

one of Canada's most important trading partners. The Premier of Quebec also visited the Republic of Korea.

Two-way trade continued to grow rapidly with an increase of 37 per cent in 1984. Characterized on the Korean side by rising exports of automobiles and apparel and on the Canadian side by a 30 per cent growth in coal shipments, two-way trade with Korea now makes this market Canada's second-largest trading partner in the Pacific Rim.

The highlight of the past year in Hong Kong was the conclusion of an agreement between the United Kingdom and China regarding Hong Kong's future after the expiry of the New Territories lease in 1997. Under the agreement, which was initialled in September 1984 and has now been ratified, sovereignty will revert to China but Hong Kong will be guaranteed a considerable degree of political, economic and social autonomy under its own mini-constitution. The Secretary of State for External Affairs welcomed the agreement warmly as a major contribution to the stability and prosperity of Hong Kong, and of the Asia-Pacific region as a whole.

Canada's total trade with Hong Kong in 1984 increased by 13 per cent over the 1983 level to reach \$1.18 billion, thus almost doubling Canada's trade with Hong Kong in just three years. While Canadian exports declined by \$6 million to \$215 million in 1984, largely as a result of a drop in commodity prices, the market continued to be attractive to Canadian exporters of a wide range of products.

Approximately 8 000 Hong Kong residents immigrated to Canada in 1984. Of these, over 700 were in the entrepreneurial and self-employed category.

Korean and Hong Kong cultural and academic exchanges with Canada continued to grow, ranging from appearances by performing artists such as the Montreal Symphony Orchestra to the establishment of Canadian studies programs.

### **Indochina**

The ongoing conflict in Cambodia remains the principal issue affecting Canada's relations with the countries of Indochina. Canada supports efforts for a just and peaceful solution to the conflict. In the absence of a solution to the conflict, there is little prospect of Canada developing significant bilateral relations with these countries. Nevertheless, Canada conducts a successful family reunification program with the government of Vietnam and approximately 7 000 Vietnamese citizens settled in Canada during 1984. In addition, since 1979, Canada has contributed more than \$31 million for the protection, care and assistance of displaced persons and refugees in the Indochina region.

### **South and Southeast Asia**

The vast resources, population and great economic potential of the Indian subcontinent and Southeast Asia have made this region increasingly important in Canadian foreign policy. The largest Canadian development assistance programs are in Asia, and a large number of new Canadians come from the countries of this region. The geostrategic significance of the area is also reflected in superpower rivalries, particularly in the Soviet invasion and ongoing occupation of Afghanistan and in the Vietnamese occupation of Cambodia. Canada has consistently supported UN resolutions and other diplomatic

initiatives of countries in the region, calling for a withdrawal of occupying forces and for self-determination for the Afghan and Khmer peoples. In Afghanistan, the Soviet intervention has created the largest single refugee population in the world, and in 1984, Canada pledged \$14 million in food aid to assist Pakistan in its efforts to provide relief for Afghanisthanian refugees in Pakistan.

The developing relations between Canada and the countries of South and Southeast Asia are reflected in the increasing frequency of visits by federal and provincial Canadian ministers, Canadian business people and their counterparts from these countries. The presence of the Secretary of State for External Affairs at the October 1984 funeral of Indian Prime Minister Indira Gandhi illustrates Canada's recognition of the importance of these relations.

In 1984, the Asia Pacific Foundation was established with support from all political parties. With its headquarters in Vancouver, it is hoped that it will serve as both a catalyst and a focus for the further development of commercial, developmental, cultural and educational co-operation with the countries of Asia. Its first major co-operative undertaking with the Department was a February 1985 conference in Bali co-sponsored by the Indonesian Centre for Strategic and International Studies.

The past year also saw the initiation of periodic formal consultations between Canadian senior officials and their counterparts in Indonesia, Nepal, the Philippines and Thailand, in addition to those already in place with India and Pakistan.

Canadian exports to the countries of South Asia were approximately \$708 million in 1984, an increase of 43 per cent over 1983, and imports reached approximately \$250 million, an increase of 64 per cent. Fabricated materials and manufactured goods represented 64 per cent of Canadian exports and 77 per cent of imports.

### **ASEAN**

During 1984-85, Canada continued to strengthen its relations with the six member countries of ASEAN: Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand. The geostrategic importance of ASEAN and its dynamic free-market orientation are of major importance to Canada. At the political level, this has been reflected in consistent Canadian support for the ASEAN position that Vietnam withdraw from Cambodia, in the ongoing resettlement of Indochinese refugees (approximately 100 000 since 1975) and in extensive humanitarian assistance for those refugees living in camps in the ASEAN region. As one of six "dialogue partners" of ASEAN, Canada has since 1980 been represented by the Secretary of State for External Affairs at the annual ASEAN Foreign Ministers Conference. The July 1984 meeting was held in Jakarta, Indonesia.

Other high-level visits also attest to the growing importance of relations between Canada and ASEAN. In April 1984, Thai Prime Minister Prem led a large ministerial and business delegation to Canada. The Canadian Minister for Regional Industrial Expansion had a highly successful visit to Indonesia, Singapore and Thailand in early March 1984, at which time he also participated in the inaugural Air Canada flight to Singapore. In the coming year, the extensive participation of ASEAN countries in Expo 86 should stimulate an increased flow of ASEAN politicians and business people to Canada.