As we approach a new millennium, we find ourselves entering a new era in world affairs.

Our world is fundamentally different to that of five years ago. While the nuclear threat that has traumatised us for so long is now almost gone, the irony is that the lifting of the Cold War gridlock has made the world in many ways less peaceful. It has created more room than ever for states to manoeuvre for advantage, and has allowed ethno-nationalism to raise its violent head. While for the most part the economically prosperous nations realise that less and less power resides in the barrel of a gun and direct their energies to economic reform, some will always remain tempted by military solutions - and the ready availability of sophisticated weaponry makes the prospect of any regional conflict an alarming one for the world as a whole.

While our own Asia Pacific region is presently as peaceful as it has ever been - with everyone's attention devoted much more to making money than making war - the post-Cold War world presents enormous challenges, opportunities and responsibilities for countries like Australia and Japan. We have a real responsibility to do everything we can to ensure that our region and - to the extent that we can influence it - the world as a whole remain both peaceful and prosperous. Peace and prosperity is what all our peoples want, and it is what every sane government wants to achieve and maintain.

Of course, the respective sizes of our two countries mean that we must respond to this challenge in different ways. While we each have different roles to play, we share many fundamental interests and can expect to support one another even more closely as we play out our respective roles.

The role Australia must play is the role of a constructive middle power. Unlike Japan, we are not a great economic power. At the same time we are not
insignificant. With a population of not much more than 17 million, it is not surprising that our economy is smaller than that of Japan, with its 125 million people, and China with its 1.2 billion. We are, however, around the same size economically as Korea and larger than any other economy in East Asia. We are well over twice the size of Indonesia or Thailand, five times the size of Malaysia, and more than six times the size of Singapore or New Zealand. Notwithstanding the enormous growth taking place in East Asia, the present size of our economy, combined with our own capacity for growth, will ensure that Australia remains a significant regional economic player well into the 21st century. Moreover, in security terms, our defence expenditure - not really surprisingly, given the size of the continent we have to defend - has been roughly equivalent to that of the ASEAN countries combined.

That said, nobody would suggest that these factors by themselves demand that Australia's views and ideas be heard, let alone adopted. If Australia's voice is to be heard, it will have to be because of the usefulness of what we have to say - the creativity and practicality of our ideas, and the effectiveness with which we pursue them. If we can maintain the quality of our contribution - and I see no good reason why we cannot - the currency of our views and ideas will be sustained for some years to come.

The characteristic method of middle power diplomacy is coalition building with 'like-minded' countries. It also usually involves 'niche diplomacy', which means concentrating resources in specific areas best able to generate returns worth having, rather than trying to cover the whole field. By definition, middle powers are not powerful enough in most circumstances to impose their will, but they may be persuasive enough to have like-minded others see their point of view, and to act accordingly.

Australia has been involved in the formation of a number of such like-minded coalitions in recent times. There is the Cairns Group, formed in 1986 and consisting of Argentina, Australia, Brazil, Canada, Chile, Colombia, Fiji, Hungary, Indonesia, Malaysia, New Zealand, Philippines, Thailand and Uruguay. This group of agricultural fair trading nations has played a vital role as a third force in the Uruguay Round negotiations on agriculture. Over the past month, the Cairns Group has been particularly active, with my colleague Senator Cook, the Trade Minister, leading the charge. We can expect that in the run-up to the December 15 deadline, the Cairns Group will play a dynamic role in advancing not only the interests of its geographically diverse members but also the interests
of all the other countries in the world, both developing and developed, that will benefit from a successful result on agriculture.

In the case of Cambodia, our coalition building meant working from the outset with Indonesia and the other ASEANs, all five permanent members of the Security Council, Vietnam and the four Cambodian factions themselves. In the wake of the failure of the French-convened international conference in mid-1989, Australia proposed a central role for the United Nations - not just in peacekeeping or election organisation but in the actual supervision of the whole internal government of the country during the transition to an elected government. As you know, those elections have recently taken place - facilitated, I might add, by the very welcome involvement of Japanese peacekeeping troops. The Cambodian peace process can now be regarded as an undoubted success. After more than twenty appalling years of war, civil war, genocide, invasion, and civil war again, Cambodia has at last the prospect of a stable, peaceful and democratic future.

In just over a weeks time, Australia will join other regional countries in attending the APEC Seattle meeting, to be followed by the informal leaders' meeting to be hosted by President Clinton. APEC is now well and truly established as the region's preeminent economic forum, and is set to play an absolutely vital role over the years ahead in promoting greater trade facilitation and liberalisation on the basis of the principle of 'open regionalism'. APEC was an Australian initiative: while many senior Asia Pacific figures had been making statements for many years about the desirability of greater Asia Pacific economic cooperation, it was not until Prime Minister Hawke spelt out a detailed blueprint in Seoul in January 1989, which was then followed up with months of intensive Australian diplomatic effort, culminating in the Canberra meeting of Foreign and Trade Ministers in November 1989, that the concept at last became tangible. And President Clinton has been quick to point out that it was Prime Minister Keating who first raised the idea of the APEC leaders' meeting being now convened.

