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JULY 2, 1980

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NOTES FOR REMARKS BY  
THE SECRETARY OF STATE  
FOR EXTERNAL AFFAIRS,  
MARK MACGUIGAN,  
AT A LUNCHEON OF  
THE CANADIAN BUSINESS  
ASSOCIATION,  
THE CANADIAN CLUB  
OF HONG KONG, AND THE  
CANADIAN UNIVERSITY ASSOCIATION,  
HONG KONG, JULY 2, 1980

"CANADA LOOKS WEST --  
INCREASING LINKS  
ACROSS THE PACIFIC"

At the outset, may I say how pleased I am to be able to speak to you today. In a sense, this could be considered a minor event of historic significance, since in spite of many associations and contacts over the decades, I believe this is the first occasion on which a Canadian foreign minister has delivered an address in Hong Kong. But I hope it will not be the last, since many changes taking place both in the Pacific and in Canada suggest that intensified relations on a number of fronts will be beneficial to both our country and the nations in this region.

In many ways, the thrust towards the Orient has been an integral part of Canada's history. Indeed, it was the quest for a passage to Cathay that led to the discovery of Canada itself. The name given by French explorers to the rapids in the St. Lawrence River near what is now Montreal bears testimony to what they were really after -- La Chine -- China. In the nineteenth century, Canada's first Pacific venture of the modern era was the founding of Fort Victoria on Vancouver Island in 1843, just three years after the establishment of Hong Kong. Our links with Asia continued to multiply as Canada's Pacific regions were settled and developed. Royal Navy establishments here and in British Columbia were one early connection. Canadian Pacific Empress liners linked Vancouver not only with the Orient, but with Australia and New Zealand, forming a vast imperial marine highway -- a transportation link now supplanted by the "Orange Empresses" of Canadian Pacific Airlines. It is no accident, too, that our first trans-continental railway was called the Canadian Pacific. There are also human bonds that go back a long way -- for example, it was through Hong Kong that many of the Chinese came who figured so prominently in the opening of the Canadian West.

Canada's commercial and diplomatic interests in Asia go back to the early years of this century. In 1906 we established commercial offices in Shanghai and in 1928 in Hong Kong. A Canadian legation was opened in Tokyo in 1929. One of our first posts abroad.

During the Second World War, the role of Canadian troops in the tragic attempt to defend Hong Kong is still remembered. Canada played a role in the United Nations' collective security action in Korea and participated in international control commissions in Indochina from the signing of the Geneva Agreements of 1954 until the 1970s.

But our role in the Pacific has not been military primarily. Canada was one of the founding members of the Colombo Plan, and over the years we have made significant contributions to economic development in the region. In the private sector, interest in the Pacific region is reflected in strong Canadian participation in the Pacific Basin Economic Council. In fact, the Canadian Committee of this Council has for almost 10 years been an official advisory committee to our Government on economic policy in the Pacific, and we expect that role will enlarge in the future.

I wish to make particular reference to another area of profound common concern between Canada and Asia -- and Hong Kong in particular -- having deep humanitarian implications. As you know, Canada has agreed to accept 60,000 Indochinese refugees from Hong Kong, Thailand, Malaysia and other countries by the end of 1980. Of these, some 13,000 will have been moved from Hong Kong and, in fact, this week the 10,000 refugees who have been selected will leave Hong Kong for a new life in our country. I wish to take this opportunity to commend the government and people of Hong Kong for the compassion you have shown and the efforts you have made in providing a temporary haven for so many refugees on your small and heavily populated territory.

Like many other parts of the world, the Pacific region has seen its share of human suffering. Yet, most observers agree that in the future the Pacific area will be unique as an area of outstanding economic growth and development. The potential is vast, and has never been more tangible than it is now. Fed by Japan's remarkable post-war growth and the trade-oriented industrialization policies of South and Northeast Asia economies, such as that of Hong Kong, the Western Pacific has enjoyed growth rates from 6 to 10% per year over the last decade. In many countries exports have grown at 2 or 3 times these rates, and their shares of world markets have increased markedly. The developing countries of Asia have become increasingly important destinations for goods, services and investment capital. This remarkable pattern of growth should continue to make the Pacific economy the growth economy in the world. By the end of this century, this region may well become the focus, if not the engine of growth in the world economy.

