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Notes for an address by the
Right Honourable Joe Clark,
Secretary of State for
External Affairs, to the
Fifth Pacific Economic
Cooperation Conference
Vancouver, November 16, 1986

OTTAWA

November 21, 1986.

Mr. Chairman, distinguished delegates, Ladies and Gentlemen, this continent was discovered by Europeans trying to find their way to Asia. This country was opened by fur traders and explorers working their way to the Pacific. The Act which made us a transcontinental nation was the building of a railway to connect the rest of this country to the Pacific. So our attraction to Asia and the Pacific began before our country did, and each year it becomes more important. We are honoured to host the Fifth Pacific Economic Cooperation Conference here, to consider ways we can continue to grow together.

I extend a particular welcome to those Committees who are attending this Pacific Economic Cooperation Conference as full participants for the first time. Your participation is striking evidence of the growing tide of interest and involvement in Pacific Economic Cooperation.

We hope all of you will find some time to see Vancouver while you are here. We are naturally proud of the beauty and dynamism of this city, but also of how well she reflects the cosmopolitan nature of this country. All of you would find in Vancouver strong traces of the cultures you come from, and so you would in other parts of Canada. We are one of the most international of countries. Our people come from everywhere and our policies reach out to everywhere, in trade, in development, in investment, in our refugee programmes, and in the travel and teaching and traditions of our citizens.

Increasingly, we turn more of our attention to our relations across and around the Pacific Ocean. In October, in the Speech from the Throne, Her Excellency, the Governor General of Canada, set out the Government's agenda for the next year. She underlined the special emphasis we place on broadening our economic and trade relations with the other nations of the Pacific.

We recognize, as national policy, that our future prosperity is tied to the Pacific. Look at the unparalleled economic vitality of the region. Over half of the world's Gross National Product is generated by nations of the Pacific. Canada's stake is clear. Two years ago, our Pacific trade surpassed our trade across the Atlantic. Japan, China, Korea and Australia are all among our top ten customers. Our trade with the members of the Association of South-East Asian Nations has tripled over the last decade. More business and government missions are visiting the region than ever before.

In Canada, trade means jobs: we do not have a large domestic market to achieve efficient economies of scale. Instead, we rely on the free flow of trade between markets, be it across the Pacific, across the Atlantic, or anywhere else. Twenty-seven percent of our GNP is directly related to exports. One in three Canadian jobs depends, in some form, on trade. It is important to all the countries of the Pacific Rim, and many of you in this room are at the heart of significant trading activity. Trade between Pacific countries accounts for almost 40 percent of total world trade. I am pleased that tomorrow's discussion will begin with a consideration of trade and trade policy.

We all have a deep and abiding interest in helping the world move to more open trade. There are impulses to protectionism in every country, and they are easier to resist when they are resisted together. Canada is both a victim and a source of restrictive trade and investment policies. And so are we all, in different ways, and sometimes in ingenious ways.

National interests differ, and of course, must be respected. But there is an international interest too that affects us all, as part of a world that draws us increasingly together. A Canadian coined the phrase "the global village", but we all live in it. We all trade in it. We all face the challenge of pursuing our particular national objectives in a world without hiding places.

That dilemma was addressed by the member nations of the GATT in the meeting in September in Punta del Este, which launched the new Uruguay round of trade negotiations. Great sensitivity was needed, and was displayed in addressing contentious questions of services, of agriculture, of trade-related investment.

I led the Canadian delegation to the GATT, and was impressed by the degree to which cooperation in other arenas allowed countries with different interests to work together to launch the new round.

While it is always risky to single anyone out in international negotiations, I thought part of the success in Uruguay had its roots in the cooperation which the nations of ASEAN inspired in their annual dialogue. Certainly, for Canada, the habit of working directly with ASEAN helped us all make progress in both agriculture and services.

For our part, in Canada, we are seeking to open up the rules relating to both trade and investment. Some of you will have heard of Canada's Foreign Investment Review Agency and will rejoice with us that it is gone. To demonstrate the influence of a policy on practice, foreign investment in Canada reached a level of 4.7 billion dollars in the first six months of 1986, compared to 5.4 billion dollars in all of 1985. That is because the signal has been received that we have reduced significantly our limitations on foreign investment.

In trade, we entered deliberate negotiations with our largest trading partner, the USA, to seek a freer trade arrangement between our two countries. That same spirit leads us to take an active role in new GATT negotiations and, of course, any arrangement between Canada and the USA will be fully consistent with our GATT obligations. Indeed, history teaches us that a successful trade negotiation between Canada and the United States can significantly strengthen the GATT.

