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**STATEMENT**

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**NOTES FOR AN ADDRESS  
BY THE HONOURABLE ROY MACLAREN  
MINISTER FOR INTERNATIONAL TRADE  
TO THE  
VANCOUVER BOARD OF TRADE**

**VANCOUVER, British Columbia  
November 16, 1993**

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**Canada**

Ladies and Gentlemen:

As your new Minister for International Trade, I am very pleased to meet today with the Vancouver Board of Trade. It is perhaps fitting that my first two weeks as Minister are heavily focussed on activities on the Pacific coast. These events, here in Vancouver and in Seattle later this week, provide a ready-made opportunity for me to let you know where the Liberal government stands on trade, particularly in the Asia-Pacific region. I also look forward to hearing your views on what we should be doing to help you succeed.

I am a former Vancouverite. I do not view Vancouver as the final destination of the railway line. On the contrary, I recognize it as Canada's departure point for the Pacific, and Pacific markets are vital to this country's economic prospects.

I will travel on from Vancouver to Seattle tomorrow morning to participate in the fifth Ministerial Meeting of APEC -- the Asia Pacific Economic Cooperation Forum -- which brings together ministers from 15 of the most dynamic of the world's economies.

This year, for the first time ever, the leaders of these countries will gather in conjunction with their ministers. This will be quite an event. I am told that APEC already appears in lights at the top of the Seattle space needle, and over 2000 journalists are descending on the city. Seattle clearly recognizes the significance of the meeting. We know that you in Vancouver are fully aware of the region's importance. Let us hope that Canadians across the country are also paying attention. Even *The Globe and Mail* has taken note of what is about to happen in Seattle, and thoughtfully gave me my instructions in Saturday's lead editorial -- this from a newspaper that closed its Tokyo office a couple of years ago. In a few moments, I will get back to APEC, and how it fits into our plan to strengthen the Canadian profile and presence in the dynamic Asian markets.

The Liberal government was elected on the strength of a forward-looking and balanced economic platform. Our "red book" clearly links economic and trade policy with job creation in Canada. Specifically, it looks outward to opportunities beyond this continent, setting sights on the Asia-Pacific region. My party has traditionally recognized the importance of the region. Indeed, it was a Liberal government that, in the late 1960s, took the bold decision to begin negotiations to establish diplomatic relations with China. This marked a key step in breaking the isolation of China and bringing it into the community of nations. In recognizing the PRC [People's Republic of China], Canada was a transpacific leader, not a follower.

My government will continue this forward-looking tradition when it comes to Asia-Pacific. It is in this spirit that we will be vigorously pursuing Canadian interests throughout this rich and vibrant region. I firmly believe that if Canada is to be a major

beneficiary -- economically, politically and socially -- of the Pacific century, we must be an active Pacific player.

In recognizing that the highest priority of the government is to create jobs, to get the Canadian economy moving again, exports will be a key element in creating many of those jobs. And we also recognize that along with those jobs must come flows of the technology, the capital and the management skills that increasingly characterize today's world economy.

Nowhere in the world is business more dynamic than in the Asia-Pacific region. Most of you in this room know all the facts and figures. Asia-Pacific will be a key element in broadening our focus aggressively in areas beyond North America. We salute the focus that you as British Columbian firms already have on the region, and we intend to build on this base working together with you.

While we are still new in office and we have undoubtedly much to refine in fully developing our Asia-Pacific trade strategy, I can see four key building blocks.

First, we must recognize that the Asia-Pacific region challenges us to be more competitive and to be better prepared to meet our own national agenda. Our Pacific partners are setting new global standards in education, in worker training, and in levels of quality and productivity. These are all directly relevant both for our trading strategy and for creating durable opportunity at home.

Second, co-operation with the private sector and with other players, including the provinces, is key. You in this room are the real experts on Asia-Pacific business. I encourage you to communicate directly with us on your ideas regarding initiatives that we could undertake to enhance Canadian commercial prospects throughout the Asia-Pacific region.

Third, on the trade policy front, we must do everything we can to improve global trade rules. This will mean completing the Uruguay Round, getting a multilateral trade organization up and running, and continuing to pursue our rules-based agenda at the broadest international level.

The final building block will be to complement our multilateral efforts with regional efforts. Improved co-operation and dialogue with other Asia-Pacific governments are required to ensure that rules, rather than the unilateral projection of power or pressure policies, will rule in the Pacific trading relationship. While most of these rules will and should be multilateral, some may need to be regional, and indeed bilateral.

