

Second, relaxing Cold War tensions does not automatically end regional conflicts. Superpower confrontation has been a factor feeding tension and conflict throughout the world. And this region has suffered more than its share of tragic consequences. But superpower confrontation has also acted to limit conflict in some cases, to deter and to constrain. In the absence of such limits, states are able to exercise a new freedom, but that can be a freedom to open new disputes as well as a freedom to co-operate.

Finally, if tensions between superpowers increased regional conflicts in the past, the reduction of that tension presents the prospect of superpower co-operation in solving regional conflicts. Unhelpful intervention can be replaced by helpful co-operation. Countries of the region, while freer to fight local battles are also freer to seek their own solutions to their own problems. This is a challenge and an opportunity we must not let pass.

There is a direct relation between security and prosperity. Each can guarantee the other, and when one is absent, the other is threatened. Poverty and under-development threaten political security, just as conflict is the enemy of prosperity and growth.

The world has a tremendous investment in the growing prosperity of Asia, and it is only prudent that we make every effort to secure that prosperity. One level that means continuing to encourage market forces, as the Government of Indonesia is doing with its programs of deregulation and diversification; as the Canadian private sector is doing with its increasing interest and investment here; as our governments are doing together in seeking substantial progress in the Uruguay Round of multilateral trade negotiations. But now, we also have a new opportunity to promote the political security which can make prosperity permanent.

The relaxation in superpower tensions and the new approaches to security and cooperation in Europe raise the question whether Asia-Pacific nations should consider developing a wider framework for political and economic dialogue.

We have already begun to build new mechanisms to promote economic co-operation in Asia Pacific. The Asia-Pacific Economic Cooperation Forum (or APEC), inaugurated in Canberra last November, is already proving its value and constitutes an important milestone in this process. So many of the economic issues of concern to nations in the region are, at the same time, issues of global significance. There is no such