

Statement

Secretary of
State for
External Affairs



Déclaration

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aux Affaires
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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 CANADA-JAPAN SOCIETY
AND THE CANADA-JAPAN BUSINESS COUNCIL
"CANADA AND JAPAN: PARTNERS IN GLOBAL CHANGE"

TOKYO, Japan
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A magnificent story from the Orient tells of a man crossing a river in a boat. In midstream he loses his sword overboard. He marks the place where he lost it with chalk on the side of the boat!

We in Canada and in Japan who have witnessed the changes in our world in the last several years know something of what this story means. History is flooding by. The charts of the past are outdated.

We have seen the end of the Cold War and the re-emergence of local and civil conflicts; triumphs for democracy and some devastating failures; economic miracles and areas ravaged by drought and famine.

The complexities of both national and international life have fuelled nostalgia. There are even people who look with regret upon the passing of the certainties of the Cold War.

But there is no going back.

Nowhere has change been more rapid, more full of hope, and in many cases more successful than in the Asia-Pacific region. Already we may speak with confidence of the next era as the Asia-Pacific century.

The facts are indisputable.

- In 1965, the Asian side of the Pacific Rim accounted for 12 per cent of the global economy. By the year 2000 it is likely to exceed about 25 per cent, and Japan is a large part of this success story.
- Following in the footsteps of Japan, one by one Hong Kong, Singapore, Taiwan and Korea have crossed the threshold between developing and developed. Now Malaysia, Thailand and others are following suit.
- By the year 2015, China could have a middle class larger than the population of the United States.
- Canada trades as much with Japan today as it does with Britain, France and Germany combined -- and Asia and North America share by far the world's largest intercontinental trading relationship.

Japan, now the second largest economy in the world, is the epicentre. For Japan the twenty-first century is already here.

Change is our world's only constant, and nowhere is it more evident than in Asia. Witness the boom in southern China, the political transformation in Thailand and Taiwan, the nation-building in Cambodia, and a Vietnam poised for a market-driven, export-led decade of unparalleled growth.

In such a volatile world, in such a transformed region, some might doubt our ability to prepare for the future. How do we plan for the unpredictable? How can we control a current that seems to control us?

All of us are sensitive to the dangers of constructing an inflexible, rigid policy in such a world. It would ascribe a permanence where none exists. It might seem like making a mark in chalk on the side of the boat.

But I believe there are at least three essential points that must chart our future course.

First, we have to remain outward-looking, politically and economically. Isolationism, inward-looking unilateralism and excessive national self-absorption are recipes for repeating mistakes of the past.

Second, we have to hold firmly to our principles and values: to the primacy of human rights; to the rule of law; to the freedom of movement of people, ideas, goods, services and capital; to sharing our prosperity; to shouldering the responsibility for peace and security.

Third, we must learn that any change, even positive change, almost invariably occurs with some friction, tension, challenge, and instability.

Within this context, planning is far from futile. It is, indeed, essential if we are to avoid being the victims of circumstance.

This is a point that is particularly pertinent to Asia Pacific.

The economic miracle transforming Asia is a very hopeful phenomenon. It has dramatically reduced poverty in many places and improved the quality of life for hundreds of millions.

But it is never smooth sailing in the river of history.

- We can see the persistence of poverty amidst affluence.
- Population growth will bring enormous pressures on economies, on societies, on the environment.
- Given the region's immense diversity and the pace of change, ethnic, religious, and regional tensions and conflicts will arise where they are expected -- and often where they are not.
- The wealth of Asia will bring into the foreground new powers. Power implies responsibility; it also comes with the attendant risk of possible misuse.

Wealth alone is not a panacea for all the troubles a society may face. But at least economic success creates the capacity to address the fundamental need for societal change, for structural transformation.

It allows for investment in the future of people, in improving the quality of their lives, in wider international co-operation.

But challenges to stability persist.

I see four principal challenges that must be addressed, four "tasks," as we together approach the twenty-first century.

First is the building of a global framework for security and stability, to help control or eliminate conflicts. It is essential for us to work through the United Nations to support its mission of world peace. It is also critical for Canada and Japan to work together within the Group of Seven leading industrialized countries (G-7) summit process. These organizations are pillars of global stability, buttressed by regional institutions founded on the same principles of co-operation. Through them, we have a shared responsibility for peacekeeping in all of its forms, for arms control and for nuclear non-proliferation.

Through them we must develop a habit of dialogue so that the very idea of resorting to force to resolve problems becomes unthinkable.

And it is through them that Japan is now playing a larger and most welcome role on important international and regional issues.

First, your leaders have shown vision and a determination in bringing about a Japanese role in peacekeeping, in the midst of a complex and sensitive domestic debate. Our peacekeepers now stand side by side in Cambodia. We are co-operating in this area bilaterally as never before, and over time, we hope to see more.

Second, a distinguished Japanese (and a friend with whom I am in frequent contact), Mrs. Ogata, as UN High Commissioner for Refugees, is making a singular contribution to addressing one of the world's great problems.

The second task is to build a regional framework to meet the challenges that Asia-Pacific expansion and development are creating. We need to recognize openly the great institutional weakness in the region; indeed, one could speak of an institutional vacuum. We need to promote shared rules and the imperative of dialogue.

