

Statement

Secretary of
State for
External Affairs



Déclaration

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Affaires
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CHECK AGAINST DELIVERY

NOTES FOR A SPEECH

BY THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS,

THE RIGHT HONOURABLE JOE CLARK,

AT A LUNCHEON HOSTED BY THE

ECONOMIC SOCIETY OF CALGARY

CALGARY, Alberta

November 12, 1990.

Let me begin starkly. I have served in Parliament for 18 years, and in national politics longer than that. I was the first prime minister born in Western Canada, and the only leader from outside Quebec invited to come in to campaign against René Lévesque's referendum. For six years, as Minister for External Affairs, I have seen, first-hand, the respect in which Canada is held in the world. I think I know this country, and know its worth.

There has never been a time when I was less sure of what would become of Canada, or more aware that we could come apart. I believe there is a real danger that Canadians, through anger or misunderstanding, could risk the future of our own country.

There were a lot of lessons from Meech Lake, but what struck me most was how many Canadians, particularly in Western Canada, felt shut out of decisions about our country. There is real anger at politicians, at the media, at the civil service, at political institutions which seem to have stopped being a mirror for Canadians, and instead, became a wall. Yet there is also, I think, a deep love of Canada, and a desire to build a great country. We have to get beyond anger and identify what exactly is wrong and what practical things can be done to make it better. And the way to start is to provide Canadians with the direct opportunity -- and the personal challenge -- to say what kind of unity we want.

Anger is often a first step to change, but there have to be further steps -- serious, thoughtful steps. And that is what Canada needs now.

When I talked with Canadians after Meech Lake, it became clear that our existing institutions are not trusted enough to draw Canadians together. We need something new, some means by which Canadians from Edson and Chicoutimi and Yellowknife and Lunenburg can talk constructively together. Last week, the Prime Minister announced the creation of a Citizens' Forum, which is designed to give Canadians the opportunity to learn about, and talk about, and decide the future of Canada. It is not a constitutional exercise, limited to lawyers, or people who call themselves "experts." It is more basic. It is about the kind of country we want our Constitution to reflect.

I persuaded the Cabinet to create this Forum. But only you can make it work. The morning it was announced, Keith Spicer and I met for an hour and agreed on two essential elements -- first, that politicians of all kinds must leave the Forum free to do its

own work; and second, that this experiment will succeed only if Canadians do more than vent frustrations, but instead think seriously about this remarkable country, how it needs to be changed, what it means to us, and what it can become.

Susan Van De Velde farms near Mariapolis in Manitoba and has been active in local hospital and farm organizations. When I phoned her to ask if she would serve as one of the 12 Commissioners, she said: "This is the chance of a lifetime." It is for her. It is, for all Canadians. And I hope that several of you, all of you, will take this opportunity to think about Canada, to talk about it with other Canadians, perhaps some whom you have never met before, so that the Canada that emerges is one in which we all feel pride.

We don't have forever. Look outside our borders at what others are doing, the choices they are making, and the challenges they are posing to Canadians as we prepare to enter the next century. We must adapt to those changes and face those challenges.

While Canadians maintain restrictions on trade between our own provinces, others outside are bringing trade barriers down.

While some Canadians contemplate separation, the rest of the world is integrating. The European Community is moving forward with astonishing speed. It is establishing a central bank, a common currency, even freer trade and it is moving towards political union.

While some Canadians complain about our democracy, Eastern Europe and the Soviet Union and the countries of Latin America are opening their borders and their societies and markets to take advantage of the terrific opportunity freedom is.

And while some Canadians still look only to old markets in Europe and our current markets in the United States, the Asian economies are exploding with an energy never seen before in modern economies.

That is a world which is trading and democratizing and developing and changing -- and Albertans and Canadians must meet that challenge.

It would be more comfortable in times of difficulty if countries could declare a time-out. But countries are not people. People can close windows and unplug phones. Countries

can't do that. Countries have responsibilities which can't be ignored, links with others that must always be maintained to preserve order and peace and prosperity.

