

PLEASE CHECK AGAINST DELIVERY #20

**TOWARD A PACIFIC PARTNERSHIP:  
THE PHILIPPINES AND CANADA  
IN THE PACIFIC CENTURY**

**Speech of His Excellency Fidel V. Ramos  
President of the Republic of the Philippines  
Luncheon Hosted by the Empire Club and the  
Canadian Club during the State Visit to Canada  
Royal York Hotel, Toronto, Ontario Canada  
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**INTRODUCTION**

WE MEET TODAY IN WHAT HISTORIANS CALL "AN OPEN MOMENT" FOR RELATIONS BETWEEN OUR TWO PEOPLES AND GOVERNMENTS.

MY PRESENT VISIT TO CANADA, INCLUDING MY PARTICIPATION AT THE FIFTH APEC ECONOMIC LEADERS' MEETING IN VANCOUVER, AND THE TWO VISITS TO THE PHILIPPINES OF YOUR PRIME MINISTER JEAN CHRETIEN, HAVE SET THE STAGE FOR A NEW CHAPTER IN PHILIPPINE-CANADIAN RELATIONS.

THERE WAS A TIME IN THE PAST WHEN THE VAST PACIFIC OCEAN SEEMED LIKE AN UNNAVIGABLE BARRIER TO CLOSE TIES BETWEEN THE PHILIPPINES, THE "LAND OF THE PALM", AND CANADA, THE "LAND OF THE PINE".

**OVERCOMING HISTORY**

WE HAVE REACHED THIS STAGE BECAUSE WE FILIPINOS AND CANADIANS ALIKE HAVE SHED CERTAIN ASPECTS OF OUR OLD COLONIAL ASSOCIATIONS WITH DISTANT IMPERIAL CENTERS, AND BECAUSE THE WORLD OF THE ASIA-PACIFIC HAS GREATLY CHANGED.

THIS IS NOT TO SAY, OF COURSE, THAT OUR TIES IN THE PAST WERE OF NO MOMENT. OUR TWO COUNTRIES BOTH FOUGHT FOR FREEDOM AND DEMOCRACY IN WORLD WAR II, AND HAVE BEEN ON THE SAME SIDE IN DIFFERING CAPACITIES IN CONFLICTS AND PEACEKEEPING ACTIVITIES SINCE 1945, INCLUDING THE KOREAN WAR, AND OUR AFFINITIES IN MATTERS OF CULTURE AND VALUES ARE CONSIDERABLE.

MORE THAN ANY OTHER FACTOR IN OUR TIME, GLOBALIZATION HAS SERVED TO KNIT OUR ECONOMIES, AND THEREFORE OUR NATIONS AND OUR FUTURES, MORE CLOSELY TOGETHER.

IN THE LAST TWO DECADES, MORE AND MORE COUNTRIES HAVE ACCEPTED THE LOGIC OF MARKET-ORIENTED DEVELOPMENT, DISMANTLING OLD PROTECTIONIST

BARRIERS AND WELCOMING FOREIGN TRADE AND INVESTMENT IN THE PROCESS. AS A RESULT, WORLD TRADE HAS BOOMED.

### **EMERGENCE OF DEVELOPING COUNTRIES**

MOST NOTABLE IN THIS TIDE OF CHANGE AND GROWTH IS THE EMERGENCE OF DEVELOPING COUNTRIES AS IMPORTANT PLAYERS IN THE WORLD MARKET. THEY INCREASED THEIR SHARE OF TOTAL GLOBAL EXPORTS FROM 15 PERCENT IN 1971 TO 23 PERCENT IN 1994.

DEVELOPING NATIONS MORE THAN DOUBLED THEIR SHARE OF GLOBAL FOREIGN DIRECT INVESTMENT INFLOWS, FROM AN AVERAGE OF LESS THAN 9 PERCENT IN 1984-89, TO 21 PERCENT IN 1995. THEIR SHARE OF GLOBAL FOREIGN DIRECT INVESTMENT OUTFLOWS, ON THE OTHER HAND, MORE THAN TRIPLED, FROM 4 PERCENT TO 13 PERCENT IN THE SAME PERIOD.

