF and OECD, Japan's expected real growth in GDP for the year 1999–2000 is in the order of one per cent — approximately \$US50 billion. We

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believe that this reflects the fruit of the endeavours that our country has been making in terms of both macroeconomic and structural policies.

With respect to the strengthening of the international financial architecture, a few important international developments were observed in the past year, sharing common awareness with our APPF resolution last year. Firstly, at the Cologne summit the G7 finance ministers released a report which indicated a broad array of ideas and initiatives to strengthen the international financial architecture. Secondly, a consultative body at the level of finance ministers and central bank governors — the G20 Finance Ministers and Central Bank Governors Conference — was created to facilitate a dialogue among countries that are systemically important to the international financial architecture. Thirdly, the Financial Stability Forum was established, and this organisation is now seriously discussing issues regarding short-term capital flows and hedge funds. A considerable number of APPF countries are participating in the abovementioned consultative body and the Financial Stability Forum. Furthermore, international financial institutions, including the IMF, APEC, the Manila Framework and other organisations, are also undertaking collaborative efforts to reinforce the international financial system.

However, in a globalised world economy risks of large-scale cross-border capital movement giving rise to yet another currency crisis still exist. To prevent the recurrence of the crisis and to achieve stable and sustainable growth in the economies of the Asia-Pacific region, it is imperative for the countries to strive to take the appropriate macroeconomic policies and to further strengthen domestic, as well as international, financial regimes. It is with these points in mind that we, the Japanese delegation, submit the draft resolution.

**CHAIRMAN**—Before I recognise Indonesia and then Singapore, I think I should as a courtesy ask the Philippines whether they wish to comment on the draft resolution at this stage. They can, of course, participate at any other stage. The Philippines have indicated that they are happy to forgo the opportunity to comment now. I call Indonesia.

**INDONESIAN DELEGATION**—I would like to thank the Japanese and Philippine delegations for submitting this draft resolution on strengthening the international financial architecture. We think this resolution is a comprehensive one and, as we expected, the new draft has been the combination of drafts submitted separately by Japan and the Philippines. In order to emphasise the importance of the resolution and taking into consideration the different condition of each member of this forum, we would like to propose some improvement to the draft. We propose that the resolution agreed in the 54th UN Assembly session, which emphasised the need to strengthen the international finance and monetary system at national, regional and international level, be incorporated in the preamble of the resolution. In order to achieve sustainable growth in the economies of the Asia-Pacific region that are recovering and regaining stability, we without any doubt agree on the importance of the emerging market economies to adopt sound macro-economic policies and appropriate exchange rate regimes and to strengthen our domestic financial architecture. We hope that this forum will take into account the level of development and the particular circumstances of countries. We would like also to reiterate the importance of good governance for achieving sustainable growth of economies in the region. So we propose a new paragraph in the resolution which emphasises the importance of conducting orderly and fair business practices in both developed and developing countries while adhering to the universal principles of honesty, transparency and accountability. With regard to the efforts to carry out initiatives to further strengthen the activities to build a stronger international financial architecture, we would like to propose that this forum not only examine this but also develop a mechanism for early warning and cooperation for crisis prevention. That is our proposal, Mr Chairman.

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**CHAIRMAN**—It may be helpful if the Indonesian delegates were to confer now with the Japanese and Philippine delegations to see whether a further draft can be considered, as I am sure you are aware. I call Singapore.

**SINGAPOREAN DELEGATION**—Thank you for giving me this opportunity. I would like to say that we are quite impressed by our Indonesian friends' proposal just now to make some incorporations in some paragraphs on certain features on fair practices, as well as on national government and good governance responsibility in these international financial mechanism issues. As a financial centre, Singapore, of course, is very concerned with this issue of strengthening the international financial architecture. There have been urgent calls in the last few years for such new international financial architecture to provide an environment for stable and sustainable growth in these countries, particularly in view of the financial crisis in the Asian–Pacific countries in the last two years. This call for study into the new international financial architecture also embraces studies into some early warning mechanism and cooperative initiatives to prevent such crises in the future and for countries to pursue policies which are complementary to the policies imposed by IMF.

In our view, this issue of the international financial mechanism or architecture falls into four main areas. Firstly, this new international financial architecture must address the issues of short–term capital movement, which caused financial instability leading to real effects on the economy. Secondly, it must also address the issue of financial liberalisation in the context of a more free economy in the world and in the context of a globalised world and, possibly, as some policy makers have suggested, within a sequencing framework. Thirdly, it must also address the issue of the best or the optimal exchange rate for countries within the context of the region linked by trade and capital movement that they move in. Fourthly, it must address the issue of long–term stable development of growth in these countries because ultimately such issues on financial sectors, stability and so on lead to the welfare of the people in the countries concerned. We are supportive of the Indonesian proposal to add this additional paragraph aiming for the responsibility of the country itself — not just of the international mechanism — to adopt the right kind of policies for sound macroeconomic policy growth.

In achieving this, Singapore has been pretty active in the Financial Stability Forum. We are an active partner, together with Australia, I believe, and Japan, and some of our Asian–Pacific countries in this forum. In fact, we will be hosting the next meeting of the FSF in Singapore in March. In all these issues, the important thing is that we have to look within our own economies to make sure that they function efficiently, fairly and honestly, as the member from Indonesia has just now so aptly put it. We have also taken the forward step of liberalising our own financial sector and banking system to be more transparent and more open in order to take part in the more competitive international banking system that is now coming up. In general, we will support this proposal by Japan and the Philippines. We also want to support the proposed amendment by Indonesia.

**CHAIRMAN**—Thank you, Singapore. I recognise Thailand.

**THAI DELEGATION**—Thank you, Mr Chairman. I would like to offer a few comments on the subject of international financial architecture. Reform of international financial architecture is advocated by everyone these days, although a lot of people do not really know what it is all about. The Canadian theme paper tries to put some flesh on the bone, and the resolution proposed by Japan and the Philippines tries to do the same. We support the resolution. However in my view the key issue is whether we want to have, or are prepared to accept, a global financial regulator with sufficient powers to do the job of keeping financial markets orderly and stable. Above all, what has to be done is to regulate or control cross–border speculative flows of funds, particularly short–term funds, which have been the main and immediate cause of financial and economic crises in the past.

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Currently, over \$US1.5 trillion in currency changes hands every day. Without a central international regulating body to monitor and regulate financial flows, it would be left to individual countries to create their own defence barriers against speculative flows which could lead to a reversal in the trend of financial liberalisation. On the other hand, if the international community agrees on the creation of a global central bank, the implication is that they will probably lose their independence with regard to their domestic monetary policy. We will need to decide whether the benefits of a more orderly and stable financial market are worth the loss of some independence in the conduct of our domestic monetary policy. Thank you.

**CHAIRMAN**—Thank you, Thailand. I believe Korea was seeking the call.

**KOREAN DELEGATION**—Thank you for giving me this opportunity. Japan and the United States have made their resolutions and I would like to express our position on those two resolutions. I support the Indonesian Delegation's amendment.

Honourable Chairman and Distinguished Delegates, the East Asian financial crisis of 1997 brought the international community together to address and actively discuss the issue of revising the financial system that is currently in place. The Korean Delegation truly hopes that such discussions will help to prevent the recurrence of an economic crisis of such extent and will also contribute to the establishment of a more stable international financial system.

Today I would like to give you the views of our delegation on the issue of revising the global system. Firstly, I would like to touch upon the financial systems in newly emerging markets. Such structural problems as vulnerable financial systems, rigid exchange rate mechanisms and excessive short-term borrowing of newly emerging markets were major factors in the outbreak of the recent financial crisis. It is also widely recognised that the crisis was further aggravated by the lack of access to necessary information and the low standard of transparency in these economies. In order to prevent such a crisis from recurring, we must address these structural problems and implement measures that will enhance the transparency of economic activities.

However, since newly emerging markets often do not have the human and mature resources necessary to improve their economic systems, there is a limit to how quickly such economies can strengthen and upgrade their financial systems to fit international standards. Thus, the revision of the global financial system should be taken one step at a time. Even in newly emerging markets with sound economic fundamentals, the relatively small size of the market makes it vulnerable to external factors such as the contagion effects of a financial crisis or the abrupt reversal of capital flow. Safeguards against capital transactions can provide such economies with shelter against the shock of sudden capital movements. In this context, we believe that the nations of the Asia-Pacific should work together to reduce the risks that accompany rapid capital flows. One fine example of regional cooperation in this area is the surveillance system that has been established by ASEAN.

Next I would like to talk about the need to implement stricter financial regulations in advanced countries. Many people agree that another factor of the East Asian financial crisis was that there was no adequate mechanism to supervise the activities of highly leveraged institutions, and therefore these institutions were left to engage in inappropriate risk management tactics. Such highly leveraged institutions often engage in non-transparent practices when operating in advanced countries and offshore markets. Therefore, it is necessary for advanced nations to impose stronger regulations on such highly leveraged institutions and thus increase the soundness of such institutions and, furthermore, prevent the recurrence of a global financial crisis. Of equal importance is the need to enhance the transparency of creditor banks that invest in overseas markets and to further expand the scope of the statistics and information that are disclosed by creditor banks that engage in lending and investment activities. In addition, we must give serious thought to

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determining what surveillance activities should be carried out by the IMF, while at the same time examining the issue of expanding regional surveillance plans.

Thirdly, I wish to deal with the need for the private sector to participate in the revision of the global finance system. Developing nations have definitely enhanced the transparency and soundness of their economies. However, the reckless lending and investment practices of private investors and international financial institutions constitute yet another factor of their financial crisis. This moral hazard may consequently lead to the occurrence of another financial crisis. Therefore, the best policy would be to have the investors themselves be responsible for their reckless practices instead of bailing them out with public funds. In this regard, the Republic of Korea Delegation would like to express our support for the private sector burden-sharing principles and measures stipulated in the G7 report.

Finally, I would like to address the issue of building an improved exchange rate system. We have come to realise that the rigidity of our current exchange rate system and the sudden change in the yen to dollar exchange rate were also major factors in the East Asian financial crisis. This recognition brought advanced nations to take a closer look at the task of stabilising the fluctuations of their exchange rates and improving the exchange rate systems of developing countries. There is no 'one size fits all' exchange rate system that is best for all nations in the world. Each nation must therefore choose an exchange rate system that best fits its level of economic development and its economic situation.

Even more important is the need to implement consistent economic policies that can support the exchange rate system that is introduced. Maintaining stable exchange rates among major currencies is of utmost importance in increasing the stability of the international monetary order and preventing the recurrence of any further financial crisis. Therefore, it is also crucial that major advanced nations continue to engage in close policy cooperation.

There are many ongoing discussions regarding the revision of the global financial system. It is my great hope that the nations of the Asia-Pacific can make positive contributions to such discussions and thus join in the endeavour of building a stable financial system that forms the basis of growth and development of the global economy in the 21st century.

**CANADIAN DELEGATION**—I would like to commend the Japanese on the excellence of their draft resolution. I am indeed pleased to speak in support of the draft resolution, as submitted by them, on strengthening the international financial architecture. As I said about an hour ago in my economics report from Canada, Canada has played a leading role in advancing initiatives to establish financial stability in all countries in the Asia-Pacific. Canada has been very influential in giving advice to the IMF and the World Bank on things that can be done to strengthen finance.

It comes as no surprise, therefore, that we willingly endorse initiatives to enhance the transparency of all market participants, especially to further examine policies to strengthen transparency of highly leveraged financial institutions such as hedge funds which, when they fail, can do irreparable damage to all of us. And we support initiatives to improve risk assessment and risk management of creditors and investors but warn that such assessment must be based on principles of business efficacy and sound accounting principles to ensure that small business developments are not hindered in their plans for expansion.

I was particularly taken by the suggestion to examine the possibility of a regional mechanism that will serve for exchanging views on economic policies and provide financial support that will complement the functions of the IMF. Empirically, there is a great deal of disagreement among economists as to what indicators can be used to predict a currency crisis. As you know, an

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IMF study indicated, after looking at a wide variety of indicators, that a proper benchmark should be comprehensive and should include things like real exchange rates, international reserves, credit growth, credit to the public sector and domestic inflation. What we know for sure is that market variables, such as interest rate differentials and exchange rate expectations, are not reliable predictors. But we also need a peer review process. I think that there is a glaring omission in the Japanese resolution because it does not refer to the peer review process which, as everyone knows, has been carefully considered by senior officials of the IMF and the World Bank.

Specifically, what Canada has indicated to both the IMF and the World Bank is that the primary mandate of the proposed review process would be to survey supervisory systems to see if they adhere to predetermined regulatory norms and to identify financial sector problems before they become a crisis. Summaries of the financial sector reviews would be made public for the benefit of potential investors — giving transparency — who would thus be in a better position to find out whether a particular country's bank supervisors were meeting the international standards. Essentially, investors would be given an additional source of information on which to base their business decisions. Since the process would, it is hoped, identify leading risks in those countries failing to meet the supervisory standards, another possible benefit would be that subjecting participating countries to peer review would place pressure on countries with weaker financial regulation to improve their regulatory standards and performance over time. With this process in place, it was felt that greater transparency and security would be brought to the international financial system. These countries could also benefit in that a satisfactory performance could help them in gaining greater access to capital.