There are other important coalitions in which we have played a leading role: the Antarctica environment initiative that led to the ban on mining and drilling in Antarctica, for example, and the Commonwealth coalition that has played a key role in the fight to rid the world of the abomination that is South Africa's apartheid system. For twenty years, international consensus was unable to be found on a Chemical Weapons Convention until Australia decided to devote a major effort, in concert with others, to make the Convention a reality.
In our own region, Australia played an important role in the lead-up to the establishment of the ASEAN Regional Forum on security issues, which occurred in Singapore in July of this year. The Forum brings together not only the members of ASEAN and their traditional dialogue partners, but also major regional states with security clout, in particular Russia, China and Vietnam. When I first floated, a few years ago, the possibility of evolving a new regional architecture to deal with the new security realities of the post-Cold War world, I have to say that I met with a somewhat less than enthusiastic response from my US counterpart, Jim Baker. But times do change: towards the end of the Bush Administration, views in Washington were beginning to change, and now the ASEAN Forum enjoys the strong endorsement of the Clinton Administration.

It is worth making the point that these examples of coalitions which Australia has built in recent years, or in which we have been particularly active, are by no means confined in their membership to 'middle power countries'. They often include great or major powers, and those with very much less influence as well. Moreover, the memberships keep changing. The point of middle power diplomacy is not who is embraced by it, but how the process of change is initiated and carried through. One of the great advantages of being a middle power - as distinct from a superpower, a great power or even a major power - is that one can win support for ideas that it would be very difficult for more powerful countries to pursue. The Chemical Weapons Convention and Regional Security Forum exercises are both ones that may well have generated very suspicious or outright negative responses had they been advanced by a country more intimidating than us.

I refer to these past achievements of Australian middle diplomacy, not because I want to beat the Australian drum in any crude way, but because in looking forward - as I have been asked to - to our future role, it is instructive to look back at what we have been able to achieve and how we achieved it. In this regard, I am reminded of the comments made by former Prime Minister Nakasone when he was interviewed a few years ago. When asked how he set about formulating his vision for Japan, he replied that he always went back to history. For him, history was the greatest teacher.

How, then, in the future might Australia continue to play a role as a constructive middle power? Globally, it is difficult to say much more than that this will depend on circumstances: we are presently, for example, devoting a lot of
attention to the negotiations for the extension of the Nuclear Non-Proliferation Treaty and the creation of a new Comprehensive Nuclear Test Ban Treaty, and it remains to be seen how successful these efforts will be.

But one area where we can be confident about Australia's continued middle power role is in our own Asia Pacific region. And given the focus of this conference, it is eminently appropriate that we look at the role that Australia will play in helping build and nurture the rapidly emerging sense of regional community that is evident in the Asia Pacific. This role derives from our conviction that our destiny is to be found more in our geography than our history, and our belief that, as a middle power, we have a positive contribution to make to this region's sense of shared interests and optimism.

Shared economic and trade interests are these days rightly receiving greater attention in our own region than in the past, when we tended to focus on cultural and political differences. Not only is diversity these days valued, rather than being seen as antithetical to shared interests; in practice, it is tending to diminish anyway. There are many factors producing a convergence in the way in which countries with hitherto very different backgrounds are seeing issues the same way, doing things the same way, and developing institutions and processes that are ever more alike. And, of course, as that happens, it becomes ever more easy to create a sense of community - and one that embraces countries like Australia as insiders rather than outsiders.

Any notion that Australia is destined, because of its history and culture, to remain an outsider in its own region, seems to me to be at odds with all recent experience. It is at odds with economic and political developments as they are evolving in the region, and with attitudes as they are evolving both within Australia and the region at large. It is also at odds with the sense of true partnership that now characterises our bilateral dealings with Japan.

In fact, in a number of ways, our relationship with Japan is at the cornerstone of our broader linkage with East Asia. Through a whole range of political dialogues and a large number of formal exchanges across increasingly diverse fields, we are developing what is really now a very vibrant and robust relationship. At the people-to-people level, we are moving to a more sophisticated understanding of our respective commercial, cultural, technological and intellectual strengths. Last year, 630,000 Japanese tourists made their way to Australia, while Australians' interest in Japan continues to grow. Yesterday, I launched the Celebrate Australia...
promotion - the largest ever such exercise mounted by Australia, involving 100 different events in 30 different cities at a cost of over $40 million: hopefully this will mean that more Japanese people would get an accurate picture of all that Australia now is and has to offer - a sophisticated, cosmopolitan culture in a sophisticated, high-tech economy - in addition to the postcard stereotypes.

Within the region, Australia and Japan strongly support APEC, the regional security dialogues, and cooperation in aid delivery. On the global front, we cooperate closely on reform of the United Nations, disarmament and arms control, and transnational issues such as the environment and the prevention of drug trafficking. Looking ahead, clearly we need to do more of the same, paying particular attention, for example, to greater cooperation in third countries both on specific commercial projects and on issues such as the environment and ecologically sustainable development.

What happens with Australia's effort to come to terms with its region - not as a bystander, nor even as a participant, but as a fully engaged partner - may prove to be significant not just for Australia and those, like Japan, with whom we are now interacting so constructively. Maybe we do have something of a test case here, one of not merely regional but perhaps wider global significance.

Maybe, as I said to a conference in Bali recently, if we get it right - as I think we are getting it right - we will have made a point that will reverberate around the rest of the world as we move into a new century: that it is genuinely possible for countries of vastly different background to work together and live together cooperatively and constructively, not only for our mutual profit and security, but for the pleasure of each other's company.

In so doing, we will also demonstrate that middle powers, like Australia, have a vital role to play in fostering a greater sense of shared interests - of community - which will lead to greater political and economic security, not only in our own Asia Pacific region but also in the wider world.

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