Countries which stand still lose ground because others are moving forward. Countries which are loners are countries which are losers. Ask Albania or Cuba. Alberta is not Albania and Canada is not Cuba and we must never act as they act if we want to succeed.

It is tempting when times are tough to turn away. But when times are tough, being active abroad is more necessary not less. If we choose to neglect our interests abroad, other interests will take over and Canadians will be forced to dance to tunes we didn't write, tunes we don't like.

Foreign policy is not a frill.. It is fundamental. Never before has a foreign policy of realism and pragmatism and activism been more necessary. Never has foreign policy been less foreign.

The oil company in Calgary and the energy consumer and the families of Canadian soldiers know that what happens in the Gulf is crucial to their concerns.

The steel company in Ontario -- that requires rare minerals from South Africa -- knows that a peaceful end to apartheid in South Africa is important.

The wheat farmer in the Prairies knows that President Gorbachev's reforms matter when Canada's ability to sell wheat depends on hard currency.

Canadian industry must know that a solution to the debt crisis is important when that debt crisis has cost so many jobs and exports for Canadians -- \$24 billion and 130,000 jobs between 1981 and 1987 -- because former customers of Canada could no longer afford to buy wheat or produce; 200,000 more jobs over the next 10 years if debt can't be managed.

And Canadians -- whose economy depends on exports for 30 per cent of our wealth -- must know that a new set of GATT rules is important, when it is those rules which will open markets and create jobs and the failure to establish those new rules which will close markets and cause jobs to be lost.

Those problems will not be solved by luck. And they won't be solved in a way which meets Canada's interests if we are absent from the tables where those problems are discussed. We

can't rely on others to look after our interests. We can't rely on our geography because splendid isolation does not exist any more. And we can't do it alone because these problems are problems which have to be solved with others.

The nations we read about in our history books could debate whether or not their country's interests could be met by acting as if the world did not exist. No one has that luxury any more.

Consider these questions.

In a world of trade dominated by Japan, the European Community and the United States, how does Canada survive without rules of trade?

In a world where a conflict in a distant desert can send Canadian energy prices through the roof and send our stock markets tumbling, can Canada ignore regional conflicts as if they did not threaten our prosperity or the order we depend on?

In a world where pollution knows no borders, and poisons which Canada has long banned are carried by winds to our waters and our lands, can Canada succeed in cleaning up its own environment without involving others in making joint commitments?

In a world where poor countries grow drugs because they have no profitable alternative, can Canada rid its streets and its kids of narcotics without a partnership with suppliers to address their problems as well?

On all these issues we need national action at home and national action abroad. The challenge is clear. We either work together and succeed or we work separately and fail. There is no global escape hatch and no global escape clause.

There never has been for Canada and there never will be. Countries which are bigger or stronger -- with larger economies or populations or armies -- have been able to ignore international order or impose their order on the world. We can't do that. We have always depended on co-operation and partnerships with others for our security, for our trade and for our prosperity.

That mandates being out in the world protecting Canadian interests and promoting Canadian values. It also mandates responsibility. Co-operation with others occasionally requires concessions -- from them and from us. Partnerships will only

work if there is a shared interest in success and a shared sense that burdens are being borne equally. Sometimes that means doing things which we would prefer to avoid if we lived in this world alone. It means acting as we speak, doing what we would have others do for us.

Look at trade. When we were negotiating the Free Trade Agreement, some in this country were arguing that we should forget free trade and look to the GATT. The GATT was the answer. Its rules should be strengthened, its authority should be expanded, its purview should be widened. But those same people -- people who pretend to be "internationalists" in the abstract -- are very different when it comes to real situations and real choices. In the past two years, the GATT has ruled against Canada on wine and beer and on salmon and herring. Those were hard rulings which had an impact on Canadian jobs and industry. Canadians had a choice then -- to accept the GATT or to abandon it.

