STATEMENTS AND SPEECHES

DÉCLARATIONS ET DISCOURS

90/9

Notes for a speech by
the Right Honourable Joe Clark,
Secretary of State for External Affairs,
at Humber College, Lakeshore Campus
on Canada and the New Europe

Toronto, Ontario
May 26, 1990

External Affairs and International Trade Canada
Affaires extérieures et Commerce extérieur Canada

Canada

FOREIGN POLICY COMMUNICATIONS DIVISION (BPF)
DIRECTION DES COMMUNICATIONS SUR LA POLITIQUE ÉTRANGÈRE (BPF)

Around the world, 1989 will be remembered as the year of European revolution. The Berlin Wall crumbled; the Iron Curtain disintegrated; totalitarian regimes collapsed; and a new Europe was born.

Canadians watched with wonder as what we thought would take decades came to pass in weeks. The impossible suddenly became possible and the dream became reality. But that reality, while hopeful, also carries heavy responsibilities - for Europeans and for Canadians.

If 1989 was the year of revolution, 1990 marks the beginning of a decade of re-construction. Euphoria still lingers but the hard work now lies ahead. The events of 1989 swept away oppressive and outdated economic and political structures. But new societies and new institutions remain to be built. That task has only just begun.

The remarkable events in Central and Eastern Europe are intensely personal for millions of Canadians whose roots are there. Many have ties of language and family. Some were forced to flee by the very regimes which have now collapsed. Most have family or friends whose hopes were thwarted, or lives diminished, by those old regimes, but who have the prospect now of building new lives and new societies in old homelands.

Virtually no other nation possesses the web of intense personal connections to Eastern and Central Europe which we have in Canada. That gives us a special interest, and a special capacity, in helping those societies become prosperous and free.

The revolution of 1989 has fundamental implications for the entire European continent - and for North America which, in terms of culture and history, is Europe across the Atlantic. The requirement for leadership and imagination extends across all issues - political, military and economic. That requires a new Canadian approach not only to Central and Eastern Europe but towards the entire European region.

On February 5th, at McGill University in Montreal, I announced the initiation of a review of our policy towards Europe. The purpose of that review has been to define Canadian interests in Europe and to develop a strategy to secure those interests. I would like to share some thoughts with you that have arisen through that review.

I begin with two basic observations. The first is this: Canada's stake in Europe should not be taken for granted. We have interests around the world and our past preoccupation with Europe is no argument for a focus for the future. Nostalgia is

no basis for policy. Our interests in Europe are real, contemporary and compelling.

The second observation is that Canada's wishes will not necessarily determine Canada's role. Powerful new economic and political forces are at work, forces over which Canada has limited influence. A European role will not be bestowed upon us because we decide it is in our interest. It must be earned. That requires imagination and realism and hard work.

What are Canada's primary interests in the new Europe?

One of them is to help ensure that Europe does not again become what it once was. Ano is to help ensure that Europe becomes a positive force for change both at home and around the world.

Our primary interest is the interest in peace. Two world wars this century have taught Canadians that a Europe at peace with itself is a Europe at peace with the world. Security in Canada has no meaning without security in Europe.

Our economic prosperity depends upon a stability in the world. Threats to that stability are threats to our prosperity.

More directly, as a country dependent on trade for 30% of our GNP, the unifying market of Western Europe is vital for jobs and prosperity in Canada, and the vast and untapped markets of Eastern Europe constitute a long-term opportunity of potentially immense proportions.

Politically, the values which have triumphed in Europe are our values too. We rejoice in their ascendancy and also take comfort in the fact that democracies are inherently more peaceful than the totalitarian alternative. The construction of durable democracies there is not only a moral quest; it is also a security imperative.

Finally, Canadian interests in the new Europe relate not only to what occurs there but also to what is occurring elsewhere. For decades, our preoccupation with a brittle peace in Europe has hindered our ability to deal with mounting global problems - the threat to the global environment, the crises of international development and debt, the evils of the international drug trade and the proliferation of terror and weapons of mass destruction. Many of these problems do not have European origins. But our preoccupation with Europe - ideologically and militarily -has kept these other priorities far too low on the global agenda. With Europe at peace with itself, we can turn together to a planet in need of urgent action.

