

exploitation and exchange of the natural resources of the region, in the United States (1977), it is clear that interest in discussion of the area has not waned. It is clear also that stocktaking is in order. What practical significance have these Pacific perspectives for the governments and people of the region? Is there not such a hopeless diversity in the region that nothing of practical significance can come from Pacific co-operation?

The *Pacific* pamphlet in the *Foreign Policy for Canadians* set answers this question as follows: "The underlying need of the nations of the Pacific is to identify and strengthen the stabilizing influences that do exist, and to lose no opportunity to develop other possibilities that do arise."

The first requirement in giving substance to Pacific co-operation is to define the arena in a way that incorporates all the significant actors and assigns plausible constructive roles to them. The Pacific area actors may usefully be grouped as follows:

- The leads — Japan and the United States;
- the major supporting roles — East and Southeast area and Pacific island developing countries;
- the secondary roles — Pacific-oriented Latin American countries, especially the Andean group and Mexico;
- the catalytic roles — Canada, Australia and New Zealand;
- the roles that have not been written — the U.S.S.R. and China.

While the most vital relation in the Pacific region is that between the United States and Japan, its dynamics necessarily involve the other major actors. This is because the two countries acting alone do not and cannot play a dominant role either in preserving the peace and security of the region or in promoting economic development. Japan's direct role in security matters is circumscribed, and there are as many good reasons for leaving it circumscribed as for making what might be a highly-disruptive change in that role, not the least of which are domestic political reasons in Japan. The closer linking of American and Japanese economies through liberalization of trade and investment barriers that still exist on both sides is unlikely to occur except in the context of broader arrangements, if not at the GATT and OECD at least in ways that would be open to other willing partners in the developed world — namely, Canada, Australia and New Zealand.

The question then becomes what motivation would bring the United States and Japan into active economic co-operation in

new directions, or at least by new. The answer may be North-South relations. There is an interesting parallel between Japanese relations with Southeast Asia and U.S. relations with Latin America. In both cases there are substantial trade and investment commitments. In both cases there is also concern on the part of the developing countries about the extent of the influence of the regional superpower, and there is an interest in wider involvement. This need is clearly perceived by Japanese officials who have expressed their views at various meetings. Believing that its influence on the world is much affected by the nature of its relations with Southeast Asia, especially the Philippines, Malaysia, New Zealand and Indonesia, Japan is never convinced that it can be more effective in that area (i.e. can offer more effective investment and aid, and fuller access to markets for the produce of the region) than other developed countries, including the U.S. and Canada, co-operate in supporting in parallel ways the economic development of the region. Japanese officials have noted similar Canadian commitments in the same area, and Australia is already involved. There can be little doubt that the region is so large, and the economic potential so realizable, that trade and investment policies can play a substantial role in promoting sound economic growth and in making whatever contribution economic policies can make to the stability of the region. Thus what envisaged is some form of joint program involving Japan, the United States, Australia and New Zealand in trade liberalizations, and capital mobilization through private investment, official aid, etc.

### Japanese investment

Increased investment activity by Japan in Latin America opens up an opportunity for diluting U.S. "dominance" in the region by parallel collective efforts involving Japan and other Pacific countries. Whether efforts should primarily encompass the whole Pacific in large development schemes is a question requiring much further examination. The promising lines would be systematic Japanese and Canadian engagement through institutions or programs directed at assisting individual Latin American countries or groups — e.g. the Andean region. For Canada, Australia and New Zealand, there are similar advantages of a political nature, in being part of an arrangement including both Japan and the United States rather than only one of them.

*Co-operation  
between U.S.  
and Japan  
not sufficient  
for development  
or security*