The New Democratic Party -- a great believer in the GATT as a generality -- said we should reject those rulings because they were hard. That was the crowd pleaser, the easy answer. But it was the wrong answer.

Countries which trade as much as Canada does can't say they need trade rules and then turn around and ignore them when they don't like the results. We can't ask others to obey those rules and flaunt them ourselves. That would lead to retaliation. It would lead others to close their markets to Canada.

Righteous indignation is not trade policy. And it solves nothing. The same GATT that ruled against Canada on beer and wine and salmon and herring has just ruled in favour of Canada on pork exports to the U.S. That same GATT agreed with Canada in our case in favour of quality wheat exports. And that same GATT agreed with Canada when we opposed the American discriminatory tax on imported oil. If we want the GATT to support us there, we have to accept the GATT here.

We can't opt out of the GATT just as we can't opt out of the Gulf. We can't opt out of the world.

That's one responsibility we all have -- to face up to the fact that the world is not an optional extra, that it imposes demands and that it requires adherence to obligations. Another responsibility is to recognize what foreign policy has become and to use that foreign policy imaginatively for the advantage it can be.

I believe the Cold War distorted the way we saw the world. It was a false prism which told us that if we fixed the problems of Europe, the world would be fixed. It was a false prism that told us that foreign policy was mostly about armies and arguments.

That prism was a prison. It prevented us from seeing that security is not just military, that it embraces other problems -- the problems of trade, of development, of the environment, of debt. It prevented us from seeing the links between those problems, the links which show that trade requires stability, that development requires democracy, that peace and prosperity cannot be pursued apart. It prevented us from addressing those problems by keeping them too low on our agendas. It prevented us from looking beyond Europe to other regions of challenge and opportunity. We put regions and problems in compartments. Some compartments we ignored. And others we treated separately. That approach was wrong and it is an approach we must now fix.

One compartment we constructed was the compartment of trade. Trade was one thing; foreign policy was another. Diplomats did not deliver dollars.

That perspective is wrong. Diplomats today are working against the clock to come up with a GATT agreement which will successfully conclude the Uruguay Round. That Round is the largest, most significant and most complex ever mounted. At stake are thousands of jobs -- \$600 billion in annual trade in services alone and \$1 trillion in government procurement. Also at stake are the consequences of failure: protectionism; trading blocs which are exclusive rather than complementary; blocs which divide regions just as they have divided nations; and trade wars which will impoverish those who trade most, countries like Canada.

Diplomats are trying to prevent that. Diplomats are also out there selling Canadian goods and services. Through 127 trade offices around the world and 11 international trade centres across Canada -- including 2 in Edmonton and Calgary -- Canadian diplomats are helping to identify promising new markets, open doors abroad, arrange participation in trade fairs and promote joint ventures and alliances between Canadian and foreign firms. Last year, Canada's 818 trade officers played a direct role in helping Canadian business generate \$5.1 billion worth of exports.

That's over \$6 million per officer. They handled 130,000 inquiries from Canadian exporters seeking trade opportunities and 124,000 inquiries from foreign importers interested in products from Canada.

I don't think that's a bad investment, particularly for a country dependent on trade for more than 30 per cent of its GNP, 3 million jobs and \$5,000 for every man, woman and child in this country. That investment will be more crucial in the future, as trade becomes more competitive and as new regions and economies develop.

Look at the dependence of Canadian industrial sectors on exports. For the fishery industry, its about 80 per cent, for softwood lumber 70 per cent, for aerospace about 73 per cent, for computers over 90 per cent, for pulp 80 per cent and for petrochemicals 40 per cent. And look at the growth of that dependence in other sectors. For mining equipment in 1973, exports were 26 per cent of business. That became 73 per cent by the second half of the 1980s. In the communications equipment sector, exports went from 16 per cent to 37 per cent and in the construction machinery sector, from 32 per cent to 52 per cent in the same period.

