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NOTES FOR AN ADDRESS  
BY THE  
SECRETARY OF STATE FOR  
EXTERNAL AFFAIRS,  
THE HONOURABLE MARK MACGUIGAN,  
TO THE  
SECOND PACIFIC RIM  
OPPORTUNITIES CONFERENCE,  
TORONTO,  
FEBRUARY 24, 1982

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THE PACIFIC CHALLENGE

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It gives me great pleasure to be here today and have the opportunity once again to address a major conference on economic and trade relations with the Pacific. From my point of view one contrast between this engagement and the one in Vancouver over a year ago, is that I now head a much expanded Department of External Affairs -- one which brings together under one roof the policy planning and management of all aspects of our foreign relations: political, economic and trade, cultural, social and so on.

I expect some of you may have questions about the value of this recent change in relation to your specific business interests abroad. I can assure you, however, that this major reorganization of government in the field of external relations is of real meaning to you as businessmen.

And why? Because first and foremost this reorganization is an effort on the government's part to strengthen our ability as a nation to bring greater benefit to Canadians from our interaction with an increasingly complex, and often unpredictable and difficult international environment. As a country which earns almost one-third of its Gross National Product through trade, we must be ready to make those institutional adaptations that respond best to our domestic priorities and the changing global environment.

We all agree, I am sure, that economic development must be a number one priority for all governments in Canada, provincial and federal alike. Consequently my colleagues in Ottawa continue to take various measures in a number of areas designed to stimulate and shape this development. The bringing of trade responsibilities within the Department of External Affairs, but under the immediate direction of a Minister of State for Trade, is part of this economic strategy. It responds to a real need to make economic and trade considerations, and the interests of Canadian business, a more integral part of our overall foreign policy in accordance with the priority, in domestic terms, of economic development.

At the same time, Canada faces increased challenges abroad that require a more integrated and sophisticated management of our policies on a wide range of problems. Everywhere, success in trade has become more dependent than it ever has been on a combination of political and economic factors, creating a more complex environment for business: state-to-state trade is growing; those who believe in trade liberalization are fighting against threats of resurgent protectionism; the development world -- the so-called South -- are using political means via-à-vis the North to realize their economic aspirations by aiming at the creation of a

"new economic order"; almost every nation has been forced to make the critical energy sector an object of political concern.

The addition of the trade promotion and policy functions of the former Department of Industry, Trade and Commerce to the political and economic responsibilities of the Department of External Affairs is one way in which we, in government, are responding to these challenges. In the complex trading environment of today's turbulent world, this reorganization is intended to bring to bear the weight of political relationships in support of our economic and trade work in a more direct and coherent way.

In the final analysis, this reorganization has meant that we will be better able to support and facilitate the work of the private sector, and to increase the success of your endeavours abroad. I can assure you that you will continue to have direct access to our trade officials -- they have not disappeared or been rendered ineffectual simply by virtue of their transfer from one department to another -- and, together, we should be able to give you better service.

Naturally, the Department of External Affairs and our foreign service will continue to devote very considerable resources and effort to promoting the basic national objectives of peace and stability and social progress and justice. We will also continue to develop the political ties and people-to-people relationships and understanding on which all durable and mutually beneficial economic interchange must be based. Without a stable and healthy political environment, none of our endeavours can succeed and none of our developmental objectives can be realized.

Frankly, I am excited by the increased strength and sense of coherence and purpose which this reorganization should bring to our foreign policies; I am convinced that it can only help us in safeguarding and promoting Canada's many political and economic interests internationally. And I think that you, as businessmen, have everything to gain from this development, especially as you look to the exciting prospects for Canadian enterprise in the Asia/Pacific world in the year -- indeed the decade -- ahead. My colleagues and I are eager to work with you in meeting this challenge.

