

EMBARGOED UNTIL
21:00 HOURS, NOVEMBER 19, 1980
CHECK AGAINST DELIVERY

STATEMENT DISCOURS

SECRETARY
OF STATE
FOR EXTERNAL
AFFAIRS.

SECRÉTAIRE
D'ÉTAT AUX
AFFAIRES
EXTÉRIEURES.



NOTES FOR A SPEECH
BY THE SECRETARY OF STATE
FOR EXTERNAL AFFAIRS,
DR. MARK MACGUIGAN,
AT THE PACIFIC RIM OPPORTUNITIES
CONFERENCE,
VANCOUVER, NOVEMBER 19, 1980

Mr. Chairman, members of the head table, distinguished foreign guests, ladies and gentlemen,

Since becoming Secretary of State for External Affairs earlier this year, I have had two opportunities to speak on the subject of the Pacific and Canadian foreign policy. But neither has matched the special privilege I enjoy tonight of delivering the keynote speech on the eve of this major Conference.

Over the next two days I foresee this event making a significant contribution to the development of better relations with this important part of the world which increasingly commands our interest and attention. The agenda reflects the vast scope of the subject; the slate of speakers and panellists is impressive; and the participants include prominent Canadians either involved already in the world of the Pacific and prepared to share their experiences, or drawn by a desire to learn more about this immense and complex region and its significance for Canada now and in the future.

I thank you, Mr. Chairman, for your invitation to address this gathering. I hope that I can achieve a thought-provoking send-off for the proceedings of the next two days.

So much is being said at present about the economic dynamism of the Pacific region that to rehearse the statistics and cite the authorities on the area would be redundant in a gathering such as this. Suffice it to say that all observers are in agreement that the region has vast potential: in some forecasts, by the turn of the century, it could be the focus if not the engine of growth in the world economy.

Yet, while there is so much confidence in the economic future of the Pacific area, there is also some uncertainty about precisely what must be done to develop and direct the forces shaping the future for the maximum benefit of all countries in the region. How should we, as members of a vast and diverse neighbourhood organize ourselves to derive mutual advantage from the challenges of the future? As you know one important idea now in play is the notion of a "Pacific Community" organization constituted essentially to come to grips with economic problems in the first instance. Yet despite the considerable interest and momentum that has been built up in recent months, the concept has encountered and indeed generated a number of reservations, mainly political, which suggest that a structured community may take some time to shape. But the sense of community is there, and we must built on it.

To date, Canadians in the private sector, in government and in the academic world, have shown an active interest in helping to build this Pacific Community, and a readiness to participate in the evolution of the concept from the outset. All

of us who are interested in these questions have been approaching the political issues of membership, organization and the community's eventual responsibilities in a deliberate and careful spirit, but with open minds and in a positive fashion.

Needless to say, your discussions on Friday on the Pacific Community will inevitably have an impact on Canadian views concerning this concept, and on the positions we take in exchanges with our Pacific friends. In fact, I look to this Conference to provide new momentum and direction in public thinking generally about the Pacific, for use as a basis of policy formation.

The truth is that we still lack, in Canada, a well-developed public sense of where we are going and what we should be doing in the Pacific. Until very recently we have been overwhelmingly an Atlantic nation in outlook -- turning East to our European roots and history, our traditional flows of trade, and our major security considerations; looking South to the American colossus, our closest friend and ally and the mainstay of our economic well-being. Canada, Europe and the U.S.A. have been inexorably linked together in our national psyche and in the main themes of our foreign policies.

Yet, this situation is changing, and changing rapidly. Much has to do with the new economic wealth and political influence of Western Canada, which for many years has seen the Pacific as the corner-stone of its prosperity. The westward shift in national focus has also brought Central and Eastern Canadians to a new appreciation of the Pacific. It has reminded us all that even before Simon Fraser and Alexander Mackenzie reached the Pacific Coast overland, the westward thrust to the Orient -- the search for the Northwest Passage -- was an integral part of Canada's history. The magnetism of the Pacific has continued as an irresistible force ever since: without it, Canada as we know it, would not, in all probability, exist.

In 1843, for example, Canada's first Pacific venture of the modern era was the founding of Fort Victoria on Vancouver Island, only three years after the establishment of Hong Kong. Our first transcontinental railway was called the Canadian Pacific, and in the early years of this century -- and even before -- Canadian Pacific Empress liners linked Vancouver with the Orient, Australia, and New Zealand in a vast imperial marine highway -- the White Empresses now supplanted by the Orange Empresses of our flag carrier in the Pacific.

Canada has been historically associated with the Pacific in many other diverse ways. We opened our first commercial office in the region in Sydney in 1895. Melbourne,

Yokohama and Shanghai followed on swiftly in the next few years. In 1929 one of Canada's first diplomatic posts abroad was our Legation in Tokyo. On the human side, an inflow of Chinese helped open the Canadian West, while a later substantial outflow of missionaries provided many Asians with their first close look at Canada and Canadians -- and gave Canadians their first real sense of involvement in the problems of Asia.

