

# Statement

Secretary of  
State for  
External Affairs



# Déclaration

Secrétaire d'État  
aux Affaires  
extérieures

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AS DELIVERED

AN ADDRESS BY  
THE HONOURABLE BARBARA McDOUGALL,  
SECRETARY OF STATE FOR EXTERNAL AFFAIRS,  
TO  
THE JOINT LUNCHEON OF  
THE VANCOUVER BOARD OF TRADE  
AND  
THE ASIA-PACIFIC FOUNDATION  
"CANADA AND THE PACIFIC CENTURY"

VANCOUVER, British Columbia  
February 19, 1993

I am delighted to be once again in Vancouver -- Canada's window on the Pacific. I am about to embark on a trip to Japan, Hong Kong and Cambodia, and I would like to share some ideas with you on where we have been in our relationships with our transpacific partners, and where we go from here for the balance of this century and beyond.

By virtually any indicator, the Asia-Pacific region has established a dizzying pace of economic expansion that has made it the envy of the world:

- Most of its economies are enjoying growth rates in the double digits.
- Following the example of Japan and the four "tigers," a new set of Southeast Asian dynamos has emerged, each enjoying a classic cycle of growth driven by high domestic savings rates, extensive investment inflows and massive increases in productivity.
- Even their problems elicit envy: the definition of a "downturn" in high-tech, high-finance and high-fashion Japan seems to be growth at two per cent and unemployment at three!

The Asian development model of progressively opening markets and generating export-based growth is now the model for development around the world, emulated from Chile to Estonia.

Even going back to my own years in Vancouver in the 1970s, you in this city have long been alert to Canada's role as a Pacific player. The Asia-Pacific Foundation and the Vancouver Board of Trade certainly deserve the credit for the progress that we have made to date as a country in preparing ourselves for what some people are calling "the Pacific century."

Our record is far from dismal:

- Ten of our top 25 export markets are now Asia-Pacific economies, including seven valued at over \$500 million and another three at over \$300 million.
- There are new Canadian success stories in penetrating high-value Asian markets: Vancouver's high-technology companies like MPR, Glenayr and MacDonald Dettwiler; Atomic Energy of Canada's exports of nuclear power systems to South Korea; Okanagan Helicopters in oil exploration and Nova in pipeline systems; Bombardier's sales of commuter and business aircraft; and, CAE's domination of the flight simulator market.
- Japanese direct investment in Canada has doubled since 1985 to \$5.7 billion, and its holdings of portfolio investment has reached \$49 billion.

- Tourism from Asia-Pacific Economic Co-operation (APEC) countries has trebled.
- The transpacific student flow has doubled.

These and other successes don't happen by chance.

Early on in our first mandate, our government recognized the need for much more concentrated national activity with respect to our relationships in the Asia-Pacific region.

In 1988, here in Vancouver, Prime Minister Mulroney announced the decision to proceed with a comprehensive, multiyear plan to expand Canadian linkages with the region. The Asia-Pacific Foundation has served as a focal point and delivery vehicle for many of Pacific 2000's programs, and they seem to be bearing fruit:

- In 1987, there were roughly 1,100 secondary and post-secondary Canadian students studying Japanese. Today, there are over 10,500!
- Simon Fraser University's David Lam Centre has pioneered new approaches to teaching Asian languages and business practices that have been emulated in other major cities across the country.
- The number of joint research projects undertaken between Canadian and Japanese institutions has surged from 80 in 1988 to more than 200 today.

Pacific 2000 has also meant taking Canadian culture to Asia. In the past two years, we have promoted our presence in the region with a series of activities including special festivals in Hong Kong, Korea and Japan.

However, Canada's interests in the region are too intricate to be described simply in economic or cultural terms. The reality of Asia Pacific today is a reality replete with challenges across the full range of our foreign policy. To illustrate this, let me share with you a series of the issues that I will be discussing over the week ahead.

In Tokyo, I will be addressing many elements of our very important bilateral relationship with Japan. As many in this room will know, the two Chairs of Canada-Japan Forum 2000, Peter Lougheed and Ambassador Okawara, have now submitted their joint report to their prime ministers.

