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STATEMENTS AND SPEECHES

China and Canada: The Months Ahead

Statement by

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Canada

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These past few weeks have been tumultuous ones in China and a great shock to the many Canadians who have an interest in China and in the relationship between our peoples.

You are aware of the Government's reaction to the brutality of June 4 and to the subsequent campaign of repression unleashed by the regime in Beijing. I announced in the House of Commons on June 5 a series of measures that constituted an initial response to those events, and we have subsequently taken a number of other individual steps.

Today I am announcing several adjustments to Canadian policies in light of the changed circumstances created by the events in China.

Canadians from many walks of life have a stake in our relationship with China. Some Canadians have ties of heritage and language. Academics, professionals and others have spent enormous proportions of their lives learning about China, and sharing the triumph and the tears of China's growing pains. Business people have invested substantial effort and resources - of their own, of their employees and of their stockholders - in building business relations with China. Our farmers have turned their land into a breadbasket for China, and today the China trade represents Canada's largest grain market.

So it is not surprising that there has been such extraordinary attention paid by Canadians to Tiananmen Square and its aftermath. As a country we have a great deal invested in our relationship with the People's Republic and the one-quarter of the world's population that lives there.

It is precisely because of this diversity of legitimate interests that the Government convened last week's "National Round Table", which brought together industrialists, academics, non-governmental organizations and representatives of the Chinese Canadian community. That Round Table produced a virtual consensus on where we should be going in our relationship with China over the next few months, and the few voices dissenting from that consensus argued on points of tactics, not on broad objectives or strategy.

In addition to the National Round Table we have had a special session on China in the House Standing Committee on External Affairs and International Trade.

Both the Prime Minister and I have met with representatives of the Chinese Canadian community, Mr. Mulroney in Vancouver and I here in Ottawa. Our colleague, the Minister of Employment and Immigration, subsequently met with representatives of that community in Toronto.

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";

- Third, we must try to avoid measures that would push China towards isolation; and
- Fourth, we should try to maximize the impact of whatever measures we adopt via a relatively coordinated approach of like-minded countries.

With these basic parameters in mind, we will be analyzing various parts of our relationship, and events and proposals that come before us in the months to come, against certain criteria that have been designed to reflect the new reality in China:

- First, the existing links forged by government, industry and academics over the past decade should be preserved to the extent possible;
- Second, new initiatives in the relationship should focus on people-to-people exchanges; and
- Third, programs which benefit or lend prestige to the current hardline policies of the Chinese government, most particularly the military or state propaganda apparatus, should be avoided.

Against these basic groundrules, the series of further measures we are adopting at this time contain adjustments to most of the broad constituent parts of our relationship.

At the level of our overall political relationship with China, we will continue for the time being to defer high-level contacts with the Chinese Government. We will also continue to pursue human rights actions in UN agencies - particularly the ECOSOC and the Commission on Human Rights, and we will enhance the human rights monitoring capacity of our Embassy in Beijing. Other possible measures will be discussed at various international and multilateral events in the months to come.

The benefits of a certain amount of international unison makes it particularly important to stay in touch with our friends and allies in the weeks and months to come. The Paris Summit will be the first major meeting that will permit us to talk collectively about how to manage our China relationships, and we expect that meeting will provide the opportunity to consider the extent to which our concerns and responses are similar. This being said, it will remain important not to help the hardliners' propaganda in China set up a straw man of a western coalition ganging up on China.

On the development assistance front, we intend to withdraw from three projects which we believe fail the test of the new criteria - preserving links, people-to-people exchanges, and no support for the military and propaganda apparatus. The three projects involve support for state auditor training, a lube oil centre, and urban traffic management. In addition, we will keep on hold four of the five agreements for which the signings were postponed in the immediate aftermath of the Tiananmen incident. We will, however, proceed to sign a project linking community colleges with their Chinese counterparts. We will also be suspending indefinitely activity associated with the Three Gorges project, and be placing new emphasis on people-to-people exchanges, and on an increased flow of students to Canada.

On the economic front, we will be proceeding with a number of adjustments. First, we will henceforth be applying the criteria I outlined when new projects are considered for support under the EDC line-of-credit. We will be cancelling one project - a television transmission facility - which is clearly supportive of China's state propaganda apparatus. Along with other countries, we will be examining the possibility of suspending further streamlining and liberalization of the COCOM export controls as they apply to China, and we will be suspending government funding for participation in PRC-hosted trade shows and exhibitions for the remainder of the year. Finally, we will be downgrading Canada's trade representation in Beijing in response to the changed circumstances and in anticipation of an expected downturn in trade activity.

In the area of communications and cultural exchanges, we will be making very few adjustments. As a government we feel it is particularly important to sustain cultural and people-to-people links at this time. We have had many requests about the various twinning arrangements and institutional linkages that exist between our provinces, municipalities and non-governmental organizations and their Chinese counterparts. What we are saying to them today is not to cut their ties but to reach out to their counterparts, to their contacts with the objective of keeping the doors open, keeping the exchanges operating and information flowing. The more contacts people from all walks of life in China can have with their Canadian and other friends, the less likely the success of the onslaught of the hardline propaganda machine.

At the same time, we are calling on the CBC to suspend their Broadcasting Aide Memoire on joint production for radio and television programming with Chinese state radio, given the latter's current role in China's propaganda efforts.

As you know, Radio Canada International advanced by ten months its program for Mandarin broadcasts into China, from next April to last week, and we will be exploring with them the possibility of increasing the length and the frequency of future broadcasts. We are not talking here of western propaganda, we are talking about the kind of straight news and information broadcasts that are standard Canadian fare. We leave it to Chinese listeners to make their own judgements about what is truth and what is not.

On the immigration front, we have attempted to respond to increased demand by beefing up our processing capacity in Beijing and Shanghai. We have to date been giving priority to students, and to the families of students and others here in Canada, and we will be looking at further measures as the weeks and months advance.

With respect to Chinese students here in Canada, the Government has already taken steps to respond to the uncertainty they have felt in light of the radically changed environment in their homeland.

I and my colleagues the Minister of Employment and Immigration and the Minister of External Relations and International Development have prepared a series of measures to address the situation of Chinese students here in Canada, their ability to support themselves while here, and their longer-term status. We have emphasized that we are willing to extend student Visas for a year and we have established mechanisms to ensure that work permits, job counselling services, and financial support will be in place for those who need it. At the same time, we are not encouraging Chinese students here to take hasty decisions. We are not pressuring them into definitively cutting their ties to China - we are simply saying that you are welcome during this period of uncertainty. If in the end they choose not to return to China, then we will look at individual cases sympathetically, but we continue to hope that the situation in China will encourage them to decide, at the end of their academic programs, to return to China, bring with them Canadian concepts, Canadian ways of doing things, and a healthy commitment to truth and the rule of law.

There is separate press material available on the programs being put in place with respect to the students and so I do not think there is any need for me to delve into the details here. I might add, however, that these programs are an excellent example of cooperation between a variety of communities here in Canada, cooperation made possible by the consultative process we have adopted in response to the events in China.