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NOTES FOR AN ADDRESS BY THE  
MINISTER FOR INTERNATIONAL TRADE

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AND THE INSTITUTE FOR POLICY STUDIES

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LADIES AND GENTLEMEN

IT IS A VERY REAL PLEASURE FOR MY WIFE AND ME TO BE HERE IN WELLINGTON ON SUCH A DELIGHTFUL DAY. I AM TOLD THAT NOT ALL DAYS ARE AS NICE. IN FACT I AM TOLD THAT THERE ARE DAYS HERE THAT ARE NOT UNLIKE SOME THAT WE HAVE IN MY HOMETOWN OF ST. JOHN'S IN NEWFOUNDLAND. IF THAT IS INDEED THE CASE THEN YOU DO HAVE MY SYMPATHIES.

I AM MOST GRATEFUL TO THE INSTITUTE OF INTERNATIONAL AFFAIRS AND THE INSTITUTE OF POLICY STUDIES FOR PROVIDING THIS OPPORTUNITY. BOTH HAVE BEEN ACTIVE PROPONENTS FOR ENSURING NEW ZEALANDERS ARE FULLY INFORMED OF WORLD DEVELOPMENTS. I HOPE I CAN CONTRIBUTE TO THEIR WORK THIS AFTERNOON.

MY VISIT TO NEW ZEALAND WAS OCCASIONED BY THE INVITATION OF MY GOOD FRIEND, MIKE MOORE, FOR A MEETING OF THE CAIRNS GROUP. FOR THE PAST FEW DAYS TRADE MINISTERS FROM ITS FOURTEEN COUNTRIES MET IN WAITANGI TO DISCUSS OUR STRATEGY FOR RESOLVING THE IMPASSE ON AGRICULTURE WHICH DEVELOPED AT THE MONTREAL MINISTERIAL MEETING LAST DECEMBER HELD AT THE MID-TERM OF THE URUGUAY ROUND OF THE GATT.

NEW ZEALAND AND CANADA HAVE BEEN ACTIVE PARTICIPANTS IN THE CAIRNS GROUP SINCE ITS INCEPTION IN 1986. I BELIEVE IT WOULD BE FAIR TO SAY THAT TOGETHER, AND WITH OUR OTHER PARTNERS IN THIS EFFORT, WE HAVE BECOME A FORCE FOR ENSURING THAT AGRICULTURE IS DEALT WITH EFFECTIVELY IN THE URUGUAY ROUND. WE ARE RESOLVED NOT TO ALLOW THE PROBLEM OF AGRICULTURAL TRADE TO BE IGNORED AS IT WAS IN PREVIOUS ROUNDS.

THIS HAS NOT BEEN AN EASY TASK. THE UNITED STATES AND THE EUROPEAN COMMUNITY HAVE HAD QUITE DIFFERENT APPROACHES ON THE ISSUES INVOLVED. UNTIL RECENTLY THERE WAS LITTLE EVIDENCE THAT EITHER WAS PREPARED TO MAKE THE CONCESSIONS NECESSARY FOR A FRAMEWORK FOR NEGOTIATIONS. I BELIEVE THAT THOSE EFFORTS ARE NOW UNDERWAY, HELPED SIGNIFICANTLY BY THE INNOVATIVE APPROACH OF THE CAIRNS GROUP. THIS DEVELOPMENT IS MOST IMPORTANT, AS AGREEMENT IN THIS AREA COULD WELL DETERMINE THE FUTURE OF THE URUGUAY ROUND OF MULTILATERAL TRADE NEGOTIATIONS.

LAST DECEMBER, I HOSTED THE MID-TERM REVIEW MEETING OF THE URUGUAY ROUND IN MONTREAL. ALL COUNTRIES CAME TO THE MEETING WITH GREAT EXPECTATIONS. THERE WERE SIGNIFICANT ACHIEVEMENTS. IN FACT, AGREEMENTS WERE REACHED IN ELEVEN OF THE FIFTEEN AREAS UNDER DISCUSSION. HOWEVER, THE LACK OF CONSENSUS ON FOUR ISSUES, ESPECIALLY AGRICULTURE, WAS DISAPPOINTING.

