

revitalize the productive sectors of the economy and to improve public sector finances and foreign exchange management. Additionally, it will be necessary to demonstrate continued political stability in order to attract the necessary domestic and foreign investment without which it will be difficult to sustain the level of economic growth recently achieved. The Government is placing a major focus on liberalizing the business environment and encouraging the private sector as the engine of economic growth.

### Foreign Policy

While the Philippines retains close ties to the United States, it is a full and integral member of the Association of Southeast Asian Nations (ASEAN), a regional grouping which has demonstrated a strong cohesiveness and commonality of political purpose over the past twenty years. ASEAN as a regional body and as individual nations are supportive of general western interests in international fora, sharing a number of views with Canada on such matters as trade liberalization, Law of the Sea, and peace and disarmament.

The Philippines government, while adhering to a non-aligned status, recognizes the importance of the United States bases to regional security and stability. It has deliberately down played contentious differences with the U.S. on the form of future cooperation and agreements in the face of nationalistic calls for closure of the bases.

### Canada-Philippines Relations

Canadian relations with the Philippines, bilaterally and in the context of ASEAN, are strong. Canada was one of the first countries to recognize the new Aquino government and was the first country to extend export credits to the new government (through the EDC). Canadian interest in the Philippines is high in part because of the large Filipino-Canadian community numbering approximately 130,000 and in part due to the tremendous goodwill that President Aquino has engendered internationally.

Following a visit by the Secretary of State for External Affairs, the Right Honourable Joe Clark in July 1986, Canada approved an allocation of \$100 million over five years in development assistance funding. Subsequently the Philippine's Minister of Education Quisumbing, Human Rights Commissioner Aportadera, and Commissioner of Good Government Diaz each visited Canada. Canadian visitors to the Philippines have included Senator Alistair Graham, a Parliamentary delegation lead by the Honourable Steve Paproski last November, a parliamentary working group on security affairs in February 1988, and Chief of Defense Staff Manson in December 1987.

The Government of Canada takes every opportunity to re-affirm its support for the Government of the Philippines as it addresses social and economic reform issues, reinvigorates the economy, restores the democratic process and strengthens democratic institutions.