Fifty years ago, the United States was gripped by protectionism. Smoot-Hawley was passed, and insular USA policy dragged the world deeper into depression. That destructive pattern was broken by a bilateral agreement between Canada and the United States in 1938. That was the beginning of liberalized trade between our two countries. That agreement became the basis of the GATT, just as an agreement now, between Canada and the United States, could help break the new tide of American insularity, and thereby open new opportunities for a more liberal world trading system.

Of course, a stronger and more vigorous North American economy would provide an expanded market for all our trading partners, including the dynamic economies of the Pacific Basin. A new trade agreement with the USA could offer investors in Canada guaranteed access to a market of over 27.5 million people.

Our national trade strategy clearly identifies the Pacific Region as an area of priority. It has resulted in concrete actions on our part, such as the opening of new offices in Auckland, Osaka and Shanghai. I have taken great pleasure personally in visiting many countries in the region, and have taken the opportunity to actively promote trade and investment, as well as endure the more esoteric experiences that befall a foreign minister.

My colleague, the Minister for International Trade, who represents this city in Parliament and who was born in Shanghai, attaches a naturally high priority to Pacific relations, as does the Prime Minister, who visited Japan, China and Korea in May, following the Economic Summit in Tokyo.

We have been involved with Pacific Economic Cooperation Conferences since the process began in Canberra in 1980. I founded the Canadian National Committee on Pacific Economic Cooperation in October of last year, and many distinguished Canadians from the business, academic and government sectors serve on the Committee. You will understand my pride in the dedication of Eric Trigg and his colleagues and the impressive team of volunteers, in ensuring the success of this Conference. I also commend Mr. Trigg and the Canadian National Committee in heightening the awareness of Pacific Economic Cooperation in Canada.

The degree of interest in Pacific Economic Cooperation has picked up, not only in Canada, but elsewhere in the Pacific, particularly after the excellent meeting organized by Korea last year. It is our view that for Pacific Economic Cooperation to be truly successful, the six nations that comprise ASEAN need to be completely engaged in the process. And I hope the presence of Dr. Subroto at the Head Table this evening, and the presence of delegates from Brunei for the first time, bodes well for the future, as, of course, does the presence of Dr. Thanat Khoman, who has been so instrumental for so long in promoting Asia Pacific Cooperation.

I understand ASEAN concerns that Pacific Economic Cooperation may detract from ASEAN itself. We believe that, rather than detracting from the integrity of ASEAN, the Pacific Economic Cooperation process can complement ASEAN objectives. The task forces on trade policy, fisheries, and investment, provide a unique opportunity to influence the larger Pacific process. Certainly, Canada's commitment to ASEAN will not slacken because of greater Canadian involvement in this process, and I am sure that the same holds true for other national governments. We believe that only with ASEAN's full support, will Pacific Economic Cooperation reach its full potential.

The economic growth of the nations of the Pacific has been remarkable. It can be attributed to the market approach adopted by the majority of countries in the Pacific, and to the political stability of the region. Trade and domestic economic growth cannot flourish in an atmosphere poisoned by conflicts, or stifled by too much government control.

It is in that spirit that our Standing Committee agreed to an officer of the Soviet Embassy attending this meeting as an observer. We were all extremely interested by General-Secretary Gorbachev's speech at Vladivostock. The Soviet Union has a unique opportunity to give substance to some of its declared intentions in that speech, by making a constructive contribution to the objectives of Pacific Economic Cooperation espoused by this Conference, positive economic collaboration in the region could provide a test for the Soviet Union regarding its long-term intentions with respect to the nations of the Pacific. Members of this Conference will, no doubt, watch developments between this meeting and the next one in Osaka. National Governments, including mine, will do the same.

I have read and endorse the Pacific Statement, which has been approved by the Standing Committee. It marks an evolution of Pacific Economic Cooperation and recognition that the process needs a little more structure. Until now, it has been appropriate to proceed in an ad hoc fashion. However, the time has come to consider a small permanent or semi-permanent secretariat and a more stable source of funds for the work of task forces. Anything contemplated should be modest, subject to review after an experimental period, and carried by both private and government funding, with contributions from all countries.

You have an effective programme before you, and I commend so many of you who have worked to put it in place. I know that what has driven you all to work hard on Pacific Economic Cooperation is the vision which you share of the Pacific Rim countries prospering through Economic Cooperation.

We all owe special thanks to the pioneers of any venture, the people who get initiatives going. An immense debt is owed those people who, in Canberra, and before, and since, have brought life and substance to Pacific Economic Cooperation. Now we are poised to move well beyond those beginnings.

Certainly Canada intends to recruit many new people to the cause of our Pacific relations, and to continue to enlarge the ranks of governments, academics, business leaders and commentators to whom the Pacific is a Canadian priority.

It has been an honour for me to be here this evening. I am proud that Canada is hosting this Conference, and I wish you the very best success.

Thank you.