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## STATEMENT

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94/41

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NOTES FOR AN ADDRESS BY  
THE HONOURABLE RAYMOND CHAN,  
SECRETARY OF STATE (ASIA-PACIFIC),  
AT THE AUSTRALIAN NATIONAL UNIVERSITY  
"CANADA AND THE ASIA-PACIFIC REGION"

CANBERRA, Australia  
August 4, 1994

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Canada

Professor Ricklefs, ladies and gentleman:

It is certainly an honour for me to meet with you this afternoon during my first visit to Australia.

I came to Australia as head of the Canadian delegation to the South Pacific Forum. This provided an opportunity to meet with ministers from the region and to talk with Prime Minister Keating. I was also able to outline Canada's perspectives on some of the issues of mutual concern and those faced particularly by the small and often fragile economies of the South Pacific Island States.

Here today, you provide me with another, and very welcome, opportunity to outline Canada's interests and involvement in the Asia-Pacific region.

Since my appointment as Secretary of State (Asia-Pacific) last October, I have had a number of opportunities to travel within the region, and I have been pleased by how well Canada was received among those I have met.

Despite the very positive attitude towards Canada, it would, however, appear that Canadian interests and engagements in Asia-Pacific are not exactly well-known. I am not entirely sure why this is the case — perhaps it is a combination of Canadian modesty and the preoccupation with the role of the United States. Maybe it is simply that we do not toot our own horn often and loudly enough.

Having myself been an immigrant to Canada from Asia, I have taken great interest in the movement of peoples and the impact this has on a country. Throughout Canadian history there has been an inexorable push west across our large country towards the Pacific. Legendary companies such as the Canadian Pacific Railway (which is still one of the largest transportation companies in the world) evoke this preoccupation with the Pacific. Thousands of labourers from China were involved in the construction of this ribbon of steel over 100 years ago and, as a result, Canada became well known in the villages of southern China.

Today the term "Asia-Pacific" is not just a distant geographic concept for Canadians but is very much part of the psyche of modern Canada. Fifty per cent of the immigrants to Canada now come from the Asia-Pacific region and five per cent of Canadians trace their ancestry to the Asia-Pacific region.

Canada's own involvement in the Asia-Pacific sphere goes back well over a century to when Canadian missionaries were active in China. I mention this because several of the sons of these missionary families were instrumental in shaping the nascent Canadian Department of External Affairs and left an indelible

impression on the Department's interest in Asia which continues to this day.

Our focus has not just been on the northern part of Asia. One of the first Canadian trade officials posted abroad opened a trade office in Sydney, New South Wales, in 1895. Next year marks the centenary of Canada's trade relationship with Australia and a number of events are being planned to underline the importance of the Canada-Australia relationship.

Links between Canada and the Asia-Pacific developed rapidly in the early 20th century and were strengthened through the efforts of the private sector, including the Canadian Pacific Steamship Company whose "Empress" liners plied between the west coast of Canada and many Asian ports.

Because our forces were mainly engaged in Europe, Canadians did not participate as extensively as Australians in the Asia-Pacific theatre during the Second World War, but a regiment of young Canadians fought and died defending the British Colony of Hong Kong. Canada's wartime links with Australia are many and varied: the Royal Newfoundland Regiment served alongside Australian and New Zealand troops in Gallipoli; a Canadian signals contingent served in Darwin intercepting Japanese communications in 1944-45; some 10 000 Australian airmen trained in Canada under the Commonwealth air training plan in the 1940s; and Canadian and Australian troops served in Korea as part of a Commonwealth division. More recently, we have both put peacekeeping troops into places like Cambodia and Somalia.

Canada became involved in Indo-China in the early 1950s, not as a protagonist, but as a peacekeeper. Canadian military and diplomatic personnel served in this capacity during the two Indo-China control commissions. The legacy of that interest in, and commitment to Southeast Asia, remains to this day, as evidenced by our involvement in the Cambodian peace process and our provision of military personnel there. Canadian forces are still there helping to remove mines, and a Canadian officer is in charge of demining training.

