



Statements and Speeches

No. 85/9

DOMESTIC PRIORITIES AND INTERNATIONAL POLICY

Statement by the Right Honourable Joe Clark, Secretary of State for External Affairs, to the Canadian Club, Winnipeg, September 19, 1985.

I want to speak today of the intimate and essential connection that exists between domestic priorities and international policy.

The priority of a national government in this country at this time has to be to encourage jobs and economic growth. But the purpose of a national government in a country like ours, at any time, is to express the spirit and the nature of the country in contemporary terms.

A nation is more than its gross national product. Economic policy and economic accomplishment are essential, but so also is it essential to have a sense of the goals and purposes which make us distinctive and make us strong. I approach my remarks today in that spirit.

The election of a year ago was an expression both of what people wanted and what people rejected. There was an overwhelming positive desire, on the part of Canadians everywhere, for policies of national reconciliation, to bring an end to a decade or more of fruitless division among the various governments and regions of the country.

There will always be differences; they are part of the vitality of Canada. But the preoccupation with national differences; the definition of national affairs as disputes over differences, was something Canadians wanted ended. We take it as part of our mandate to rekindle a pride and awareness in what we can do as a strong whole country.

Canadians wanted their government, in our actions, to express and demonstrate real confidence in the country, real confidence in the nature of Canada, in our identity, in our future. They wanted a government that would be prepared to stand up for Canada in the world, that would be prepared to say "here we are, we are different from other countries, we are different from our neighbours, we have distinct interests of our own, we are going to express those in the world, we are going to assert those in the world".

Nations grow gradually, becoming stronger in stages. And those stages rarely change dramatically. They shade one into another, and suddenly we realize that old assumptions no longer fit.

Ten and 20 years ago, national policy assumed a vulnerability about Canada. The creation of the Foreign Investment Review Agency, the development of the national energy policy, and other programs were based upon the view that there was a certain fragility to the Canadian nature, and that our fragility had to be protected against the rest of the world.

So we restricted access to our minds and markets, instead of encouraging Canadian initiative and excellence, as we looked inward, rather than outward. Our cultural and economic competitiveness declined. Our ability to take advantage of the opportunities that beckon a country like Canada diminished. Policies that assumed we were vulnerable were making us vulnerable.

On September 4 last year, Canadians signalled that they had had enough. Instead of drawing back from the world, they wanted this country to reach out to the world, to stand strong on our own, in circumstances that, while obviously difficult, are better for Canada than for almost anyone else.

As I said last week in the House of Commons, the cost of establishing a Polar, Class 8, icebreaker is \$500 million. But neither Canadians nor this government are about to say that Canada cannot afford our Arctic. We can afford our Arctic; we can afford the risks that are involved in actively pursuing our interests; and I believe there is broad public support, indeed a broad public desire, for Canada to begin to take those positions which express the strength and self-confidence of Canadians.

What is at issue here, in this shift from a desire to draw back from the world to a desire to reach out to the world, is not a difference of party or of ideology, but of time. The country has matured. The expectations of our citizens have matured. What we can do has matured — to a point where it is now appropriate for Canada to be more assertive, both as to who we are and as to what we can do.

You will know that among the actions on the Arctic announced in the House last week was a decision that we will withdraw a restriction that a previous government had placed on having Canada called before the International Court of Justice with respect to our sovereignty over Arctic waters. That restriction was placed there in 1970, at a time when the law of the sea was much less developed than it is now, at a time when Canada's confidence in our claims was not as strong as it is now.

What has happened is not just that there is a new government in office, but that there is a new strength to our claims. Because times have changed, it is possible for us to assert, with certainty and confidence, positions that previous governments had judged they could not.

There are, of course, risks to be run. The external affairs critic of the official opposition, the Honourable Jean Chrétien made the point, quite accurately, in the House that it was both bold and risky for us to assert our sovereignty over Arctic waters. We are saying that we are prepared, if necessary, to defend our claims before the International Court, and of course there are risks to that.

But risk is the price of opportunity. If there are risks, there are also opportunities for us in adopting a more self-confident position at home, and by extension, internationally. Perhaps the most dramatic lesson I have learned, in my first year as Secretary of State for External Affairs, is that opportunities are not static. In the North, for instance, if we don't seize the opportunities that are ours now, we could well lose them as others begin to advance their own claims. The insistence on our sovereignty, then, is important both as Canadian self-expression, and as Canadian self-interest.

In Canada's North, we have no ice-breaker that can traverse those waters year round. The vessels we do

have are not strong enough to deal with winter ice, and not fast enough to keep up with the Polar Sea. That is a situation which we didn't create and which we won't continue. As other countries develop a capacity to use our waters, to use our North, we have to acquire practical means to occupy what we claim, to exercise what we claim.

The United States and the Federal Republic of Germany are preparing actively now for commercial navigation in northern waters, which is to say in our waters. The Japanese, with a keen eye to the development of oil and gas flows from northern regions, are developing new technology and capacity in the development of tankers to carry oil and gas through northern waters. The Soviets have a submarine capacity that we would be naive to believe they are not exercising under our ice-cap, in our waters. Iceland has an ice-breaker capacity greater than our own. The Americans are showing interest, the Germans are showing interest, the Japanese, the Russians and the Icelanders are showing interest — more interest than we have often shown in waters which are ours.

