

## **H & K Communications**

72 Elvaston Avenue  
Nepean, Ontario  
K2G 3X9

Phone: (613) 829-1800  
Fax: (613) 829-2449  
E-mail: [hturkow@rogers.com](mailto:hturkow@rogers.com)

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**PRIME MINISTER'S Q&A SESSION WITH WORLD LEADERS**

**PART 2**

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Phone (613) 829-1800 Fax (613) 829-6181 E-mail [hturkow@home.com](mailto:hturkow@home.com)

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JOSÉ LUIS RODRIGUEZ ZAPATERO (Prime Minister of Spain): (Voice of interpreter): ...millions of people who suffer from extreme poverty, or our future is very dark, whatever happens with climactic... climate change. Either we allow the financial system to act in an unregulated manner, or we try and do something. But as long as there are billions of people without sufficient resources, without sufficient food, then our future doesn't look good. Our future is compromised. Our future is jeopardized. We have scientific proof that carbon emissions lead to climate change, and if we don't take action to respond to this, then our future is jeopardized because of that as well. And I have enormous belief in the capacity and the talent for innovation that we have to meet all eventualities. What's lacking is sufficient political will. In Europe, we can see that there is sufficient political will. We are the biggest donators in the area of development, to put an end to extreme poverty, lack of education, illness, pandemics. 60 percent of assistance in that area is European, and the greatest commitment in the area of combating climate change is European. And what we as Europe have to do is call upon the other major powers to take commitments upon themselves as well.

MODERATOR: Let me switch, because we just have to move on a little bit. President Lee, you're going to chair the G20. Another area of global cooperation that seems to be languishing is trade. The Doha Round seemed pretty close to completion. There was a meeting in New Delhi among commerce ministers. It appears that there is a general consensus on what the deal would be. At a moment like this with the global economy in a still fragile condition, wouldn't this be a perfect moment to move it forward, and what is it that makes it so difficult now that there is a kind of workable

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formula that seems to be, you know, agreed upon by the various trade ministers?

LEE MYUNG-BAK (President of South Korea): (Voice of interpreter): Yes, I was expecting a question on climate change, but I'm receiving a question on Doha Round, which I think is one of the most difficult questions. Let me just say one thing about climate change, though. I know that many people are here who have an interest in this subject. In Japan, we had a meeting and I took part in that meeting in Japan, where G8 plus the five countries. All the countries there agreed on reducing emissions and setting a target for 2050, and everyone agreed, but no one agreed on setting a target for 2020. And I think the reason is because the participants, none will be around in 2050. And so looking at that, I thought everyone can agree in the far distant future, when everyone is gone, everyone will be able to agree, but it is difficult to agree in the near term or the short term.

Regarding Doha Round, last year we all went to a global economic crisis. It was unprecedented, as we all know. Now with the crisis, everyone was concerned, but one of my biggest concerns was repeating the past, and that was exercising protectionism. Now, we know from historical experience that if every country sets up new trade barriers, this will stunt the recovery of the global economy, so when we were struck with this global economic crisis, everyone was concerned and worried that perhaps countries will resort back to protectionist measures, thereby stunting economic recovery. But this time we all agree, advanced and emerging economies came together. We all agreed on coordinating our fiscal expansionary policies, advanced and developing economies came together to reject all forms of protectionism, and these agreements more or less were respected and taken up, and having said

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that, I think the G20 has done a tremendous job of bringing together these different countries, and also taking its responsibility of international cooperation and coordination. And this is the reason why the G20 has now become recognized as the premiere forum for international economic matters. I was the one, and other leaders here all agreed that we must do everything that we can to reject all forms of protectionism, and I'm happy to say that we did our best to uphold our promise of a standstill. And now for liberalizing trade, we must agree on the DDA agreement. But when we look at the reality, all the countries agree on the need and the necessity to come to an agreement on the Doha Round, but when we come down to the specifics and the details, there are difficulties and diverging views, and Mr. (inaudible) said that this year is an opportunity for us to conclude the DDA, and I also believe that this year we must, we should conclude the Doha Round agreement once and for all. But when we look at the harsh reality and we ask ourselves, can we conclude the Doha Round by the end of this year, I am not going to name names. All the countries expect and hope we can conclude the Doha Round by the end of this year, but we are going to have to have countries taking into consideration other countries' needs and necessities. For instance, some countries – and I'm talking about my own country – in the absence of an agreement on the Doha Round, in order for us to facilitate liberal trade, we have embarked on signing free trade agreements with various countries, including India, (inaudible) with India, and I think Korea's one of the countries with the most extensive agreements, free trade agreements with various countries around the world.