THE NEXT STEP IN THIS PROCESS IS A MEETING OF THE TRADE NEGOTIATIONS COMMITTEE IN GENEVA IN EARLY APRIL. WE DECIDED IN WAITANGI TO SEND A STRONG MESSAGE TO THE EUROPEAN COMMUNITY AND THE AMERICANS, SETTING OUT WHAT THE CAIRNS GROUP SEES AS NECESSARY BEFORE WE CAN BE SATISFIED THAT OUR INTERESTS IN REFORMING WORLD AGRICULTURAL TRADE ARE BEING MET. ONE OF OUR KEY REQUIREMENTS IS THAT A FRAMEWORK FOR LONG TERM REFORM BE ESTABLISHED, AIMED AT SUBSTANTIAL, PROGRESSIVE AND SUSTAINED REDUCTIONS IN AGRICULTURAL SUPPORT AND PROTECTION.

WE HAVE HAD SOME INDICATIONS OF FLEXIBILITY ON THE PART OF THE UNITED STATES: HOWEVER, THE EUROPEAN COMMUNITY HAS GIVEN NO CLEAR SIGNAL THAT IT IS READY TO COMMIT ITSELF TO COMPREHENSIVE LONG TERM AGRICULTURAL REFORM. WE WILL BE PRESSING THE EC, IN PARTICULAR, TO MODIFY ITS NEGOTIATING POSITION IN A WAY THAT CONTRIBUTES CONSTRUCTIVELY TO THE REFORM PROCESS. THE CAIRNS GROUP IS STRONGLY COMMITTED TO ACHIEVING POSITIVE RESULTS ON AGRICULTURE AT THE APRIL TNC MEETING. FAILURE TO DO SO WOULD SERIOUSLY JEOPARDIZE THE OVERALL PROSPECTS FOR THE URUGUAY ROUND.

CANADA BELIEVES STRONGLY THAT A STRENGTHENED, MODERNIZED GATT MUST REMAIN CENTRAL TO AND DOMINATE THE WORLD TRADING SYSTEM. THERE ARE NO ACCEPTABLE ALTERNATIVES. IT IS OUR VIEW THAT REGIONAL TRADING ARRANGEMENTS SUCH AS OUR RECENTLY CONCLUDED FREE TRADE AGREEMENT WITH THE UNITED STATES AND YOUR OWN AGREEMENT WITH AUSTRALIA ARE IMPORTANT CONTRIBUTORS TO THE MOMENTUM TOWARD WORLD-WIDE TRADE LIBERALIZATION, BUILDING ON ESTABLISHED GATT RULES AND PRINCIPLES. IT IS MY VIEW THAT THAT OBJECTIVE WAS MET IN OUR NEGOTIATIONS WITH THE UNITED STATES.

IN MEASURING OUR PROGRESS IN THE URUGUAY ROUND, IT IS IMPORTANT THAT WE NOT LOSE SIGHT THAT THIS IS THE MOST COMPREHENSIVE AND EXTENSIVE SET OF INTERNATIONAL TRADE NEGOTIATIONS EVER UNDERTAKEN AND THAT WE ARE AT THE MID-POINT IN THE ROUND, NOT ITS END. THE SCOPE IS VAST AND THE AREAS COMPLEX. SIGNIFICANTLY, MORE COUNTRIES ARE INVOLVED THAN IN PREVIOUS ROUNDS. THE NEWLY INDUSTRIALIZED AND MANY DEVELOPING COUNTRIES ARE PLAYING AN ACTIVE ROLE. THIS ENSURES THAT WHEN SOLUTIONS ARE ACHIEVED THEY ENJOY BROAD INTERNATIONAL SUPPORT AND CONSENSUS. THE URUGUAY ROUND IS TRULY A GLOBAL ROUND.