Without these, misunderstandings and isolation could grow. With them, on the other hand, there can be a sense of common purpose

and a means of dealing with the underlying causes of tension before conflict erupts.

Canada addressed this issue a few years ago by seeking to promote co-operative security dialogue among the countries of the North Pacific. Resisted at first by quite a number of would-be players, today the consciousness of the need for such a dialogue is general. And in the Southeast Asian region, the ASEAN Post-Ministerial Meeting is emerging as a forum for security discussion at the ministerial level. And even in the South China Sea, where incompatible territorial claims abound, the regional governments are sitting down together, talking about international law and the means to resolve boundary issues -- using Canadian expertise and experience that we have made available.

On the economic agenda, Asia-Pacific Economic Co-operation (APEC) is making a good start. It should, over time, evolve as the regional institution to manage the friction produced when systems clash, to help create rule-based understandings on such issues as standards, investment and intellectual property, and to manage disputes when problems prove unpreventable.

To underscore the importance of finding rule-based systems in the management of conflicts, I would draw your attention to Canada-United States relations. This most successful and closest of partnerships cannot avoid difficulties -- difficulties that require systematic means of addressing them.

With the biggest trading relationship of any two countries in the world, it is no surprise that disputes arise between Canada and the U.S. -- over lumber, pork, steel, wheat pricing, hydro-electric rates -- the list is long.

These recurrent difficulties were in fact an essential consideration in Canada's decision to enter into a free trade agreement with the U.S. The use of dispute settlement panels, as established under the Free Trade Agreement, demonstrates that there is a way to find rule-based solutions to even the most tangled of issues.

The point is that there must be means of finding rule-based adjustments when change occurs, of resolving frictions when they arise. Change in itself does not have to mean crisis.

The *third* task is to use the institutions we are constructing to buttress the emergence and transformation of new players. As Asia Pacific grows in wealth and importance, its emerging powers must recognize the needs of societies and economies in transition, often fragile transition.

There are two of particular importance.

In this respect, China is key. We in Canada and Japan need to make a concerted effort to help influence the way that China adapts to new roles and a new status.

A potential economic superpower, we must encourage change to the political process as well as human rights and democratic development.

And let us not forget Russia. Russia needs to be recognized as both a global and a regional player, despite the existence of specific bilateral difficulties. We cannot build stability anywhere on the globe, nor co-operation in Asia Pacific, without the involvement of Russia.

A strong Asia-Pacific region, working together, harnessing the strengths of all of its members, from Japan to Canada, from the U.S. to Korea, from the Association of Southeast Asian Nations (ASEAN) to Australia, can play a collective role in building global systems and global stability.

The fourth task or focus is the sharing of prosperity, extending the benefits of economic growth and advancement to all countries in the region, and around the world.

There are many avenues for achieving this objective. The most important are open markets, liberalized trade and development co-operation.

The General Agreement on Tariffs and Trade (GATT) remains essential to the fulfilment of these objectives. Canada remains strongly committed to a successful conclusion of the Uruguay Round, and Japan's active involvement in this process is essential.

I want to address specifically the North American Free Trade Agreement (NAFTA). The NAFTA is consistent with, and a stepping stone toward, global trade liberalization. It is not and will not be a "trading bloc." Some of our transpacific partners have questions about the NAFTA, and Canada for its part is eager to respond to them. But it must be clear that the NAFTA is not a bloc: that contention should be laid to rest once and for all.

Canada and Japan are natural regional and global partners. I would go even further: we have a responsibility to be partners. If we do not act in concert, our interests in the region and in the world will suffer.

- We are both Asia-Pacific countries.
- We are important trading partners for each other.
- We both share the United States as an important trading partner.

We have complementary strengths and similar ideals. Japan's strengths are obvious, as an economic superpower and as a major political power. But so are Canada's.

We are experienced at multilateralism, at institution-building, at the development of rule-based international systems, at peacekeeping, at conflict resolution and at promoting dialogue. We were prime movers in the UN system from the beginning.

My message to Japan is a simple one: recognize your strength and share our experience and abilities, just as we recognize our strengths and share your experiences and abilities.

We are of the same mind in aspiring to world peace. We see a Japan that has chosen a path of peace and economic development and that has not been a party to conflicts. We know that Japan has no desire to extend its military power for national gain. We see it as natural for Japan to express its leadership and its desire for peace through internationalism -- to put its strengths to work for the world.

Canada and Japan make a great team precisely because of our experience, our networks of important relationships that we have each carefully developed, and our shared aspirations.

The potential for Canada-Japan co-operation bilaterally, regionally and globally was a central theme of the Report of Canada-Japan Forum 2000. This distinguished bilateral body made a number of recommendations to our prime ministers that are now under careful study in both countries. Significantly, these recommendations have encompassed:

- strengthened co-operation at the G-7 table;
- further co-operation in conflict prevention, conflict resolution and peacekeeping;
- greater efforts to have larger communities in each of our countries engaged in our bilateral relationships through cultural exchanges and academic links; and
- environmental co-operation in such areas as protection of the resources of the North Pacific Ocean.

The Pacific century is upon us. Opportunities and challenges abound. Canada and Japan are uniquely equipped together to contribute to help shape this new century and ensure its direction.

This river will pass us only once. Let us learn from the lessons of history and prepare ourselves to follow its course, knowledgeably and confidently, as friends and fellow travellers.