And who could not, in more recent times, remember the role of Canadian troops in Hong Kong in the Second World War, and later in Korea? In working for peace and stability in the region we have participated in various forms of control commissions in Indochina, and we have contributed to the economic development of the region through the Colombo Plan, the Asian Development Bank, and bilateral aid programmes.

Canadian provincial governments have also made significant contributions to Canada's presence and activities in the region. And so has Canada's private sector, both through a long record of trade, investment and other business activities, and more generally through strong Canadian participation in the Pacific Basin Economic Council since 1967.

While much of this is history, it provides a solid basis on which to write an even more illustrious future chapter. This will require, however, co-ordinated and well-defined policies and activities which are better fashioned to focus on, and respond to, a myriad of conditions and situations -- political, economic, cultural and social. The formation of innovative new approaches to the Pacific poses an enormous but exciting challenge to contemporary Canada, and to this Conference in particular.

In developing new directions we must, first and foremost, come to terms with the sheer size and complexity of the Pacific world; this very diversity makes it impossible to delineate, let alone implement, one set of policies applicable to all countries.

At one end of the spectrum are states who are just entering the modern world; at the other end is Japan, the world's second largest free market economy. The globe's four great religions are spread across the face of the region, along with a profusion of languages, cultures and races. The distances are vast, and communication and transportation links are often as far-flung as they are expensive.

In a region that boasts over one-third of humanity, the earth's most populous nation, China, is part of the same neighbourhood as the South Pacific state of Nauru, one of the world's

smallest. The contrasts seem endless: the resource rich and the resource poor; varying climates and geography; developed and developing states; new states and ancient civilizations; various political philosophies and a variety of economic systems.

In the face of this reality, is it any wonder that there can be no simple answer to what is the best role for Canada in our own interests, and the interests of others. More than any other region, the Pacific demands sophistication and flexibility in approach. The political, economic and socio-cultural forces behind events mingle closely together and are often indistinguishable one from the other. This fact, the rapid ebb and flow of developments, and the cross-currents of interests and relationships among constituent states, present formidable challenges to policy makers both in governments and the private sector.

To my mind, success depends on one fundamental rule: no single aspect of our activity in the Pacific -- be it in the political, economic, security or cultural sphere -- can operate in isolation from the others and still be effective. They must interrelate. They must be mutually supportive. They must be managed within the framework of a foreign policy that is contemporary and imaginative. This is true everywhere, but it has special relevance to the complex Pacific world I have described.

As an element of foreign policy, the political relationship is always difficult to define. There are few criteria and certainly no quantitative yardsticks, such as trade figures, against which progress, success or failure can be measured. In the broadest possible sense, it encompasses the totality of a relationship. In figurative terms, it is both the bed-rock on which the entire relationship rests and the atmosphere which surrounds and sustains it. If the foundation is weak or the overall atmosphere unhealthy, economic relationships -- indeed, any kind of relationship -- cannot hope to thrive and grow.

Let me take a few moments to mention some of the main considerations which will ensure that the political atmosphere and underpinnings of our relations in the Pacific are fully conducive to the favourable development of the economic aspects.

Perhaps the most important political consideration that we must face over the coming period in the Pacific is the need to respond with understanding and commitment to the fundamental aspirations of the countries of the region -- and to be seen doing so.

This means that Canada must provide firm, substantive and public support for the integrity, stability and economic and

social well-being of the region. (And may I say that we expect the same of them; we expect an equal degree of commitment to the integrity, stability and economic and social well-being of Canada.) Such a commitment will be especially important if we are to convince the countries of the region that Canadian foreign policy has a strong Pacific dimension.

From our point of view we must continue to ask the question: do they want us as a partner?

The broad commitment expected of us takes different forms in different countries. The Republic of Korea, for example, looks for a clear manifestation of support internationally for its sovereignty and territorial integrity vis-à-vis the North. This is a vital prerequisite to any strong economic relationship. And stability in Korea is fundamental to the future of the region.

The Association of South East Asian Nations (ASEAN) countries seek less explicit political commitments. Amid the general uncertainties of the region caused by events in Indochina, they look for broad political support which will enhance their interests both individually and increasingly as a group. While economic development remains an essential goal to all countries in the Pacific, there is an assumption that this will flow from political stability in the region. Canada will, of course, continue to do what it can to promote moves towards lasting peace and an end to military tension.

While the situation in Japan, China, Australia and New Zealand is not the same, these countries all welcome, in their own way, Canada's commitment to the well-being of the Pacific region. This positive view is reflected in the totality of their bilateral relationships with us -- and in these relationships we will continue to look for reciprocal manifestations of interest on their part.

If responding to the aspirations of our Pacific partners imposes one important set of political imperatives on the way we shape and manage our relationships with the region, another set arises from our need to tailor specific political responses and programmes to particular conditions in each country. Let me give you some examples.