For a variety of reasons, the former regime did not put us in a position to fully express and defend our sovereignty in the North. We've done that. But I don't want to confine my remarks to the urgent and important question of the North. What has been happening in northern Canada has also been happening in our international trade.

One of the reasons we have fallen behind as a trading nation has been that the rest of the world has been adapting more quickly than we have to the new factors of international trade that affect our ability to buy and sell, and consequently our jobs, prosperity and security.

We simply have not taken sufficient account of the advent of newly industrialized countries moving in to compete with us. Nor have we squarely addressed the phenomenon of rampant protectionism in the United States. One day it is hogs, the next day it is softwood timber, the day after, it is salt cod or steel.

Last year, about \$6-billion worth of Canadian exports to the United States were affected by protectionist measures. The Canadian industries concerned account for some 146 000 Canadian jobs, many of which were at risk. Good relations between Ottawa and Washington can help relieve that problem, just as bad relations could complicate it. But the point to recognize is that we are not dealing with isolated problems with hogs, and with lumber and with other specific commodities. We are dealing with a growing pattern of protectionism in the United States, and a growing competitiveness everywhere in the world.

Once again, the essential question is confidence in ourselves. Do we believe that Canadians can be as productive as the Germans, as aggressive as the Americans, as ingenious as the Japanese? And the answer is: of course we can be, because we have to be. Canadians are world leaders in telecommunications, transportation and other fields of the future. Our resource industries are respected worldwide. Canadian companies are selling micro-chips to Hong Kong, and services and commodities almost everywhere else in the world. We have the talent, the tradition, the resources to take advantage of the undeniable changes that are transforming international trade.

I was in Thailand in July and had the opportunity at the beginning of my visit there to officiate at the opening of a joint venture between Champion Graders of Ontario and the Thai firm, Italthai. Champion had been selling heavy equipment into the Asian market for years, when the Japanese came along and began to produce and sell similar heavy equipment at a cheaper price. Champion began to lose its markets, but instead of giving up, it fought back and entered into a joint venture with the Thais using Canadian technology and Thai manpower. Now it is exporting to the United States, as well as gradually reclaiming the markets in Asia that had been lost.

That kind of adjustment to new realities is occurring as a matter of the private policy of individual Canadian companies. But one of the realities we cannot escape is that it also has to be reflected in the public policy of governments.

The Arctic is one of our realities. Trade is another. Of the seven industrialized countries who gather in economic summits each year, only Germany depends on exports more than Canada. The US depends less on trade than we do. So does Japan. So does Britain. So do France and Italy. We must trade to grow. That is as much a part of Canada as the Arctic is — and we must see it and seize it as an opportunity.

We are a country unlike any other in the world. Many of our people came here by choice, deliberately leaving lands or regimes that gave them less freedom or opportunity. Our history is the story of making the most of opportunity.

We should learn more about history, and speak of it more. We should recognize that there are Canadian interests and Canadian options that aren't open to others and we express ourselves distinctively when we pursue them.

International affairs is normally a place for caution. But it is also, uniquely, a field where nations speak and act for themselves and reveal their nature by their actions.

We had a choice to make when the United States announced an embargo against Nicaragua, as to whether we would follow American policy or our own. We chose to follow our own.

We had a choice to make as to the role Canada would play in the troubled region of Central America. We chose a distinctive role of making use of the long and valuable tradition of peacekeeping, in which Canadians are steeped, to try to ensure that the Contadora peace process produced more than good will — that it produced an effective mechanism for ensuring peace.

We had a choice to make two weeks ago as to whether we would accept the invitation that the government of Canada participate directly in research in the Strategic Defence Initiative, an initiative over which we would have virtually no control. We decided to decline knowing full well that there would be some implications with our relations with the United States.

We also had a choice to make on the question of United Nations Educational, Scientific and Cultural

Organization (UNESCO). That United Nations agency, it is fair to say, has strayed widely off track. So much so, in fact, that it led to governments like those of Singapore, Britain, and the United States serving notice that they were going to leave that agency. We decided that it was in our interest to use our influence from within, to reform UNESCO, and to bring it back on course.

We had a choice in the Multilateral Trade Negotiations, where there is a disagreement between developed and developing countries as to what should be discussed when the world comes together to set international rules on trade. We are one of the world's developed countries, but with unique lines open to developing countries, so we have chosen to seek common ground between the two sides. A Canadian delegation will be visiting countries in Asia and Latin America in October, trying to get agreement on an agenda that might move the world forward.

And we had a choice to make in South Africa about the means we would use to seek to bring an end to *apartheid*. We have imposed economic sanctions — stopping global export insurance; stopping Program for Export Market Development grants, ending our double taxation treaty. But we have also recognized that our membership and our standing in the Commonwealth give Canada a particular card to play. Of all the institutions in the world, the Commonwealth has more potential influence in South Africa than virtually any other, and Canada, for our part, has more real influence in the Commonwealth than in many other agencies. Here then is a major challenge of Canadian foreign policy — to identify what our particular strengths are, and to use those strengths to best effect.

We are a product of our particular traditions and geography and values. Those combine in Canada as they do nowhere else, and create a nation that is both distinct and strong. For too long we have questioned our own identity, doubted our own strengths. If there are growing challenges abroad, there is growing confidence at home, and our duty is to make the most of both.