That increase in the importance of exports for growth and an increasingly competitive market have made Canadian companies spend more and more of their time on international matters. We are told that on average, medium to large-size businesses in Canada now spend up to 75 per cent of their time on foreign questions. That can be for market development. It can be for business expansion. It can be concern over instability whether in the Gulf or South Africa or Central America. And it can be a preoccupation with other international problems whether they be debt or the environment or trade talks.

Governments can't start to look inwards when Canadian companies are looking outwards. Companies know what will make them profitable or poor. Countries need to know that too. And there are partnerships to be pursued, partnerships in new regions and partnerships to face new problems.

I can make that point for many corners of this globe. But let me focus for a moment on Asia, an area of increasing importance for Alberta and Canada, a region which will be as important to the world of the next century as Europe was to the world of the last century. Look at the facts:

- Asia's share of global output has doubled since 1970 and by the year 2000 the Pacific may well contain 60 per cent of humanity, 40 per cent of global consumption and an even larger share of global production.
- The standard of living in Singapore is now greater than in Italy. Hong Kong will soon be richer per capita than Great Britain. Korea's economy is developing faster than Japan's.
- In 1983, Canada started trading more across the Pacific than we did across the Atlantic. Exports will grow by at least 50 per cent over the next 10 years.
- Canada relies more on trade with Japan and Korea, Hong Kong, Taiwan and Singapore -- the so-called Four Tigers -- than does any other member of the 24 OECD nations. We depend on the Pacific more than the United States does, more even than Australia.
- The four Western Provinces account for three-quarters of all Canadian exports to Korea and Japan and 90 per cent of exports to China. B.C. trades more across the Pacific ocean than it does across the U.S. border. And in sectors such as oil and natural gas technology, Alberta trades more with the Pacific than it does with the United States.
- Over the past seven years, Alberta's trade with the Pacific has grown four times faster than its trade with the United States.
- And although Japan is Alberta's most important customer, the rest of the Pacific is open for business as never before. In 1982, Taiwan was Alberta's 15th most important export market. It is now number 6. Korea, in 1982, was number 9. It is now number 3. And Indonesia, which was off our charts in 1982, is now Alberta's 10th most important export destination.

Alberta industry has been active and successful in the region -- Novacorp in energy technology, Intera Technologies in remote sensing, Willowglen Services in high-technology data systems, Weyerhaeuser's Pelican Mills in oriented-strand board, Sun Ice in sportswear and Canada West in food processing and distribution. Even in the area of high-technology sound, Alberta's companies have won contracts in the land of Sony and Mitsubishi. Archer Communications of Calgary has signed a six-year agreement to develop computer chips to give Nintendo three-dimensional sound. Those are success stories, and there are many others, but Albertans need to recognize even more where their future prosperity lies.

Foreign policy can help through developing the language capacity Canadians need to compete in the region. Increasingly, Japan, the economic superpower of the next century, will expect those with whom they deal to respect more fully their culture, their customs, their language. They will expect us to adapt to them rather than them adapting to us. That's why our Pacific 2000 strategy involves language training for business and that is why I have launched those programs at Simon Fraser University, at the Ontario Centre for International Business and why we will be establishing regional language centres in Alberta and elsewhere.

Foreign policy can help through seeking a peaceful framework for trade to take place. Southeast Asia, the new powerhouse of the Pacific, was once ravaged by a war which impoverished those people and prevented our trade. One of the bloodiest conflicts has been in Cambodia, a conflict which may be drawing to an end, boosting trade and prosperity. Canadian foreign policy has been there trying to bring an end to that conflict and Canada took the lead at the Paris Conference last year which started the peace process rolling. And we will follow through with peacekeepers if that conflict ends to help bring stability to that region.

We are pursuing that search for order -- the order which allows trade and prosperity -- in other ways too. We are taking a practical initiative with the countries of the North Pacific to see if confidence-building measures of the sort successful in Europe might have a role in that region too. We are actively supporting the new forum for Asia-Pacific Economic Co-operation -- APEC -- to enhance understanding and economic co-operation across the Pacific. And we are pursuing an active dialogue with the Association of Southeast Asian Nations -- ASEAN -- whose foreign ministers came to Jasper last month, the first time ever they've been hosted abroad together by one of their partners. That dialogue with ASEAN seeks to build bridges within the region and between that region and the outside world so that peace, prosperity and trade can thrive.