So we are not interested in Europe for reasons of history,

or nostalgia, and certainly not for reasons of charity. It is not only their prosperity which is at stake, it is ours. It is not only their security, it is ours.

While our interests in Europe remain strong, the means by which we pursue those interests must change radically. They must change to reflect the new security framework now in evolution; they must change to reflect the growing power and unity of Western Europe; and they must change to reflect the particular advantages and assets of Canada.

The primary Canadian bridge to Europe has been our contribution to the North Atlantic Alliance. That contribution has involved thousands of Canadian troops on the ground in Germany, troops whose lives have been put on the line daily in the defence of freedom. In a real sense, that contribution of Canadian lives can have no substitute and no parallel.

That military contribution is bound to decline. It will not be a decline which we regret, because it will be a product of the long-sought reduction in East-West tensions which is the result of the new Soviet foreign policy, the dissolution of Soviet control over Eastern Europe and the unilateral and negotiated reductions in conventional and nuclear forces. At long last, we are moving from a partial and artificial peace to a comprehensive, more natural peace, a peace where intentions are becoming benign and capabilities are being reduced to the point where surprise attack is no longer possible.

This process and this reality can only be applauded. What has begun must continue and a firm foundation must be built for a structure of lasting security at the lowest possible level of military forces, conventional and nuclear. That will not come suddenly or easily, but it is now a realistic goal.

It is a seeming paradox that NATO's very success requires the Alliance to renew itself. But in fact, that is easy to understand. An organization whose primary role has been to defend against plausible aggression must revise its role when that aggression becomes less plausible. It is only natural in these circumstances for NATO to assume a more political role, a role which would reflect both the new European reality and a declining military mission.

That is a change which Canada fully supports and which meets Canadian interests. But it is not enough to simply declare that NATO must become more political. NATO will only become a forum for increased dialogue if it is used for that purpose by all its members, European and North American. NATO cannot be declared more political; it must be made more political.

To a large extent, the future relevance of NATO will depend on the degree to which it adopts, reflects and strives for a broader definition of security. Security must become co-operative rather than competitive. The time for the zero-sum game is over. Even more than in the past, NATO must embrace security through arms control with as much vigour as it has pursued security through armament.

NATO must review urgently and comprehensively all aspects of its nuclear and conventional strategy. It makes little sense to retain nuclear weapons whose only target can be our new friends in Poland, Czechoslovakia and East Germany. It makes little sense to retain a military strategy which is based on a scenario of a surprise attack across a front which no longer exists and where surprise is no longer possible. And it makes little sense to continue to retain in Europe the largest peace-time deployment of military force in the history of the world.

This is not to deny the continuing requirement for prudence and military stability at this time of historic change. Twelve months do not invalidate the lessons of history. The possibility of instability is there and Soviet military capabilities remain substantial. Therefore, a strong military mandate for NATO continues to be valid and the North American commitment to Europe represented by the presence of Canadian and American troops there is crucial as we strive for strategic stability at significantly lower levels of military force.

But NATO cannot be seen as a barrier to the peace it has preserved so well for over 40 years. If NATO does not lead, it will lose the critical legitimacy it has enjoyed in Europe. NATO will be seen not as part of the solution, but as part of the problem.

It is important that NATO become even more actively engaged in the dynamic security dialogue now emerging between East and West. Those security questions involve NATO's members and NATO's interests; the Alliance should turn outwards to embrace its old adversaries and new friends.

To this end, early consideration might be given to the Soviet Foreign Minister meeting on a regular basis with NATO Foreign Ministers. Similarly, a direct and regular dialogue between the leaders of the Western Alliance and the USSR might be worthy of pursuit.