NOWHERE HAS THE ACCEPTANCE OF MARKET FORCES AND GLOBALIZATION BROUGHT GREATER BENEFIT THAN AMONG THE "TIGER ECONOMIES" OF EAST ASIA.

EAST ASIAN EXPORTS TO THE WORLD HURTLED UPWARD FROM US\$143 BILLION IN 1980 TO US\$852 BILLION IN 1995.

IN ADDITION, EAST ASIA HAS EMERGED, THROUGH REGIONAL ECONOMIC INTEGRATION, AS A REGIONAL ECONOMIC POWERHOUSE IN ITS OWN RIGHT. TODAY, INTRA-EAST ASIAN TRADE IS GREATER THAN EAST ASIA'S TRADE WITH NORTH AMERICA.

EAST ASIAN STATES OTHER THAN JAPAN HAVE BECOME MAJOR NEW FOREIGN INVESTORS WITHIN THEIR OWN REGION AS WELL.

BUT EAST ASIA'S TRUE SUCCESS LIES NOT JUST IN STRONGER COMMERCIAL COMPETITIVENESS. GROWTH HAS BEEN TRANSLATED INTO REAL GAINS FOR THE PEOPLES OF THE REGION.

ACCORDING TO A RECENT ASIAN DEVELOPMENT BANK (ADB) STUDY ENTITLED "EMERGING ASIA: CHANGES AND CHALLENGES," THE FOLLOWING IMPROVEMENTS HAVE BEEN GAINED BY EAST ASIA IN LESS THAN AN AVERAGE PERSON'S LIFETIME:

"IN THE 1960s, POVERTY IN MOST OF ASIA WAS AS SEVERE AS IN SUB-SAHARAN AFRICA. TODAY, POVERTY IS VIRTUALLY ABSENT IN HONG KONG, SINGAPORE, THE REPUBLIC OF KOREA AND TAIWAN. COUNTRIES WITH HUGE POPULATIONS, LIKE INDONESIA AND CHINA, MORE THAN HALVED THEIR POPULATIONS LIVING IN EXTREME POVERTY. MOST REGIONAL COUNTRIES ARE BETTER OFF TODAY THAN A GENERATION AGO."

### **CURRENCY TURBULENCE**

THIS IS NOT SMALL BEER. IT SHOULD REMIND US THAT EAST ASIA'S ACHIEVEMENTS IN TERMS OF HUMAN WELFARE HAVE BEEN VERY REAL.

BUT IT ALSO DOES NOT MEAN THAT EAST ASIA DOES NOT HAVE PROBLEMS TO DEAL WITH. THERE ARE REAL -- EVEN MASSIVE -- PROBLEMS AND CHALLENGES THAT OUR REGION MUST ADDRESS TODAY.

THE CURRENCY TURMOIL REPRESENTS NO PERMANENT DAMAGE OR INSURMOUNTABLE CHALLENGE TO EAST ASIAN GROWTH AND STABILITY. IT WILL PASS, SINCE THE REGION HAS NOT LOST ITS UNDERLYING STRENGTH.

THE FIRST PILLAR OF THIS STRENGTH IS IN THE ECONOMIC DIMENSION. EAST ASIA'S MACROECONOMIC FUNDAMENTALS ARE STILL FIRM. REFORMS WILL MODERNIZE THE REGION'S FINANCIAL SECTORS AND MAKE THEM TOUGHER PLAYERS IN THE WORLD MARKET.

THE SECOND PILLAR IS THE POLITICAL SETTING. UNLIKE MANY OTHER PARTS OF THE WORLD, THERE IS BROAD REGIONAL STRATEGIC AND POLITICAL STABILITY IN EAST ASIA.