So again, I am very hopeful and I want the DDA to be concluded by the end of this year. And if I say this, those responsible for the lack of progress, none of them are represented here. But we all know that

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there are countries who are to blame for the slow progress in the Doha Round negotiations. So in the meantime, Korea and other countries, realistically speaking, they are engaged in establishing various free trade agreements in order to facilitate global trade. And in the G20, of course we'll be discussing this issue in order to liberalize trade and open up markets, and also to give impetus so that we can really see the conclusion of this Doha Round agreement, and as you mentioned, we will be...we are the chair and host of the G24 this year...G20 this year, so we will do our part to contribute to this effort.

MODERATOR: But your fear is that you're going to end up in a world where governments intervene. When I look out at the landscape, probably the thing that worries me the most in terms of triggering protectionism – and I ask this question to the Prime Minister of Vietnam – is that you have China, that is maintaining an artificially high currency, that is causing great anxiety among its trading partners, particularly the United States and Europe. If there is going to be some rebalancing of the global economy, there would have to be some conversation with the Chinese government that allows a fair, a freer exchange of (inaudible). Do you foresee that as being something that could happen underneath a kind of bilateral, multilateral talks? I never said these would be easy questions, Mr. Prime Minister.

NGUYEN TAN DUNG (Prime Minister of Vietnam):  
(LAUGHS) (Voice of interpreter): Vietnam has discussed this with China, but this is certainly difficult, and we are in the process of further exchanging views.

MODERATOR: ...that these conversations, can you give us any sense of optimism that these conversations are going well? Because so

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far the attempts by certainly western politicians to raise it with the Chinese has only...has almost seemed counterproductive.

NGUYEN TAN DUNG: (Voice of interpreter): I have some meetings and discussions with them, but it seems there's no clear direction.

MODERATOR: ...would be easy either! (LAUGHTER) Touché! President Zuma, when you hear, when you listen to all these conversations, you still have millions of poor people in your country, is it fair to say that for you, trade is the most important thing, above foreign aid, above anything else? You want to see western markets open to South Africa, you want to see a further liberalization so that Africa can export its way and raise its living standards, or are there other concerns on your mind?

JACOB ZUMA (President of South Africa): Yes, definitely. The question of trade globally is a critical point. We move from a disadvantage that we have always been disadvantaged, and we are being in the negotiations, talking to the developed world to open up, and the problem has been the developed world reluctant to do so. We have had negotiations that have gone almost a decade. We can't produce agreements. And these are really based on very subjective interests, not the interests of humanity, as it were. It is just like the same issue asking earlier, on the climate change. Whilst everybody agrees that this is a danger to all of us, but it is very difficult for people to have comprehensive agreements that will help us address the question of climate change. It is worse with this one, because this one is not like a danger that is endangering everybody else. Some people are sitting comfortably with their developed economies, and some people are faced with very serious poverty. And it is very difficult to reach that agreement. You can

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imagine if it is difficult to reach an agreement on the issue that affects everybody, rich and poor, the climate change, how much more with the issues that do not affect the developed world? But the fact that we have negotiated some of the issues in the WTO for a decade, it indicates the difficulty that we are failing to walk the talk on the issue that we are now a globalized world, and our behaviour ought to be in keeping with that. The theme of this WEF today says let us rethink, let us redesign, let us rebuild. It addresses these problems we are talking about. What do we mean exactly by so saying? What is it that we need to look at? And I think we've not identified the specific issues we need to look at. The institutions of the world that take decisions, where these countries, all of us, meet with a purpose of taking decisions, once we come to those summits or...at whatever level, it's very difficult for people to take decisions that affect their national interests. I also want to make this example, because when we're faced with the financial crisis, which was a global problem, the solutions to it became very national. Very subjective. That indicates the reluctance of the developed world to be part of the globe to solve problems, therefore to have global solutions that will help everybody else. So the divisions still exist. The problem that I think all of us need to face to say there is a bigger picture of the globe here. On the climate change, we need to solve the problem so that we don't all perish. Even if they know that we're going to be perishing, all of us, they're still reluctant. I mean, the analogy of an aircraft is a fitting one, wherein we're all there in the air. If the pilot had a heart attack and we're not able to get another pilot, we're all going to plunge into the earth. But people are not ready to do so. I think it is more some, if I use the harsh word, self-interests that really prevent us to have global solutions that we therefore be for humanity.

