

## The South Pacific

Canada's interests and activities in the South Pacific continued to expand. In 1985, two-way trade with the region reached an all-time high of \$66.6 million. Bilateral aid, administered by Canada's accredited missions in Canberra and Wellington grew to \$1.575 million. The CIDA also continued to sponsor a number of regional fisheries and public sector management training programs. Total Canadian development assistance (excluding contributions to multilateral programs) to the region in 1985-86 reached \$2.2 million (preliminary figures).

Canada's institutional links with the region were highlighted at the Commonwealth Heads of Government Meeting (all nine independent states in the region are Commonwealth members), and at the first Francophone Summit, in which the Republic of Vanuatu participated. At the invitation of the Right Honourable Ratu Mara, Prime Minister of Fiji, Canada participated in the Pacific Islands Conference, a regional heads of government meeting, represented by the Honourable Robert de Cotret, President of the Treasury Board. To enhance the growing interests of Canada in Fiji, Canada appointed its first Honorary Consul in the region, Mr. Ralph Sharp.

Canada also co-operated with eight South Pacific nations in planning and building the South Pacific Pavilion at Expo 86.

## South and Southeast Asia

In recent years, the Indian sub-continent and the Southeast Asia region have experienced strong economic growth and vitality. This fact, combined with the region's geostrategic importance, its broad resource base, large population and infrastructure needs have made it an area of growing importance to Canada. During 1985-86, however, Southeast Asian countries in particular encountered economic difficulties, and political uncertainties emerged in Sri Lanka and the Philippines. Regrettably, for yet another year Afghanistan remained a victim of Soviet aggression and Vietnam maintained its occupation of Cambodia. In the foreseeable future, the growth rates of most countries in the region will not be as high as in the past because of low commodity prices, protectionism, and generally sluggish international economic growth. Countries such as Malaysia and Indonesia were particularly affected by the drop in world oil prices. However, most of the countries of this region have demonstrated capable economic planning and management, which should create the conditions for a return to more rapid growth when the macroeconomic climate improves.

Notwithstanding an increasingly competitive environment, bilateral trade with South Asian countries increased from \$708 million in 1984 to \$967 million in 1985, comprising imports of \$249 million and Canadian exports of \$718 million. In the case of the six Southeast Asian nations which are members of ASEAN, bilateral trade totalled \$1 397 million, consisting of \$656 million in imports and \$741 million in exports. The development of the National Trade Strategy, which identifies India, Thailand and Indonesia as countries of particular concentration, and the Pacific Trade Initiative launched in 1985, have placed Canada in a better position to benefit from the region's potential.

The geopolitical importance of Asia, particularly South and Southeast Asia, means that regional tensions and East-West rivalry are matters of concern to Canada. With respect to Southeast Asia, the ASEAN countries place a high value on

Canada's strong political support for their efforts to achieve the withdrawal of Vietnamese forces from Cambodia. Canada provides humanitarian assistance to the Coalition Government of Democratic Kampuchea and continues to accept Indo-Chinese refugees: more than 100 000 to the end of 1985, including 6 000 in that year. The Philippines is the only ASEAN country to experience serious political and economic instability in recent years, particularly following the murder of opposition leader Benigno Aquino. Prospects for stability improved greatly with the advent of a new government in February 1986.

The political situation in South Asia continues to be adversely affected by bilateral problems, although a start has been made towards regional economic co-operation. Canada is encouraged by and supports the ongoing evolution of the South Asia Association for Regional Co-operation (SAARC). Inter-communal hostilities, such as those between India's Sikhs and Hindus and Sri Lanka's Tamils and Sinhalese, have led to terrorist incidents which directly affect Canadian interests.

The Soviet invasion of Afghanistan in December 1979 is an ongoing human tragedy of compelling proportions and a serious source of international and regional tension. In 1985-86 Canada contributed nearly \$19 million in humanitarian and food aid for the millions of Afghan refugees in Pakistan. This is the most serious refugee problem in the world today. Canada continues to support Pakistani and international efforts to achieve the withdrawal of Soviet troops and a peaceful political settlement.

On both current and projected data, the least developed countries of South and Southeast Asia remain the poorest in the world. The World Bank estimates that two-thirds of those living in "absolute poverty," even excluding China, are Asian. Although the need for Canadian assistance is evident, it is also encouraging that most South and Southeast Asian countries are achieving significant progress. More than 80 per cent of Canadian country aid to Asia has traditionally been directed to South Asia. During the 1985-86 fiscal year those countries received \$281.1 million in bilateral assistance. The ASEAN countries received \$29.5 million. (The figures for 1985-86 are preliminary.) These countries also received significant Canadian assistance *via* multilateral organizations such as the United Nations, Canadian non-governmental organizations such as the Canadian University Service Overseas (CUSO), IDRC and PCIAC. Canada's membership in the Asian Development Bank, based in Manila, continues to be an important component of our regional development strategy, though its historically low level of procurement of Canadian goods and services is of concern.

Immigration to Canada from South and Southeast Asia has made a major contribution to the Canadian mosaic. It is expected to continue to increase, particularly if Canada's own birthrate continues to decline. In 1985, India was Canada's fifth-largest source of immigrants (4 047), while the Philippines was the seventh-largest (3 218).

The Right Honourable Joe Clark, Secretary of State for External Affairs, visited Malaysia, Thailand, Indonesia and Singapore in July 1985. Mr. Clark also visited India and Pakistan in December. In addition, the Honourable Sinclair Stevens, Minister for Regional Industrial Expansion visited Indonesia, Singapore and Thailand in March, 1985, and International Trade Minister James Kelleher visited those same