YOUR COUNTRY AND OURS SHARE SIMILAR OBJECTIVES IN THE URUGUAY ROUND. OUR COOPERATION IN THE CAIRNS GROUP AND THE URUGUAY ROUND ILLUSTRATES THE VALUABLE AND COOPERATIVE RELATIONSHIP THAT WE HAVE ESTABLISHED. OUT OF OUR COMMON HISTORY WE HAVE FORGED A RELATIONSHIP THAT TRANSCENDS THE CONFINES OF OUR NARROW NATIONAL INTERESTS. WE HAVE BOTH WORKED CLOSELY TO ENSURE THAT WE UNDERSTAND EACH OTHER.

NEXT YEAR YOU WILL BE COMMEMORATING THE 150TH ANNIVERSARY OF THE TREATY OF WAITANGI THAT GAVE BIRTH TO MODERN NEW ZEALAND. CANADIANS HAVE BEEN INVITED TO JOIN YOU. I WISH YOU EVERY SUCCESS. WE HAVE BEEN INVITED TO SEND YOU SOME OF OUR "LIVING TREASURES" FOR YOUR CELEBRATIONS. PERHAPS YOU CAN CONSIDER ME AS THE FIRST OF CANADA'S "LIVING TREASURES" TO COME YOUR WAY!

I AM PLEASED THAT NEITHER OF US TAKES THE RELATIONSHIP FOR GRANTED. IN THE CANADIAN GOVERNMENT'S 1986 WHITE PAPER ON FOREIGN POLICY WE STATED THAT "WE SHARE A PROFOUND COMMUNITY OF INTEREST AND CLOSE TIES OF CULTURE AND KINSHIP WITH ...NEW ZEALAND". HELEN CLARK AND HER PARLIAMENTARY COMMITTEE IN NEW ZEALAND EXPRESSED A SIMILAR SENTIMENT. "NEW ZEALAND'S RELATIONSHIP WITH CANADA IS ONE OF THE EASIEST AND WARMEST WHICH NEW ZEALAND HAS."

MISS CLARK AND HER COLLEAGUES ARE TO BE CONGRATULATED IN PRODUCING A MOST VALUABLE AND COMPREHENSIVE GUIDE FOR BOTH GOVERNMENTS TO FURTHER DEVELOP THE RELATIONSHIP. THE SCOPE OF EXISTING RELATIONS IS INDEED WIDE. IN THE DIPLOMATIC ARENA, WE ARE CLOSE PARTNERS IN A HOST OF INTERNATIONAL FORUMS RANGING FROM DISARMAMENT NEGOTIATIONS TO THE UNITED NATIONS AND THE COMMONWEALTH. WE ARE BOTH PARTNERS IN THE DIALOGUE WITH ASEAN AND CANADA IS COMMITTED TO COOPERATION WITH THE SOUTH PACIFIC FORUM.

AS BEFITTING THE CLOSE FRIENDS THAT WE ARE, THERE ARE FEW ISSUES ON WHICH WE DIFFER IN THESE FORUMS. INDEED, IT IS THE MARK OF THE RELATIONSHIP THAT WE WORK CLOSELY TOGETHER INFLUENCING OTHERS AND BRINGING CONSENSUS AND COOPERATION TO BEAR ON DIFFICULT ISSUES AND SITUATIONS.

TOMORROW IN AUCKLAND I WILL BE SPEAKING ON OUR TRADE AND ECONOMIC RELATIONSHIP. I JUST WANT TO NOTE HERE THAT I BELIEVE THAT THERE IS MUCH MORE THAT WE CAN BE DOING. WHILE OUR TRADE HAS INCREASED SEVENFOLD SINCE 1967, THERE IS STILL ROOM FOR IMPROVEMENT. WE ARE YOUR SECOND LARGEST MARKET FOR BEEF AND VEAL. I BELIEVE THAT IN COOPERATION WITH CANADIAN SHEEP PRODUCERS YOU CAN EXPAND THE MARKET FOR LAMB IN CANADA.