It is my hope, honourable delegates, that the draft resolution could at least be amended to include reference to the peer review because, in all likelihood, when the final communique from this meeting is produced both the World Bank and the IMF will be looking and I think they would be pleased to see a candid reference to the peer review process that they have already looked at themselves in detail.

**CHAIRMAN**—Thank you, Canada. If there are no other interventions on this question of the strengthening of the international financial architecture, I would be pleased if we would move as early as we could after lunch on to agenda item IIA(4), which is the question of debt relief.

I would remind delegates that one of the pleasing things about the conference is the number of resolutions that are, if you would pardon the term, floating around. But that is also the reason why we need to be somewhat constrained in our debating time to ensure that all of these resolutions have an opportunity to be adequately passed. I suggest that before we move on to agenda item IIA(4) – debt relief – we might break for lunch. But before we do that there are a few announcements that I would like to make so that everyone knows where we are in agenda terms. Firstly, draft resolution 24 proposed by our Colombian friends was circulated yesterday, I believe, and will be debated. I propose it for debate to tidy it up under agenda item IB(4) when we return to some subregional issues.

Secondly, the Mongolian Delegation proposed a draft resolution on APEC membership. That was D.RES/29/REV.1. That has been deemed to be out of order because of time constraints. This matter has not been, we feel, adequately considered by the Executive Committee. It represents something of a policy statement by APPF and was not submitted in advance of the Executive Committee meeting, so it has been deemed to be out of order. If this is a matter of concern to the Mongolian Delegation, I invite them to raise that concern now. But the ruling is that it ought not to be considered at this APPF meeting. Are you seeking the call, Mr Bold?

**MONGOLIAN DELEGATION**—We would like to reserve this issue for the next APPF meeting, according to the order to submit it beforehand. Thank you.

**CHAIRMAN**—I thank Mongolia for their accommodation. The other item I would like to raise is that the Mongolian resolution that was deemed out of order was in fact resolution 29. This is a very healthy sign, but it also means that there are a number of resolutions to be cleared. For that reason I think it would be inappropriate for this meeting of the APPF to consider any further draft resolutions. Obviously all of the resolutions currently floating will be appropriately amended and returned for debate, but I do not think there will be time if we introduce new resolutions at this stage for the meeting to adequately debate them. Nor will there be time for the drafting committee to fit them into the ultimate joint communique. For that reason, I am not proposing to accept any further draft resolutions. Obviously the existing ones will stand, unless they are resolutions of a matter of particular urgency that is agreed by the plenary session should be debated. Is that satisfactory?

I should also indicate while the Chilean Delegation is here — they indicated that, for reasons that they have passed on to me, they must leave us briefly at lunchtime and will be returning later this afternoon – that they have circulated this substantial and commendable document that invites us to participate in the next APPF meeting in Chile. I draw to people's attention that if time permits I will later invite our Chilean delegates to speak to it, but I thank them for making it available so early.

Furthermore, I need to indicate to all participants that a draft revised joint resolution on regional peacekeeping, originally submitted by Australia, was wrongly circulated by the Australian Delegation. It is APPF8/D.RES/4/REV.2. It is now withdrawn. I understand that the discussions between Australia and Indonesia are continuing with a view to submitting a further revised draft resolution, which is, of course, consistent with my earlier ruling.

Finally, I propose to this plenary session that we consider reconvening at 2 p.m. instead of 2.30 in order to maximise the debating time we have and to minimise the last-minute changes that the drafting group will be obliged to make in preparation for the joint communique. Is there any objection to a 2 p.m. resumption of this meeting? If there is no objection, I indicate to you that at four minutes to 2 p.m. the bells will be rung. I conclude this pre-luncheon session. I believe those who are at the top table have been notified, so there is no need for me to read out the list. We are endeavouring to ensure that leaders of each of the delegations have the opportunity to meet with President Nakasone. Thank you for your consideration, delegates. I conclude this session and invite you to return at 2 p.m..

### **Proceedings suspended from 12.29 p.m. to 2 p.m.**

**CHAIRMAN**—I declare open the fourth plenary session of this, the 8th annual meeting of the Asia Pacific Parliamentary Forum. Before lunch we agreed that we would now move to agenda item IIA(4), Debt relief for heavily indebted poor countries.

Debt relief for heavily indebted poor countries

**CHAIRMAN**—We have a theme paper and a draft resolution from Mexico. The draft resolution has been circulated and I invite Mexico to speak to it.

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**MEXICAN DELEGATION**—Dear colleagues, Mr Chairman and representatives here before this forum, the world over the last few years has seen a number of changes that have resulted from globalisation. This has influenced the economic, social and political development of our countries and results in challenges before us in the 21st century. Globalisation no doubt represents risks which, however, if we deal with them in an appropriate manner, we shall be able to convert into further opportunities for us.

Mexico held the third annual meeting of the Asia-Pacific Parliamentary Forum in 1995. On that occasion, we joined everybody else in our wishes for peace and stability for the peoples and governments of other countries to amicably resolve conflicts whilst abiding by international treaties. These circumstances are no doubt fundamental if we are to reach financial and material prosperity and the spiritual enrichment of our nations. At that meeting, we saw to the task, as we have seen to the same task in other successive meetings, of dealing with the economic and social issues and international trade in very specific terms. Thus, ever since Acapulco 1995, we have proposed a meeting to discuss financial differences on the basis of recognising the diverse levels of development within the region and the obstacles or challenges which globalisation poses.

Now here in Canberra, as some five years ago in Acapulco in 1995, we wish to make a proposal to this forum, given its importance for countries of the Asia-Pacific region. We wish to analyse and study in further detail, together with the reform of the international financial system, the problem of foreign debt in developing countries which are heavily indebted and poor. This assumes that with political willingness and dissemination and with proper accountability we shall be able to reduce the risks generated by speculative flows of capital. This will create for us foundations that will allow us to consolidate very firm and steady development and produce the healthiest development of our region. Thus, the delegation of Mexico hereby proposes before this forum to have an annual meeting in the year 2001 to deal with the possibility of reaching bilateral agreements on seeking resolution to the debt of those heavily indebted poor countries.

We recognise the representatives of the citizens of various countries of the Asia-Pacific basin that we are in a position to help whilst manifesting our concern on the issue of foreign debt, which oppresses many of our nations, some of them members of this Asia Pacific Parliamentary Forum. We thereby express our solidarity with these countries. We are aware that solutions are frequently proposed without a framework of considerations in terms of the individual wellbeing and the welfare of society. This is precisely what increases the further burden of foreign debt in the internal lives of those heavily indebted countries.

Thus we propose that this forum express its concern for the problem of foreign debt and that this concern will establish that a solution is feasible only on the basis of dialogue and agreement. All efforts to eliminate the lack of micro-economic financial stability in the Asia-Pacific region have been and will continue to be possible thanks to sound national and international political and economic policies. These will allow us to further strengthen our financial systems which have been seriously adversely affected by the sad process of structural adjustment, particularly in countries with external trade deficits which have been made to continue paying their foreign debt. We propose that a meeting be held to discuss the financial differences on the basis of the knowledge that we have on the various levels of development within the region and also considering the obstacles and challenges that will appear as a result of the phenomenon of globalisation.

We propose as a goal or objective, together with the restructuring of the international financial system, a solution for the problem of foreign debt. This does not imply a repudiation or cancellation of foreign debt unilaterally, but it does imply that we have to consider substantial changes in the current criteria for the granting of loans and the operational rules as well as the

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restructuring of payments and measures to alleviate the burden of foreign debt in those heavily indebted poor countries. We also consider that one of the best possibilities to demonstrate our global solidarity on behalf of governments and financial institutions would be perhaps to cancel out or at least significantly reduce their foreign debt in order to allow those heavily indebted poor countries to be able to invest in other areas which have a greater social impact, such as education, health, food programs, production, manufacturing, trade and infrastructure.

What we are proposing is not financial philanthropy but a serious drive in favour of those heavily indebted countries which, thanks to their very sound reforms, thereby guarantee serious democratic processes in the areas of politics, society and development. These investments for their social wellbeing will further yield results and will benefit everybody and promote a more equitable development for each and every one of the nations and the individuals living in them. Therefore we propose the creation of an ad hoc working group of the APPF, similar to that established for the issues of technology, that will entertain the proposals of members of parliament and experts of the international fora such as the meeting of the intergovernmental group of 24 developing countries held on 3 October 1998, and those generated to establish a consultative group of finance ministers and bank managers of the Asia-Pacific, as well as all the other contributions that the forum has established so far within the APEC. These will allow us to make use of all the experiences accumulated so far to find a solution to the debt problem of those heavily indebted countries that happen to be the most vulnerable ones.

I would like to highlight that this proposal has found momentum with the delegations of Chile, Colombia, Peru and the United States of America who have shared this spirit. We have also analysed and discussed these with members of parliament from Australia, Canada and Japan. We hereby submit them for the consideration of the APPF, in search of an agreement that will make it possible to establish recovery of those countries that have seen steady and ongoing crises. We propose support of those countries, thereby allowing them to proceed to further development.

**CHAIRMAN**—This is an issue that will be of real interest. Both Canada and Singapore are awaiting the call. I encourage delegates to keep their remarks as concise as possible, preferably focusing on the difficulties they have. I realise that the general concept of debt reduction will be commended by all of us. We should focus our remarks on the difficulties we have with the proposal, which will allow us to keep the debate as tight as possible, given the time constraints.

**CANADIAN DELEGATION**—On behalf of our delegation, I welcome the comments on this issue by the Mexican delegation. As a nation, we have been very strong supporters of the heavily indebted poor countries initiative from the very beginning, and we have made a strong commitment to that. We continue to support debt relief for the poorest countries and have endorsed the enhanced HIPC debt initiative. We certainly welcome the comments by the Mexican delegation and support their initiative with regard to the ad hoc working group. I point out, Mr Chairman, that financing of the enhanced HIPC initiative should be assessed as part of an international approach, with proper burden sharing. Canada certainly is prepared to take its fair share.

Under the Canadian debt initiative announced in March last year, we have also been prepared to unilaterally grant 100 per cent debt relief to the least developed HIPC countries upon completion of their HIPC program. I point out for the information of the chair and the delegates that Canada has already forgiven \$1.3 billion in ODA debt to developing countries since 1978, which includes ODA debt totalling \$900 million to HIP countries. We have already provided all of our ODA in grant form since 1986, which means that Canada is not contributing to a worsening of the debt in the poorest countries. Finally, through the Paris Club of official creditors Canada has forgiven more

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than \$2.3 billion in export credit debts to developing countries, so we certainly welcome this initiative by Mexico and we are prepared to assist in any way that we can.

**SINGAPOREAN DELEGATION**—Although Singapore does not directly get involved in the dispensing of loans to Third World countries, we share the concern expressed by the member from the Mexican delegation, particularly for those who live in countries whose standards of living are much below or around the poverty level. We hope that, with the technical assistance that we have been providing over the years, a solution to this long-term problem of indebted countries can be found.

Singapore has been contributing to the ESAF – the Enhanced Structural Adjustment Facility – within the IMF. We hope that through these measures some of the issues of the heavily indebted countries can be resolved. Finally, with regard to the address that was made by the Mexican members for the heavily indebted countries, we feel that this debt issue may not necessarily address the crucial issues of the income and employment situations in these countries. We hope that some specific reference to these might be useful for the long-term benefit of the people.

**CHAIRMAN**—Are there any other interventions on this quite significant resolution from Mexico?

**COLOMBIAN DELEGATION**—I believe that one of the problems we underdeveloped countries have, particularly in the Latin-American region, is foreign debt. Therefore, I think that the proposal presented by the Mexican delegation is of great importance, particularly for Latin America and Colombia, in terms of substantial change and restructuring of debt. We are not asking for them to condone the debt but for the easiest and more adequate way of cancelling it. Thereby we will be helping to service a debt. That is what we are asking, and we support the proposal of Mexico.

**MONGOLIAN DELEGATION**—The delegation of Mongolia welcomes the draft resolution submitted by the Mexican delegation on this important issue. Our country is among those which have suffered for decades under the burden of foreign debt. The present restructuring of our economy to alter market orientation causes a lot of consequences, especially the increase of foreign debt. Besides this, we have another crucial problem — a Sword of Damocles which threatens our further progress. This is our debt to the former Soviet Union, which is now inherited by the Russian Federation. Experts agree that this debt was caused by the Cold War environment and it was incurred between 1972 and 1990. The amount was calculated to be between \$US10 billion and \$US17 billion, which is 10 to 17 times bigger than our annual GDP. Russia is going to commence negotiations on this debt from the year 2001. Therefore the first provision of the draft resolution, which recommends that the 2001 annual meeting of the APPF be devoted to the feasibility of bilateral agreements to deal with debt relief for poor countries, is a very timely one.

