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language legislation for the Baltic republics, allowing them to find a constitutional formula that would safeguard the legitimate rights of the linguistic majority while protecting the Russian minority, and, in this way, guaranteeing a peaceful transition to democratic majority rule. Canada probably has more institutional memory about the legislative and legal requirements for the accommodation of linguistic and religious diversity than any other mature democracy in the world.

We are already putting this institutional memory to work, helping a number of other countries on the path to democracy, by monitoring elections, assisting in the design of courts, prosecution services and police services, the creation of central banks, and the writing of property and inheritance law. The Canadian intuition is that democracy without rule of law is the tyranny of the majority and markets without regulation is just the despotism of the wealthy and well-connected. Our intuition is that human rights and tolerance have to be anchored in good institutions: separation of powers, independence of the judiciary, a free press, entrenched minority rights guarantees and rule of law.

The Canadian intuition about development arises from our own experience as a developing nation in the 19<sup>th</sup> century, when the national policy successfully linked government investment in infrastructure, free immigration, protection of basic industries and a vigorous private sector. It is second nature for Canadians to see government regulation not as the enemy of market freedom but as its precondition; second nature for us to see good government as the precondition for development that is equitable between classes, religions and regions. Our own experience of development is relevant to the democratic nations seeking development today and relevant to the design of the policies that should guide Canadian attempts to make global development more honest, more equitable and more long-lasting.

The focus of our foreign policy should be to consolidate “peace, order and good government” as the *sine qua non* for stable states, enduring democracy and equitable development. Other countries will always have larger development budgets than we do, but few countries know as much as we do about the intimate causal relation between good government and good development. Just as other nations—like