AT THE SAME TIME, I WOULD HOPE THAT BEFORE TOO LONG THE RESTRICTIONS ON THE ENTRY OF CANADIAN SALMON INTO NEW ZEALAND CAN BE REMOVED. THIS IS A MATTER, IN OUR VIEW, WHICH HAS GONE ON FAR TOO LONG. CANADIAN SALMON HAS BEEN EXPORTED FOR DECADES TO COUNTRIES ALL OVER THE WORLD AND THERE HAS NOT BEEN ONE REPORTED CASE OF DISEASE TRANSMISSION.

THE POTENTIAL FOR COOPERATION BETWEEN OUR COUNTRIES IS ILLUSTRATED BY THE FLETCHER CHALLENGE INVESTMENT IN CANADA. THEY ARE NOW THE LARGEST SINGLE PRODUCER OF LUMBER IN CANADA. WHEN THAT INVESTMENT IS COMBINED WITH ITS ASSETS HERE IN NEW ZEALAND, FLETCHER CHALLENGE BECOMES THE SECOND LARGEST NEWSPRINT PRODUCER IN THE WORLD. WITH THE WHOLE NORTH AMERICAN MARKET NOW OPEN TO IT, THERE CAN BE EVERY EXPECTATION THAT IT WILL CONTINUE TO DOMINATE THE LUMBER AND NEWSPRINT SECTOR.

TO DATE THERE HAS BEEN NO COMPARABLE CANADIAN INVESTMENT IN NEW ZEALAND. I WOULD HOPE THAT IN THE COMING MONTHS THIS COULD CHANGE, SPECIALLY IN SUCH SECTORS AS TELECOMMUNICATIONS AND FORESTRY MANAGEMENT. CANADIAN EXPERTISE IN BOTH SECTORS ARE WORLD-CLASS. WITH THE RIGHT CONDITIONS AND ENCOURAGEMENT, I HOPE TO SEE THE NAMES OF CANADIAN COMPANIES BECOME AS FAMILIAR TO NEW ZEALANDERS AS FLETCHER CHALLENGE IS TO CANADIANS.

THE DIRECT AIR LINK BETWEEN OUR COUNTRIES HAS HAD THE DESIRED EFFECT. OUR GOVERNMENTAL AND BUSINESS EXCHANGES HAVE BECOME EASIER. MOST IMPORTANT, CANADIANS AND NEW ZEALANDERS ARE VISITING EACH OTHER IN EVER INCREASING NUMBERS. I AM TOLD THAT CANADIANS STAY ON AVERAGE TWENTY-EIGHT DAYS IN NEW ZEALAND WHILE AMERICANS STAY FIFTEEN AND THE JAPANESE SEVEN. I DO NOT HAVE THE REST OF THE SURVEY THOSE STATISTICS WERE TAKEN FROM, BUT I CAN SAFELY ASSUME THE TWENTY-EIGHT DAY STAY FOR CANADIANS CLOSELY COINCIDES WITH THE TWENTY-EIGHT DAYS OF FEBRUARY.

THE WORLD IS CHANGING, AND NOWHERE IS THAT CHANGE OCCURRING AT A FASTER RATE THAN IN ASIA PACIFIC. THE FUTURE REQUIRES THAT WE BECOME CLOSER ECONOMIC PARTNERS IN ORDER TO ENSURE THAT OUR COUNTRIES BENEFIT FROM THESE VAST CHANGES.

BY THE TURN OF THE CENTURY FUTURISTS TELL US THAT ASIA PACIFIC COULD WELL BE THE ECONOMIC MOTOR FOR THE WORLD. ALREADY THE REGION HAS OVER SIXTY PERCENT OF THE WORLD'S POPULATION AND BY THE YEAR 2000 THAT WILL BE CLOSE TO SEVENTY PERCENT. BY 2000 ASIA PACIFIC WILL PRODUCE OVER FIFTY PERCENT OF THE WORLD'S GOODS AND IT WILL CONSUME OVER FORTY PERCENT OF GLOBAL PRODUCTION. TRANSPACIFIC TRADE WILL THEN ACCOUNT FOR SOME SEVENTY PERCENT OF WORLD TRADE AND JAPAN'S TRADE WITH THE NEWLY INDUSTRIALIZED ECONOMIES COULD WELL BE GREATER THAN THAT BETWEEN THE UNITED STATES AND EUROPE.