Regarding the nature of our big debt to Russia, experts express different opinions. Most of them agree that it is to be clarified first whether it is a justified debt or not. At the time when this debt arose, Mongolia was completely dependent on the former Soviet Union. All the principal decisions were taken or regulated in Moscow. Our three prime ministers of Mongolia were executed in the former Soviet Union. The Soviet Union was a main trading partner, and 92 per cent of exports and imports belonged to the Soviet Union.

We started to discuss some issues related to sheep exports, so I would like to mention an example relating to sheep exports. Mongolia is one of the biggest sheep-breeding nations in the world, and it was the main supplier of meat to the former Soviet Union. Export volume at that time was five to six million live sheep each year, at a price of \$US6 per sheep. Mongolia was the main supplier of many other raw materials to the Comecon countries. Trade with other countries was

prohibited. On the other hand, the effectiveness of borrowed funds was very low. Therefore, the discussion to be held at the next APPF meeting in Chile will have significant importance not only for Mongolia but for many other developing nations.

**CHAIRMAN**—Thank you, Mongolia. No-one is in fact disagreeing with the Mexican motion or with the suggestion that the 2001 Annual Meeting should have a focus on the question of debt. So, unless there are any other interventions, I propose to put resolution 21 from the Mexican Delegation which is on debt relief in poor countries. If there is no objection to the Mexican proposal, I will assume that it has been carried with acclamation. It is a matter that could have taken up more debating time, but, given the limited time and the consensus of the meeting, I think that is an appropriate action.

### **International Cooperation on the Global Issues**

**CHAIRMAN**—We have a draft resolution No. 7 submitted by the Canadian Delegation on war affected children. It does not belong in any other area, so we will commence this discussion on International Cooperation on Global Issues with Canadian resolution No. 7. I recognise the Canadians.

**CANADIAN DELEGATION**—Thank you, Mr Chairman. As mentioned earlier, the Canadian Delegation has been active in promoting peace and security and our second resolution pertains to one of Canada's priorities on the international human security agenda, namely the issue of war-affected children. To that extent, the Canadian Delegation wishes to propose a resolution on war affected children and, with your permission, Mr Chairman, I would like one of our delegates, Senator Carstairs, to speak to this resolution.

**CANADIAN DELEGATION**—It is with great pleasure that I address you on this very important topic. Children are affected by war in two principle ways. They are either victims or they are fighters. The combination of those two results in one of the most disturbing human security issues facing the world today. The statistics over the past decade underscore the magnitude and urgency of this problem. As victims, close to two million children have been killed. More than four million children have been disabled. Over one million children have been orphaned and over 10 million children are psychologically scarred by the trauma of abduction, displacement, detention, rape or the witnessing of the brutal murder of family members. On the fighting side, over 300,000 girls and boys are serving in fighting factions.

With respect to child soldiers, the challenge is threefold. We must protect children and provide them with alternatives so that they do not become child soldiers. We have to remove children from active combat and we must re-integrate children into families and communities if they have been soldiers. The international community is now well aware of the tremendous and long-lasting impact of armed conflicts on children, as well as the devastating consequences of these conflicts on the future generations.

The proposed resolution before you draws heavily from a pledge that Canada initiated at the 27th Conference of the Red Cross and Red Crescent late in October 1999. The pledge received wide support from 33 governments and 29 national societies. The resolution seeks to address the main elements of the issue of war affected children, including rehabilitation and assistance, and the improvement of international definitions of the child soldier. The first paragraph of the resolution before you refers to measures to protect and assist children and prevent the targeting of children. We are looking at promoting their rights, ensuring their protection and dealing with their immediate needs.

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The second paragraph refers to the completion of an optional protocol to the Convention on the Rights of the Child. The convention will be taking place in Geneva this week. This is a set of negotiations that have been under way for a number of years to develop an optional protocol to the Convention on the Rights of the Child. The optional protocol is an additional instrument or part that would be added to the convention. The protocol call would define children who are child soldiers in the same way as the convention does for all children.

The third paragraph of the resolution calls upon parliamentarians, civil society, young people and all other relevant actors to work in partnership, both domestically and internationally. Canada would welcome your support for this resolution on behalf of the children who are affected by war.

**CANADIAN DELEGATION**— Mr Chairman, with your permission, I want to conclude on our submission by informing the delegates that Canada will be hosting this year an international conference on war affected children. The conference will address the full range of problems faced by children affected by armed conflict and will aim to produce a global plan of action to protect children. We would certainly look forward to the support of the conference with regard to that.

**AMERICAN DELEGATION**—I support the resolution on war affected children, submitted by the Canadians, and its ability to halt child soldiers. Something that affects children more than war is the disease of AIDS. I do not plan to offer a resolution on AIDS and this epidemic but I would like to submit this statement for the record. Sadly, AIDS threatens the lives of millions of people all over the world, but the devastation and toll has put a heavy burden on one of the poorest continents in the world, Africa. AIDS is a formidable opponent that now has a sizeable part of Africa firmly in its grip. As members of the United States Congress, my colleagues and I have made a commitment to break the hold of this health scourge and restore hope and promise to the women and children of this region. In the fiscal year budget 2001, President Clinton plans to send to Congress next month a proposal that will include \$100 million for AIDS in Africa and Asia and \$50 million for vaccines.

In Africa AIDS is the number one killer, leaving in its path the lives of more people than have been lost in wars. No part of the world is exempt from these problems, but Africa, it seems, has more than its share. Out of the 11 million orphans so far left by the global AIDS epidemic, 90 per cent are African children. We tend to think of a threat to security in terms of war and peace and not a national health crisis. Look at these statistics: in 1998, 200,000 people died as a result of armed conflicts in Africa compared to 2.2 million from the AIDS epidemic. This disease has reduced the life span of citizens of southern African countries. Life expectancy in Botswana has declined from 61 years five years ago to 47 years and is expected to drop to 41 years between the years 2000 and 2005. In Zimbabwe one out of every five adults is affected. Some estimates predict that more than 25 per cent of the working age population in South Africa will be infected with the HIV virus by the year 2010.

Recently, Representative Houghton and I visited Zimbabwe and South Africa to discuss with Presidents Mbeke from South Africa and Mugabe of Zimbabwe ways in which the US and Africa can combat this terrible infectious disease. I also visited South-East Asia several months ago and visited Burma and Thailand. I understand that these countries are beginning to experience similar outbreaks. This is a disease that is spreading faster than we can contain it. Because of porous borders and the international spread of infectious diseases to all corners of the globe, the number of AIDS related deaths will reach astronomical proportions by the year 2005.

The Minister for Health and Social Services in Namibia states that the triple therapy regimes cost \$10,000 to \$20,000 per year to combat. In order to combat this proliferation of infectious

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diseases, the UN AIDS Geneva based organisation will study AIDS. Studies show that only \$165 million was spent on AIDS prevention in Africa in 1996 while estimates suggest that between \$800 million and \$2.5 million a year is needed. Bristol-Myers Squibb, a pharmaceutical company based in the United States, has donated \$100 million over the next five years to help South Africa, Botswana, Namibia, Lesotho and Swaziland find sustainable solutions for women, children and communities suffering from the HIV-AIDS epidemic in their countries. Yesterday, Vice-President Gore announced that the United States pledged to put the continent's AIDS crisis on the world security agenda and outlined a new US effort to fight the epidemic. The rest of the world cannot ignore the crisis.

Kofi Annan, Secretary-General of the United Nations, said that HIV-AIDS is not only an African problem but also a global one and must be recognised as such. But within that international obligation, the fight against AIDS in Africa is an immediate priority which must be part and parcel of our work for peace and security in that continent. I bring this to your attention today so that we can all make a commitment to wipe out this dreaded disease. Our mission is clear. It is to extend and expand human life after careful study of the HIV-AIDS problem in the hardest hit of area of sub-Saharan Africa. It is imperative that the world take a first and unprecedented step with governments, physicians and non-governmental agencies to help alleviate the HIV-AIDS crisis in this region and other regions all over the world. With the help of the United Nations, prospects for combating this health crisis can and will be contained.

**CHAIRMAN**—Thank you, United States. It would strike me that this resolution, rather like the former resolution on debt relief, would be universally applauded. Is there any delegation seeking the call?

**COLOMBIAN DELEGATION**—I believe that one of the very important resolutions that we have submitted is the one relating to war affected children. In Colombia, we have within the ranks of the so-called FAR guerilla group, almost 10,000 children between 10 and 13 years of age. I believe it is the appropriate time to tackle this problem which is affecting many sectors of society and many young children. That is why Colombia fully supports Canada's draft resolution.

**CHAIRMAN**—If there are no other interventions, I will put the Canadian resolution. If there is no dissent, I will assume that it is carried with acclamation. We now come to resolution 15, on revision 3, the draft resolution on climate change proposed by Peru. I recognise the leader of the Peruvian delegation, Mr Sandoval.

**PERUVIAN DELEGATION**—I will be very brief in consideration of the time limits. This is an issue that I am sure concerns not only Peru but also most countries around the world. We are proposing this resolution in order to, first of all, call on the international community, more specifically this community, the APPF, to find equitable mechanisms that will let us confront the challenges of climate change.

There are still countries that have not signed the Kyoto Protocol. We believe that is extremely important. We would like to also state that the Singaporean Delegation has made a contribution to our proposed draft resolution, and I am sure they will be very pleased to address the assembly with regard to this proposed resolution. In essence, it is a simple one that wishes only to ratify the concern of the Peruvian Delegation and the concern, I am sure, of all the other delegates with regard to the problems of climate change.

We have ourselves witnessed what is happening with climate change. Mr Chairman, you yourself told us how Canberra at this time of the year should have an average of six more degrees that we are having now. The same is happening in Peru. We know of the tremendous floods that

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have taken place in Venezuela; there have been others in France. The world, in fact, has a tremendous problem. My colleague reminds me that Colombia has also suffered from the climate changes. This is due to the phenomenon called 'La Nina'. I believe it is in forums such as this that we must continue addressing this problem, and we should continue to address the fact that still not all countries have signed the Kyoto Protocol. This is a good opportunity to remind them of the importance it has and, obviously, the challenges that represents for – hopefully – continued reform on the climate problems. I will request, Mr Chairman, that you be kind enough to allow the Singaporean Delegation, which is the cosignatory of this resolution with the Peruvian Delegation, to address the assembly.

**CHAIRMAN**— I thank Mr Sandoval for his consideration, and I am pleased to recognise Dr Lily Neo of Singapore.

**SINGAPOREAN DELEGATION**—Peru and Singapore jointly submit this draft resolution on climate change. Singapore, like other countries gathered here, is fully committed to the collective global effort to control emissions of greenhouse gases. We are a small island state with no natural resources. We are highly urbanised, and our economic development has been built around the manufacturing and commerce sectors. Singapore is totally dependent on imported fossil fuels. We have no potential to develop non-fossil alternative sources of energy – be it hydro, nuclear or geothermal power. Nonetheless we have taken a number of measures to contain our carbon dioxide emissions.

Mr Chairman, please allow me to share some of our efforts. Until recently all our power stations were oil fired and accounted for about half of our total carbon dioxide emissions. A few years ago, one of our key power plants switched to natural gas – even though this is a more expensive fuel option – as natural gas produces 25 per cent less carbon dioxide per unit of energy generated, as compared with fuel oil. This power plant has helped to reduce our greenhouse gas emissions. In addition, by modifying its equipment to utilise combined cycle technology we have also improved its electricity generating efficiency. We are now actively negotiating with potential natural gas supply sources to supply gas to our other power stations.

Singapore is strongly committed to pushing energy efficiency as the means to limit greenhouse gas emissions. To promote this we have put in place tax incentives for companies which invest in energy efficient technologies or which upgrade existing equipment with more energy efficient ones. Another key source of greenhouse gas emissions is the land transport system. Singapore, because of land scarcity, has over the years introduced effective measures to promote the use of public transport and to discourage car ownership and usage. These policy measures make car ownership and usage very expensive while ensuring that we have an efficient public transport system. Such policies are of course not popular with the general public but we have, through extensive public dialogues and discussions, succeeded in convincing our citizens of the benefits of an efficient transport system to our economy. The effective control of our car population and of car usage has also, in the process, helped to abate growth in carbon dioxide emissions from our transport sector.

The seriousness of the threat from climate requires all of us to actively play our part constructively. We can afford to do no less. We have to move firmly forward with the developed countries, making firm commitments for a significant and meaningful reduction in greenhouse gas emissions. Developing countries also need to play their part. Indeed, I am glad that, even though they are not required to do so under the United Nations framework convention, many developing countries like Singapore have of their own volition already embarked on emission mitigation programs. Such efforts augur well for our collective efforts to combat global warming. We urge

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developing countries to continue to voluntarily reveal their sources of greenhouse gases, improve energy efficiency and find ways to better control the emission of such gases.

**CHAIRMAN**—Thank you, Singapore. Chile is recognised, but once again I would encourage delegates to focus their remarks on any concerns that they may have so that we can proceed with these resolutions as quickly as possible.