The conference you are concluding today marks a further significant step in the development of a public awareness in Canada of the potential that exists for Canada in expanded relations with our neighbours across the Pacific. The first conference of this kind was held in Vancouver over a year ago and when I spoke there of the Pacific dimension of Canada's foreign policy, I was speaking in a city for which the Pacific is an obvious and immediate reality. The fact that the organizers of this second Pacific Rim Opportunities Conference have chosen Eastern Canada and a city on the Great Lakes as the site for

their deliberations and discussions is an acknowledgement that the Asian and Pacific world is a reality not only for those on the West Coast but for all Canadians.

The Pacific dimension has been with us from the beginning. The first French explorers on their way up the St. Lawrence recalled the original motive in the European discovery of North America when they named famous rapids at Montreal "Lachine" or "China". Although the fur trade soon subsumed the energies of European explorers, the dream of a route to the Pacific persisted and it reached fruition in the creation of a Canadian nation extending "from sea even unto sea". Canada's Pacific vocation, however, did not end there. From the earliest days of Canadian nationhood we have had commercial representation in the region. In 1929 Tokyo was the third Canadian diplomatic mission to be opened.

The maintenance of peace and stability in Asia and the Pacific has been a major preoccupation of the Canadian Government for many years, beginning in the '40s and '50s when Canadian troops participated in the defence of Hong Kong and in the United Nations action in Korea; in another part of Asia, Canadians served on the Indochina Control Commissions. At the same time, the need for social and economic development was not neglected. Canada was a founder-member of the Colombo Plan and through this and other agencies, such as the Asian Development Bank and ESCAP, we have conducted programmes of bilateral and multilateral development assistance in the region. On the cultural and academic side, too, the contact between Canada and Asia has been noteworthy. One need only mention the splendours of the East Asian Collection of the Royal Ontario Museum here in Toronto and recall the endeavours of Bishop White and others who shared the Canadian missionary experience in Asia. Such is the legacy of our rich and diverse historic relationship with the Asian and Pacific region.

Significant though these endeavours were, they represented only the beginnings. We are now moving to define a new relationship that will take account of the size and complexity of a region that is home for over one-third of the human race and which comprises countries ranging in size from the world's most populous to some of the world's tiniest mini-states. The region's diversity embraces all manner of political systems, all the world's major religions and a myriad of languages and dialects.

As I have said before, there is no simple answer to the question of how best to define and promote Canada's national interests abroad. However, to be coherent and effective, our policies must be comprehensive, our activities in all fields -- economics and trade, aid, political and cultural -- must be part of a dynamic whole and be seen to be so by the countries of the region themselves. They must also be seen to respond not only to their own interests but also to the unique aspirations and specialized requirements of the Asian and Pacific countries. To achieve this demands improved understanding at all levels and the growth of mutual awareness between Canadians and the peoples of Asia and the Pacific.

In the market opportunity workshops during this conference, you have been reviewing some of the factors that make marketing, investment and joint ventures different and sometimes difficult in each of the markets covered by this conference. The lessons learned in one place do not necessarily apply to its neighbours. You will have recognized too that decisions in the realm of trade and economics cannot be taken in isolation from the unique political, cultural or security circumstances that pertain both in the region as a whole and in the individual countries themselves, in particular where governments play an active role in local decision-making. Our activities in all these fields are interrelated and must be treated as such. This is an integrated fabric of our foreign policy.

Partnership is a two-way street and if we are to expect the countries of Asia and the Pacific to take account of our concerns we must demonstrate that we are alive to their interests. Our policies and activities must be increasingly responsive not only to our own interests but to the specific priorities and aspirations, political, economic and cultural, of the countries concerned.

Our relationship with the members of the Association of Southeast Asian Nations (ASEAN) is an excellent case in point. Late last year we committed ourselves to a formal policy of co-operation with ASEAN when we signed an Agreement on Economic Co-operation. But the sense of common interest goes beyond economics and trade. ASEAN leaders have acknowledged the importance of Canada's support for ASEAN efforts to bring about peaceful solutions to the problems of the region, political, humanitarian as well as economic. In particular, we have supported ASEAN initiatives in the United Nations on the question of Cambodia. On this issue we share the belief with ASEAN that without a comprehensive political settlement there will not be durable peace and stability in Southeast Asia. On the humanitarian side, ASEAN has made it clear that Canada's refugee policy in the region has made a major contribution to relieving pressures in the region.