In the field of arms control and disarmament, NATO should develop an enhanced capacity and role in confidence-building and verification activities. Dedicated, multinational forces on the ground might be deployed for this purpose. NATO should also look to the establishment of a Verification Centre to co-ordinate these activities.

In addition, in the context of reviewing its military strategy, NATO should move away from a rigid forward defence to a much more flexible approach involving mobile units, possibly including forces of a multinational nature. NATO's new military posture should be designed to minimize force levels and to maximize stability. We want to reduce insecurity in the East.

But NATO, although it is of enduring value, has its limitations, a function of its mandate and its membership. There are other institutions whose role must be enhanced and transformed if they are to play a useful role in the elaboration of a new European system. And it is there that Canada must also focus its efforts.

Central among these is the Conference on Security and Co-operation in Europe. Its membership is comprehensive, encompassing the nations of Europe, North America and the Soviet Union. Its mandate extends across the board - to security, political and economic matters, as well as to human and social rights.

The principles embodied in its earlier accords provided the vision and the standards which helped inspire the brave democrats of Eastern Europe. The role of the CSCE must now be expanded so that it becomes the drawing board for the new European architecture. As a complement to NATO, the CSCE can become a true instrument of co-operative security, one which would supplement deterrence with re-assurance. And as the nature of European security expands beyond military balances to political stability and economic prosperity, there is a central role for the CSCE in the areas of human rights, economic co-operation and environmental action.

Until now, the CSCE has functioned on an intermittent basis. It has lacked the institutional framework now required for effective and ongoing co-operation and confidence-building. If the CSCE is to become the preferred forum for comprehensive discussions in the political, economic, security and human dimensions, it must develop the tools to perform those tasks.

Canada believes that continuing political direction from the highest level is required on a regular and ongoing basis if the CSCE is to realize its full potential. Canada proposes that the CSCE should meet annually at the level of Foreign Ministers and bi-annually at the level of Heads of Government. This political body could serve as the beginning of a Council for European Co-operation, a future, permanent forum for dialogue on pan-European issues.

The CSCE should develop a forum to reflect the increasingly democratic character of its membership. Therefore, we also

propose the establishment of a CSCE Assembly where parliamentary delegations from member states would meet on a regular basis to discuss issues of common concern.

In the security area, the CSCE will have a role in mandating a further round of conventional forces reduction talks. These talks should be conducted among all 35 members of the CSCE, rather than solely the members of NATO and the Warsaw Pact.

The CSCE should also increase its role in verification and confidence-building. Here, I have in mind a CSCE Verification Agency which would facilitate and co-ordinate verification and confidence-building activities mandated by the negotiations on conventional force reductions and confidence- and security-building measures. In addition, there is a potentially valuable role to be played by the CSCE in crisis prevention and conflict resolution. This could involve the creation of a mechanism whereby panels could be established to facilitate dialogue if a crisis develops involving any participating state and to conduct fact-finding investigations if required. This mechanism could recommend a strategy to resolve the crisis - whether it be mediation, arbitration or even peacekeeping. If the crisis develops into conflict, the CSCE could initiate mediation activities. These activities could be supported by a permanent Institute for the Peaceful Settlement of Disputes which would provide expertise for crisis prevention and conflict resolution activities.

Beyond the security field, the CSCE should build upon the other principles and undertakings contained in the Helsinki agreements. An early opportunity is provided by the Copenhagen Conference on the Human Dimension. The essential structures of democracy should become a common commitment of CSCE members, including the right to free elections and the rule of law. Pluralism should also be legitimized through the CSCE process, as should the rights of minorities, freedom of religion and a prohibition on hate propaganda.

In the economic dimension, the CSCE may also have a valuable role in the future, building on the tremendous success of the recent Bonn Economic Conference. It should not duplicate existing and effective economic institutions such as the OECD, the IMF and the new European Bank for Re-construction and Development. But there is room for growth in encouraging co-operation and dialogue designed to develop common principles of economic activity. I believe a permanent CSCE forum for economic dialogue, supplementing the emerging OECD work, is worth serious consideration.