**CHILEAN DELEGATION**—This draft resolution, like other draft resolutions that we have considered over the past two days, is a very interesting topic. They are very complex topics indeed. I am worried about the fact that perhaps we are enumerating the problems. We are identifying the problems, we have a draft resolution and we are all glad that we have adopted this draft resolution, but I do hope that these draft resolutions reach the right organisations so that we have a presence, of our opinions at least, in the appropriate or relevant organisations. Without a shadow of a doubt, each one of these topics—and specifically the one that we are now considering—requires in-depth analysis and consideration.

Of course we share the concerns of Singapore and Peru. However, in the analysis that we can make about climate change throughout the world, some of the older delegates like me realise that we do not need any scientific proof; we are living the climate change. We are living it in our own countries. We are living it in the geographic centres where we spend our holidays. The press says that if we are going to be by the sea or on a beach we have to protect ourselves because the radiation is different to the radiation of five years ago and we will all get skin cancer. It is another world that we are living in. We know this. But, in reality, there are a lot of very strong and very powerful economic reasons to think that a mere resolution is not going to resolve this problem.

Chile will of course support this resolution but on the understanding that this is just the beginning of something that requires a more in-depth study. This is a proposal. These resolutions, of course, must be adopted. However, in the next meeting, we must go in-depth into the consideration of these resolutions. It is very difficult for us to consider all of these topics unless we really consider them in-depth. There are thousands of examples. We are worried about the sustainability of forest plantations. There are millions and millions of cars being used throughout the world, and they produce all of these emissions of greenhouse effect gases. This is much more than the destruction of our forests can cause.

It is also in many other sectors, such as the aviation sector. There are many examples in Chile, my country, because of its physical structure with the Andes mountain range which has very high rainfall levels. We have hydro-electric power stations which are technically very clean and they protect the environment. They produce a positive effect in the technical development of our country with regard to energy requirements. However, these thermal plants are almost paralysed today because certain groups throughout the world – NGOs, to be more specific – have joined forces with the men and women of the local communities who are living there. Because they are going to occupy part of their lands or they are going to cover them with water to produce this thermal energy, then we cannot build these hydro-electric power plants. When we do not build these hydro-electric power plants and when we cannot inundate certain lands we have no alternative. They cannot build these hydro-electric power stations on the land of indigenous people. Therefore, we end up using fuel based energy which does cause an obvious problem of emission of greenhouse gases which affect our climate, the quality of our air resources, and thus affect the whole of the world. These power plants are the predominate power plants in the world so we therefore have a cyclical economic problem which directly affects the climate conditions of the world.

This will be my last comment, Mr Chairman. We support the draft resolution submitted by the Peruvian Delegation and the Singaporean Delegation – and I am sure many other delegates will

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agree with this draft resolution. I propose that these very important and delicate topics which are affecting all of humanity should not simply be in a draft resolution or a resolution. We should carry out a series of studies and analyses to have a more in-depth consideration of these very delicate and serious topics. That is my proposal, Mr Chairman, but I fully support the draft resolution submitted by Peru and Singapore.

**CHAIRMAN**—Chile has indicated its support for the proposal. I have the call from Thailand. I intend to make the Thailand call the last call on this, unless there is an issue which someone wants to raise that is critical of the proposal from Peru.

**THAI DELEGATION**—Thailand would like to thank Peru and Singapore very much for the resolution they have proposed. It is a very important one. I would like to draw your attention to one critical aspect of the environmental problem which has not been adequately addressed by the APPF over the past years but which has a great impact on many of our member countries – namely, overpopulation. Last October, the world's population reached six billion. If this alarming trend of the rise in world population growth continues, we will surely be faced with an equally alarming magnitude of environmental destruction at the expense of the integral needs for land, water, energy and food in every region and corner of the globe.

Overpopulation causes a surge in the greenhouse effect and food insecurity. It is acutely felt in the emerging economies that the needs of the land for earning a living, cultivation and agriculture lead to deforestation, intrusion of watersheds and burning of fossil fuels for consumption. Climate changes result and submerged areas increase notably in the ocean areas. Increasingly, soil fertility and nutrients are lost in many parts of the world and food has become scarce. If the situation goes unabated it will be grossly detrimental to the environment. Therefore, the Thai delegation would like to call on the APPF to address seriously the question of world population as an integrated aspect of the environment in the Asia-Pacific region.

**CHAIRMAN**—If there are no interventions that are critical of the Peruvian resolution, I propose to the meeting that the resolution be carried because there is no objection to it. There being no objection to my proposal, I thank the meeting for its acclamation and support. Resolution 16 was originally proposed by the Philippines Delegation and, of course, they are unable to speak to it. However, it is currently being supported by our friends from Canada.

**CANADIAN DELEGATION**—My name is Michel Guimond. I am a member of the Canadian parliament and I represent Quebec. It is a pleasure for the Canadian Delegation to propose a joint resolution with our friends from the Philippines. I cannot think of a topic more important than the protection of our environment. To put it mildly, the protection of our environment is vital to our survival. To be successful, it is important that we share all available information. We believe that the Asia-Pacific Open Information Network is a valuable tool which will allow us to share such information. We are pleased to report that Canada will soon have a specific web site for the APPF with links to government departments, including Environment Canada and pertinent programs, policies and laws. In closing, we are very pleased to co-sponsor this resolution. The beauty of Australia, as we saw during the bus ride from Sydney to Canberra, is a reminder of the importance of the environment for us, for our children and for our future generations. Thank you.

**CHAIRMAN**—Does anyone else wish to intervene on this paper from the Philippines supported by Canada calling for us to create an internal monitoring bureau to coordinate environmental protection? If not, I presume that the meeting is entirely in accord with the paper. I thank the meeting for its acclamation.

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**Computer Issues**

**CHAIRMAN**—Agenda item B(2) on computer issues comes without a specific resolution. So unless someone indicates otherwise, I presume that it is not a matter that needs to be discussed at this conference.

**Drugs and Money Laundering**

**CHAIRMAN**—We now turn to agenda item B(3), Drugs and Money Laundering, which was a theme paper from Mexico which has now been withdrawn. There is, however, the whole question of money laundering which was submitted by Thailand under resolution 23, revision 1.

**THAI DELEGATION**—It has been stressed repeatedly during the APPF meeting that drugs and money laundering is unacceptable and must be made illegal. No-one should profit from criminal activities. To tackle the drug and money laundering problem, awareness or good intention may not be enough. We need adequate and effective legal measures. We need concerted and collective efforts.

Against that background, Thailand passed the anti-money laundering act last year. The act contains effective measures to deal with money laundering activities and empower the seizure and confiscation of property and assets which could be traced to certain criminal activities such as drugs trafficking or public corruption.

The money laundering activities could be launched in any particular country without adequate measures to fight or to combat it. The laundering can move from one country to the other. People will find a way and a place to do it. Therefore each and every country should have the necessary laws to deal with the money laundering activities. The Thai Delegation therefore has submitted a draft resolution calling upon all APPF members to put into place necessary legislation to counter money laundering activities and calling upon those countries which already have such laws to provide others with information on the legal framework needed for the drafting of anti-money laundering laws. We the Thai Delegation request your kind consideration of the draft resolution.

**SINGAPOREAN DELEGATION**—Singapore would like to support this draft resolution on anti-money laundering proposed by the Thailand delegation. Singapore is acutely aware that money laundering is a global menace and has actively taken steps to fight this problem. Singapore also recognises that international cooperation and assistance are necessary to combat money laundering and to deny drug traffickers the fruits of their misdeeds. Domestically, Singapore continues to adopt strong administrative and legislative measures, for example strict admission criteria for banks and financial institutions, high financial regulatory standards and tough laws against drug traffickers and money launderers. Internationally, Singapore has been active in participating in global and regional organisations seeking to promote international cooperation against money laundering and has sought to pursue international cooperation wherever possible through negotiations of mutual legal assistance treaties.

Singapore joined the financial action task force, an ad hoc grouping of countries and international organisations, in 1991. It was established in 1989 by the G7 governments with the objective of combating money laundering world wide but encouraging adoption of various legal and financial recommendations. At present the financial action task force is made up of 26 countries and two international organisations. In addition, Singapore is a member of the Asia-Pacific Group on

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money laundering, APG, which is a regional affiliate of the financial action task force set up to promote the adoption of the financial action task force anti-money laundering recommendations in the region.

**CANADIAN DELEGATION**—Canada is very much in favour of the spirit and the thrust of the proposal in this draft resolution. However, we do not have a great deal of comfort with the phrase ‘to pass and enforce necessary laws’ and we would prefer to see the wording ‘to give the highest priority to effective measures’ rather than instructing governments to pass laws. Within our delegation, we represent all five political parties and we all know that there is a certain amount of difficulty in getting concurrence even in our homeland with respect to all five at any one given time. So it is a difficult proposition for us. However, we are supportive of the necessity of having extremely strict measures and I understand that our government will be introducing, in the very near future, a money laundering bill.

**CHAIRMAN**—Can I suggest that Canada and Thailand might care to confer briefly on this to see whether the matter can be easily accommodated. I recognise Thailand.

**THAI DELEGATION**—We have no objection to the amendment put forward by the Canadian Delegation.

**CHAIRMAN**—I thank the Thai Delegation for their accommodation. Could Canada repeat the words so that we can be sure that Hansard have an accurate transcript of them and so that the meeting is sure of the change being made, without the delay of a further draft resolution circulating.

**CANADIAN DELEGATION**—The new resolution would state:

Resolves to:

1. Call upon all APPF member countries to give the highest priority to effective measures to counter money laundering activities in their respective countries.

The second phrase would not be changed at all.

**CHAIRMAN**—Is there any other intervention on this question of money laundering? I call Mexico.

**MEXICAN DELEGATION**—We fully support the proposal put forward by the delegation of Thailand with the amendment of Canada for this draft resolution to be adopted. But we also believe it is extremely important to highlight the international effort at all levels to combat the scourge of consumption of drugs and money laundering. However, I wanted to bring to your attention and to the attention of my Canadian colleague that this is a forum of legislators and we are the ones who make the laws in our respective countries, so I think it is appropriate for us to have a draft resolution promoting these laws combating money laundering activities. In Mexico various initiatives have been undertaken in terms of different financial legislative issues to combat money laundering. I think it is up to us as members of parliament to undertake the commitment to modify or even to make new laws which are geared towards combating money laundering activities in each of our countries. We should also to call upon our own governments, as rightly pointed out by our Canadian colleague, for these legislative measures and executive measures to be more effective in the task of combating these problems. This requires a legal and judicial framework of support, and it is our responsibility to undertake an effort of cooperation to exchange between us, members of parliament and members of this APPF, these initiatives and these proposed new pieces of legislation to combat money laundering. The law comes before administrative actions and therefore it does not go against the text of Thailand, but perhaps the text of Canada complements it in a way.

For the Mexican Delegation, it is very important to emphasise that this is a subject which must be seen in the light of its importance to members of the forum, and therefore the solutions that we must promote at an international level must be ones that are global, integral and comprehensive — global by way of including all countries and comprehensive to address all the elements of drug consumption, production and trafficking and also its results, such as money laundering and the illicit traffic of weapons as well. The illicit trade in firearms provides a basic tool, if you like, so that money laundering can be successful.

So, together with these elements, the forum should insist upon the fact that solutions must not be unilateral or one country over another one. Rather they should be balanced measures that respect the sovereignty of individual states so that they are effective in combating the drug traffic and its criminal connections.

**CHAIRMAN**—There seems to be general approval of the proposed resolution from Thailand on money laundering. Is there anyone who wishes to speak in objection to the resolution? There being no objection, the Thai resolution, resolution 23, revision 1 is passed. I thank the meeting for its accommodation.

The Mexican Delegation have indicated to us that they had withdrawn their proposed resolution 20, revision 1, which is to do with strengthening the family in order to fight drug addiction, but that they would like to advise the Secretariat about the status of it. Given that it was already in the pipeline, I am happy to accommodate it and I am wondering if we could deal with it prior to breaking for afternoon tea. I do this on the assumption that it is not a matter that is going to be controversial. If it is, we will allow it to run after the afternoon tea break.

**MEXICAN DELEGATION**—Perhaps the most appropriate manner would be for us to work in conjunction with Thailand and Canada to complement their proposals and to add our proposal on cooperation in areas of education and support services to families in terms of drug addiction problems to that offered by Thailand.

**CHILEAN DELEGATION**—Chile is in agreement with the last statement made by the Mexican Delegation.

**CHAIRMAN**—Is there general agreement that we should allow Mexico, Thailand, and one other person nominated to cooperate on this draft resolution? I am also happy to hear intervention on the resolution that was circulated, resolution 20, revision 1, which would then guide our Mexican delegates on the resolution that they are submitting. There being no other intervention, I invite Mexico to discuss it with some other delegates and we can consider it as a matter at the Plenary Session a little later.

We move to the resolution on landmines from Australia, which is resolution 2, revision 1. I call on Australia to introduce this debate.

**AUSTRALIAN DELEGATION**—Australia is pleased to join with Peru in jointly sponsoring this resolution. I want to start my short contribution on this crucial issue of landmines by reminding this conference of the words of our Forum President, Mr Nakasone. In his opening address, Mr Nakasone said:

In the final analysis, as you can understand from past history, we will discard the evil things and we will incorporate new, good things as we go into the new century.

