

During his time in Ottawa, Ambassador Earl Drake consulted with Parliamentarians, with representatives of the provinces, and with senior officials from major departments and agencies having interests in our relationship with China.

We have had a number of Cabinet meetings on the question and we have listened carefully to suggestions made to us through letters and media commentary.

As a result of this extensive consultative process, where do we go from here? First of all, I think it is clear that we cannot now determine how events are going to unfold in the months ahead with the kind of precision that would allow us to set in stone the parameters and mileposts that should govern our relations with China over the next several years. At the same time, I think we can start to respond to the changed circumstances in which that relationship will be pursued and begin moving the relationship onto a new footing.

Therefore I am announcing today certain adjustments in the relation between Canada and China.

Sometime in two or three months the outlook may be clearer and we will make further adjustments - perhaps by "thawing" certain parts of the relationship we have frozen, perhaps by cancelling some other elements we are now treating as suspended. I do think the National Round Table was a useful, consensus-building exercise, and we may well hold another one sometime in the autumn when the way ahead is a little clearer.

In the meantime, we are now taking a number of further steps to give effect to the changes in the Canada-China relationship in the context of the new political reality in China.

On the basis of the recommendations we heard during the National Round Table, we are framing our policy in the context of four basic parameters:

- First Tiananmen Square and the subsequent campaign of repression have changed the relationship between Canada and China. The Chinese authorities have called for "business as usual"; this cannot be accepted.
- Second, we value the friendship between our two peoples - we have not become, and will not become, "anti-China";