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MODERATOR: President Calderon, you wanted to make a quick intervention, and then we're going to go to the floor.

FELIPE CALDERON: Yes. Well, one point about the relationship between economics and climate change, I agree of course there are economic costs cutting climate change. But nevertheless, we need to realise that according with the consequences of global warming in the future, the opportunity costs of that could be higher in economic terms. So the point is, the cost of doing nothing now will be much higher than take actions today. And another point is, talking about economic arguments, that there are a lot of economic opportunities for several countries and people taking actions. For instance, the capabilities to create jobs and growth, creating renewable energy or working in reforestation program, I'm thinking for instance right now in Haiti. Haiti is the island in the Caribbean who suffered much than other the deforestation process in several years, so there is an opportunity for reforestation process, and it's another way to help the people of this island. But my point is, we need to think in this problem that the world is sick, and we need to fix it. It's the same in a family. You have some members of the family sick, you need to bring his or her to the doctor and pay the cost. And we need to pay the cost in order to fix the world, otherwise the economic costs in the future will be worse for everyone. And other point is related to trade. We are failing in the point of Doha Round. It's like an old joke in any summit that we attend in those three or four years, in any summit we say, "We urge to our people to finalize the Doha Round next month, in a few days," and we see each other in the other summit and we say exactly the same. It's like an old joke between us. And I don't believe in that. My point is we are facing new problems with old mechanisms. For instance, the rule of consensus, the

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negotiation by consensus which prevailed in Doha Round and prevails in Copenhagen and in Conference of the Parties, is not useful to substitute the pilot in the plane. Why not? Because anytime that only one single country, one single government want to block, to tackle the agreement of the world, this country will be able to do so. So we need to change the mechanism, because the negotiation by consensus instrument is not working anymore. I don't know if 1945 when United Nations were created, was useful. But today is not 1945. Today is 2010. We have new problems, and we cannot tackle those problems like the growth of the world economy through the trade – I do believe in that – or to tackle climate change if we try to do the old instruments created in 1945. We need to create new instruments for a new era.

MODERATOR: Let me just finally ask, because it occurs to me that we haven't touched on this issue, which is probably near and dear to some of the people here. Stephen Harper, why is it impossible to get coordinated financial regulatory reform? This would seem to be, you know, relatively easy, you know, to make the case that you need common rules, because otherwise you will have all kinds of inefficiencies. And yet, after an initial burst of lots of statements that sounded...that said all the right things, it seems that every country is going its own path. Britain, France, United States, all announcing separate and different regulatory regimes.

RT. HON. STEPHEN HARPER: Well, I'm not as pessimistic that this is a hopeless exercise. I think some progress has been made. As I mentioned earlier, Canada chaired the initial G20...co-chaired the initial G20 taskforce on regulatory reform, and I think we agreed on some common principles. I think we all agree we need stronger systems of national regulation that are coordinated, that there's international peer review, and I'm

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still optimistic that in the discussions that are occurring between countries, that you will see...you will see moves in that direction. You know, I think...as I say, I don't think, Fareed, this is a hopeless exercise. I may not, you know, we...we may want to do somewhat different things than some other countries based on...based on obviously Canada's experience being very different than some other countries, but you know, ultimately I think there is a recognition. I certainly never have seen any difficulty among the leaders with a fundamental recognition that problems in the financial sector caused the crisis and cannot be repeated, and that everyone understands that if financial regulations are woefully deficient in some major economy, there's an enormous risk through a globalized economy of transmission of these problems to everybody else. So I think there's a recognition of the bases here. I just think this is an extremely complex area. You know, as I say, I think if we be patient and if we keep working at it, I do think you will see progress made, but it may be in fits and starts, and there may be some who do some things that not everybody is going to do.

MODERATOR: All right, we're going to move to questions from the floor. I want to start us off with a gentleman who I spot in the first row. Bill Gates. Can somebody get Mr. Gates technology that works? (LAUGHTER) Thank you. Here we go.

