



STATEMENT

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AS DELIVERED

AN ADDRESS BY
BY THE HONOURABLE RAYMOND CHAN,
SECRETARY OF STATE (ASIA-PACIFIC),
TO THE
PARLIAMENTARY DEBATE
ON CANADA'S FOREIGN POLICY REVIEW

OTTAWA, Ontario
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Madam Speaker, as my colleagues the Minister of Foreign Affairs, the Minister for International Trade, the Minister of Defence and my fellow Secretary of State have all mentioned, the Government believes it is time for a foreign policy review, for a review of Canada's international interests, and in our domestic capabilities and constraints in pursuit of our interests. I have listened carefully to each of their remarks and would like to add my views on Canadian foreign policy and more specifically, on how it relates to my portfolio as Secretary of State (Asia-Pacific).

First of all, my role as Secretary of State (Asia-Pacific) is to advise Minister [André] Ouellet on Asia-Pacific matters. My responsibilities therefore cover both geographic and sectoral issues, such as political economic matters and social development assistance.

Canadians recognize the need for job creation in Canada as well as the restoration of faith of Canadians in our economy. These two goals can be achieved to a large degree through an export-led recovery. Presently, about one quarter of Canadian jobs are directly related to exports. The Asian markets for pulp and paper, telecommunications and transport equipment, construction materials, agri-foods and petrochemicals present tremendous potential for economic growth in Canada. At the same time they meet the needs of many developing nations. Furthermore, the Asia-Pacific region not only provides markets for our exports, but it is also an important source for the technology, investment capital and skills with which we can enhance Canadian competitiveness.

Growth rates in much of the Asia-Pacific region during the 1980s were more than twice as high as the rest of the world. Asia's share of world income could rise from 24 percent in 1989 to 35 percent by 2010, and to over 50 percent by 2040. Canadian business must prepare to capitalize on the opportunities presented. If we fail to do so, then we as a nation risk the erosion of those institutions that have made Canada the envy of the world. Our success will depend upon our ability to achieve greater access to these markets and to develop initiatives that will result in the provision of the greatest possible competitive advantage to Canadian exporters.

As part of this effort, bilateral and multilateral economic and trade arrangements with countries in the Asia-Pacific region will need to be examined in the light of the major economic changes taking place. We must also recognize that an increasingly important element in Canada's trade and economic relations with the Asia-Pacific region will be the development of new institutions such as the Asia-Pacific Economic Co-operation [APEC] forum.

Within APEC are included five of Canada's top ten export markets. As you can see, an active Canadian role within APEC is vital to our interests. I was pleased that my first official function as

Secretary of State for Asia-Pacific was to attend the APEC summit in November in Seattle with the Prime Minister and the Minister for International Trade. APEC, like the region's explosive growth, is a relatively recent phenomenon. Since its creation five years ago, it has become the region's main forum for discussions on regional growth, economic interdependence, strengthening the multilateral trading system and reducing barriers to trade in goods, services and investment. It has also become a major vehicle for co-operation on sectoral issues, such as environmental problems.

During my first overseas trip in January to Hong Kong, south China, Thailand and Japan, I was able to discuss many of these issues in more detail. These are the fastest-growing and among the most important markets for Canada. As I have already mentioned, their needs correspond with many of our skills and expertise.

We need to devise ways to target government programs and resources effectively, to assist Canadian companies to be even more successful international players. Of particular concern to this government is the role of small and medium-sized businesses. They have the potential to be the growth engines of the future but often lack the critical mass, the financial resources or the technical expertise to penetrate foreign markets.

The Government must help to facilitate Canadian businesses to access the market in the Asia-Pacific region. We do have some excellent examples of practical initiatives business and government are undertaking together. The Canadian Chamber of Commerce in Hong Kong is planning Canada-Hong Kong Trade and Investment Week. This event is appropriately being titled Profiting from Partnership, and will take place both in Hong Kong and Guangzhou in early May. This initiative, which has the full backing of government and industry, has been designed to create networks between business people in Canada, Hong Kong and China. Moreover, it will educate Canadians about business opportunities in Asia.