CANADIANS CONSIDER THEMSELVES PART OF ASIA PACIFIC. NOWHERE IS THAT MORE EVIDENT THAN AMONG THE NEW IMMIGRANTS COMING TO CANADA. ASIA PACIFIC IS NOW THE LARGEST SOURCE OF NEW CANADIANS. LAST YEAR FIFTY PERCENT OF ALL IMMIGRANTS CAME TO CANADA, EITHER DIRECTLY OR INDIRECTLY, FROM THE COUNTRIES OF ASIA PACIFIC. WE EXPECT THAT BY THE YEAR 2000, THERE WILL BE TWO MILLION CANADIANS WITH ORIGINS IN ASIA PACIFIC.

EQUALLY OUR TRADE WITH THE COUNTRIES OF ASIA PACIFIC HAS GROWN DRAMATICALLY IN THE PAST TEN YEARS. IT IS NOW IN EXCESS OF THIRTY SIX BILLION DOLLARS. OF OUR FIVE LARGEST NON-UNITED STATES MARKETS, THREE - JAPAN, CHINA, KOREA - ARE IN ASIA PACIFIC. ASIA PACIFIC NOW ACCOUNTS FOR FIFTY PERCENT OF OUR NON-UNITED STATES TRADE, UP FROM ONLY A THIRD, FIVE YEARS AGO.

AS WITH NEW ZEALAND, JAPAN IS AN IMPORTANT AND GROWING INVESTOR IN CANADA. IT NOW HAS IN EXCESS OF FOUR BILLION DOLLARS IN DIRECT INVESTMENT AND OVER THIRTY BILLION DOLLARS IN PORTFOLIO HOLDINGS IN CANADA. JAPAN HAS BECOME THE LARGEST SINGLE OFFSHORE HOLDER OF CANADIAN PUBLIC DEBT.

ASIA PACIFIC ALSO LOOMS LARGE IN THE CANADIAN BILATERAL DEVELOPMENT ASSISTANCE PROGRAM. OVER FORTY PERCENT OF SUCH ASSISTANCE NOW GOES TO THIS REGION. IN 1988 THIS TOTALLED CLOSE TO \$900 MILLION DOLLARS. OUR THREE LARGEST RECIPIENTS ARE IN THE REGION. THE SOUTH PACIFIC IS NOT NEGLECTED IN THIS. IN THE PAST TWO YEARS OUR ASSISTANCE TO THAT REGION HAS INCREASED DRAMATICALLY. IT NOW TOTALS \$10 MILLION DOLLARS ANNUALLY.

EARLIER, I MENTIONED THE SIGNIFICANT GROWTH THAT IS OCCURRING IN TRADE ACROSS THE PACIFIC. OF EQUAL SIGNIFICANCE IS THE GROWTH IN TRADE WITHIN ASIA PACIFIC ITSELF. THIS IN LARGE PART IS DRIVEN BY THE CASCADING OF INVESTMENT AND PRODUCTION FROM JAPAN TO OTHER COUNTRIES IN THE REGION.

TWENTY-FIVE YEARS AGO JAPAN'S HIGH LABOUR PRODUCTIVITY, LOW WAGES AND LOW DOMESTIC CONSUMPTION POLICIES UNDERCUT THE AGING INDUSTRIAL PLANTS OF THE THEN OECD COUNTRIES. SINCE THEN SIMILAR POLICIES HAVE BEEN ADOPTED BY OTHER COUNTRIES OF THE REGION, AND TODAY THEY ARE MOVING UP BOTH THE INDUSTRIAL AND TECHNOLOGICAL SCALES.

