

In dealing with China, we must keep in mind some basic realities. One in five of the earth's inhabitants lives in China. There are five nuclear powers and China is one of them. There are five permanent members of the UN Security Council and China is one of them. China is now the world's 10th largest trading nation and has one of the world's highest economic growth rates.

A second set of realities are the basic objectives of our new government: to create jobs and sustained economic growth; to promote international peace and security; to expand trade opportunities in order to help meet our economic growth goals; and, to ensure that Canadian values are reflected in public policy decisions.

Our policy toward China is based on these realities. Each of the foreign policy principles I outlined applies to China and constitutes the framework within which we approach our relations with that country. This framework is built on four pillars: economic partnership, sustainable development, peace and security, and human rights and the rule of law.

We will not sacrifice one at the expense of another, and it is my belief that we have not done so in our approach to China. Only this kind of systematic and wide-ranging contact will be most likely to lead to calls within Chinese society for greater openness and freedom.

Economic partnership

I was interested to note that last week a prominent Canadian politician agreed that trade with China is important. As he said: "We will not advance the cause of human rights one whit by pulling away from extensive commercial, cultural, educational ties." For once I totally agree with Premier Bob Rae of Ontario!

China has undergone and is continuing to undergo an enormous economic transformation. Annual growth rates are over 12 percent and, in southern China, an impressive 20 percent.

We have to position ourselves now to build an economic partnership with China that will create jobs and prosperity in Canada and will also benefit the people of China.

Under the previous government, in the four years after Tiananmen Square, trade with China had increased 50 percent. Under this government, trade is continuing to increase. The difference is we do not try to hide that fact. Wheat has been our biggest export to China. This trade is beneficial not only for Canada, but also for China and its massive population. Now, however, our exports are expanding into other areas which offer a wide range of opportunities for Canadian companies across Canada. Canada's recognized capabilities in telecommunications, electrical energy,