That is the mission for us, as parliamentarians. Delegates, one of the evil things that our nations must discard is that evil presented by the continued use of landmines. Indeed, if it is in our

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power to achieve a mine-free world then, in my view, it is our individual and our collective responsibility to do so. I want to take this opportunity to urge each of you to support this resolution. In the spirit of the words of Mr Nakasone, I challenge those of you who represent countries yet to ratify the Ottawa Convention to use your influence to encourage your country to join the 133 countries which have already become signatories to this convention.

Mr Chairman and delegates, on the face of things it would appear that ridding the world of landmines is an impossible task but there have been significant advances towards a mine free world. In its 1999 report, the Landmine Monitor group notes the following, and I just want to ask delegates to consider these points:

Global production of antipersonnel mines appears to have decreased greatly in recent years as the number of countries producing AP mines has dropped dramatically from fifty-four to sixteen. Eight of the twelve biggest producers and exporters of mines over the past thirty years have signed the treaty and stopped production. Of the sixteen remaining producers, China is likely the biggest manufacturer today. Several have not made AP mines in recent years, including the United States and Singapore, but they reserve the right to resume production at any time.

Landmine Monitor research did not uncover any evidence of new production by treaty signatories. There is no evidence of the significant export of antipersonnel mines to any country, signatory or non-signatory. Landmine Monitor identified thirty-four past exporters, but all, with the exception of Iraq, have at least made a formal statement that they are no longer exporting. There are no major mine exporters today, and most of the major exporters of the past have signed the treaty.

Those things are encouraging. However, a concern is that the Landmines Monitor report of 1999 identifies the first systematic estimate of global antipersonnel mine stockpiles and it indicates that more than 250 million antipersonnel mines are stockpiled in at least 108 countries. To balance that to some degree, however, stockpiled mines are also been destroyed in significant numbers. More than 30 countries have destroyed more than 12 million antipersonnel mines. I am pleased to say that Australia is one of those countries. Our stockpile of antipersonnel mines was destroyed late last year.

There is much that we disagree on in politics in Australia but the issue of landmines is not one of those things. There is very strong bipartisan support for the position adopted by the current government of Australia over the Ottawa Convention and there is very strong support amongst the Australian delegation for this resolution.

In conclusion, once again, in the spirit of the words of our Forum President, I challenge those of you who are yet to sign the Ottawa Convention or those of you who are yet to ratify the treaty to go back and to use your courage, to use your influence and to use your leadership – taking with you the spirit of this forum – to ensure that your country does become a signatory to the Ottawa Convention. As I said, Australia is pleased to join with Peru in sponsoring this very important resolution. Thank you.

**CHAIRMAN**—I recognise the Cambodian Delegation but I invite firstly my Peruvian friends, given their joint sponsorship of this particular resolution, to speak. I will then turn to Cambodia. I call Peru.

**PERUVIAN DELEGATION**—Thank you, Mr Chairman. I am Congressman Oswaldo Sandoval from Peru. The delegation of Peru introduced this subject matter into the agenda of the APPF several years ago. We did that because our country has unfortunately been a victim of antipersonnel mines. For several years we have unfortunately had confrontations with one of our neighbours which created a situation in which landmines were placed on our borders. Thus, many people have died as a product of that and many others have been damaged in a very bad manner.

Peru was one of the first countries to sign the Ottawa Convention, and very proudly we must say that it was the first parliament in the Americas to ratify it. Thus, we believe in the importance of

not only signing and ratifying the convention but also stopping the production, the usage and the stockpiling of these deadly weapons. It is with those considerations that we ask the membership to support this draft resolution. I would further like to state that, after the peace treaty was signed with Ecuador not very long ago on and which this conference was kind enough to recognise in the last meeting we had in Lima, our country and Ecuador have received donations from Canada, Japan and the United States in order to contribute to their elimination of the landmines which are still in the borders of those two countries. We want to publicly thank once again those countries for their contribution. Thank you.

**CAMBODIAN DELEGATION**—Mr Chairman, Cambodia strongly supports the draft resolution submitted by Australia and Peru. The problem of landmines is a very sad chapter of the Cambodian story. We therefore support the convention on the prohibition of the usage, stockpiling, reduction and transfer of anti-personnel landmines and on their restriction. We call on all members of the United Nations to support this important Ottawa Convention and to sign this convention as soon as possible. We propose also to the countries which have already acceded to this convention to implement it by destroying all the stockpile of anti-personnel landmines. With this treaty we have seen definitive and positive trends for the continued reduction of landmines.

The international community has come in great number to help Cambodia rid itself of landmines. But their tireless efforts are slow and costly, and the mines in Cambodia are planted without any recorded map and so it is difficult to locate them. We also wish to take this opportunity to sincerely express once again on behalf of the Cambodian people our most profound gratitude to Australia, Canada, Japan, New Zealand and the United States for providing both financial support and expert deminers to help Cambodia remove the silent killer from the field. Unless the landmines are quickly removed and destroyed, they will continue to kill or maim the Cambodian people, innocent people, for the rest of this century. Thank you, Mr Chairman.

**CHINESE DELEGATION**—Some concerns of the Chinese Delegation have been considered and incorporated into the draft resolution jointly submitted by Australia and Peru. I would like to express our appreciation for this. So the Chinese Delegation does not oppose the adoption of this draft resolution. However, this does not mean that China has changed its stance on the question of anti-personnel mines. Now I would like to expound China's stand on the question of anti-personnel mines.

Dealing with antipersonnel mines, a balance should be taken into account between humanitarian concerns and the legitimate needs of sovereign states for self-defence. On the premise that the use of antipersonnel mines is restricted in an appropriate and reasonable manner, relevant countries should be allowed to use this conventional weapon as a means of legitimate self-defence. Based on the above stance, China has acceded to the amended landmine protocol of the Convention on the Prohibition or Restriction on the Use of Certain Conventional Weapons and has seriously fulfilled the obligations prescribed in it. China has also made positive endeavours in its demining efforts and international demining aid.

China respects the sovereign choice of states parties to the Ottawa Convention and understands their humanitarian concerns. At the same time, China holds a reservation about the convention regarding the aspect which does not fully reflect and take into consideration sovereign states' legitimate needs for self-defence. The amended landmine protocol successfully achieves a balance between humanitarian concerns and the legitimate needs for sovereign states for self-defence. As a legal instrument, it is fully capable of resolving the question of landmines that cause civilian casualties. So China calls for an early entry into this protocol by all countries. Thank you, Mr Chairman.

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**CANADIAN DELEGATION**—Canada has a great interest in this resolution and, of course, supports it wholeheartedly and congratulates the interveners on their comments, in particular Graham Edwards and Oswaldo Sandoval. Even in the case of China enormous progress has been made. China, of course, is not alone in being a nation which has special reasons for not entering into the Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and on their Destruction.

Just a brief update, the convention has now actually been signed or acceded to by 136 countries which have renounced the use of this destructive, indiscriminate weapon and has been ratified by 90. It is Canada's hope that the major focus of mine action efforts will be on the universalisation and implementation of the convention. As a result, encouraging states to sign the convention, as this resolution does, remains a very, very important goal. States that have both signed and ratified the Ottawa Convention are commended for doing so. We must, however, ensure that all states also live up to the obligations of the convention, in particular to ensure that the need for transparency and information on antipersonnel mines is maintained through the submission of reports by states parties according to article 7 of the convention.

The cooperation of these states in convincing their neighbours to sign and ratify is also an important component of the goal to universalise the antipersonnel mine ban. Canada urges all states that support a ban to actively work to convince their neighbours who have not already done so to accede. Having acceded to ratifying the convention, we congratulate Australia and Peru for the resolution. We support it wholeheartedly and urge all Asia-Pacific countries to do the same.

**CHAIRMAN**—Thank you. I have also received indications from Mongolia and Japan. Given the other interest that has been shown, I propose that we break a little early for afternoon tea. This will allow Madam President of the Senate to show you around the Senate. But I would then like everyone back punctually at 4 o'clock. At 4 o'clock I propose to conclude the resolution on landmines. Clearly it is a resolution of importance to everybody in the room. I would like the debate dealt with as quickly as we can, without in any sense reducing its effectiveness. I would then propose - and I need to indicate this to all delegates - that some of the resolutions that have been floating around pending some sort of consensus among various delegations and which have been agreed to should be put to the meeting as quickly as possible to allow the drafting committee to have a substantial group with which to deal in their afternoon and evening meetings. So we will conclude the landmine debate and then deal with as many of the outstanding resolutions as we can.

**Proceedings suspended from 3.31 p.m. to 4.01 p.m.**

**CHAIRMAN**—I call on a delegate from the Japanese Delegation to address the question of landmines.

**JAPANESE DELEGATION**—Thank you very much, Mr Chairman. We are discussing the draft resolution presented by Australia and Peru. We are in favour of this draft resolution. I think this is a very important topic. I would like to talk about global international cooperation, and I would like to cover the global environment and organised crime. I would like to talk under the heading of human security and, from that standpoint, introduce to you some of the activities that our government is doing as well as some other relevant factors. A wonderful thematic paper has been presented by Canada. Also, various delegates from various countries have given very insightful remarks. We benefited greatly from the discussion.

At our Diet, for some time we have been discussing this matter. Three years ago in May, with the participation of President Margaret Reid of the Senate, the President of the House of Councillors organised a conference of presiding officers of the upper house in Tokyo. In this

conference we raised the urgent question of human security. We had an extensive discussion on that. The House of Councillors in Japan attaches great importance to this theme, and we are urging the government of Japan to make earnest efforts. That was what happened three years ago. Then a \$4.6 million United Nations fund was created with the United Nations by the government of Japan. It is called the Human Security Fund, and it has been utilised ever since. It was created in March of 1999.

I think there are seven concrete themes under the heading of human security. The first one is the global environmental problem from the viewpoint of human security. At the earliest possible date we need to have international joint efforts. This is indispensable, especially on the question of global warming. COP3 of the Kyoto Protocol must come into effect as soon as possible, and we must promote international negotiation for the coming into effect of the Kyoto Protocol as soon as possible.

The second problem is drug related problems. It is not good enough to have draconian control. We have to attack the source of the narcotics and other illicit drugs. To the Myanmar government we have pointed out that their frontier regions must not be the hotbed of the cultivation of opium. In the past five years, through the office of UNDCP, we have contributed the total amount of \$US27 million. Also, we are promoting various other measures in this field.

The third concrete point is the measures to combat money laundering. Within the Asia-Pacific region there is a group within the United Nations called APG. I urge the APPF member countries to participate in the work of the group called APG. The fourth problem is international counter-terrorism. In whatever modality, international terrorism must not be tolerated. We need to take a decisive stand on that. Together with the Asia-Pacific region and other regions, we need to strengthen regional cooperation in order to come up with measures for counter-terrorism. The fifth point is the small arms problem, including illicit trading. Japan is aiming to promote global measures to restrict trade in small arms. The sixth point is on the anti-personnel landmine questions. We have been discussing that. We concluded the Ottawa convention in 1997 – the anti-personnel landmines prohibition convention. We have formulated the zero victim program. As a concrete measure of that Japan would contribute approximately ¥10 billion over a period of about five years starting in 1998 as part of the zero victims program.

The seventh point is international organised crime related matters. International organised crime includes trafficking in persons, smuggling of narcotics and firearms and money laundering. The United Nations came up with the aim of concluding the United Nations international organised crime convention. They are also in the process of formulating protocols regarding firearms and illicit immigrants, as well as the smuggling of persons. I think the support of the legislatures of various countries is requested here.

I have been talking about the various matters pertaining to human security. There are three pertinent points which are all common to human security. The first point is that APPF has to be a place where everything and anything can be debated and discussed frankly. The second way to solve the problem is to have close cooperation between nations. The third one is to listen to the views of the parties to any particular issue. I have some points to make about the third point. In Japan we have a saying about the arbitrary and unilateral discussion or judging of matters without the presence of the person in question. No matter how good a discussion you might have, if you do not have the person in question in the discussion you will not get good value out of that discussion.

In that sense, as I recall, yesterday our colleague Mr Ozawa of the Japanese delegation, our Acting Chair, made a proposal. He said that there is great significance in having someone from North Korea in our debate. The parliamentarians from North Korea, Myanmar and other countries

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can be asked to come to our deliberations. I am not talking about making them official members. I just refer to article 5 of the by-laws of this forum which has a section which mentions associate members, observers and invitees. We could make use of the stipulations of this article. It is very important that these people be present during our deliberations. On that standpoint, I hope that you will take up this matter in a positive way and that you can deliberate on what we can do about that.

**KOREAN DELEGATION**—I would like to make some comments concerning the antipersonnel landmines but, before doing so, the member of the Japanese Delegation just expressed his view about the participation of a North Korean representative. Let me tell you what we think about North Korea's participation in the APPF meeting: as you are well aware, the Korean government is carrying out the North Korean engagement policy. What we want is to open North Korean society. We want to introduce North Korea into the international community. That is our policy. Therefore, we totally agree with the proposal to invite the member of North Korea into the APPF. We support that. Of course, we would need to have an in-depth discussion, and I hope there will be a favourable result.

