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PULLING TOGETHER FOR A BETTER FUTURE

Notes for an Address by the Right Honourable Joe Clark, Secretary of State for External Affairs, to the "Competitive Edge" Seminar, Toronto, October 1, 1984.

This is my first speech in Canada as Secretary of State for External Affairs. And I am here to talk about trade. Because we believe that trade must have a much higher priority in the external policy of Canada. That is one of the major changes we were elected to achieve on September 4, and I am here to ask your help in building both new markets and new attitudes in trade....

I want the Department of External Affairs to be known as a selling department, as well as a policy department, and a source of skilled diplomacy....

At the same time, I want all of us to recognize how much the world has changed, and is changing. Trade is no longer just a commercial activity. It is very much a political and diplomatic activity.

Thus, as you know, international trade is part of the External Affairs Department and I will be working closely with my colleague, Jim Kelleher, the Minister for International Trade, to ensure that the trade service and the diplomatic service work closely together.

I spent part of last week at the United Nations, in private meetings with foreign ministers of other countries. Our conversations were preliminary because our government is new, but in virtually every meeting — including with the Soviet Union — the question of trade arose. I want to ensure that, once we have set our goals, Canada's political and diplomatic skills are applied to selling our products as vigorously as the resources of other countries are applied to selling theirs.

That has to happen for two reasons - first, because trade is more important to Canada than ever; and second, because the competition is tougher. We have always called ourselves a trading nation. But in the 1960s, years of great trade optimism in this country, exports accounted for about one-sixth of our total economic activity. Today, exports account for twice as much. Fully one-third of our gross national product is generated directly by trade. Trade matters more than ever now.

But with this vast increase in trade and investment has come interdependence. And with interdependence, vulnerability - both of individual national economies, and of the entire economic system.

World trade will not soon again grow as fast as it did in the previous two decades - not so long as recovery runs at different speeds in the industrialized countries, and the developing nations remain heavily in debt. But all countries need trade and want investment. The industrialized nations need it to help their structural adjustment and create new jobs. The developing countries need it to service their debt through growth. The competition for markets will be more intense - more cut-throat than anything we have seen so far.