APEC is the key institution in which to pursue this regional dialogue. In all the "alphabet soup" that I have had to make my way through since becoming Minister for International Trade about

two weeks ago -- GATT, NAFTA, NTBs, VER, TRIMs, TRIP<sup>1</sup> -- nothing strikes me as more fresh and exciting than the APEC label.

Members of the Asia Pacific Economic Cooperation Forum comprise Canada and the United States on this side of the Pacific, and on the other side, Japan, Korea, China, Taiwan, the ASEAN [Association of Southeast Asian Nations] countries (such as Singapore), and Australia and New Zealand. The organization is very young -- four years old, in fact. It started on the basis of contacts over the years that you in the private sector had developed as you traded and invested across the Pacific. In doing so, you established networks and built up institutions, such as PBEC [Pacific Basin Economic Council] and PECC [Pacific Economic Cooperation Conference]. Our academics did so too, including representatives, such as Bill Saywell, of universities and colleges here in British Columbia.

Governments, however, were somewhat less active, for all sorts of reasons -- distance, culture, language, levels of economic development. By the late 1980s, interest had grown. Ministers from 12 Asia-Pacific countries formed the only intergovernmental institution in this region; APEC now has 15 members. APEC foreign and trade ministers meet annually to review economic trends in the region, and discuss what can be done to facilitate and open up trade in the region.

This year's ministerial meeting is pivotal for many reasons (not only because Canada will be represented by a Liberal government!). The annual meeting is being held for the first time in North America, and this will generate far greater Canadian press interest in APEC and the region than we have seen before. This is particularly the case because President [Bill] Clinton is hosting an informal meeting of APEC leaders to follow the ministerial session. Prime Minister [Jean] Chrétien and most of his regional counterparts will be there.

Trade will be at the top of the Seattle agenda. It will come as no surprise to you that ministers will focus on the major trade issues of the day: the NAFTA and the GATT. Imminent developments in both agreements hold major implications for APEC members.

The meeting will also address a visionary, forward-looking report on the future of the Asia-Pacific region, prepared over the past year by a group of so-called "eminent persons" -- an independent group of prominent business, academic and former government leaders from throughout the APEC region. The Canadian in this group is certainly an eminent person with extensive experience

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<sup>1</sup> The General Agreement on Tariffs and Trade, the North American Free Trade Agreement, Non-Tariff Barriers, Voluntary Export Restraint, Trade-Related Investment Measures, Trade-Related Intellectual Property.

and success in doing business in Asia: Mr. John MacDonald, from here in Vancouver.

The Eminent Persons Group will be proposing to us that we endorse the objective of achieving free trade in the Pacific. They will be suggesting that, while this may not be achievable immediately, it should be at a foreseeable time in the future. They will also be recommending to us that we negotiate an APEC-wide investment code, agreements on mutual recognition of product standards, a process of APEC-wide macroeconomic policy co-ordination, and even, without explaining how it might work, a process for dispute settlement.

Many of the ideas proposed by the eminent persons undoubtedly will be viewed as too much for the fragile APEC process to handle at the moment. Some may not even be the best way of addressing our pressing trade interests in the short term. But the direction is right. Free trade in the Pacific is a worthy and, I hope, achievable goal. And I go to Seattle with the intent of endorsing this as our long-term objective.

I am not saying, however, that this is only a regional process. We must recognize that the best way of achieving freer trade in Asia-Pacific is to get our global floor of multilateral trade rules up as high as we can. Once this is achieved, we will be in a position to consider what specific arrangements in the Pacific community might best address the particular needs and challenges of this most dynamic of regions.

We must also be realistic. Even if we get, as I hope we will, a substantial result in the Uruguay Round, it will take time and a great deal of effort to build on the multilateral foundation and to achieve significant new arrangements in the Pacific. We have, among the APEC economies, vastly differing levels of development and highly complex issues embodied in the frictions among the many Asian and North American systems at play. We see this complexity in the current Japan-U.S. "framework negotiations" and in our own efforts to bring down tariff and non-tariff barriers in Asian markets of importance to Canada. None of these issues is easy to address, but freer, rule-based trade is the direction that we must endorse.

In Seattle, we will also be sitting down and working out practical, sensible programs of trade facilitation measures, such as harmonization of customs procedures, and projects that enhance the transparency of APEC members' trade and investment regimes. These activities might sound boring to the outside observer, but they are relevant to you as traders and investors in the Pacific world. In short, I would expect that what we are about to do in Seattle this week will be more about little steps than big leaps. But they will still be steps on the path toward freer, more transparent, more rule-based Pacific trade. I am convinced that this is a path worth embarking on and I pledge to you this government's support in ensuring that your interests are first and foremost in our minds as we take these early steps.