Let me tell you what we think about antipersonnel landmines. In principle we do not disagree with the resolution submitted by the Australian and Peruvian delegations; we agree with it. However, there are some things that you have to understand. Let me tell you what the Korean government's position is. The Republic of Korea, while sympathising with international concern over the inhumane damage caused by the reckless use of antipersonnel landmines, still believes that the unique security situation of each individual country must be considered when dealing with this issue. Korea agrees that the use of antipersonnel landmines has led to inhumane suffering and we have been participating in efforts by the international community to reduce the suffering and damage caused by these landmines. At the 52nd United Nations General Assembly held in 1997 we declared a moratorium on the export of antipersonnel landmines, and we have also been making contributions to the United Nations voluntary trust fund for assistance in mine clearance. Korea is also preparing to sign the convention on certain conventional weapons which regulates the use and transfer of antipersonnel landmines as well as the conventions of protocol 2. Through such efforts, Korea has continued to work for the humanitarian goal of reducing the unnecessary damage caused by antipersonnel landmines. However, at this moment on the Korean Peninsula, the two Koreas are standing pitted against each other on either side of the military demarcation line that splits the peninsula into two separate parts. With the constant military threat of the North hanging over our nation, antipersonnel landmines are indispensable to the security of the Republic of Korea. This is for the self-defence of our nation.

In the matter of indiscriminately eliminating all antipersonnel landmines, it is of utmost importance to remember that the very survival of the Korean people is at stake. Therefore, the Republic of Korea Delegation believes that the unique security situation of each individual country must be taken into consideration when dealing with the issue of antipersonnel landmines. In this context we believe that all nations should be given the right to reservation with regard to the antipersonnel landmines as provided for in the resolutions of the convention. Distinguished delegates, it is our greatest hope — our sincere desire — that some day we will no longer need antipersonnel landmines on the Korean Peninsula. We ask for your help and support in realising true peace on our land. Once again, I hope you fully understand the position of the Korean government. Thank you very much.

**CHAIRMAN**—Given the general support for the resolution from Australia and Peru, I will make Mr Bold from Mongolia the last speaker on this resolution, unless there is anyone who is very enthusiastic about participating.

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**MONGOLIAN DELEGATION**—Mongolia ratified the convention on certain conventional weapons in 1982. It is considering acceding to the additional protocol for CCW. Mongolia remains committed to the ultimate goal of banning antipersonnel landmines as a most injurious and indiscriminate type of weapon. Fully sharing the international community's concern on landmines, Mongolia co-sponsored the UN General Assembly relevant resolution and attended the Ottawa conference as an observer. It welcomed the entry into force of the landmine ban convention. However, due to national security considerations, Mongolia at this stage is not in a position to sign the Ottawa convention and accede to the amended protocol II to the CCW. The length of Mongolia's border, 8,158 kilometres, the size of its population, 2.4 million people, and the financial constraints it is now facing made us choose a phased approach towards a landmine ban. Therefore our delegation proposes to include today in the resolution an item which would recommend that the international community provide broader assistance to developing nations not signatories of the convention in achieving their security environment by refusing to use and stockpile landmines. The delegation of Mongolia supports the adoption of the presented draft resolutions and as parliamentarians we feel deep solidarity with the worldwide action against this inhuman weapon and support programs to coordinate and implement international de-mining, victim assistance and mine awareness. Mongolia is sure to put all our efforts toward ratifying the Ottawa convention as soon as possible.

**AUSTRALIAN DELEGATION**—I understand that Korea have an amendment which they would like to add to the resolution. I understand that Peru has agreed with the amendment, and Australia is happy to accept the amendment. I understand it relates to acknowledgment that has previously been part of APPF resolutions relating to landmines. What it does is acknowledge that certain member states are not in a position to accede to the agreement due to their current security situation. It goes on to encourage all member states which have not yet joined the Ottawa convention to examine the possibility of acceding to it when individual circumstances permit. They would propose to put that in as a second part of that acknowledgment, which is seven dot points down on the draft resolution. Another brief matter is in relation to encouraging APPF member countries which have not yet acceded to the Ottawa convention to do so. They want to say 'when circumstances permit' or 'as soon as possible'. Peru, as I have indicated, has no problem. Australia supports the amendment.

**CHAIRMAN**—Perhaps an indication from the floor would be helpful. It seems that the spirit from the floor is generally to accommodate what is sought from Mexico. It would be normally the practice of APPF to see that the entire amendment is circulated, but, if the meeting is content that what is being proposed is not going to cause anybody any alarm, I am quite happy to have this matter dealt with on the spot. On the other hand, if you want the amendment circulated, I am happy to defer it to a later hour this day or tomorrow morning. I privately feel that it is a matter of universal agreement and there would be no problem with it. In the absence of any dissenting voice, I thank those who have indicated just that. We will consider that resolution, which is resolution 2, original revision 1, which will probably now be revision 2, and it will be adopted by the meeting.

**AUSTRALIAN DELEGATION**—Thank you, Mr Chairman.

**CHAIRMAN**—Thank you, Mr Edwards. Delegates, I indicate my intention to run through all of the outstanding resolutions so that the Drafting Committee will have an opportunity to develop a joint communique without too much further delay. We start on a somewhat less than positive note in that the first of the resolutions unresolved, which was resolution 6 from Canada, the draft resolution on East Timor, is, I understand, in the final stage of negotiation. So, just for your information, that one is being negotiated and will come back.

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Draft resolution 4, from Australia, a draft resolution on regional peacekeeping, I understand is also in the final procedure for negotiation and will also be circulated shortly, I gather with general unanimity of approval, assuming that it says what everyone wants it to say. It will then be considered when it is circulated. Because of the nature of it, I think we should circulate it first.

The draft resolution submitted by Canada on armed personnel in peacekeeping operations, resolution 28, revision 1: can I have an indication from the Canadian Delegation of the status of this, please? Mr Hart from Canada, followed by Indonesia.

**CANADIAN DELEGATION**—We are prepared to go ahead on this now. Mr Chairman, as you know and the assembly knows, Canada has a long history of peacekeeping and for quite some time has participated in UN action, going back to the Korean Peninsula, where 500 Canadians gave their lives, and in peacekeeping operations in Indonesia in 1954 and again in 1973. In the early 1990s Canada was part of the ambitious UN peacekeeping mission to Cambodia. Today, as you well know, land, sea and air force personnel are deployed in East Timor, an operation which is, of course, led by Australia. Last evening it was interesting to note that the news highlighted the return of Australian soldiers from East Timor. As Australia passes on the command and control to the Philippines, new troops will continue on in the fine work of Australia and by Australia's armed forces personnel.

The thrust of this resolution is to acknowledge that the men and women who serve in uniform in all nations in the Asia-Pacific promote peace and security in our region. Many member countries of the APPF have contributed likewise, as Canada has, to multinational peacekeeping operations. These personnel, both military and civilian, come together to work as a unit. If you think about it, this is really quite a challenge in itself: there are different cultures and language, and oftentimes even the rank structure is not similar. In many cases they have never worked together in an operational mission. These young men and women must be professional, highly trained and in many cases willing to give the ultimate sacrifice, their very lives, to the objective of peace and stability in the Asia-Pacific region. All of us owe a great deal to the service personnel who have chosen the combat arms as a profession.

As Asia-Pacific nations, we all have felt the pressures of fiscal responsibility which have resulted in a reduction in resources for our armed forces. If you look at the Canadian example, the personnel levels and budgets have decreased, as I am sure many countries have experienced in the APPF. At the same time the operational tempo has dramatically increased. Again, this speaks volumes for the soldiers, sailors and aircrew who have experienced longer deployments and shorter periods of time at home between missions, which often has devastating effects on their families. We as APPF member nations owe them a great deal. This resolution asks that this assembly recognise the commitment of all personnel involved in peacekeeping missions, and I ask this assembly to adopt the resolution.

**CHAIRMAN**—I recognise the delegate from Indonesia.

**INDONESIAN DELEGATION**—I record our appreciation to the Canadian Delegation for putting forward the draft resolution on armed forces personnel in peacekeeping operations. The Canadian Delegation mentioned their country's experiences in peacekeeping operations. Indonesia also has a long history in peacekeeping missions, such as in the Congo, Vietnam, Bosnia and the Middle East, to mention a few of these experiences.

I would like to make some comments on the draft resolution. First of all, on the theme of the resolution which is to congratulate military personnel on discharging their professional job in the field: I think we all respect all the military personnel for doing their job. I think it is a common

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practice in every country to not only congratulate them but also give them commendations in different forms – decorations, awards et cetera. Therefore, there is a question as to whether we need a specific reminder to countries to give congratulations through this forum.

Of course it does not do any harm to remind countries to render these congratulatory gestures. Therefore, the Indonesian stand on this resolution is that we support the resolution in principle. However, we propose that this draft resolution be reconsidered – whether it is urgently needed or not. Furthermore, if the forum considers that we should have this resolution adopted, then we would like to propose some amendments so that the resolution can objectively cover all peacekeeping operations that have been participated in by all the countries in the Asia-Pacific region in all countries in the world, not only in the Asia-Pacific region.

Our delegation's proposed amendment is, firstly, in the second paragraph, which starts with the word 'Recognises', to change the words 'the Asia Pacific Region' to 'the world'. So the paragraph would read:

Recognises the commitment and professionalism demonstrated by these personnel in security operations authorised by the United Nations in the world and their contribution to peace.

Again, in the third paragraph, we propose the words 'the Asia Pacific Region' be replaced by the words 'the world'. Also in the third paragraph, we would like to add the words 'of the respective countries', after the words 'civilian personnel'. So the paragraph would read:

Calls upon APPF members to congratulate members of military forces and civilian personnel of the respective countries in peacekeeping operations authorised by the United Nations in the world.

**CHAIRMAN**— Thank you, Indonesia. With respect, can I suggest that the words 'throughout the world' might be better than the term 'in the world'. That does not change the meaning; that merely gives it a more appropriate emphasis. In fact I am not suggesting the meeting needs to accept the Indonesian recommendation but, in my view, the term 'throughout' would be more appropriate than the term 'in'. Just before I recognise Canada, I have had a request from Chile as well to speak on this matter. Can I encourage people to keep their contributions as brief as possible. I call Chile.

**CHILEAN DELEGATION**—I will be very brief, Mr Chairman. It is not usual that a forum supports the armed forces of the world. It is a very unusual event and a very special situation. I believe that as Canada has explained things to us it is worth while to give our support to this draft resolution.

It is the usual custom that, as we look around the different countries of the world, we can see monuments and statues in remembrance of the wars that soldiers of the particular country took part in. It would also seem that it is appropriate that we should build monuments to the soldiers who did not participate in wars.

In other words, according to the criteria that our children are growing up with, a father goes with his children, looks at a monument and says, 'Look, the soldiers of your country fought in this battle,' and they go to another monument and he says, 'The soldiers of your country fought in this.' That is fine, but one-day we will also have to say, 'This monument is in remembrance of the soldiers of your country for their achievement in seeing that no war broke out in a specific country because of their peacekeeping mission.' This is one-way in which we could give recognition to the participation of our armed forces.

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Chile has representatives of the armed forces in four or five places in the world. Very soon they will be in East Timor as well. When all our soldiers return, we give them a very enthusiastic welcome. We support them and we try to see that they have the least possible disturbances to their family life. So I congratulate Canada. It is a beautiful resolution. At the same time it opens our eyes so that I hope that one day the monuments of the world perhaps will be in remembrance of peace and not only in remembrance of battles. Thank you.

**CHAIRMAN**—I call Mr Hart.

**CANADIAN DELEGATION**—Thank you very much, Mr Chairman, and thank you very much, Chile and also Indonesia, for your interventions. I would like to express to Indonesia that we have been in negotiations with China and that this is wording that was worked out with China on this particular resolution.

I would also like to point out that this is a non-political type of resolution. Although it is not very lengthy, it was very difficult to draft. This assembly deals with Asia–Pacific nations and that is why we would like to limit the language to the Asia–Pacific region. I feel it is very important that this assembly show to the men and women in the forces of our nations that their work in multinational peacekeeping efforts in the Asia-Pacific is very appreciated by the parliamentarians of the Asia–Pacific. So I would ask Indonesia to support this in principle and I would ask that the entire assembly send to the people serving in military service in the Asia-Pacific a strong signal that we do indeed appreciate the work that they do.

**CHAIRMAN**—I would indicate to the plenary that it is unusual for the plenary to get into negotiation between countries. While I respect what Canada has just called for, I seek a quick response from Indonesia. If Indonesia wishes, there could be further negotiation or of course there are facilities for the resolution to be passed and for Indonesia to record its reservations.

I just need an indication from Indonesia as to the emphasis that Canada has placed on the region that is directly influenced by this assembly. Canada has indicated that is its reason for wanting to stay with its original resolution. A response from Indonesia would be helpful at this stage.