AND THE THIRD PILLAR IS THE PEOPLE FACTOR. THE PEOPLES OF EAST ASIA HAVE WEATHERED STORMS MUCH WORSE AND MORE DESTRUCTIVE IN THE PAST. THE REGION HAS A SOLID TRACK RECORD OF LEARNING FROM MISTAKES, MANAGING CHANGE FOR THE BETTER, AND SURMOUNTING ADVERSITY.

CERTAINLY, THE ADB REMAINS BULLISH. ADB PRESIDENT MITSUO SATO SAID IN A SPEECH EARLIER THIS MONTH, AND I QUOTE:

"DOES THE RECENT CURRENCY TURMOIL MEAN AN END TO THE 'ASIAN MIRACLE'? MY ANSWER IS 'NO.' BECAUSE WHAT THE CURRENCY TURMOIL TELLS US IS LACK OF POLICY AND INSTITUTIONAL ADAPTATION TO GLOBALIZATION, NOT AN ABRUPT CHANGE IN ECONOMIC FUNDAMENTALS, IN THESE COUNTRIES."

AMONG THE DEVELOPING EAST ASIAN COUNTRIES, THE PHILIPPINES, THE REGION'S YOUNGEST EMERGING TIGER, IS THE ONE CONSIDERED LEAST AFFECTED BY AND MOST LIKELY TO RECOVER SOONEST FROM CURRENCY VOLATILITY.

THE PHILIPPINE PESO DID LOSE ABOUT A QUARTER OF ITS EXCHANGE VALUE PER U.S. DOLLAR. HOWEVER, OUR REAL GNP GROWTH RATE FOR THE FIRST SEMESTER THIS YEAR WAS RECORDED AT 5.9 PERCENT, COMPARED WITH 6.9 PERCENT FOR THE WHOLE OF LAST YEAR.

OUR INVESTMENT RATE AS A PERCENT OF OUR GNP STOOD AT 25.7 PERCENT FOR THE FIRST SEMESTER OF THIS YEAR, COMPARED WITH 23.3 PERCENT, AGAIN, FOR THE WHOLE OF LAST YEAR.

OUR DEBT SERVICE-EXPORT RATIO HAS FALLEN STEADILY, FROM 46.3 PERCENT IN 1992 TO 11.6 PERCENT FOR THE FIRST HALF OF THIS YEAR.

WE HAVE KEPT INFLATION DOWN TO 4.8 PERCENT FOR THE FIRST THREE QUARTERS OF THIS YEAR, WHILE OUR EXPORTS GREW 25 PERCENT -- WITH A VALUE OF \$25 BILLION.

WITHIN THE YEAR, THE PHILIPPINES WILL EXIT FROM ITS IMF PROGRAM, AT A TIME SOME OF OUR NEIGHBORS ARE PLACING THEMSELVES UNDER A SIMILAR PROGRAM. THIS IS ONE SURE SIGN OF OUR NATIONAL ECONOMIC HEALTH.

#### **REGIONAL FINANCIAL COOPERATION**

AN IMPORTANT ASPECT OF THE REGIONAL CURRENCY ISSUE WAS THE REMARKABLE SPIRIT OF REGIONAL RESOLVE AND COOPERATION THAT IT ELICITED. REGIONAL SOLIDARITY IS IMPORTANT, GIVEN THE FACT THAT GLOBALIZATION HAS INTERLINKED OUR ECONOMIES SO CLOSELY.

IN VANCOUVER DURING THE 1997 APEC ECONOMIC LEADERS' MEETING (AELM) A FEW DAYS AGO, THE LEADERS EXPRESSED THEIR STRONG CONFIDENCE IN THE PROSPECTS FOR CONTINUED GROWTH OF THE EAST ASIAN ECONOMIES. THEY POINTED OUT THAT THE COUNTRIES OF EAST ASIA CONTINUED TO POSSESS THOSE QUALITIES THAT HAD MADE THEIR RAPID GROWTH POSSIBLE.

