

Statement

Discours

Department of
External
Affairs



Ministère des
Affaires
extérieures

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NOTES FOR AN ADDRESS BY THE
RIGHT HONOURABLE JOE CLARK,
SECRETARY OF STATE FOR EXTERNAL AFFAIRS,
TO THE
FEDERATION OF CANADIAN MUNICIPALITIES
51ST ANNUAL CONFERENCE

HALIFAX, NOVA SCOTIA

June 6, 1988.

Secretary of State
for
External Affairs

Secrétaire d'État
aux
Affaires extérieures

Canada

I am here because there are some very interesting programs of international development being pursued between our government and your Federation. Modern international development programs hold immense opportunities to Canada, many of which can be seized only with imaginative civic leadership.

I have been reading press reports about the "Big Fix", and some expectation that I might be coming to dispense \$15 billion. I have spoken at some fund-raising events before, but never with a tab that high, not even in Toronto. In case there had been any genuine suspense about that issue, let me end it now. I am not carrying \$15 billion as the price of admission to this lunch.

We have begun discussion under the "Federal Water Policy" of help we can offer respecting infrastructure. These include pricing policies, requirements for industrial discharges, and financial help under existing regional development programs.

We think it would be useful to review the accuracy and the equity of some of the cost projections provided in your 1985 study, and review as well the applicability of techniques we have had to apply in getting control of Canada's finances, the scope for user fees, for privatization, and other reforms.

The federal government provides tens of millions of dollars each year to assist provinces, and in turn municipalities, to provide essential services. This is done either directly through special projects or indirectly through broad transfer programs and federal tax exemptions.

We are prepared to continue genuine and innovative discussions with you to find means to help meet the most urgent of your needs, without disrupting a national economic policy which has made Canada one of the strongest economies in the Western world. These serious discussions should begin among officials, but should also include ministers, in an atmosphere that allows direct exchanges and an honest review of what you really need, where we could realistically help, and how that fits legitimate national priorities.

Indeed it is my view that a country like ours, with so much to gain from making the right decisions, should encourage more consultation among leaders in different fields - consultation approached in reality by both sides. We do that in preparation for international economic summits, where Canada plays an increasing role. We have effective collaboration in preparing some of the international programs I am here to discuss. And we would welcome realistic suggestions about how to deal with the most urgent of your problems.

If there is anyone here who remembers the 1960's, you might recall the signature song of Bobo Dylan, who became a prophet by proclaiming: "The times, they are a-changing." That might have been startling in the sixties, but change has become commonplace now. First consider four factors about the world beyond our borders.

One is the distribution of population, and the power that entails in a world transformed by technology.

Today, 50% of the world's population lives in Asia. In twenty years, that will be 70%. In other words, when Canadian kids in kindergarten go to university, 2 out of every 3 citizens of the world will live in Asia. And they will not be labourers, growing rice. They will be nuclear physicists, skilled entrepreneurs, highly-trained technocrats, great thinkers, great artists, inventors.

A second is the change in world power - not just the decline of relative strength of the superpowers, but also the greater relative strength of countries that are not superpowers. Associated with that are dramatic political changes. The most celebrated are in the Soviet Union. But dramatic changes are also occurring elsewhere. For example, the experiment, ten years old now, in China, of operating agriculture on market principles; the practice in Hungary of market socialism, recognizing the motive of profit; the gradual winding down of Soviet aggression in the Third World because Marxist-Leninism does not work in Mozambique or Angola or Ethiopia.

Another change is technology. Earlier systems operated in a known world - stable products, stable markets, ponderous communications, settled tastes. That is changing now, as traditional barriers go down, and technology makes everyone more inventive. And where are modern mass technologies taking hold most quickly? In South Korea, Japan, Taiwan, the ASEAN countries. And where is the adaptation most difficult? In developed countries, where simultaneously we must master new technologies, while helping old industries adjust.

Two immense economic developments raise questions for Canada. In Europe, the Commission has set 1992 as the target to establish an internal community economy. No tariffs or barriers among twelve countries and 320 million people living in that huge market. What does that mean for our country, with our link across the Atlantic?

A slower, equally important development is occurring in Asia, where most of the world's population is and will be, and where Canada's connections have been sporadic and sparse.