I will be discussing the implementation of this report in Tokyo -- from how to co-operate more effectively in Group of Seven leading industrialized countries (G-7) deliberations to engaging

in what the report calls a "joint stewardship" of the North Pacific. We are determined to build on the momentum generated by Mr. Lougheed, whose contribution and dedication have been outstanding, and his Canadian and Japanese colleagues, and to following through perhaps not on every recommendation but on a full range of them.

We will also go beyond the bilateral agenda and will, for example, compare notes on the new American administration. Given the importance to both our countries of our relations with Washington, and the effects on Canada should the U.S.-Japan relationship implode, this will be a subject of some importance.

By the same token, we will inevitably be discussing the North American Free Trade Agreement (NAFTA) with both the Japanese government and the private sector. We will continue to emphasize what the agreement is -- and what it is not -- and we will try to alleviate some of the misconceptions and unfounded concerns that persist about the NAFTA.

We will also talk about the global agenda and its regional dimensions as well. Japan is, and must remain thoroughly engaged in the challenge of helping in the transformation of Russia. I was just in Moscow two weeks ago and, on behalf of Prime Minister Mulroney, I will be sharing what I learned in my discussions with President Yeltsin, with Prime Minister Miyazawa and with my Japanese counterpart.

We know that Japan has a set of very particular concerns in its relationship with Russia that date back a long way. Since the beginning of "glasnost," our Prime Minister has been supportive of the Japanese imperative to resolve the territorial dispute, and we will remain so. However, there are dangers to us all from instability in Russia. The international community cannot stand aside at this sensitive moment when Russia has made commitments to democratic and market-based reforms.

I will also discuss with Japanese leaders the stability and future of Hong Kong, my next stop after Tokyo.

We shall no doubt deal with events in the Peoples Republic of China. On balance, progress in China is real; economic growth and increasing prosperity lead to direct benefits for the Chinese people and indirect benefits for stability in the region by integrating China into the larger world. An isolated, unknown and unpredictable China has never been in anyone's interest.

Canada, however, remains concerned about the human rights agenda in China, about democratic reform and about Tibet. Canadians have a deep and abiding belief in the rule of law and in fundamental human rights. Chilling images of military units turning on their own people have flashed across our television

sets; tragic stories of extra-judicial executions and disappearances have filled our newspapers. Canadians are outraged with reason, for we are not prepared to see trampled the principles on which we have built our own country -- principles that we promote in the international community.

Democratic development and respect for human rights are core components of our overall foreign policy agenda because they are essential ingredients of longer-term stability. Economic reform and long-term economic progress cannot proceed in the absence of the rule of law and the rights of the individual.

While the pace and sequence of changes have not always been consistent, Asia itself is full of examples of how an imbalance between economic and political progress has produced upheaval and instability. Violence in the streets of Thailand last May and years of civil unrest in Korea were the by-product of this imbalance. Restoring equilibrium by completing the democratization process and systemically assuring the rights of citizens has brought about in both countries the stable setting in which further economic progress can be pursued.

We do not insist that our models and our structures be precisely adopted by others. The parliamentary system is not the perfect or the only model, but long-term stability cannot be achieved in situations where human rights are not respected, and where democratic participation in the political process is not tolerated.

Our current approach to a number of very important Asian partners demonstrates how we believe that these objectives can best be pursued. In China today, we are actively supporting the development of a body of scholars versed in Western concepts of human rights, so that they can work within the Chinese tradition to transform the legal and political systems as political change unfolds.

Throughout Asia, we have assisted in the development of universities and, very importantly, in developing linkages between Canadian and Asian universities.

In Indonesia, we have actively supported programs to help improve and protect women's rights, and, throughout the region, we have helped to develop the legal framework for everything from foreign investment law to bills of rights.

All of this has been done with the willing support of our partner governments, for even where their institutions may be incomplete democratically, there is a fundamental understanding of the need, for reasons of long-term stability and prosperity, to move toward greater democracy and the rule of law.

Hong Kong is a very important case in point. We have been supportive of Mr. Patten's efforts to bring greater democracy to the territory, not because we have some ideological commitment to the formula of how many members of the legislative council should be directly elected by whom, or how functional constituencies should be represented. Our aim is, very simply, to be supportive of Hong Kong, China and Britain working out a smooth transition for 1997, one that preserves Hong Kong's identity, prosperity and stability.