Canada was one of the original members of the Colombo plan which began in the early 1950s. As well, Canada was one of the founders of the Asian Development Bank and is still its third-largest contributor. Indeed, 30 per cent of Canada's annual development assistance budget of just over \$1 billion is disbursed in the Asia-Pacific region.

Today Canada's relationship with the Asia-Pacific is varied and increasingly dynamic.

The export of Canadian goods and services accounts for over one quarter of Canada's gross domestic product and, in recent years,

the export sector has been the most dynamic element of economic growth in Canada.

After North America, the Asia-Pacific has become Canada's most important trading region and is the second-fastest-growing market for Canadian exports. Canada's trade with the Asia-Pacific surpassed our trade with Europe in 1983 and is now 45 per cent greater.

Ten of our top 25 trading partners, including Australia, are Asia-Pacific countries.

Much of Canada's trade with the Asia-Pacific is from Canada's western provinces. My home province of British Columbia trades more with Asia-Pacific than it does with the United States. When you consider that the state of California — 30 million people with the world's ninth-largest economy — is just two hours by air south of British Columbia, this is quite telling.

Asia-Pacific is increasingly a leading source of foreign direct investment and new technology for Canada. Over the past decade, Japan moved from being the eighth-largest foreign investor in Canada to the third-largest, behind the United States and the United Kingdom. Japanese direct investment has doubled since 1985 to almost \$10 billion, while portfolio investment, mainly in federal and provincial investment, has reached \$46 billion. Other Asian economies, such as Hong Kong, Singapore, Taiwan, and the Republic of Korea, have also become major investors in Canada.

Looking ahead, like Australia, we have a cultural advantage in Canada that many of our competitors lack. That is the large and growing number of Canadians of Asia origin, now approaching one million people. Chinese is now Canada's third most commonly spoken language in the home. This brings with it business, financial and particularly family connections, which, as you know, play an important role in Asian society and decision making.

Enhanced language capability and cultural awareness will be fundamental to international competitiveness. This is the prime reason why the Canadian government established the Asia-Pacific Foundation a decade ago in Vancouver, and why five years ago a multi-million dollar initiative called "Pacific 2000" was launched with an emphasis on encouraging Canadians to become more Asia-literate. Here I must acknowledge that we learned much from similar initiatives which were earlier developed in Australia.

We have also been impressed by the Australian example of promoting study in Australia by Asian students, and we are now in the process of establishing Canadian education centres in a number of Asian capitals to respond to the demand for education

in Canada. I am confident that the demand is sufficiently large to benefit both our countries.

An increasingly important element in Canada's trade and economic relations with the Asia-Pacific is the development and evolution of government and private sector linkages, the most important of which is APEC [the Asia-Pacific Economic Co-operation forum].

The Australian government, past and present, deserves great credit for its initiative in getting APEC launched as well as for maintaining the momentum of the APEC process.

Canada has been one of the most active players in the APEC process and we will continue to be active in helping to make APEC the primary framework for regional trade and economic co-operation.

Indeed, Prime Minister Chrétien's first visit outside of Canada after the election last year was to the APEC leaders meetings in Seattle. More recently, Mr. Chrétien and Prime Minister Keating have exchanged views on APEC issues both by telephone and when they met during the D-Day commemoration ceremonies in London.

In short, Canada and Australia are very much at one about the value of APEC to all the countries of the region. Yet we are also very much aware that much remains to be done to achieve APEC's potential. The central issue of how best to proceed down the trade liberalization track will require concerted thought and commitment if it is to be given a good launch by the APEC leaders meeting in Indonesia in November.

Being a middle power like Australia, Canada has always been conscious of the importance of dialogue, institution building, and multilateralism. This has been fundamental to Canada's approach to the question of regional security.