KOREA, TAIWAN, HONG KONG AND SINGAPORE HAVE ALREADY MOVED SIGNIFICANTLY UP THE ECONOMIC LADDER. AS A RESULT OF INCREASING COSTS AT HOME, ALL ARE NOW INVOLVED IN MOVING PRODUCTION TO OTHER COUNTRIES IN THE REGION. THAILAND, THE PHILIPPINES, MALAYSIA, INDONESIA, CHINA AND INDIA ARE ALL BENEFITTING FROM THIS PROCESS.

YOUR OWN TRADE STATISTICS TELL A SIMILAR TALE. FROM 1980 TO 1987 YOUR EXPORTS TO JAPAN HAVE GROWN 64 PERCENT AND TO THE FOUR ASIAN NICS BY 130 PERCENT.

IT IS OUR EXPECTATION THAT THIS ECONOMIC DYNAMISM WILL CONTINUE AND IN MANY INSTANCES ACCELERATE. IN DOING SO IT WILL CREATE THE LARGEST ECONOMIC AREA IN THE WORLD, AND THE ONE WITH THE FASTEST GROWTH RATE.



THE ECONOMIC DYNAMISM OF THIS REGION HAS GENERATED CONSIDERABLE INTEREST IN DEVELOPING NEW LINKS BETWEEN THE COUNTRIES AND PEOPLES OF ASIA PACIFIC. THERE ARE LIMITED OPPORTUNITIES AVAILABLE NOW FOR CONSULTATION AND COOPERATION AMONG THE GOVERNMENTS OF THE REGION ON ECONOMIC POLICY MATTERS AND TRADE. THE IDEA OF FOSTERING AND INCREASING TIES WITHIN ASIA PACIFIC IS CLEARLY GATHERING MOMENTUM AND HAS GENERATED CONSIDERABLE ACTIVITY IN RECENT MONTHS.

YOUR OWN TRADE DEVELOPMENT BOARD UNDER THE GUIDANCE OF SIR FRANK HOLMES HAS ALREADY PRODUCED A STUDY OF THE POSSIBILITIES AND POTENTIAL FOR A CLOSER ECONOMIC AND TRADING RELATIONSHIP BETWEEN NEW ZEALAND, AUSTRALIA AND CANADA. THE REPORT SUGGESTED THAT ALL THREE COUNTRIES FURTHER EXAMINE THE CONCEPT. THAT PROCESS IS NOW UNDERWAY IN CANADA WITH SEVERAL ECONOMISTS REVIEWING THE ISSUES AND QUESTIONS RAISED IN THE STUDY. SIR FRANK HAS FIRMLY PUT HIS STUDY WITHIN THE BROADER CONTEXT OF DEVELOPMENTS IN ASIA PACIFIC AND OTHER EMERGING GLOBAL TRENDS.

THERE HAVE BEEN SOME NOTABLE ADVANCES IN ASIA PACIFIC ECONOMIC COOPERATION IN THE PAST SEVERAL YEARS. MOST SIGNIFICANT HAS BEEN THE WORK OF THE PACIFIC ECONOMIC COOPERATION CONFERENCE. IT BRINGS TOGETHER REPRESENTATIVES OF GOVERNMENT, ACADEME AND BUSINESS IN ORDER TO EXCHANGE IDEAS AND PROMOTE POLICIES AND ACTIVITIES AIMED AT FOSTERING GREATER COOPERATION AMONG THE COUNTRIES OF THE REGION.

ALSO RELEVANT IS THE INITIATIVE OF THE ORGANIZATION FOR ECONOMIC COOPERATION AND DEVELOPMENT (OECD) TO PURSUE A DIALOGUE WITH THE UP AND COMING ASIA PACIFIC ECONOMIES ON ECONOMIC AND TRADE ISSUES OF COMMON CONCERN. AS A FIRST STEP IN THIS PROCESS, THE ORGANIZATION RECENTLY SPONSORED A CONFERENCE IN PARIS THAT EXPLORED AREAS FOR COOPERATION WITH SEVERAL OF THESE ECONOMIES.