A major international challenge for Canada in the decade ahead will be to fashion a response to this exciting phenomenon of a new Pacific age. We want to be part of it; we want to contribute to its development and to share in its benefits. Our ultimate objective would be the creation of a more stable and prosperous community of nations in the Pacific region.

But it is a challenge that will demand a good deal of creative energy on Canada's part. As a first step, we will need a broad base of public support for our initiatives and to do this we shall have to shape a greater awareness of the potential of the Pacific region within Canada. In many parts of Canada, our traditional orientation has been towards a primary role as an Atlantic nation. But we are now beginning to see an awareness in Canada of a dual personality as both an Atlantic and a Pacific nation, and an educational process in this direction is now taking place. Perhaps one day soon a larger number of Canadians will see Hong Kong as part of the "Near West".

But if one-half of Canada's challenge lies in developing an awareness of its Pacific personality, the other half

will lie with formulating policies and implementing programmes which will make this personality more manifest. And it is to these possibilities that I wish briefly to direct your attention.

No development in recent years so exemplifies a recognition of the coming Pacific age than the current move to explore the concept of a tangible "Pacific Community". I doubt that anyone has a clear concept of what shape such a Community will eventually take. But Canada intends to participate in the evolution of the concept from the outset. We have not made up our minds about any of the specifics of organization, membership or mandate, and we will approach the idea cautiously, but nonetheless in a positive fashion. Undoubtedly, the process of study and evolution will take time. But this may be well, since a good deal of community-building must precede any formal organization. Such matters as the improvement of transportation and communications links, tourism development and increased cultural and educational interplay are essential before tackling the economic issues which lie at the heart of the Community's potential dynamic. For Canada and her Pacific partners, the achievement of the Pacific Community is a longer-term, general goal. In the interim, we must nourish and expand the bilateral relationships which are the foundations of such a concept. And for this purpose, Canada intends to inject new energy into our political and economic relationships with the countries of the Asian Pacific region.

Until now, our political ties with individual countries in the region have largely reflected historical connections or other realities, such as Commonwealth ties, defence considerations, trading dimensions or development assistance. In the Pacific of the 80s, we would hope to recast our political efforts in a more modern mold-- one which takes account of the diversity and unique characteristics of our Pacific partners. We will also pay closer attention to building the broader and richer style of political understanding and cultural contacts on which all the elements of any relationship depend. I believe that my attendance at the ASEAN foreign ministers meeting in Kuala Lumpur a few days ago is an indication of both these trends in our approach.

Canada's economic interests in the Pacific will both intensify and diversify. The expansion of economic activity in Western Canada has made this course inevitable, and a number of provincial governments have already stepped up their activities in the region. This year, for example, the government of Alberta will open offices in Hong Kong to promote further commercial and other economic links. It is precisely this complementarity between Western Canada and the Pacific region that has become the vital element in our presence here.

But interest in the Pacific is not confined to Western Canada. Our central provinces of Ontario and Quebec are also playing more active roles, and doing so with great

effect. The Ontario Government, for example, like Alberta, will this year open an office in Hong Kong.

For its part, the Federal Government will continue to represent all of Canada's interests. As you know, Canadians are now in the process of reviewing and revising their constitution. A few weeks ago, the people of Quebec voted in a referendum to remain within the Canadian confederation, thus averting a very difficult situation within our country. At the same time, it is felt that the time has come to make changes in our constitution which align with present-day realities, and that process is going ahead at this time. But the Federal Government will fulfil its role of meeting the needs of all parts of Canada, and the policies which we pursue in this part of the world will be no exception.

At the present time, for example, the Federal Government is refining its techniques and tactics in the economic and trade spheres. We are proposing revisions to the Bank Act which will permit greater reciprocity with other countries in that field. We are currently reviewing a number of bilateral agreements with Pacific nations, seeking ways to modernize mechanisms or to establish new ones where gaps exist in order to improve mutually beneficial trade and capital flows.