AT THE SAME TIME, THE LEADERS MANIFESTED THEIR REALISM ABOUT THE NATURE OF THE CURRENT DIFFICULTIES AND EXPRESSED THEIR STRONG DETERMINATION TO DO WHAT IS NECESSARY TO RESOLVE THEM AND RESTORE CONFIDENCE IN EAST ASIA'S ECONOMIES. THEY RECOGNIZED THE GLOBAL DIMENSION OF THE PROBLEM AND THE NEED FOR GLOBAL, COOPERATIVE SOLUTIONS.

THE LEADERS GENERALLY AGREED THAT THE NECESSARY MEASURES MUST INCLUDE:

- \* THE IMPROVEMENT OF THE MANAGEMENT OF THE BANKING SYSTEMS IN COUNTRIES WHERE SUCH AN IMPROVEMENT IS CALLED FOR;
- \* THE ADOPTION OR CONTINUATION OF SOUND MONETARY AND FISCAL POLICIES AND THE EXERCISE OF FIRM DISCIPLINE IN THE APPLICATION OF THOSE POLICIES;
- \* THE MAINTENANCE OF HIGH SAVINGS RATES;
- \* THE CONTINUED COMMITMENT TO THE LIBERALIZATION OF TRADE AND INVESTMENT;
- \* THE IMPROVED TRANSPARENCY OF ECONOMIC AND FINANCIAL DECISION-MAKING; AND
- \* THE MOBILIZATION OF EXTERNAL SHORT-TERM FINANCING UNDER THE LEADERSHIP OF THE INTERNATIONAL MONETARY FUND (IMF).

#### **THE MANILA FRAMEWORK**

THE POINT OF DEPARTURE FOR THE DISCUSSION OF THESE MEASURES WAS THE MANILA FRAMEWORK, WHICH I WAS CALLED UPON TO INTRODUCE TO THE MEETING BY WAY OF KICKING OFF THE DISCUSSIONS. THE MANILA FRAMEWORK IS A SET OF RECOMMENDATIONS FOR REGIONAL COOPERATION TO PROMOTE FINANCIAL STABILITY AS A COMPLEMENT TO THE IMF'S GLOBAL ROLE IN MAINTAINING BALANCE IN THE INTERNATIONAL MONETARY SYSTEM.

THE FRAMEWORK WAS PUT TOGETHER BY FINANCE AND CENTRAL BANK DEPUTIES OF FOURTEEN ASIA-PACIFIC ECONOMIES IN A MEETING CONVENED AND CHAIRED BY THE PHILIPPINES IN MANILA ON NOVEMBER 18 AND 19, 1997, WITH THE PARTICIPATION OF HIGH-LEVEL REPRESENTATIVES OF THE IMF, THE WORLD BANK AND THE ASIAN DEVELOPMENT BANK.

THE MANILA FRAMEWORK HAS FOUR BASIC RECOMMENDATIONS:

- \* THE ESTABLISHMENT OF A NEW MECHANISM FOR REGIONAL SURVEILLANCE TO IDENTIFY POTENTIAL RISKS TO GROWTH AND FINANCIAL STABILITY AND THE APPROPRIATE POLICY RESPONSES;
- \* GREATER ECONOMIC AND TECHNICAL COOPERATION TO STRENGTHEN DOMESTIC FINANCIAL SYSTEMS AND REGULATORY CAPACITIES;

- MEASURES TO INCREASE THE MAGNITUDE OF AND SPEED UP ACCESS TO IMF RESOURCES THAT SUPPORT ADJUSTMENT PROGRAMS; AND
- A COOPERATIVE FINANCING ARRANGEMENT TO SUPPLEMENT, AS A SECOND LINE OF DEFENSE, THE RESOURCES OF THE IMF AND OTHER INTERNATIONAL FINANCIAL INSTITUTIONS.

WE ALSO ASKED THE FINANCE MINISTERS, WORKING WITH THEIR CENTRAL BANK COLLEAGUES, TO INTENSIFY THE IMPLEMENTATION OF THE COLLABORATIVE MEASURES THAT THEY HAD ANNOUNCED IN CEBU, PHILIPPINES LAST APRIL TO PROMOTE THE DEVELOPMENT OF FINANCIAL AND CAPITAL MARKETS.