Our determination to support the development of stable, rule-based systems and structures, reflects what Canada has been trying to do at the multilateral level as well, and this is very much part of our activity in the Asia-Pacific region.

I believe that Canadians are taken seriously at the tables of Asia because we have demonstrated not only our belief in co-operative, multilateral approaches to peace and security, but also our willingness to back it up with substantial commitments of human and financial resources. We have earned a record that is second to none in terms of contributions to international peacekeeping efforts. These contributions matter.

My visit to Cambodia will reaffirm Canada's continuing commitment to the peaceful resolution of the Cambodian conflict, to international peacekeeping and to advancing the desire of the United Nations for genuine nationbuilding.

What we are trying to do in Cambodia is unparalleled, since it goes beyond traditional peacekeeping to the management of the transition to democracy, complete with the responsibility for registering an electorate, writing laws, holding elections and ensuring the civil peace.

The peace process in Cambodia is fraught with risk, not the least of which is the long-range aspirations of the Khmer Rouge. I will explore this situation in my Tokyo discussions next week, just as I have recently been in touch with my Australian and Indonesian counterparts. While we are all concerned, we are convinced of the necessity for a stable and prosperous Cambodia. The challenge is to effectively manage the transition to democracy and to nurture the rule of law.

Canada has been, and remains, a long-term champion of collective approaches to security in the Asia-Pacific region.

It was Canada that suggested to the countries of the North Pacific that they engage in a more active discussion of security issues -- not just on traditional military security questions -- but on the underlying causes of disputes and the need for peaceful mechanisms to resolve differences. The result has been an increase in activity at the government level and in the

academic and non-government communities. Indeed, a major conference of the North Pacific Co-operative Security Dialogue and its successor processes will be held here in Vancouver next month.

Another example of where we have brought Canadian experience and tradition to bear has been in the efforts to find peaceful solutions to the territorial disputes in the South China Seas, one of the potential sources of real conflict in the region.

These are all issues that are very much part of our agenda with our Asia-Pacific partners. In my participation at successive meetings of the Post-Ministerial Conference of Association of Southeast Asian Nations (ASEAN), I have encouraged the expansion of the agenda to include regional security issues. We were thus pleased to note the recent decision of ASEAN members to confirm this new direction.

As the void in the regional security dimension is being gradually filled, on the economic front we are part of the very rapid and welcome emergence of the APEC forum.

In Japan and Hong Kong next week, I will be exploring ways in which we can collectively advance the APEC agenda. APEC, the first institution in which China, Taiwan and Hong Kong all sit as member economies in their own right, has become the primary vehicle for regional economic discussion and co-operation. We believe that its potential for strengthening ties and reducing misunderstandings is significant.

While the General Agreement on Tariffs and Trade (GATT) and any institutional arrangements that may emerge from the Uruguay Round will continue to serve as the cornerstone of the world's trade policy framework, APEC can meet regional needs. It can promote transparency in domestic policies and regulations, and may hopefully lead to harmonization of trade-related standards and practices. While the agenda has yet to be fully elaborated, possibilities exist for APEC-wide arrangements to protect investment, codes of conduct for customs and administrative practices that inhibit free and open trade, and perhaps even understandings on intellectual property and dispute settlement.

Perhaps most importantly, APEC could act as a shock absorber for the region, and, in the process, help to limit collateral damage from, or indeed let some of the steam out of, strained bilateral relationships.

There are other issues and challenges besides those that I have touched on today. Even if I have not covered the entire waterfront, what I would hope to leave you with is the assurance that what we do in the Asia-Pacific region -- from encouraging the habit of discussion and the discipline of the rule of law,

from nationbuilding in Cambodia to the development of rule-based structures and institutions across the region -- is very much in our own long-term national interest and is a high priority in our overall foreign policy agenda.

I spoke earlier of the term "Pacific century." As an active participant in the events and the decisions that are shaping the new Asia-Pacific, Canada stands to be a major beneficiary of the progress that is taking place in the region -- economically, socially and politically.

Canada is very much an integral part of the Pacific century and many of you who are here today are the leaders in the process of converting opportunity into reality.

As I embark on this most important journey, I am confident that Canadians have both the energy and the initiative to take advantage of the Pacific century, and I know that I have your support.