**INDONESIAN DELEGATION**—Thank you, Mr Chairman. I think in the brief draft of this resolution there is mention of the phrase ‘throughout the world’ and ‘the Asia-Pacific region’ specifically. Now in this last draft the word ‘world’ has already been dropped. To my understanding, this would not fully appreciate our military personnel in the Asia-Pacific region for their contributions and peace keeping throughout the world. In this draft resolution we will give an appreciation for the efforts of the countries in the Asia-Pacific region for what they have done only in the Asia-Pacific region. But we know that their sacrifice is not only in the Asia-Pacific region. I think it would give a fuller appreciation for military personnel in the Asia-Pacific region if we mention their duties not only in this region but also throughout the world. Thank you, Mr Chairman.

**CHAIRMAN**—I can either seek a response from Canada or suggest that they might confer with Indonesia. The matter can be revisited. Mr Sandoval?

**PERUVIAN DELEGATION**—Mr Chairman, if I may be allowed by the Canadian and Indonesian delegations to make a suggestion, maybe there is a way to solve this situation. Maybe we can say: ‘Recognises the commitment and professionalism demonstrated by these personnel in security operations authorised by the United Nations and their contribution to peace’, so not mention ‘Asia-Pacific’ and not mention the ‘world’ – just cross that out. That may solve the

problem that seems to exist. If they both insist on their point of view, maybe we will have no resolution at all.

**INDONESIAN DELEGATION**—Mr Chairman, the Peruvian Delegation are trying now to make the draft resolution better than what we propose, so we support the amendments by the Peruvian Delegation.

**CANADIAN DELEGATION**—The Canadian Delegation would also agree to that friendly amendment.

**CHAIRMAN**—I thank the plenary. Are there plenary members who are confused about this draft resolution? If there is no indication of any reservation, then I indicate that the amendment made by Mr Sandoval becomes the appropriate resolution 28, revision 3. If there is no objection, the draft resolution is passed. The next draft resolution on the agenda was the draft resolution proposed at this stage in our meeting yesterday by the Republic of Colombia. I invite them to put their draft resolution – now that it has been discussed with the President – to the meeting.

**COLOMBIAN DELEGATION**—On behalf of the Colombian delegation, we want to express the solidarity of all the Pacific Rim brothers so that, through a resolution of this 8th annual meeting of the APPF, we would support today the peace process in the Republic of Colombia between the legitimate government of Colombia and the rebel forces. This is a non-declared war that has been going on for at least 40 years, and each year it is costing the country more than 30,000 lives. Perhaps this is not the same as the previous conflicts that were mentioned - the Gulf War, the war in Kosovo. In Colombia, we are living in a constant battleground. It is a constant battleground not only from government forces but also from the rebel forces.

But what is even more serious is that, caught up in this conflict, we have systematically violated every human right possible - using antipersonnel mines, using guerrilla warfare against defenceless towns, using minors as soldiers, kidnapping, et cetera. Perhaps today with sadness in front of the world we have to confess that Colombia is the country with the highest number of kidnappings in the world. We are deeply ashamed that this is the case at the beginning of the 21st century. Even worse, it is a struggle where these rebel forces have lost all political identity, and all they are trying to do now is to negotiate a situation of power to maintain a very dangerous relationship with drug traffickers in our country. This relationship between the guerilla forces and the drug traffickers will obviously be a threat not only to Colombia but also to the world in general, specifically to our neighbouring countries.

Nature has given Colombia two seas - the Pacific Ocean and the Atlantic Ocean - and it is fortunate that Mother Nature has granted the country an enormous biodiversity along both coastlines. It is a country that has had one of the strongest democracies of Latin America throughout its republican history. Today the delegation in this forum represents not only the parties in power but also the opposition parties. Above all, we are united because all Colombians, without exception, want peace. We want peace in order that our people can progress, can develop. We have a very high unemployment rate. We have the highest index of displaced people because of the violent situations where we have confrontation by not only rebel forces but also paramilitary forces. In this confrontation, in this madness, they are endangering the civil society at large.

That is why, distinguished colleagues at this 8th annual assembly of the APPF, we would like to request your support so that we give our full support to the peace process that today should be resolved not through war but through constructive dialogue. We can reach this peace for the benefit not only of the Colombian people but also of the countries of the Andean region, for our neighbouring countries. I am addressing you not only as a Colombian or as a parliamentarian of

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Colombia but also as a Vice-President of the Andean parliament. It is a parliament where Peru holds the presidency but in which the other countries have a permanent seat. It is a political forum of the Andean community of nations. Therefore, we would ask that the delegates of this 8th meeting of the APPF give us that support. We are fully convinced that this will provide impetus for a peace process needed by not only Colombia but all of Latin America.

Throughout the world today there are very few guerilla movements left; we can count them on the fingers on our hands. Out of these guerilla movements and out of these wars, one of the cruelest scenarios is in our dear Republic of Colombia. We would be extremely grateful for your support for this resolution. We would return very happily to our country to tell our people that the international community of the countries of the Pacific Rim, the Pacific basin, where all the major advances in technology can be seen and where, through previous struggles, peace has been achieved today, is supporting our peace process, a peace process for a country that has been affected by this terrible war. Thank you very much, Mr Chairman.

**COLOMBIAN DELEGATION**—Mr Chairman, I would like to complement some of the things that my colleague has mentioned.

**CHAIRMAN**—I will allow you to do so, but I must please ask you to be very brief.

**COLOMBIAN DELEGATION**—Thank you, Mr Chairman. My colleague, who is Luis Fernando Duque, is from the opposition party in the Congress of our government. But I would like you to realise, dear colleagues, that this problem is defining the democratic unity of our country so that we can achieve a real peace process. All of the initiatives that have been taken and all of the conditions that have been set have been set by the government. Regarding the dialogue to be established with the revolutionary forces, which is what they call themselves, with the participation of a very important group, we have handed to them more than 42,000 square kilometres of land so that this dialogue in favour of peace can be initiated. We have made very important concessions, but from these rebel forces we have not received a very specific reply, except for a cease-fire of about 20 days over the Christmas period.

Therefore, as far as we are concerned, it is very important that you support this draft resolution. It is not that we need international pressure, but we do need international understanding. A resolution in support of our process by an important forum like the APPF, along with other international organisations, would, by necessity, imply that we are seeking everyone's help in achieving an environment of international aid for the Colombian peace process. What has been mentioned here is very important because Colombia's peace also means the peace of the Latin American region. Colombia is the door to South America. In view of our country's large borders with neighbouring countries, arms trafficking and kidnappings have occurred which have gone beyond Colombia's borders. Specifically Venezuela and Ecuador, and my colleagues from Peru who are also here, can confirm what I am saying to you about the possibility of such things going beyond the borders of our country.

Distinguished colleagues, such a resolution would give us an important international base, an important international support. We would like this process of support to continue so that we can resolve the conflict through dialogue. If dialogue fails, by necessity, we will end up with a civil war. I would like to inform all the delegates here present that Colombia is a country of over one million square kilometres with 40 million people and that these rebels number only 20,000 people. But these rebels have a very good understanding of guerilla warfare and they also have innumerable economic resources that they have accumulated throughout the years. In any event, distinguished delegates, it is extremely important to have your support and, on behalf of the Colombian people, I thank you in anticipation. Thank you.

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**CHAIRMAN**—I remind delegates of the need to keep their remarks concise or they will find themselves here well after 5.30 p.m.

**PERUVIAN DELEGATION**—In just one minute, we will show support for our brothers of Colombia, who are undergoing extreme difficulties in their process with the guerrillas, who are related to the narcotics dealers. Peru has undergone a situation in which terrorists have had our society in a corner for many years. Very fortunately, in the case of Peru, we have solved the problem through other means. However, we understand that each country has the right to solve their problems in a manner which they see fit. Obviously, Colombia is negotiating a solution to their internal problems with the guerrillas. We respect that. We wholeheartedly support the proposed resolution of Colombia.

**CHAIRMAN**—If there are no other interventions and there is general agreement, I thank the meeting for its support of the Colombian Delegation. The next resolution for consideration is resolution No. 11, revision 2. It is the draft resolution on the intellectual property rights relating to the traditional knowledge of ethnic and indigenous communities. It is submitted by the Peruvian Delegation and amended in consultation with Papua New Guinea and friends. Mr Sandoval, do you wish to respond at this stage?

**PERUVIAN DELEGATION**—Only to report to you and the distinguished delegates that the Papua New Guinea Delegation and the Singaporean Delegation have arrived at an agreement, shown in revision 2, which was distributed to all the members a few hours ago. This resolution has already been discussed. It was supported by all the members. It has only undergone certain changes to accommodate those members who gave some suggestions during the presentation of our resolution. Having said that, I would very much appreciate it, Mr Chairman, if you request the membership to give a sign of support to this resolution on the intellectual property rights relating to the traditional knowledge of ethnic and indigenous communities. Thank you.

**CHAIRMAN**—Is there any reservation? If not, I thank the meeting for its support. We now turn to resolution 19, revision 1. This is the resolution on global trade that Senator Roth commenced addressing this morning, when I indicated to him that we would go through this whole process this afternoon. I call him.

**AMERICAN DELEGATION**—Thank you, Mr Chairman. We have distributed to the delegates the redraft of the resolution on global trade liberalisation. I am pleased to say that this redraft is submitted by the American and Japanese delegations. It is my understanding that the Japanese Delegation has withdrawn its other proposal in this area. This draft also reflects the comments and recommendations of Mexico, China, Thailand and Indonesia. We have had an extensive discussion of this issue earlier today. I shall not take much time here except to say that I think this matter provides us with an opportunity to provide some very real leadership in the area of trade. The adoption of this resolution will demonstrate our unequivocal support for a speedy redress of the Seattle failure and the launching of a new trade round along the lines endorsed by the APEC countries at the New Zealand summit held in September last year. It is my hope at this time that this redraft of the resolution can be adopted. Thank you for your attention.

**CHAIRMAN**—I recognise the Deputy Speaker of the Australian parliament, Mr Nehl.

**AUSTRALIAN DELEGATION**— Thank you, Mr Chairman. We Australians are fairly easy going and we try not to be dogmatic. We always express the hope that we should be tolerant and cooperative. Therefore, at this stage, we would like to welcome the combined resolution from the United States and Japan. We note in particular the key points in the resolution which are an early launch of a new round of negotiations, including agriculture services and WTO rules on trade

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facilitation, enhanced tariff liberalisation and the reduction of non-tariff barriers, the call to create a negotiating process to enhance the transparency of the World Trade Organisation and to promote the benefits of international trade. We also note the point to call upon APEC to take the lead in launching a new trade round, including customs procedures.

If you look at all of these points that Japan and the United States have now taken the lead in pursuing, all of us must welcome the commitment that Japan and the United States have made by taking the lead in the implementation of these things and, providing they do that and continue down the track that they have started on today, they can enjoy the support of all delegates.

I would like to make one final point, Mr Chairman, concerning the Australian parliamentarians who are here as part of this conference. We have a constituency which is very largely the primary producers' constituency. We are facing a situation where our constituency is becoming very impatient about the lack of very real progress and we are under considerable pressure to get results. Our farmers, quite frankly, are dismayed at the lack of progress. We see the so-called level playing field as a slippery dip which is tilted against us. I would like to warn all the delegates at this conference that the parliamentary members of Australia are subject to this pressure. You will find there is a widespread feeling for trade liberalisation. We are in favour of this; we are working for it and pushing for it. If we do not get some success so that we can go back to our constituencies and say, 'Yes, we have achieved something for you', we will be tossed out, and conservative people will come in who will not want free trade and will be protectionist. I do not think that will benefit anybody in the world, particularly the Asia Pacific. I welcome the commitment of Japan and the United States to work and fight for these outcomes.

**CHAIRMAN**—Thank you, Australia. The Australian delegate's plea for the chairman to retain his parliamentary seat was noted, but I do not know that it should be used to influence the conference in any way. Are there any other interventions on trade? There being no other interventions, I thank the meeting for its accommodation. We now turn to draft resolution No. 26. This is the draft resolution on the 10th United Nations Conference on Trade and Development and was submitted by the Thai delegation. I recognise the Thai delegation.

**THAI DELEGATION**—Thank you, Mr Chairman. The Thai delegation would like to propose a simple, non-controversial resolution on the upcoming UNTAG 10. In view of the less than satisfactory outcome of the Seattle WTO Ministerial Conference in December 1999, the 8th APPF meeting has agreed through various resolutions to keep the momentum towards global free trade going. On the issue of trade liberalisation, an international parliamentary meeting will be held in February 2000 in Bangkok by the National Assembly of Thailand and the IPU in parallel with the UNTAG 10 conference. The Thai delegation would like to invite and urge all APPF countries to send representatives at the highest level possible to attend the UNTAG 10 and the IPU meetings and join in the efforts to reach a mutually acceptable outcome. Mr Chairman, we request your kind consideration and support for the resolution.

**CHAIRMAN**—Thank you, Thailand. I remind the plenary that we are dealing with resolution No. 26. Are there any other interventions? I recognise Australia, and Mr Somlyay.