THESE COLLABORATIVE MEASURES AND THE COOPERATIVE WAY IN WHICH APEC MEMBERS ARE ADDRESSING THE FINANCIAL SITUATION ARE OUTSTANDING EXAMPLES OF THE ECONOMIC AND TECHNICAL COOPERATION OF WHICH APEC IS CAPABLE.

**THE PHILIPPINE STORY:**  
**DEMOCRATIC DEVELOPMENT**

PHILIPPINE RESILIENCE IN THE FACE OF THE CURRENT TURMOIL STEMS FROM THE ECONOMIC REFORM AND LIBERALIZATION POLICIES THAT MY ADMINISTRATION HAS INTRODUCED.

WE ARE MOVING TO INCREASE OUR DOMESTIC SAVINGS RATE, TO REDUCE THE COST OF DOING BUSINESS, AND TO MODERNIZE OUR TAXATION SYSTEM THROUGH THE NEW COMPREHENSIVE TAX REFORM PACKAGE (CTRP), WHICH IS NOW ON ITS FINAL STAGES OF PASSAGE IN THE PHILIPPINE CONGRESS.

IN SHORT, WE HAVE BECOME FAR MORE INTEGRATED INTO THE GLOBAL AND REGIONAL ECONOMIES, INCLUDING THE ASEAN FREE-TRADE AREA (AFTA). IN FACT, LAST YEAR, PHILIPPINE EXPORTS WITHIN AFTA HAD THE HIGHEST GROWTH RATE OF ANY ASEAN COUNTRY.

OUR STORY AS THE YOUNGEST TIGER IN THE REGION LIES NOT ONLY IN THESE MACROECONOMIC AND DEMOGRAPHIC DETAILS; IT PARTAKES OF DEEPER ROOTS -- IN OUR COMMITMENT TO THE FREEDOM WE REGAINED THROUGH THE BLOODLESS PEOPLE POWER REVOLUTION OF FEBRUARY 1986, AND THE LONG TRADITION OF DEMOCRACY AMONG OUR PEOPLE. IN 1998, WE SHALL CELEBRATE THE CENTENNIAL OF PHILIPPINE INDEPENDENCE.

IN THE PHILIPPINES, UNLIKE IN MANY DEVELOPING NATIONS, WE HAVE NOT MADE DEMOCRACY WAIT FOR DEVELOPMENT. RATHER, WE HAVE STEADFASTLY PURSUED BOTH DEMOCRATIC POLITICAL AND SOCIO-ECONOMIC REFORMS TOGETHER. AT THE SAME TIME, WE ARE PROVING THAT DEMOCRACY AND DEVELOPMENT CAN GO TOGETHER AND SUPPORT EACH OTHER.

IT IS IN THE DEMOCRATIC REALM THAT THE PHILIPPINE EXPERIENCE SHOULD FIND GREATEST RESONANCE IN CANADIAN HEARTS, FOR IS NOT CANADA A NATION DEDICATED ALSO TO THE PRINCIPLES OF FREEDOM, LIBERTY AND THE RIGHTS OF THE INDIVIDUAL?

OUR AFFINITIES ARE EVEN MORE PROFOUNDLY MANIFESTED THROUGH THE INDISSOLUBLE HUMAN BOND THAT MORE THAN 250,000 FILIPINOS LIVING IN THIS GREAT LAND HAVE FORGED BETWEEN OUR NATIONS.

WE APPRECIATE THE HOSPITABLE AND WARM WELCOME THAT CANADIANS HAVE EXTENDED IN THESE COLDER LATITUDES TO THEIR BROTHERS IN THE FILIPINO

IMMIGRANT COMMUNITY. CANADA'S GENEROUS ATTITUDE TOWARD OVERSEAS FILIPINOS IS EXEMPLARY -- ONE THAT DESERVES HIGH TRIBUTE FROM US, AND EMULATION BY OTHERS.