As the Minister for International Trade outlined recently, in co-operation with the Minister of Industry, he has instituted a full review of this matter. The aim is to ensure that our small and medium-sized firms have access to the tools and the environment needed to compete. Export and venture financing, delivery of market information, co-ordination of government programs and the pooling of private-sector resources -- all of these issues are now on the table. By adopting a more market-driven approach to trade development -- one that sees government as an export facilitator rather than an export leader -- we can use market signals to help set our real trade priorities. We need to develop a national strategy to tap into the Asia-Pacific

market. In order to develop the proper strategy we need to hear from Parliamentarians and Canadians.

However, Foreign Affairs must not only be concerned with international trade issues, but also with political, social and economic matters. During the election campaign the Prime Minister clearly enunciated his vision of creating a stronger more independent role for Canada on the international scene. The Prime Minister stated his belief in a government that reinforced Canada's reputation for tolerance and openness, one with a common-sense approach to ensure our values are reflected in all aspects of our foreign policy. The Minister of Foreign Affairs is working hard to make that vision a reality. I am very pleased to have the chance to assist him in this regard.

One important aspect of the relationship Canada has with many of the nations of the Asia-Pacific region is in the area of development. It was not too long ago that the relationship between trade, aid and development was viewed by many as non-existent. Yet, there are many facets to Canada's development program. First, assisting societies in meeting their citizen's basic human needs has been a pillar of Canada's international involvement. However, development assistance is much more than that. The environment, building peace and security, good governance, the promotion of human rights, and racial and gender equality are also development issues.

Development assistance has been particularly effective in fostering the development of the countries of the Asia-Pacific region. In light of the progress achieved, Canadian development priorities have shifted from isolated project planning to broader policy interventions, intended to involve Canadians in co-operation for sustainable development in the region.

The Canadian International Development Agency's strategy for the Asia-Pacific region has five broad priorities: strengthening the institutional capacity in support of sustainable development; co-operating in resolving national, regional and global environmental problems; promoting co-operation between the private sectors in Canada and the Asia-Pacific region; fostering institutional linkages and networks; and encouraging respect for human rights and promoting good governance.

As these five priorities clearly demonstrate, the social, economic and political aspects of foreign policy are related and we as a nation will only benefit from an integrated approach. Just last week, I saw these five priorities in action during my visit to Bangladesh and Cambodia. Then again, when I led the Canadian delegation to the ICORC meeting in Tokyo. ICORC stands for the International Committee on the Reconstruction of Cambodia. My main interests were to promote our bilateral relationships with Bangladesh and Cambodia, and to observe first-

hand the effects of Canadian aid programs. I was deeply impressed by the commitment of Canada's efforts to date. Bangladesh is our biggest aid recipient, and despite serious, ongoing problems caused by overpopulation and environmental stress, Bangladesh has achieved important progress in a number of areas including family planning, food self-sufficiency and an economic growth rate of four percent in 1993. Bangladesh is also becoming less aid-dependent, with donors now required to fund just over 70 percent of its development budget, compared with 100 percent some years ago.

Our commitment to Cambodia is also of several years duration. We were signatories to the Paris Peace Accord of 1991, and contributed substantially to the UN Transitional Administration Committee that ushered in the new government last year. Now that Cambodia has a democratically elected government after years of war, we are assisting in such crucial areas as de-mining, technical assistance, and poverty alleviation in rural areas. It is hard to think of a more compelling environmental problem than de-mining. Canada's leading role in helping to solve this problem has been recognized by the international community. The highlight of my trip was meeting the 13 Canadians who are training Cambodian soldiers to complete this most difficult task. As Canadian Lieutenant-Colonel Focsaneanu explained to me, the Cambodian people cannot return to the fields to work the land until those fields are safe. De-mining is the most important part in helping Cambodia to develop.

