

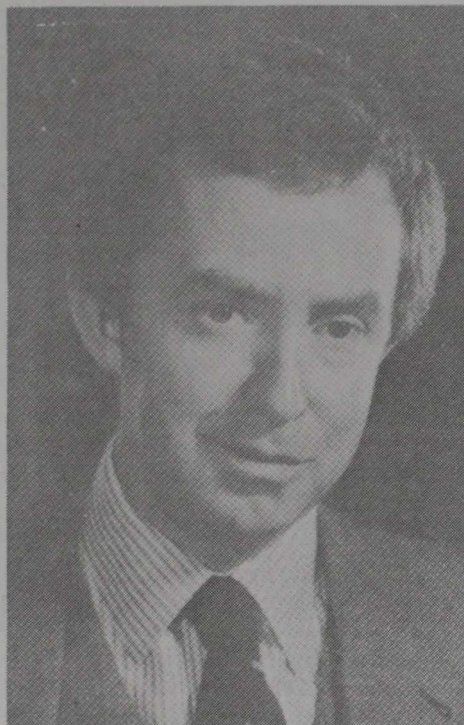
Canada's Future Policy Objectives In The Pacific Basin

External Affairs Minister Joe Clark has released a major paper reviewing Canada's foreign policy. "It is 15 years since the last review of Canada's international relations," said Mr Clark. "Since then the landscape at home and abroad has changed dramatically, with the election of a new Government possessing a strong mandate for renewal and change, it is time to look again at our relations with the rest of the world."

A special parliamentary committee will study the paper and hold public hearings on some of the 50-or-so questions that the paper addresses, before making policy recommendations to the government by May, 1986.

The following excerpt reviews Canada's relations with Asia and the Pacific:

- The region is growing rapidly in economic importance. Its growth projections exceed the most optimistic estimates for the OECD countries.
- Japan is the world's leading exporter of capital and second largest free-market economy. It is a major player in international economic forums. In many fields, Japanese firms are at the leading edge of technological development and, to a great extent, set the standards for international competitiveness.
- Regional economic dynamism is fuelled not only by Japan but also by other innovative and competitive countries



Mr. Joe Clark

(e.g. Republic of Korea, Hong Kong, Singapore). Chinese economic reforms also point toward an expanded Chinese role in the international marketplace.

- Regional economic integration is not well advanced, but the Association of

Southeast Asian Nations (ASEAN) is significant as an expression of common political purpose. It also embodies a deep attachment to trade liberalization.

- The Asia-Pacific region is also of growing strategic importance. Japan is beginning to play an international role more in keeping with its economic superpower status and strategic location. China, a nuclear weapons' state with superpower potential, is reopening its contacts with the West. India is a powerful leader of the Non-Aligned Movement.
- There are areas of continuing instability; notably the Korean Peninsula, Kampuchea, the Philippines, Sri Lanka and Afghanistan.

Canadian dimensions

- The political stability and economic progress of the countries of Asia and the Pacific affect our own wellbeing and a growing number of Canadians are taking a direct interest in the region.
- There has been remarkable growth in our trans-Pacific trade and immigration.
- Japan is Canada's second-largest trading partner and offers excellent opportunities for increased trade, investment and technology flows. In 1984, two-way trade totalled C\$11.4 billion. But our export mix needs to be improved. In 1983, fabricated and end-products constituted only 34.8% of our exports to Japan.
- The growth in our raw material exports to Japan is challenged by materials-saving technology, competition from other producers and restructuring of Japanese industry away from raw-materials and energy-intensive sectors towards high technology, particularly the electronic/information sectors.
- Protectionism in Japan, for example in such areas as agriculture and forestry, and Japanese competition in Canada and in third markets continue to be problems for Canadian producers.
- The dynamism of the regional NICs will offer new trade and investment opportunities for Canada. Opportunities are also opening up in China as the Chinese economy develops and establishes broader links with the West. India and Pakistan represent a potentially vast market.
- Canadian political/security interests in the region are increasing steadily.
- We share a profound community of interest, and close ties of culture and kinship with Australia and New Zealand. We also have increasingly important security interests in common with Japan.
- Our economic and political presence in South and Southeast Asia is supported by a well established and highly regarded development assistance program, notably in India, Pakistan, Bangladesh, Sri Lanka, ASEAN and China.

Canadian Trade Team Consults Regional Counterparts

During the course of his recent regional visit, the Secretary of State for External Affairs, the Right Honourable Joe Clark, emphasized the importance that the international community enter into a new round of multilateral negotiations. To that end he announced his intention to send a trade policy team to Southeast Asia to discuss in detail the issues currently before the General Agreement on Tariffs and Trades in preparation for a new round.

During November, a seven-person Canadian delegation held extensive consultations on both multilateral and bilateral issues pertaining in particular to the anticipated next round of GATT trade negotiations. The team headed by the Assistant Deputy Minister for Economic Policy, Mr. Reid Morden, visited Thailand, Malaysia, Singapore, Indonesia and The Philippines to consult with their ASEAN counterparts in economic policy ministries. The delegation included representatives from the Department of External Affairs, the Departments of Regional Industrial Expansion, and of Energy, Mines and Resources and the Canadian Forestry Service. The officials also visited Hong Kong and Korea.

Mr. Morden reconfirmed the significance of the new round of global negotiations in ensuring that protectionist tendencies do not further undermine the operation of an open global trading system. The purpose of consultations which explored various ways in which negotiations on a new round may be moved forward as well as identifying possible areas for future consultation and cooperation.

Taking advantage of the multilateral dimension of the visit, bilateral discussions of the issues of mutual concern in the economic sphere were also discussed with representatives from ASEAN countries, headed by Mr. Michael Berry, Director General of South and Southeast Asia Branch, Department of External Affairs.

The Canadian assessment is that the visit laid an important foundation for future consultations as a new round of global negotiations within the framework of the General Agreement on Tariffs and Trade unfolds in the near future. Furthermore it represents an additional element in the dynamism that has come to be the hallmark of Canada-ASEAN relations.