The vast markets of China are becoming more and more accessible, offering tremendous opportunities to Canadian businesses. The massive economic power of Japan is now being felt in terms of foreign direct investment, which last year reached \$33 billion. Japanese investment within Asia is boosting the economies of many Asian nations, and at the same time, increasing the dependency of these economies upon trade making them more outward-looking. What might that mean for Canada, sharing an ocean with Asia?

We should recognize that, as the world was changing, so was Canada, and we are in a position to be almost uniquely well-served by modern developments. As superpowers diminish, medium powers become more important. As ideology recedes, practicality becomes more prized. As nations reduce their arsenals, peace-makers become more important, and nations which earn reputations as moderates now have more opportunities to put moderation to work. Our tradition as a free society, and our growing reputation as a working multicultural society, provide models which will become more and more useful. There are great opportunities for Canadians.

The challenge now is not to resist change, but to manage it, to turn it to our purposes. That is very much your business.

A number of these modern issues put municipal government in the front lines. That is certainly true in times of trade and economic growth. The remarkable expansion of communications and trade has greatly widened the choice available to new industries of where to establish. They are tending, more and more, to choose sites that offer attractive lifestyles, superior services, pools of skilled labour, good education, and suitable neighbouring industries.

These are basic elements of the comparative advantage for Canada in the era of the new technological revolution, and most of them depend directly on capable and imaginative civic management. Federal trade policy can help open new doors for Canadian trade, but the decision to locate or the decision to expand will often depend on factors in your direct control. And, as you know, our ability to pay for other services we might want depends directly on our economic growth.

In 1900 about one-tenth of the world's population lived in cities - by 2000 it will be one-half. By 2000 there will be 600 cities of over one million, several of them containing more people than Canada does today. Do we have any volunteers to run a city of 30 million? Can it even be done?

This trend is particularly striking in the Third World. Of those 600 cities of over a million, 500 will be in the Third World. Every year Mexico City grows by over twice the population of Halifax-Dartmouth. They are growing because of high birth rates in the cities and because millions of rural migrants think cities must be better than what they have.

That growth is far too rapid to be managed.

Tens of millions, perhaps hundreds of millions of people are living in Third World cities that have been able to make few preparations for their arrival. They live crowded into squalid, ramshackle huts of cardboard and tin, lacking water, sewage, electricity, streets, police, firefighters. They squat on swampland subject to floods, and on hillsides subject to landslides. For them, Hobbes was right. Their life is nasty, brutish and short.

That is a tragedy for them and a challenge to us.

When Canada began our aid programs nearly four decades ago, there was a perceived need for infrastructure. We sent engineers to build dams and railroads. There was a need for agricultural development - so we sent experts in farming. There was a need for education, and we sent teachers.

Those needs continue, but there is clearly now a great new need for expertise in local government. Canada has some of the best-run towns and cities in the world. We have the expertise that other countries need so desperately. The International Office of the Federation of Canadian Municipalities is helping Canadian municipalities put your experience to work in Third World cities.

One method is the twinning of cities, which provides an excellent umbrella for joint activities. For example, Chinese modernization efforts are concentrated in coastal cities and open areas. Your Federation, with the help of the Canada-China Trade Council, is implementing an innovative CIDA project aimed at improving municipal management and attracting foreign investment.

Another program is the Municipal Professional Exchange Project, for which my colleague Monique Landry announced a grant to your Annual Meeting last year in Ottawa-Carleton.

Today, on her behalf, I am happy to announce approval of a new program of linkages between Canadian and African municipalities, to be administered by your Federation.

No part of the world is more seriously afflicted by poverty and environmental degradation than Africa. CIDA has established a special \$150 million Africa 2000 program, of which \$10 million has been reserved for municipal cooperation.

This one-year program, for which CIDA will provide \$1.8 million, is open to all Canadian municipalities, big and small. It seeks to encourage cooperation in training officials, in making environmental assessments, in small capital expenditures to improve municipal administration, and in community-based aid projects. It is the sort of one-on-one cooperation that helps people help themselves. If this initial program proves successful, an additional \$8.2 million could be granted for further programs.

Another venture is, in fact, one of the oldest- municipal trade and investment missions. These have been happening for three decades, and they are a two-way street. Trade is as important to development as aid. But other countries cannot develop and prosper, and they certainly cannot buy Canadian goods, unless they sell their own goods abroad. Our municipalities are now helping show them how to export.