BEYOND THESE TWO DEVELOPMENTS THERE HAVE BEEN A NUMBER OF SUGGESTIONS ON ASIA PACIFIC INSTITUTION BUILDING. LAST YEAR FORMER JAPANESE PRIME MINISTER NAKASONE MADE PROPOSALS FOR A PACIFIC PARLIAMENTARIANS LEAGUE. LAST SUMMER IN JAKARTA FORMER AMERICAN SECRETARY OF STATE GEORGE SHULTZ SUGGESTED THE FORMATION OF A PACIFIC BASIN FORUM.

SINCE THEN THERE HAVE BEEN OTHER SUGGESTIONS. U.S. SENATOR BRADLEY CALLED FOR THE FORMATION OF A "PAC-8" GROUP TO COORDINATE AND PROMOTE OUR ECONOMIC AND COMMERCIAL RELATIONS. PRIME MINISTER HAWKE RECENTLY ENTERED THE DEBATE WITH A SUGGESTION FOR THE FORMATION OF A GROUPING THAT HE LOOSELY STYLED A "PACIFIC OECD".

AS CAN BE SEEN, THERE ARE A VARIETY OF VIEWS ON WHAT SORT OF COOPERATION MAY BE USEFUL IN ASIA PACIFIC. EQUALLY THERE IS A DIVERSITY OF VIEWS ON THE SCOPE OF COOPERATION AND THE FORM IT SHOULD TAKE.

WE ALL RECOGNIZE THAT THE ASIA PACIFIC REGION IS NOT ONLY DISTINCT FROM THE OTHER MAJOR TRADING AREAS. IT IS DISTINCTIVE IN ITS GREAT CULTURAL DIVERSITY, ITS VARYING LEVELS OF DEVELOPMENT AND ITS BROAD GEOGRAPHIC REACH. THE REGION ALSO DEMONSTRATES THE GROWING INTER-DEPENDENCE OF THE ASIA PACIFIC ECONOMIES ON TRADE AND INVESTMENT FLOWS. THESE ELEMENTS MUST BE REFLECTED IN ANY NEW FORMS OF COOPERATION WHICH ARE EXPLORED.

CANADA HAS ALREADY TAKEN AN ACTIVE ROLE IN THE EXAMINATION AND CREATION OF NEW LINKAGES IN ASIA PACIFIC. ALONG WITH NEW ZEALAND WE HAVE ENCOURAGED AND SUPPORTED THE PACIFIC ECONOMIC COOPERATION COMMITTEE IN ITS EFFORTS TO ENCOURAGE GREATER DIALOGUE AMONG COUNTRIES OF THE REGION.

CANADA REMAINS ACTIVE IN THE VARIOUS DISCUSSIONS THAT ARE UNDERWAY. THIS WAS AN IMPORTANT ELEMENT IN MY DISCUSSIONS WITH YOUR PRIME MINISTER AND MINISTERS OVER THE PAST FEW DAYS AND WE LOOK FORWARD TO CONTINUING THOSE EXCHANGES IN THE MONTHS AHEAD.

SOME COUNTRIES ARE NOW BEGINNING A SERIES OF CONSULTATIONS ON THE POSSIBLE NATURE AND SCOPE OF NEW INSTITUTIONAL ARRANGEMENTS FOR ASIA PACIFIC. AS MINISTER FOR INTERNATIONAL TRADE, I BELIEVE THAT THERE ARE SEVERAL FACTORS THAT MUST BE CONSIDERED AS WE EXPLORE INITIATIVES TO DEVELOP A CONSULTATIVE FORUM FOR ECONOMIC COOPERATION IN ASIA PACIFIC.