Foreign policy also helps through Official Development Assistance -- ODA. Many people see ODA as charity. And certainly a major purpose is to channel the compassion of Canadians in helping other countries help themselves. But foreign aid can mean foreign trade. Poor countries don't buy things. Developed countries can. And countries that have been helped often turn to their donors when prosperity comes.

Look at Thailand. In the 1950s, Canada was an active aid donor to Thailand, then poor and torn by war in Indochina. And in 1979, we led the world in helping the boat-people. Those actions built a strong trading relationship. Canadian trade with Thailand went from \$150 million nine years ago to \$765 million last year.

And Alberta companies have developed markets in Asia through CIDA. Ask Novacorp, who credits CIDA for opening the door for its \$41 million Malaysian natural gas contract. Ask Willowglen who found its Singapore contract for data systems as part of a CIDA mission to Asia.

That's how foreign policy can help. Foreign policy can also help when it seeks a cleaner environment. We need a cleaner environment for our health and that of our children. But we also need it for our prosperity. For example, the forest industry is a \$42 billion industry for Canada. The world's forests are threatened. And those forests provide the oxygen we need to breathe. Canada can take action at home to preserve our forests. But that will not address the rain forests of Asia and elsewhere. And if we impose standards on ourselves in forestry, Canadian industry will suffer if those standards do not come to be shared by others. So Canadian diplomats are seeking a World Forest Convention by 1992 which will start the world on the road to sustainable development for our forests. That's good for the environment; that's good for Canadian industry; that's foreign policy.

I have chosen Asia as my main example, but there are many others -- in Latin America, in Africa and elsewhere. The point is that foreign policy is no longer just about Europe. It is no longer just about armies and arguments. It is about a global village which like other villages can be a place of conflict or of co-operation. It is about national problems which have to be addressed globally and have to be addressed together if peace and prosperity are to endure. It is about securing Canada's interests abroad.

Foreign policy is about finding fault-lines -- finding them, facing them and fixing them. It is about the fault-line of trade, the fault-line of development, the fault-line of regional conflict, the fault-line of the environment. It is about fixing fault-lines in a world we cannot escape or ignore.

The world today is preoccupied with the Persian Gulf. That conflict has its own characteristics, its own immediate causes and consequences. But the Persian Gulf shows those fault-lines too, fault-lines we have not faced and fault-lines we must fix.

There is the fault-line of a region which has yet to establish an order, a region where another conflict between Arabs and Israelis remains unsolved. There is the fault-line of trade and economic interdependence emphasized by our dependence on oil and the cost to our industry of lost markets in the Gulf. There is the fault-line of development, demonstrated by the devastating effect this crisis is having on Eastern Europe and the developing world. There is the fault-line of the proliferation of weapons of mass destruction which we have not controlled and which have given Saddam Hussein a holocaust to threaten. There is the fault-line of the grotesque trade in conventional weapons which gave Saddam Hussein the confidence to invade. There is the fault-line of terrorism which could be triggered if conflict comes from this crisis. And there is the fault-line of potential hatred between Arab and non-Arab which could be exposed in the aftermath of a Gulf war.

Anyone who says we've fixed the fault-lines because we've fixed Europe is dreaming. Anyone who says foreign policy is secondary -- or that it's done itself out of a job -- is foolish. Anyone who says that peace and prosperity at home can be secured without peace and prosperity abroad is fantasizing.

They won't make movies about the GATT. They won't write novels about the UN or ASEAN or APEC or the OAS. And that's as it should be. If it turns out differently, we've failed. We need a world which works not a world which entertains. And that's what Canadian foreign policy tries to achieve, an achievement yet incomplete, an aspiration we must still pursue.