But Canada is not coming to the Pacific region in the 1980s simply as a trader looking for markets. A nation as dependent on trade as Canada can ill afford purely self-serving approaches. Rather, we want to build relationships which will benefit all concerned through trade, industrial cooperation, investment, technological exchanges and other relationships. We believe that the growing economic inter-dependence within the Pacific region calls for such sophisticated and responsible policies. It also calls for a broad strategy in our foreign affairs which will advance contacts between people in all walks of life for educational and academic exchanges and for the dissemination of cultural information. We feel that, in time, these approaches will provide a richer and more rewarding international experience for the people of the region.

These are the main lines of Canada's strategy vis-à-vis the Pacific during the 1980s; let me now touch on some more precise manifestations of our approach in the months immediately ahead.

Perhaps the most important event on our horizon is the conference on Pacific relations which Prime Minister Trudeau announced recently and which will take place in Vancouver in November of this year. This conference will bring together knowledgeable and experienced Canadians from the fields of business, government, labour and the universities who have an interest in the Pacific region. We hope that through frank and thoughtful discussion, the conference will inform and sensitize many Canadians about the potential of the

region. We hope, too, that this conference will provide input for the approaches that governments and individuals adopt during the 1980s in this region of the world. To make it as productive as possible for Canadians, we have confined attendance at the conference to Canadians. But I can assure you that those who participate will be prepared to discuss the results with their friends in this part of the world.

While the conference should give Canadians some sense of how they would like the Pacific Community concept to evolve during the 1980s, it is only one part of an evolutionary process. Canadian businessmen, academics and government officials have already joined with their colleagues from other Pacific nations in a growing cross-fertilization of views on this challenging notion. For example, Canadians will participate in the symposium on this subject organized by Sir John Crawford at the Australian National University in September.

As I mentioned earlier, I have just participated in the ASEAN foreign minister's meeting in Kuala Lumpur. At previous meetings, other ASEAN dialogue partners have been present, but this was the first time a Canadian foreign minister has been involved in these important discussions. This attention to ASEAN exemplifies what we will be attempting to do with other Pacific countries in the period ahead in enriching the political medium for our future relationships.

My attendance at the Kuala Lumpur meeting was complemented a few weeks previously by a visit to the ASEAN countries of Malaysia and Indonesia, led by my colleague, the Hon. Ed Lumley, the Minister of State for International Trade. His visit represents in fact, a new Pacific thrust in Canada's efforts to expand our trade and capital flows and to develop economic interdependence. Mr. Lumley was also in New Zealand and Australia in May leading a major trade and investment mission and he is planning additional missions in Asia.

In the last resort, however, government can only facilitate and assist in this outward thrust. It is the role of the private sector to inject life and substance into economic relationships, and for this reason the Canadian Government is encouraging a more explicit role for businessmen and business associations in shaping relationships and in influencing the form and conduct of foreign policy. I have already referred to the role played in this by the Canadian Committee of the Pacific Basin Economic Council. Another example is the readiness of busy Canadian executives to participate in bilateral business committees with colleagues from other countries. Our government will continue to assist them in this valuable work in order to develop a more unified international voice for both the private and the public sectors.

Finally, I want to refer rather specifically to Canada's relations with Hong Kong which, as you know, have flourished and expanded in recent years. While your exports to Canada continued to grow substantially in the two-year

period from 1977 to 1979, our exports to you more than doubled. In 1979, two-way trade between Canada and Hong Kong reached almost 2,280 million Hong Kong dollars (\$570 million Canadian). Seven Canadian banks now have offices in Hong Kong. And in its role as Canada's gateway to Asia we can reasonably expect that trade and commercial activity will greatly expand in the period ahead. You have unique channels of contact with the People's Republic of China and are at the centre of one of the great economic success stories of our time. These facts alone justify our intense interest in broadening our relationship with you.

But economic reasons are not the only ones for strengthening our links. A number of historical human factors also prevail. During the past two decades, for example, thousands of men and women from Hong Kong have emigrated to Canada and have made a major contribution to our country's rich cultural mosaic. They have expanded the family ties that draw us together. In addition, thousands of young people from Hong Kong have been educated in our universities and have returned here to play important roles in Hong Kong's economic life and in government. These contacts have enriched the human dimension of our relationship by promoting understanding and creating life-long friendships.

In closing, I thank you again for this opportunity to address you. I hope it will not be the last. In any event, the people of Canada and those of Hong Kong will be seeing a good deal more of each other in the future, a fact that is pleasant to contemplate and which will also be of mutual benefit.