BILL GATES (President, Bill and Melinda Gates Foundation): The world over the last 20 years has made great progress on poverty, the millennium goals, lowering absolute poverty in half, reducing the number of children who die from over 12 million to under 9 million. And I'm curious, as we move forward in these meetings where pressure for development aid has been very strong, and that's been a key element of this

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progress, you know, which meetings and how do we see keeping the pressure on? In some ways, you know, we don't have meetings that include the low-income countries, and as you get people in who aren't involved in aid, that consensus could go away. So I'm curious if the pressure will stay strong, and if so, where will it come from?

MODERATOR: President Zuma, you want to take that?  
Or President Zapatero.

JACOB ZUMA: Take it! (LAUGHS)

JOSÉ LUIS RODRIGUEZ ZAPATERO: (Voice of interpreter): Well, before I was saying that the greatest imbalance we see in the world is the difference between rich countries and poor countries, particularly all of those who are excluded, who find themselves in extreme poverty. We're talking about billions. We have seen progress. But we have a huge task ahead of us. And if we don't address this task, we will see another crisis. Like this crisis, it will have its roots in imbalances, and it's not just going to happen in the area of trade. And trade is not enough to solve the problem. There are those countries that cannot produce products. They don't have the technological capacity, they don't have the infrastructure, they don't have the necessary knowledge, they don't have the level of health, which is undermining the capacity of the country to produce. So achieving the millennium development goals is our overriding task. It's a task of huge responsibility, as climate change is. Spain is a country which has seen the biggest increase in development assistance over recent years. We now have a large budget deficit, and we will be carrying out budgetary austerity measures, no doubt over the coming months and years. But we are not going to reduce development assistance. We are not going to reduce it. We have

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responsibility for these millions and millions of children who do not have an opportunity. So through our development assistance, we are giving an opportunity to everybody. I agree absolutely with what Mr. Gates has said. This forum, forums at the international level, the whole international (inaudible) will only have any meaning if those who have the least power count in some way, if their voices are heard, and their voices need to be heard in all fora, in all international institutions. And I agree with the Prime Minister of Canada in the area of financial regulation. We have made significant progress. We must recognize that. Both the G20 and the European Union have moved forward in this area, to the point where we nearly have common rules, stable regulation and supervision. Now, there obviously is work to be done, and it's true that France, the United Kingdom, the United States are making announcements about certain rights to be applied to transactions, other rules relating to assets, etcetera, but let's wait and hope, because it's driven, perhaps, by a common hope, which is the vision of a stable, secure financial system which can provide guarantees. But in addressing the new requirements of the financial system, we cannot lose sight of the millennium development goals, which are equally, if not more important than the financial system. The financial crisis cannot be an argument to reduce development assistance, and recasting, rethinking global architecture cannot in any way disadvantage, otherwise disadvantage countries. Africa especially is something which the international community has to prove itself in this area. It hasn't worked in the past, in assisting Africa effectively, and Africa can be helped in developing its infrastructure, and if we can have the assistance to ensure technological transfer, invest and put behind us the pandemics, we will be able to tap the great potential of the continent.

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LEE MYUNG-BAK: (Voice of interpreter): Yes, Mr. Bill Gates asked a very good question, and I know that he has been deeply involved in development assistance through his Foundation, so I pay him my deepest respects. The G20 meeting consists 85 percent of total GDP, so the remaining 15 percent of the GDP consists of approximately 170 countries, because 20 countries involved in the G20 consist roughly 85 percent of the global GDP, so the rest, remaining 15 percent is consisting of more than 170 countries. What that means is that there are many low-income countries and developing countries that consist of 15 percent of the GDP. So what's important is for the G20 countries that consist 85 percent of the total GDP is to reach out to these countries who are not taking part in the G20, and listen to their concerns and listen to their needs, and reflect their positions as we conduct discussions within the G20, because if we do not take into consideration the voices of these remaining 170 or so countries, the G20 will not be affected. When the G20 conducts various discussions on a variety of topics and agenda items, we must talk about how to improve the educational system, how to improve the healthcare system in these developing countries, how to improve the water supplies, how to talk about providing better care for the children in these developing countries, and there's a whole host of topics to be discussed. It is not enough for these developed countries to just give them money and to leave it at that. I believe there's much more for us to do if we are to ensure prosperous growth and continued growth for these developing countries. Look at the case of Korea. 50 years ago, Korea's per capita GDP was \$40. At that time, Korea was one of the poorest countries. Korea was the recipient of soft loans and EDCF and grants and if Korea were to just receive these assistance and live day by day, I can tell you for a fact that the Republic