In Japan, the unique consensus system and the close consultation and co-ordination between government and business sectors requires special efforts to get to know a wide range of political figures, government officials and decision makers from the private sector and to persuade them of the importance of Canadian interests. In Korea, and in some ASEAN countries,

governments take a leading role in shaping economic development priorities and in deciding many major project contracts. In China, officials have made it clear that a strong and positive political relationship remains the essential ingredient from which all else flows.

But the importance of the political foundation and atmosphere for the success of individual relationships, and the pursuit of specific political, economic and cultural goals does not end here. There is another important dimension; one which, I am sorry to say, has been neglected.

I would define this aspect of political relations under the broad heading of cultural awareness. It encompasses the two-way flow of information of all kinds and the exchange of personal experience in academic, cultural and other fields. Such exchanges build better mutual understanding at the level of individuals, and by increasing awareness, general public support for more involved relationships between nations.

Increased information flows serve other purposes as well. In showing countries of the region that we have a distinct culture and lifestyle of our own, and in welcoming the on-going exchange of experience with these countries, we give tangible evidence of support for their desire to preserve and share with us the richness of their traditional values and societies in the face of increasing contacts with a fast moving world of compelling change. These forms of activity also can provide an avenue for easy communication in sometimes difficult circumstances. Who can forget China's use of "ping-pong diplomacy", or ignore the bridges Canada has built with the help of the National Film Board? If commerce subsequently flows over these bridges, so much the better.

I am sure you are all aware of the adage that no one does business with a stranger. It also seems rather obvious that we will not advance the broad range of our economic objectives unless decision makers in the region are aware of Canada as a sophisticated, multi-cultural, industrial country.

Let us not forget that a better knowledge and appreciation of Canada and Canadians, through the dissemination of information, exchanges of artists and exhibits, academic cross-fertilization and other programmes are a fundamental part -- the "mortar" some have called it -- of substantial long-term relationships, including those in the trade and investment fields.

Other countries in the world have long recognized the validity of this argument. The British and French governments

have supported the activities of the British Council and the Alliance française for over a century. In the Pacific region, those consummate traders, the Japanese, have had a Japan Foundation in place for a decade; more recently they have made cultural and educational exchanges a main area of activity for any Pacific Community primarily designed to deal with economic questions.

There is no question in my mind that Canada must move with more assurance and vigour into the business of increasing understanding of Canada in Asia and Pacific countries, and in developing a greater awareness of those countries among Canadians. We need to build public support for the relationship both abroad and at home; they are two sides of the same coin.

As I have mentioned on a number of occasions, increased coverage of the Pacific by Canadian media organizations would also be a significant step forward. So far, Canada has full-time correspondents in two cities only: Peking and Tokyo -- and only recently in the latter, a move which I have applauded.

From this perspective this Conference may have a very special importance in demonstrating the extent of support within the ranks of businessmen and others for the basic broadening of our relations with the Pacific region.

If I were asked for any other particular words of advice about how to approach the discussions you will be having over the next two days, I should like to make a few other requests.

First, I would ask that in dealing with the economic questions which are at the heart of this Conference, you not forget the totality of our various relationships in the Pacific and the political framework into which they fit. I would welcome any ideas from you on how the political, informational and cultural aspects might be more closely integrated with economic objectives into a coherent whole which has value and meaning for our partners as well as for us.

Second, I would mention that while this is a Canadian conference, the nations of the region are aware it is taking place, and one very welcome manifestation of this interest is the presence among us this evening of their Ambassadors and High Commissioners. They and their governments will be watching carefully to see on what terms Canadians intend to approach the Pacific in the years ahead. Will it be purely self-centred, based on a desire to reap maximum economic benefit only for Canada from trade, investment and other activities? Or will it respond in some reasonable way to the aspirations and objectives of both sets of partners through co-operation and greater diversification of economic interchange?

I believe we must dispel any impression that we are international opportunists looking only for short-term benefits. We should put aside arm's-length deals and get to know our counterparts in the region. This is where the Canada-Japan Business Co-operation Committee and the Canadian Committee of the Pacific Basic Economic Council (PBEC) have been so valuable. I look to them for leadership, and to provide inspiration for others.

Finally, I make a plea: a plea that you spend some time, if only implicitly, in introspection: balancing your specific interests in the region against those of others from different areas of business or parts of the country; assessing proposed action not only in terms of what is ideal, but also what is achievable.

In short, I am suggesting that the discussions at this Conference, to have some future applicability, must reflect some broad form of consensus. The results also must be realistic.

This Conference is based on the interesting if seldom-used approach of inviting Canadians to participate directly in the development of new directions for national activities abroad. For many of you this experience may help in the mapping out of better business strategies for the Pacific in the years ahead. For others, such as those participants from governments, it will help in the devising of updated and more effective policies across a range of related areas. For all, I know it will mean a heightened awareness of a new sense of neighbourhood.

Whatever this Conference means to you, I wish you the best as participants. I predict that this event is going to have significant value for Canadians and Canada generally, and a positive impact on our relationships in the Pacific. I for one will be looking forward to its results.