In developing the kind of sophisticated response I am calling for in our approaches, I have just discussed the important role which government has to play. Intergovernmental agreements are often necessary to facilitate co-operation in all fields. But without the interest and initiative of the private sector such government efforts will remain only a basic framework. Happily, in our economic relations with Asia and the Pacific, the private sector is showing the necessary active interest. The work of the Canadian Committee of the Pacific Basin Economic Council (PBEC) exemplifies the kind of activity that is succeeding in promoting a more co-ordinated and systematic approach to the region. Their success in organizing this conference with the cooperation of the various bilateral business associations and drawing on acknowledged Canadian academic expertise is worthy of high praise.

Co-operation and consultation between the private sector and government has become an integral and regular feature of Canadian activities in Asia and the Pacific. In relations with Japan, my Department has frequent consultations with and briefings for the Canada-Japan Business Co-operation Committee with the result that the Japanese themselves have remarked favourably on the coherence of Canadian positions. I have already mentioned the Canadian Committee of PBEC in the context of this conference. We have reinforced the practice of very close working relations with them in recent years.

Another area of government cooperation with the private sector -- broadened to include both business and academic communities -- is that of the Pacific Community concept. Consideration of this concept has reached a kind of plateau where all sides are taking stock of the complexity and size of the task which lies ahead. The Canadian Government continues to support this concept and encourage its examination particularly by ASEAN nations. While any organizational development still seems years away, the work being done under private auspices, such as within the international body of PBEC, is very welcome and deserves careful attention.

There have been important strides in the development of federal-provincial co-operation in promoting the growth of our relations with the Pacific. Provincial initiatives are receiving the full support of the Federal Government. We have co-operated closely in providing briefings before visits to the region by provincial premiers and Cabinet ministers and we are being kept up to date on many provincial interests and activities.

It is only through such co-operative efforts that we can hope to achieve a cohesive and coherent approach. I am gratified to discover that this is occurring in response to the call for a Canada Foundation for Asia and the Pacific, an idea which made its appearance at the first Pacific Rim Opportunities Conference in Vancouver; a foundation, removed somewhat from government, has been suggested as a means of promoting the growth of awareness and mutual understanding between Canada and its Pacific partners and as a body to co-ordinate in the manner of a clearing house, the broad range of Canadian activities in the Asian and Pacific region. While very much attracted to the idea as an answer to the problem we have long perceived in our relations with the region -- the need for greater understanding and the absence of co-ordination -- we recognize the limits of government, acting alone to promote such an endeavour.

It was in this spirit that I decided to ask Mr. John Bruk of Vancouver to study the feasibility of establishing a foundation. Since he embarked on this task it has become apparent that there is a great deal of interest in the idea -- more than any of us had anticipated. I am particularly pleased at the way that the private sector and the universities have co-operated to move the foundation idea forward. Quite independent of Mr. Bruk's study, but in parallel with it, a series of symposia, beginning with one held jointly by York University and the University of Toronto in December, has been and is being held to examine all aspects of such a concept; others are to be held at the University of Montreal and at the University of British Columbia. Representatives of the business community have been active participants in this process. Similarly, other important elements of Canadian public opinion, such as the media, the churches and the trade unions, have interests in the totality of our foreign relations and will wish to be consulted.

We have passed the crossroads in our relations with Asia. We have achieved a great deal. As we look West, however, to the ancient civilizations and new opportunities represented by our partners across the Pacific, we must demonstrate our commitment and our seriousness. We must redouble our efforts to develop the broader understanding that is the cement necessary for these new and dynamic relationships. The challenge is there. If we approach it in the manner of the co-operation marked by this conference we will have reason to be confident.