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of Korea will not be sitting here today. What we did back then, 40, 50 years ago, was to receive this aid, receive the assistance. We then went out to learn techniques and technologies, how to grow food, how to build stuff, how to manufacture goods, and so as a result, after 50 years of being a country that received help from the outside, Korea last year became a donor country, because we became a member of the DAC of the OECD. This is the first time in history where a country in such a short period of time became from that of a receiving country to one that gives aid to other countries.

Korea, like I said now, knows what it's like to receive assistance from the outside. We know what is desperately needed. We know what the receiving country needs, because we were once, just 40 years ago, a country that received aid from our friends and neighbours across the world. That is why I tell you with confidence that for, let's say, a farmer in Africa, you must teach this farmer in Africa a way to develop crops that suits his needs and circumstances and the environment. You cannot just tell this farmer in Africa "This is the way they grow wheat in America, so this is how you can grow wheat here in Africa." That will not suffice. We cannot just collect money from rich people in rich countries and hand out this money to these developing countries, because then what's going to happen is that these developing countries will just get used to receiving help and assistance, because then they will not be able to become a country that one day provides help for those others in need. Because this is what we truly need. I think it's important to have an understanding of what these countries, what these developing countries need, what the least developing countries need, whether they need food or whether they need to improve their water situation, or whether they need to improve their sanitation. Whatever their specific needs

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may be, I think we really have to sit down and listen to what they need, listen to their unique circumstances, tailor the assistance so it can translate into substantive, tangible results, and I think this is the way that development assistance should go, and this is the kind of endeavour that we should pursue. Again, I say this because I myself and many Koreans, we have vivid memories of receiving help from those in the outside, and we know what we need and we know what is the most effective way to provide development assistance, and the G20 will reach out, like is said, to these developing countries and listen to their concerns and apply them to our discussions.

JACOB ZUMA: Yes, no, I just wanted to add to what colleagues have said, because when we talk about the plight of the poor, who are a majority, there are places where decisions are taken, and the decisions that affect the majority, are taken in the multilateral institutions, decisions that at times included the very specific issue of helping those who are in need, the plight of the poor. I think what my colleagues said earlier, that we have structures that were developed decades and decades ago when the circumstances were different, the circumstances today have changed. If you take critical institutions like the UN, the UN, which takes decisions that affects all of us, the general assembly, where the majority of the world, but there is the Security Council, the minority of the world, who have the right to veto any decision taken by the majority. And all those who come from really desperate countries, no matter what they say, at the end, it's just discussions, because they cannot determine the final decisions. I think that goes also to the international financial institutions. Because in those institutions, even if there isn't the type of constitutionalized veto, but those who have the bigger resources have the last word. So at the end, the majority of the world do not

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have the right to take decisions for themselves. That's why we've got to change the methodology of taking decisions in the institutions. In an attempt to move away from that area, we then said, well, let us stick to consensus. Consensus take you for a decade without reaching consensus. That's a problem you have that we've not recognized that those who are in desperate need, they need to be listened to. And that if we are agreed that there is a problem, let us take decisions and implement those decisions. So you have the unequal world, which must deal with the problems of everybody else, and naturally the final decisions rest with those who have got more power, more resources, more everything. That's part of the reason why in the negotiations in WTO, you cannot reach an agreement, because the poor countries put their case very clearly, but the developed countries say now, on very obvious issues that also affects climate change. It's worse than with the question of the plight in terms of those who have nothing. That's a problem I think we're faced with. I think we've reached a point today to rethink and redesign, including the decision-making processes of the existing organizations. If we don't do so, we will always meet like this and talk and not arrive in any decisions. We've got to be true to our democratic understanding, that indeed the views of the majority must prevail. We say that as a lip service. In reality, they don't. It is those who have the power in many respects who decide the fate and the plight of those who are the majority. That's the problem we have.

MODERATOR: Let me ask the Prime Minister of Vietnam what would you like to see along the lines of what Bill Gates talked about, what would you like to see from the outside world to help alleviate poverty in Vietnam? Is it aid? Is it trade? Is it a combination of the two? How do you think about this subject?