As some of you may know, we sponsored a North Pacific Co-operation Security dialogue and have been a significant player in the so-called Track Two Security dialogue in the region. Canada has played an active role in support of regional institutions like ASEAN [the Association of Southeast Asian Nations], both on the political and economic fronts, and now with respect to the newly created ASEAN Regional Forum. Like Australia, we have been working to create a regional security comfort level among the Forum countries and to bring about a focus on substantive issues, such as preventive diplomacy, peacekeeping and non-proliferation.

We have been ASEAN dialogue partners since 1977, and my colleague our Foreign Affairs Minister, André Ouellet, has just finished participating in the annual ASEAN Post-Ministerial Conference and Ministerial Meeting of the ASEAN Regional Forum. He also had an

opportunity for bilateral meetings with Senator Evans to discuss issues of importance to both Canada and Australia in the region.

Let me turn for a moment to the Canada-Australia relationship.

As I indicated earlier, the Canada-Australia relationship goes back many years, even to the early recorded history of both countries. Captain Cook, after charting the waters around Australia, went on to Canada where he helped General Wolfe navigate the St. Lawrence River in preparation for the historic battle on the Plains of Abraham which changed the course of Canadian history.

A number of events are planned next year to mark the centenary of Canada-Australia trade relations. This will include a visit by our International Trade Minister, my colleague Roy MacLaren, who will inaugurate a major trade and investment conference in Sydney next February. We are also hopeful that later in the year visits by Foreign Affairs Minister Ouellet and Prime Minister Chrétien can be arranged.

Canada-Australia relations are long-standing, friendly and broadly based. In addition to the historical links, bilateral trade and investment are substantial but could be higher. Two-way trade is at the \$2-billion mark and Australia is Canada's fifth-largest market in the region, and probably our best market in the Asia-Pacific region for elaborately transformed manufactures.

For decades we have had a history and practice of consulting together on international issues and domestic public policy issues such as immigration, multiculturalism, environment, native land title, health care, federal-state relations, etc. Because of the similarities between our two countries, we have a high level of comfort between the bureaucracies. This is best illustrated by the fact that at any one time there are around 15 Canadian public servants working within the Australian bureaucracy and a similar number of Australian officials in Ottawa.

We get along so well that we have even begun to share diplomatic premises abroad — the Canadian Ambassador to Cambodia works in the Australian Embassy; The Australian High Commission in Barbados shares the Canadian High Commission offices in Bridgetown.

Despite this excellent bilateral relationship (or maybe because of it), there has been a tendency over the past few years to take each other for granted to some extent. Some have explained this by suggesting that Canada has been rather preoccupied by its domestic agenda and the Canada-U.S. FTA [Free Trade Agreement], then the NAFTA [North American Free Trade Agreement], while

Australia has tended to concentrate most of its attention on its nearby Asia-Pacific neighbours. It seems to me that there would appear to be some truth in this.

Whatever the case, Canada continues to value and hold its relationship with Australia in high regard. Hopefully, the centenary of trade relations next year will offer a unique and historic opportunity to recommit ourselves to working together to our mutual advantage, particularly, though not exclusively, in the Asia-Pacific arena.

One important aspect of our bilateral relationship should be what I might call "inclusiveness." Too often when we in Canada talk about the "Asia-Pacific" we do not consciously include Australia in this geographic definition. The tendency is to think of Asian countries only, and I suspect the reverse is true in Australia where Canada does not immediately leap to mind in the Asia-Pacific context.

In both Canada and Australia, I hope we can amend our conception of Asia-Pacific and demonstrate a greater inclusiveness on both sides. This will be particularly apt as we have similar objectives in the development of important initiatives such as APEC and in moving forward on the regional security agenda. Given our similarity in our thinking on the APEC agenda, it makes sense for us to work closely together.

This should not be the only area for closer collaboration. Both our middle power countries have, over the years, made disproportionately large contributions to debates on international issues. Rarely, on fundamentals, have we not seen eye to eye. I therefore suggest that both our countries, as well as the international community, will benefit from a renewed Canadian-Australian commitment to bilateral and multilateral co-operation.

Thank you.