

Mr. Chairman,

I will be speaking to you today about Canada's relations with China. You suggested the subject; I hope you'll not mind my saying that you chose well. China's emergence as a world power is one of the most important developments in current international politics. Canada's recognition of the People's Republic of China just two years ago yesterday, and Canada's part in the assumption by Peking of China's seat in the United Nations, are among the most important developments in Canadian foreign policy of the last two decades. What do these developments mean for Canadians? What do they mean for you, as citizens and as businessmen? What may we expect from this new relationship with a government representing one-quarter of mankind? What should we learn not to expect? I have ideas on all these matters, based in part on impressions I gained during a ten-day visit to China in August. I am glad to have this opportunity to share these ideas with you.

First, some history: In April, 1949, the Chinese Communist Army entered Nanking. This was the old capital of the Nationalist Government, where the embassies of foreign governments were located. Among these was the Canadian Embassy, for Canada recognized the Nationalist Government. The occupation of Nanking symbolized the end of Canada's old relationship with China. This relationship was to remain broken for over twenty years. It was not restored until October 13, 1970, when Canada and the People's Republic of China entered into diplomatic relations.

During those twenty years, Canada's relations with China were at best non-existent and at worst, dangerously bad. It was clear from the beginning that the Peking Government was effectively in control of its territory and people. In other words, it met some of the classic tests for recognition. Successive Canadian Governments between 1949 and 1968 therefore examined the possibility of entering into official relations. But for years, there were serious obstacles to doing so.

Soon after the establishment of the People's Republic of China, Canada and China were involved on opposite sides in the Korean War. That made it impossible for any Canadian Government to consider establishing relations with Peking either during the hostilities in Korea or in the atmosphere of bitterness that followed. But in the intervening years, spokesmen for the Canadian Government speculated publicly, at the United Nations and elsewhere, about how contacts could be established with the People's Republic of China on terms acceptable not only to the Chinese but to the international community generally. The central problem was that the Nationalist Government in Taipei and the Peking Government both claimed to be the sole legal government of China. Any formula for entering into relations with the Peking Government had to deal successfully with the dilemma posed by these mutually exclusive claims.

For years, no such successful formula could be found. Meanwhile, Canadian Governments tried to avoid making the problem worse for themselves. Between 1949 and 1968, official Canadian representation abroad doubled, but no Canadian embassy was ever opened in Taipei. In 1966, instead of voting against the annual resolution proposed by Albania in the United Nations, which would have given the China seat to Peking and unseated Taipei, Canada shifted to an abstention. Decisions like these looked forward to a time when it would be possible for Canada to recognize Peking.

The Prime Minister decided in 1968 that the time had come. In his election campaign in May of that year, Mr. Trudeau declared that it would be