Canada's political relations with the Asia-Pacific region are complex and challenging. Since the end of the Cold War, the region has evolved into an area of greater stability, productivity and justice. Nevertheless, serious causes for concern remain and other potential sources of dispute and conflict also exist. Despite outstanding overall growth, disparities continue to remain. While east and southeast Asia are outpacing the rest of the world, the majority of the world's poor are still in the Asia-Pacific region. These uncertainties present major challenges in any review of Canada's political and security relations with the region.

Perhaps the most encouraging development in recent years in the Asia-Pacific region is the growing willingness to address security issues and potential problems multilaterally, using institutions such as the ASEAN [Association of Southeast Asian Nations] Ministerial Consultative process, in which Canada is a "dialogue partner." But the process of multilateral consultation among regional governments is still in the early stages and much more work needs to be done before the region will develop practical mechanisms for resolving conflict and disagreement.

In the interim, informal methods of consultation have developed involving academics, businessmen, and officials acting in their

unofficial capacities. Canadians have been playing leading roles in these activities, notably in creating the North Pacific Co-operative Security Dialogue in 1990. Through funding provided by CIDA, Canada has also been instrumental in fostering consultations on specific areas of potential conflict, such as the workshops on the South China Sea. In the Asia-Pacific region, as elsewhere, co-operative security means more than just reducing armaments and creating barriers to military ambitions. There can be no real security if hunger, poverty, social injustice and environmental degradation continue. Our foreign policy has to be based on a comprehensive approach that involves trade developments and the institutionalization of good, open governments.

Recently, the debate over social injustice in Asia-Pacific has acquired new dimensions. There are those who have argued that democratic development must necessarily take a back seat to economic development. However, I am one who maintains that in many instances, the two are not mutually exclusive. Certainly there is evidence that increased political flexibility is a by-product of economic liberalization, and governments that have opened their markets to international trade are more sensitive to the views and reactions of other countries. An inward-looking society that depends little on trade and international investment is less likely to respond to concerns raised by foreigners. Trade reduces isolationism. Trade also expands the scope of international law and generates the economic growth required to sustain social change and development. Economic liberalization also leads to a pluralization of interest groups in society. Nevertheless, all societies must resolve the tension between individual and collective rights and we must all be vigilant to ensure that fundamental human rights are protected.

In this regard, it is imperative that we as a government continue to raise the matter of human rights with those countries we believe to be in violation thereof, at every opportunity. While we respect time-honoured traditions and cultures, our position has always been that the best guarantee for stability and prosperity is a government that is responsive to its people.

The topics I have touched on today may serve as a preliminary indication of the kinds of issues that will need to be addressed as we consider Canada's relations with the Asia-Pacific region during the review of Canada's foreign policy. We are seeking views and guidance from Canadians in all walks of life to help provide direction in the development of new policies and initiatives for the Asia-Pacific region.

While establishing strong and effective economic and trade relationships with our Asia-Pacific partners is a primary focus, we shall continue to promote respect for human rights, the development of truly democratic political institutions, and the

objectives of sustainable development in our relations with the region. Establishing strong and effective economic and trade relationships with the region are important goals for Canada. As I hope I have outlined, we have much more to offer each other than just commercial opportunities.

As part of the foreign policy review process, I look forward to discussing with Canadians their views on expanding our engagement with the countries of the Asia-Pacific region across the entire spectrum of political, social, environmental and economic relations. As a country bordering both the Atlantic and Pacific oceans, Canada has the opportunity to expand in both directions. I believe the time is right for us to realize our full potential as a partner in the dynamic developments taking place in the Asia-Pacific region, and I look forward to hearing the views of Canadians on how to best achieve this goal.

In the Asia-Pacific region, Canada is faced with a number of very important issues. We must continue to establish beneficial trading relationships and we must also work hard to promote our bilateral as well as multilateral linkages. We must continue to support economic and social development in the region, while being mindful of its cultural diversities, and we must capitalize on our natural "human" advantages to realize this tremendous potential.

Thank you.