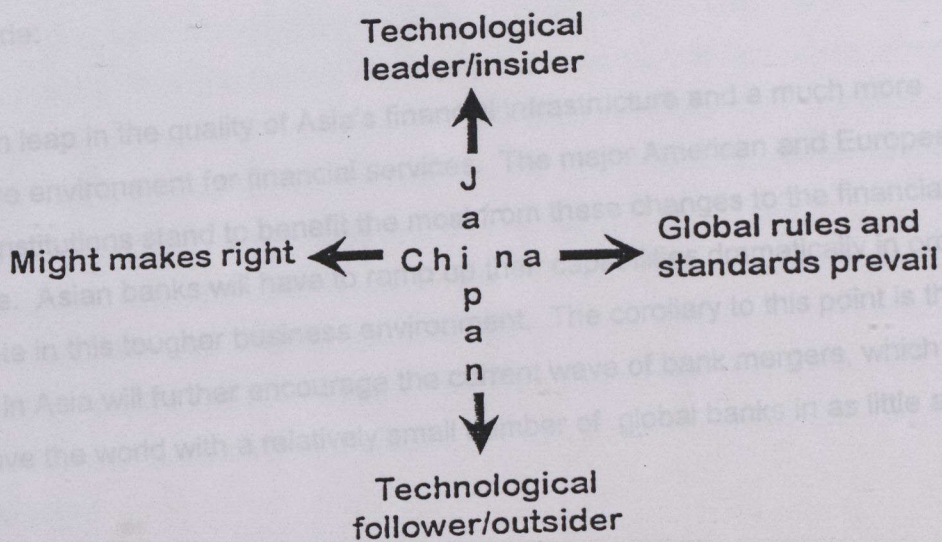


Some participants questioned if the China-Japan relationship was as pivotal to Asia's future as the China-US relationship, but all agreed that China is an important variable in any equation. Insofar as the US policy towards China is driven by domestic considerations, the run up to the 1999 US Presidential election, which will likely coincide with a growing US current account deficit, will be an important test of that key relationship. A deteriorating relationship would have implications for China's accession to the WTO, and the level of American support for China's bid. This in turn would have implications for China's willingness and ability to play by global rules of trade and investment.

## Scenarios: A Framework for Thinking About Alternative Futures

*Asia's future will hinge on China's relationship with Japan*



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standards and improve the quality of their human resources.

A more China-focused Asia will emerge, but it remains unclear whether China will play by global standards more than it has in the past. It was emphasized that this variable can be influenced by western industrialised countries, and that Canada may have a particularly useful role to play by continually engaging China and encouraging it to play by global rules.