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NGUYEN TAN DUNG: (Voice of interpreter): I think that in...considering the issue of poverty and hunger in a country, you need to look from both sides, to see the reasons of poverty and hunger in that country as well as the outside causes. Vietnam is trying its best to overcome poverty and hunger, but poverty in Vietnam is the result of the war, of invasion wars, and as such, I believe that inequality, injustice today between the developed and developing countries, the rich and the poor, as well the global governance mechanism is still unequal and needs to be rethink and repair. We need to... the sentiment of poverty in one country must be done through the efforts of that country itself, but also through the assistance and support from the developed world, from the countries that have caused poverty in that individual country. For instance, the recent crisis has revealed the weaknesses (inaudible) of the global governance. We need a more democratic world, and we need to touch upon the right role of the developing countries of various group of countries, various groups of countries, in other words (inaudible) to the Doha Round, the developed countries must recognize that it is necessary to conclude the Doha Round. If we can do so, we can tackle one big challenge, to help people of the world to overcome poverty. Thank you very much.

MODERATOR: Questions from the floor? And if you can...make sure there's actually a question?

QUESTION: I'll try. Alejandro Valler (inaudible). I was wondering if it would be feasible (voice of Spanish interpreter) short in a very short time instead of all of feeling so proud about how to answer a question without an answer (voice of Spanish interpreter) the question would be (voice of Spanish interpreter) that they don't want to do, but that they know they need to give in so that the rest of the countries start giving in. I think that

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would change a lot of things. And my question would be to them if they think that would be feasible.

MODERATOR: To do something that they don't want to do for the common good?

QUESTION: Exactly.

MODERATOR: So let me ask President Calderon, this is one of the great tensions, you know, there are these global problems, but you are responsive to a national electorate, and you have to deal with the realities of a national electorate that asks certain things of you. You know, you have an election in Massachusetts, and all of a sudden, it changes what America is, you know, position or projection of itself is in the world, because we have to deal with those issue. How do you tackle that? How does...I suppose the question would be provide advice to elected politicians, since you're in the unique position of not having to run for re-election, what should they do? How should they tackle this?

FELIPE CALDERON: Well, of course, in any case you need to respond to your people. And the problem is how to combine the national interest with the global interest. Usually the national interest, and more specifically the political interest prevails over the global interest. This is the point, for instance, in terms of tackling climate change, and probably it's exactly the same in terms of trade and Doha Round. But there is a point where we need to understand that this is a global era, and any, most important problems of the global arena are affecting today or in the future to your people. And you need to respond with responsibility. And the responsibility is I need to pay the internal cost, political or economic cost in order to provide to the people of the future a better future. And that is the most difficult decision

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for any leader, for any governor or president. So the point is you need to have enough capacity, capability to mobilize people and resources, and to persuade to your own people the benefits of the right decision in the international arena. Of course it's very difficult for us to say to the Mexican people that as long as we can be a free country for free trade, we will be more competitive, and we will be able to create more jobs and grow faster. But the problem is I know there are a lot of local and sectorial interests opposed to any kind of reduction of tariffs. But at the end of the day, I know, I realize that this would be benefit for Mexico and for the world if we can open the economy and the trade. In the middle of – let me say this. In the middle of the crisis, I remember the G20 meeting in Washington. All the countries said that we are against protectionism. However, in the following six months, 14 out of 20 countries established one or another protectionist measures. Some of them even raised the trade, raised the tariffs. In the case of Mexico, we've reduced the tariffs from an average of 13 percent toward eight percent, and our goal is to reach four percent on average to the end of my administration. Of course there are some sectors that are going to suffer the change, but at aggregate level, the Mexican economy will be improving. Actually, that was the experience with NAFTA in Mexico. Why? A lot of people were opposing to NAFTA because they were looking threat in NAFTA to their own interests, but at the end of the day, NAFTA provided to Mexico more jobs, better salaries and more growth, and the economy was...today is much better than then. So the answer is you need to be responsible with your people and the future...or the old expression, you need to think a little bit more in the new generations than in the new or coming elections. And that's the key to move the globe, to move the world forward that we need.

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MODERATOR: Ma'am, over...

UNIDENTIFIED: (Speaking Asian language)

MODERATOR: No, no, no, the lady behind you, sir.

UNIDENTIFIED: Oh, sorry.

MODERATOR: We have gender equality in this hall.