IT IS NOT SURPRISING THEREFORE THAT THE FILIPINO COMMUNITY HERE, MANY OF WHOSE LEADERS I AM MEETING, ARE VIGOROUS, UNITED, FORWARD-LOOKING AND INCREASINGLY INFLUENTIAL IN CANADA'S NATIONAL LIFE.

#### **PHILIPPINE-CANADIAN PARTNERSHIP**

CANADIAN BUSINESS HAS BEEN IN THE PHILIPPINES LONGER THAN IS GENERALLY KNOWN. COMPANIES SUCH AS SUN LIFE OF CANADA AND MANUFACTURERS LIFE, FOR INSTANCE, HAVE BEEN WITH US FOR OVER A CENTURY. SUN LIFE IS OUR THIRD LARGEST INSURANCE COMPANY.

LAST JANUARY, PRIME MINISTER CHRETIEN MADE THE FOLLOWING STATEMENT WHEN HE WAS IN OUR COUNTRY, AND I QUOTE:

"THE PHILIPPINES IS TAKING OFF AS ONE OF THE MOST DYNAMIC ECONOMIES IN ASIA. WITH TODAY'S BUSINESS DEALS, CANADA IS MAKING ITS STAKE AND ESTABLISHING A MAJOR PRESENCE. EACH OF THESE PARTNERSHIPS WILL PAVE THE WAY FOR MORE OPPORTUNITIES AND JOBS FOR CANADIANS AND THEIR FILIPINO PARTNERS."

HE WAS REFERRING TO THE AT LEAST 52 AGREEMENTS ENTERED INTO BY FILIPINO AND CANADIAN COMPANIES WORTH SOME US\$505 MILLION WORTH OF BUSINESS.

ALTHOUGH MORE THAN 80 PERCENT OF CANADA'S TRADE AS OF THE EARLY 1990s HAS BEEN WITHIN THE APEC REGION, 78 PERCENT OF ITS EXPORTS/AND 65 PERCENT OF ITS IMPORTS ARE WITH ONLY ONE COUNTRY, UNITED STATES. SURELY, THERE IS ROOM FOR GROWTH IN CANADA'S ECONOMIC TIES WITH OUR PART OF THE WORLD, AND IN ANY REGIONAL GROWTH STRATEGY THE PHILIPPINES IS IDEALLY POSITIONED FOR CANADIAN BUSINESS.

THE PHILIPPINES AND ITS EAST ASIAN NEIGHBORS -- WITH THEIR YOUNG POPULATIONS, THEIR ECONOMIC FORTITUDE AND THEIR INCREASING TECHNOLOGICAL CAPACITY -- CONSTITUTE HUGE PRODUCTIVE FORCES AND CONSUMER MARKETS FOR THE FUTURE.

IF EAST ASIA GROWS, EVEN AT A SOMEWHAT SLOWER PACE THAN TODAY, IT WILL HAVE ENORMOUS NEW DEMANDS.

THE REGION WILL WANT MORE FOOD, SAFER ENERGY, BETTER CONSUMER ITEMS, GREATER CAPITAL, MORE SOPHISTICATED TECHNOLOGY, SMARTER SERVICES, NEWER INFRASTRUCTURE, CLEANER AIR AND WATER, MORE AFFORDABLE HOUSING, MORE LIVABLE CITIES AND A GREENER ENVIRONMENT.

DEVELOPING ASIA MAY HAVE A TOTAL INVESTMENT DEMAND BETWEEN NOW AND THE YEAR 2020 OF AROUND US\$50 TRILLION, AT 1996 PRICES, ACCORDING TO THE ADB. OF THAT ROUGHLY US\$10 TRILLION WOULD BE FOR PHYSICAL INFRASTRUCTURE ALONE.

EAST ASIA WILL BE A BONANZA FOR THE REST OF THE WORLD; A REGION EAGER TO OBTAIN, AT THE BEST PRICES, GOODS, FINANCING, SERVICE EXPERTISE, TECHNOLOGICAL KNOW-HOW AND INFORMATION FROM EVERYWHERE.