FIRST AND PERHAPS OF MOST IMMEDIATE IMPORTANCE, CANADA BELIEVES THAT THE GATT OFFERS THE BEST HOPE FOR THE GLOBAL TRADING SYSTEM. IT IS STILL MUCH TOO EARLY TO ASSUME THAT THE URUGUAY ROUND WILL NOT REACH A CONSENSUS FOR GREATER LIBERALIZATION ACROSS THE SPECTRUM OF ITS BROAD AGENDA. SO, FOR THE NEXT TWENTY MONTHS OR SO ALL OUR ENERGIES MUST BE CONCENTRATED ON A SUCCESSFUL OUTCOME FOR THE URUGUAY ROUND.

SECOND, ANY INITIATIVE TO STRENGTHEN REGIONAL CONSULTATIONS AMONG GOVERNMENTS MUST HAVE CLEARLY DEFINED OBJECTIVES. THE FOCUS MUST BE SHARPLY FIXED ON TRADE LIBERALIZATION TO PROMOTE GREATER ECONOMIC GROWTH. THIS OBJECTIVE MUST ALSO BE FULLY CONSISTENT WITH MULTILATERAL EFFORTS FOR THE LIBERALIZATION OF INTERNATIONAL TRADE.

THIRD, IT IS IMPORTANT TO CONSIDER THE RESPECTIVE ROLES AND RESPONSIBILITIES OF GOVERNMENTS, BUSINESS AND ACADEMIC WORLD IN THE DEVELOPMENT OF ANY REGIONAL CONSULTATIVE PROCESS. THE PRIVATE SECTOR AND THE ACADEMIC WORLD HAVE PARTICIPATED THROUGH DIFFERENT REGIONAL ORGANIZATIONS IN THE EVOLUTION OF ASIA PACIFIC COOPERATION. IN THE COMING MONTHS WE WILL WANT TO DECIDE WHETHER THERE IS A NEED FOR A MORE DIRECT AND FORMAL GOVERNMENT TO GOVERNMENT CONSULTATIVE ORGANIZATION.

FOURTH, THE CONSULTATIVE PROCESS SHOULD BE OPEN. IT SHOULD TAKE INTO ACCOUNT THE SENSITIVITIES OF GOVERNMENTS AND EXISTING ORGANIZATIONS. IT SHOULD BE CAREFULLY MANAGED AND COORDINATED, AND BE BASED ON A CONSENSUAL APPROACH.

FIFTH. I BELIEVE, AS MINISTER FOR INTERNATIONAL TRADE, THAT THERE IS A NEED TO DEVELOP NEW ARRANGEMENTS IN ASIA PACIFIC. I BELIEVE THAT SUCH ARRANGEMENTS COULD FACILITATE REGULAR HIGH-LEVEL CONSULTATIONS AMONG THE PARTICIPANTS AND PROMOTE GREATER ECONOMIC GROWTH IN ASIA PACIFIC. IT COULD ALSO ASSIST THE DEVELOPING COUNTRIES OF THE AREA AND ENSURE THAT TRADE EXPANSION IN THE REGION IS BROADLY-BASED. IT IS IMPORTANT FOR MIDDLE AND SMALLER POWERS TO BELONG TO SUCH AN ORGANIZATION. THE TRUTH OF THIS STATEMENT IS SELF EVIDENT TO A CANADIAN OR TO A NEW ZEALANDER.

I WELCOME THE SEARCH FOR NEW LINKS IN ASIA PACIFIC. IT REFLECTS THE CHANGING DYNAMICS OF INTERNATIONAL TRADE IN AN INCREASINGLY INTERDEPENDENT WORLD. IT ALSO REFLECTS A GROWING AWARENESS OF THE REMARKABLE ECONOMIC VITALITY OF THE REGION AND ITS IMMENSE POTENTIAL FOR EVEN MORE RAPID EXPANSION. I WELCOME PROPOSALS THAT WOULD CONTRIBUTE TO THE DEVELOPMENT OF AN ARRANGEMENT FOR STRENGTHENING TRADE AND ECONOMIC COOPERATION IN THE PACIFIC AND WE LOOK FORWARD TO PARTICIPATING IN THE EXPLORATORY PROCESS LEADING TO THIS GOAL.

THANK YOU.