(LAUGHTER)

QUESTION: Hi, I'm Carmina, I'm 16 years old, and I'm a Global Changemaker, and I think that setting goals is one thing, but then meeting those goals is another. So my question for you is how do you decide the priority of your country? How do you decide...do you decide it based on the immediate need or the long-term need, or how do you decide what actions should be taken?

MODERATOR: How do you prioritize? Let me ask this to you, Prime Minister Harper, because you're an economist, as is President Calderon, and there are people who say that we have our priorities for global cooperation wrong. There is another consensus coming out of Copenhagen, economists' consensus, 20 economists who say that if you were to take the money you can spend to alleviate human suffering, you would much be better off to putting it toward malnutrition, and that would have a much larger affect on improving human lives than tackling climate change. How to think about the issue? Both are obviously problems, but one appears to be more easily ameliorated with...you get a bigger bang for your buck if you address the issue of malnutrition.

RT. HON. STEPHEN HARPER: Trying to figure out where to start with that question. Essentially I guess it comes down to how do you set priorities, and the fact of the matter is that in this business, the setting

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of priorities is an extremely complex task, and I think the first and most important thing, you know, there are two things that really matter. The most important thing is you have to actually listen. You know, we all like to believe that we can elect, you know, a leader who will have the perfect set of policies and absolutely establish the perfect priorities for us to go forward, but the fact of the matter is there are a lot of voices out there, there are a lot of complex competing demands, and you do have to listen. You have to listen internationally as well as you have to listen to your own electorate. I think you do also as a leader need some sense of a compass as to what is really important here. I know we, the government of Canada, and my government, we try and keep the economy in mind. I don't want to say at all times and over all things, but I think there's enough evidence out there to suggest that if we get the economy wrong, everything else starts to go wrong pretty quick. So we try and keep the economy in focus when we deal with most problems, and obviously we have a belief in what kind of approaches tend to work versus what kind don't tend to work. And you have to take a longer-term view. I think you have to ask yourself as a politician, you know, you're told over and over by your advisors and by your pollsters that, you know, that, you know, do X and X, it's good communications, but my experience is if you do bad policy in the name of good communications, that's going to catch up with you pretty quickly. So I think you have to know where you're going, and you do have to listen. And I think fundamentally, Fareed, the other thing you have to do in this business is really recognize the legitimacy, essentially the legitimacy of everyone's interest and view, whether you agree with it or not. If I could just maybe kind of link this to the previous question, how do you deal with this in an international context? And I talked a little bit earlier about bringing what I

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call a sense of enlightened self-interest, as you would bring...or enlightened sovereignty, excuse me, as you would bring a sense of enlightened self-interest to private decisions. You know, how do you square the national interest with the global interest? Well, I think the first thing you should try and recognize as a leader is that in this day and age, particularly with the economy, but in the interrelationship of all things, security, climate change, the environment, that if you don't take the global interest into account in the things you do, you're going to be very quickly finding yourself doing things that are very counterproductive. If you do a lot of bad economic policies, if the government of Canada, for example, succumbs to a bunch of protectionist pressures, you can win some constituencies doing that, and you can get some short-term credit for some people, but the impact of that, both directly and indirectly on Canada as a trading nation, will be immense, and it will be felt within relatively short periods of time in this globalized world. But I think the reverse is true. When we get in these international forums and we find, as I talked about earlier, climate change, we disagree, with trade, we disagree, you know, we talked about exchange rates, we disagree. I don't think the way you deal with that is you say to the other guy, "Well, your national interest doesn't count. It's illegitimate. It's at the expense of all the rest of us." What I think you try and say is, "We recognize your interest. We want to hear you express your interest openly and honestly. Now, what can be done to square that national interest with the global interest?" Recognize the legitimacy of the other guy's point of view, the other guy's interest, and try to find ways that we can merge when we go forward with policies, whether it's as national governments or global governments, we square those interests in a way that help everybody, because I think we find both nationally and globally, when we

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act with the broader view in mind, the enlightened self-interest view in mind, I think we do a lot better than simply trying to deny somebody has an interest and say it's not legitimate.

MODERATOR: And with that, we have to close. I want you all to think about the enormous challenge that President Lee has. I just had six heads of government. He has 20 at the G20 meeting, so we're all wishing him all the best, and thank you all for participating. (APPLAUSE)

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