**AUSTRALIAN DELEGATION**—I would like to support Thailand on this resolution. We have had a considerable debate on free trade, and I do not propose to go over that again. But I believe it is very important that we, as parliamentarians, get involved in the trade issue. I know, Mr Chairman, that there is nobody who is a better advocate for free trade than you. We have been through this debate many times. But let us remember one thing: as parliamentarians, we advocate free trade in our constituencies. Our constituencies, in my experience, are getting impatient. We are experiencing the negative effects of free trade in our countries. Our constituencies are experiencing

the negative effects of free trade when it is all a one-sided exercise. They want to see the benefits of free trade.

I want to continue to be an advocate of free trade in this place, as I am sure all my colleagues want to continue to be. But if parliamentarians do not become involved and convince executive governments to embrace free trade then in reality we will not be re-elected to the positions we now hold. We will be replaced by people who have protectionist policies. What I am saying is that if free trade does not work, we will not be here to argue for it in the very near future. I support the Thai resolution because it involves parliamentarians in the free trade process. I encourage all members of the APPF, especially those in the IPU, to send the highest possible level delegations to the UNTAG conference and the IPU adjunct conference in February.

**CHAIRMAN**—I remind the plenary that we are dealing with resolution 26 submitted by the Thai Delegation. It deals principally with attendance at the UNTAG 10 conference. If there are no further contributions, I ask whether there is any dissent from this resolution. If not, on the lead of my New Zealand friend, I presume it has been carried.

We are now dealing with draft resolution 8, revision 1, which was a draft resolution on the strengthening of the international financial architecture submitted by the Japanese Delegation in support of the Philippines proposal. Do my Japanese colleagues wish to make any comment at this stage on this resolution? There is no proposal from Japan. If there is no-one that I am overlooking, I can only assume that the meeting, in the absence of any indication to the contrary, is supporting draft resolution 8, revision 1, strengthening the international financial architecture, as proposed by the Japanese Delegation in support of the Philippine proposal. I thank the meeting.

There were two resolutions that were being circulated when we first convened this meeting. One was the draft resolution on East Timor. Negotiation was in progress with our Canadian friends. Are we in a position to discuss that at this stage?

**CANADIAN DELEGATION**—Mr Chairman, for the benefit of the delegates here, I can say that we have reached a conclusion. The draft has been distributed among the delegates and we urge support for the latest resolution. I personally would like to thank all members that were involved in negotiations on this particular resolution. It is stronger, it is clearer, and it is a better resolution than it was in its original form. Thank you.

**CHAIRMAN**—Thank you, Canada. In the absence of any dissent on the draft resolution on East Timor, I suggest that the resolution is carried. We move now to draft resolution 4, revision 3, originally submitted by Australia relating to peace and regional stability which is now being submitted jointly by the Australian and Indonesian delegations. I recognise that a great deal of accommodation has been seen by both groups in this delegation.

**AUSTRALIAN DELEGATION**—This resolution, which was originally entitled ‘Resolution on regional peacekeeping’, has undergone some substantial change. The conference will recall that, after some discussion yesterday, it was agreed that Indonesia and Australia would have some meetings, which we have done at length. I have to report that those meetings were conducted in a very fine spirit. We both share the aspirations of achieving peace and regional stability. However, I also have to report that we did not make a significant amount of progress in terms of the precise wording of the original resolution. Therefore, the revision that has been circulated is significantly different from that original resolution.

It is now jointly submitted. It has a new title referring to peace and regional stability. In essence what it says is to accept the proposal from Indonesia yesterday that the motion be deferred

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to next year's meeting in Chile, but with the addition that, in order to make sure that we can make progress in this area next year and we do not let 12 months go by and then have the same sort of problems, we propose that there should be a working group of the APPF — and we suggest that it should involve Australia, as the original mover of the resolution; Indonesia, which clearly has a significant involvement; and a third country, to be nominated by the Executive Committee — who can work on this issue between now and the next APPF meeting. When we come to that meeting we can put forward a resolution that has been thoroughly researched, has a lot of common ground and can be progressed in a constructive way.

**CHAIRMAN**—Do our friends from Indonesia want to comment on this draft resolution?

**INDONESIAN DELEGATION**—We support what the Australian Delegation has mentioned about the draft resolution. We are hoping that this forum will adopt this resolution.

**CHAIRMAN**—If there are no other interventions, I thank the meeting and both delegations for their agreement. The meeting will recall that earlier today we had a proposal from Mexico that the secretariat rightly thought had been withdrawn, but it had been withdrawn conditionally and Mexico was to advise its outcome. We thought this proposal that had been circulated in plenty of time for the plenary session had been withdrawn and we did not appreciate the need for it to be revisited, but I agree that it should be reconsidered. The proposal I am talking about is draft resolution 20, revision 1. This is a draft resolution calling upon the APPF to promote international cooperation in educational programs and legal reforms to strengthen and protect family life in order to fight drug addiction. I think it is timely that we consider it at this stage and see where the debate reaches this afternoon. For that reason, I recognise Mexico.

**MEXICAN DELEGATION**—Good afternoon to you, Mr Chairman, and all members here. My apologies for the lateness in the afternoon. Being this late, I hope that this draft resolution will not be addressed with less importance. We have talked about wars and landmines, and now I want to talk about another scourge, and that is drugs. We are all fully conscious of the incredible number of resources that our countries have contributed towards the fight against drug production and drug trafficking. However, statistical data show that consumption increases on a daily basis. On a daily basis, we see a greater number of our children and our young people falling to the scourge of drugs. They are the victims of this problem.

Perhaps we have the wrong enemy. The problem of drug consumption has not been so much a problem of policies or of economy. Yes, it does have something to do with that, but it also has to do with the possibilities of life for our youth and for our children who are unable to live in a sound environment, in a sound family where there is a sense of integral wellbeing. As long as our young children and our youth are not able to experience a family that is able to provide them with a secure and sound environment, the consumption of drugs will continue to increase. We will continue to spend millions and millions of dollars on police officers and anything else, but we will not control the problem of drugs. Therefore, greater importance must be given to the strengthening of the role of families in our societies. Only when our children are able to live again with families that are able to function as families will we be able to say that the fight against drugs is successful, and drug consumption will reduce.

That is why we want to propose to this forum that member countries of the APPF collaborate and cooperate to publish a number of educational materials and to exchange information and experiences so that families can learn more about this problem and can become better integrated in terms of their work with their own children and how we are to progress. The experience of cooperation will facilitate families to act as families. Also, particularly as far as the legislation is concerned, our governments will be able to launch campaigns of legal reform so as to

afford legal protection for the situation of families so that families can be recognised as the basic unit of society. All our government efforts are geared towards that as a major goal. If we are able to implement these resolutions, we can expect that our children and our youth will have a better future than what statistics currently show.

**CHAIRMAN**—Are there any other interventions on this pertinent question of family status and drug related crimes? I recognise the Chilean Delegation.

**CHILEAN DELEGATION**—The delegation of Chile would like to warmly congratulate in every area possible the delegation of Mexico on the basis of what has just been presented. Yet again, we are here with a nice surprise: the resolution before us is very interesting. It is a resolution presenting support to the armed forces, but we are going beyond the institutions of our own countries so that we can provide support to what is something very important – that is, society and families. In this regard, the presentation of the Mexican Delegation makes a call not only to the world but also to institutions – the church and ecclesiastical organisations – who have a great role to play with families. All parents in the world who have children between the ages of 20 to 25 must not forget that we do not see the same level of intensity of drug abuse that other people see. There is a lot of ignorance as to how we are to deal with the problem of drugs. What the Mexican Delegation said is true: they have spent a number of resources, millions of dollars, on fighting drug addiction. A number of measures have been presented. However, the struggle so far has been with the wrong enemy sometimes.

We always look at the number one soldier in the fight against drugs, and that is the family. The family should be the unit of strength. In this regard, the Chilean Delegation would like to point out that article 1 of our Constitution contains the major wording that the family is the basic unit of society. Our deepest heartfelt congratulations go to the Mexican Delegation for presenting the resolution. This should be distributed to ecclesiastical and church groups, because they have a great responsibility and role to play.

**CHAIRMAN**—I recognise the delegates from Colombia.

**COLOMBIAN DELEGATION**—I believe that one of the important subjects in the area of drugs is the family, as has rightly been pointed out. If drugs can be controlled within the family, I think it is very important. We have come to a point where it is opportune to deal with the issue of the scourge of drugs. If there is drug consumption, generally it starts in members of the family, especially if production is stimulated. That is the problem that we have in Latin America, particularly in Colombia. Colombia is a country that has been very badly affected by drugs. We also produce drugs. But developing countries do not control their drug consumption. This is affecting Latin America, particularly in those countries that are working towards development and achieving development. The developed countries have a greater demand, and we, the producing countries, are being affected by this because there is no control, nor is there a conscience on the part of the governments of developed countries.

Colombia has undertaken a number of efforts and has put lives at risk. For example, four members of government have been murdered, and many children have died. Sometimes we are not heard by the rest of the world. Therefore, we Colombians fully support the resolution presented by Mexico. Also, it is very appropriate that we mention and clarify here that major cases of confiscation of drugs have taken place in Colombia, always placing our lives at risk. Therefore, it is important to congratulate Mexico and to support the resolution presented here before you. It is with this resolution that we will be able to provide a final solution to world problems such as drug consumption. Thank you.

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**CHAIRMAN**—Are there any other interventions? I call Canada.

**CANADIAN DELEGATION**—Let me begin by thanking Mexico for promoting this particular resolution and also for their willingness to discuss some changes to the wording along the way. The most important phrase in this entire resolution is the one in (b) which speaks of children's need to know and be aware of their own dignity and worth as human beings. In my experience of 20 years in classrooms, I have to tell you that children who had a sense of their own dignity and their own value as human beings did not take drugs. If there is no market for drugs, we have no drug problem. The market is the user. If we can promote, through the development of healthy bodies and healthy minds in our children, their desire not to choose a drug culture, then we have solved the drug problem.

**CHAIRMAN**—This resolution seems to have met with general approval. If no-one is opposed to the resolution, I thank Mexico and I thank the plenary session. The resolution is carried by acclamation. I indicate to you that it is my intention tomorrow to ensure that we allow a minimum of one hour for Mr Sandoval and his group to tell us something of the progress they have made with 8.2001 with the support of both the Japanese and the Peruvian parliaments, and there may be others of which I am not aware. I want to have at least an hour for that purpose. We have about 10 minutes available now. I know that the Thai Delegation would like three or four minutes to make a comment about terrorism, because the issue on terrorism that had been submitted under B4 was not discussed because of the lack of a resolution. I am prepared to allow them a short period of time to make a comment about terrorism. There are two draft resolutions from Australia – one on humanitarian assistance and one on the formation of public accounts committees – that could be dealt with in the morning. But right now I invite Thailand to make a comment. I will then be guided by the meeting as to whether they want the Australian resolutions dealt with now. But I want to ensure that tomorrow morning is kept largely free to focus on 8.2001. There are also the usual issues of the preparation for the next conference and the Canadian proposal for roundtables, neither of which I see as controversial but which need to be dealt with.

**THAI DELEGATION**—We appreciate that you have kindly given us the opportunity to report on an important matter that concerns the world nowadays. Thailand would like to bring to the attention of this important conference the fact that terrorism will continue to be a serious threat through the next decade at strategic and tactical levels. Such threats will be in the form of the continuous and growing instabilities of the international environment at economic, social and political levels. The impossibility of attaining a new balance of power in the international system and expensive technological changes, combined with the millennium anxiety, will provide full-time grounds for problems from present organisations and probably also from new kinds of organisations such as radical technological or abortion movements or various kinds of cults and sects, and for ethnic conflicts such as those in Yugoslavia, various parts of Africa, Northern Ireland and many other areas of the world. This also includes religious disagreements which end up involving terrorism. The strategic assassination of important leaders could continue as occurred in the past in the case of former President Anwar Sadat of Egypt, former Indian Prime Ministers Indira Gandhi and Rajiv Gandhi and the recent attempted assassination of the President of Sri Lanka, Chandrika Kumaratunga. These are only a few of the well-known events that happened during the past few decades.

In summary, the Thai delegation would like to see the interests of the members of the APPF protected by trying to organise or cooperate in implementing facilities for intelligence services which would provide an early-warning system for members of the APPF which could then prevent problems from happening. The Thai delegation would like to stress that to get rid of the terrorist problems in the long run nothing will be really effective unless we help each other to create a world

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where an ideology based on justice, equality, fairness and brotherhood prevails in all human societies.

**CHAIRMAN**—I thank the Thai Delegation. Plenary delegates will be pleased to know that the secretariat has suggested that it is a little rugged to keep dealing with business when buses are due to depart at 5.30 p.m. On the presumption that both of my Australian submitters tomorrow morning will be brief, it would be helpful to all to conclude the fourth plenary session at this stage. I thank you all for the great deal of assistance you have given to the chair and to each other this afternoon in allowing us to progress so far through the agenda. I declare the fourth plenary session closed and I thank you for your consideration.