**ENSURING THE FUTURE TODAY**

THIS IS A PLEASING PROSPECT, BUT IT IS NOT ONE THAT WE SHOULD TAKE FOR GRANTED.

THE COUNTRIES OF THE ASIA-PACIFIC REMAIN EXTREMELY DIVERSE IN POLITICAL OUTLOOK, ECONOMIC SYSTEM, CULTURE, RELIGION, LANGUAGE, GEOGRAPHIC SIZE AND DEMOGRAPHIC CHARACTER.

OUR REGION IS ALSO THE FOCAL POINT OF SOME POTENTIALLY SERIOUS DISPUTES: ON THE KOREAN PENINSULA, ACROSS THE TAIWAN STRAITS, AND IN THE EAST AND SOUTH CHINA SEAS.

IN ADDITION, THERE IS THE MORE INSIDIOUS PROBLEM OF REGIONAL ECONOMIC TENSION THAT HAS A TENDENCY TO FLARE UP TO ALARMING PROPORTIONS.

FOR THIS REASON, THE PHILIPPINES, CANADA AND ALL OUR NEIGHBORS NEED TO RESPECT AND REINFORCE THOSE NEW MECHANISMS FOR DEEPENING REGIONAL UNDERSTANDING, MUTUAL CONFIDENCE AND COOPERATION THAT WE HAVE ESTABLISHED FOR THE POST-COLD WAR ASIA-PACIFIC ORDER.

FOR THIS REASON, I COMMEND CANADA UNDER PRIME MINISTER CHRETEN FOR ITS VISION AND LEADERSHIP AS THIS YEAR'S APEC CHAIRMAN. WE ARE HAPPY THAT CANADA WAS ABLE TO TAKE OVER QUICKLY FROM OUR OWN EFFORTS AS LAST YEAR'S APEC CHAIRMAN TO CONSOLIDATE OPEN REGIONALISM, FREER REGIONAL TRADE AND INVESTMENT AND GREATER REGIONAL ECONOMIC COOPERATION.

WE ALSO RECALL THE POSITIVE ROLE CANADA HAS ALWAYS PLAYED AS AN ASEAN DIALOGUE PARTNER.

IN EQUAL MEASURE, WE ARE PLEASED TO WORK WITH CANADA IN THE ASEAN REGIONAL FORUM (ARF). CANADA HAS MADE IMPORTANT CONTRIBUTIONS TOWARD REGIONAL SECURITY COOPERATION, MOST NOTABLY THROUGH ITS INVOLVEMENT IN THE INDONESIA-SPONSORED WORKSHOPS ON MANAGING POTENTIAL CONFLICT IN THE SOUTH CHINA SEA.

APEC, ARF AND THE ASEAN-CANADA DIALOGUE ARE THREE ESSENTIAL MECHANISMS THAT WE NEED TO RELY ON FOR ENSURING LONG-TERM STABILITY AND PROGRESS IN OUR REGION.

**CONCLUSION**

HISTORY TELLS US THAT ARMS ALONE CANNOT SECURE PEACE; THAT MASSIVE WEALTH BY ITSELF WILL NOT DO IT EITHER; AND THAT PEACE, IF IT IS TO PROSPER, MUST BE INDIVISIBLE AND BE MORE THAN THE MERE ABSENCE OF WAR.

OUR REGION HAS HAD ITS SHARE OF CONFLICT AND OF BITTER HISTORICAL MEMORIES.

BUT THE STEADY GROWTH OF OUR REGION'S ECONOMY OVER THE PAST TWO DECADES, AND THE REGIONAL COOPERATION NOW UNDER WAY TO SUSTAIN IT, GIVES US THE BEST CHANCE OF NOT REPEATING THE PAST BY OFFERING ALL ASIA-PACIFIC NATIONS AN EQUAL STAKE IN REGIONAL PROSPERITY.

LET US NOT WASTE THIS CHANCE.

I THANK YOU ALL VERY MUCH.

4/22/96-15:34-NOR/JOJO