One area requiring urgent attention in the East is the environment, which has been savagely disregarded and desecrated by the old regimes. One or more mechanisms might be created,

possibly affiliated with the CSCE, to provide expertise and serve as clearing houses for programs and information concerning the state of the European environment and efforts to clean it up.

In designing a new role for the CSCE, we must avoid duplication and new bureaucracies. The goal is concrete progress, not talkathons. In this connection, if the CSCE is to assume an activist role in the new Europe, it may well have to modify, perhaps on a selective basis, the current principles of unanimity in its decision-making process.

NATO and the CSCE are two complementary institutions in building the new Europe. But there is another institution - the European Community - which is central to Europe's future identity and prosperity.

The European Community is now a welcome and fundamental pillar of the international system. It is one of the great achievements of the post-war era, and has served as a magnet and model for the reforming countries of Eastern Europe. A uniting Europe is an engine of prosperity and a trigger to enhanced trade. Increasing co-operation in the political and, eventually, the security fields will ensure European consensus and co-ordination in ways which can only enhance international stability. The EC was founded to subsume past conflicts in the common interest; that mission remains valid for the future.

But as I noted in February in Montreal, a wall dividing Europe cannot be supplanted by a wall around Europe. Two impermeable blocs cannot be replaced by one new bloc which, whether in trade or security or political matters is less open to dialogue and co-operation than it is today. The new Europe must be an open Europe, open to the West and open to the East.

Canada has a particular interest in the evolution of an open, united Europe. Of course, we are not members of the European Community. Nor do we exert the sort of power which would ensure their sensitivity to our concerns. But we are traders. And we have a profound interest in the questions of foreign policy which are increasingly the subject of European Political Co-operation.

It is for this reason that Canada is now proposing a new phase in the development of Canada-EC political relations. This relationship should become more regular and more institutionalized. We are proposing regular meetings between the Prime Minister of Canada and the President of the European Council. These should be supplemented by regular in-depth discussions between the Canadian Foreign Minister and the Foreign Minister of each incoming Presidency. There should also be regular meetings between Canadian officials and experts on issues of common concern. In addition, we propose that there be an

exchange of priorities at the beginning of each Presidency which would set the agenda for the upcoming period.

And finally, I was very attracted by West German Foreign Minister Genscher's proposal to me for an EEC-North American Declaration which would confirm shared principles and interests in openness and enhanced co-operation. Certainly, a broad re-affirmation of the trans-Atlantic relationship would be useful.

In trade, the challenge is acute. The Government has already announced its Europe 1992 strategy to help Canadian industry prepare for the opportunity and demands which the Single European Market will present to all traders. However, I also believe there may be virtue at the conclusion of the Uruguay round of trade negotiations in examining the desirability of a formalized, open trading arrangement between Canada and the EC, perhaps including the United States - or indeed other members of the OECD.

I would like to address briefly one issue at the centre of Europe's evolution: the unification of Germany. The degree to which that historic union is accomplished smoothly and without rancour will determine the future pattern of European relations. We have articulated many times our strong support for a free, united and sovereign Germany - within NATO and the EC - a Germany which will be a powerful instrument of stability, unity and prosperity at the heart of Europe.

The so-called "2 plus 4" talks now underway - and initiated in Ottawa at the Open Skies Conference - are looking at the external aspects of German re-unification. Those talks must succeed.

There are delicate and important issues to resolve at those talks and elsewhere - within NATO, the EC, at the Vienna talks and between a united Germany and its neighbours. These include the future of Germany in the Alliance, the size and status of stationed and German armed forces, and the implications for NATO's nuclear deterrent.

As these crucial issues are addressed, two realities must be borne in mind: the fact that the Soviet Union has legitimate, central security pre-occupations which must be accommodated; and the requirement to ensure that Germany's role retains the popular support of the German people. On these two points more than any other, success and stability will rest.

A new direction for NATO, an expanded role for the CSCE, and an intensified relationship with the EEC: those are the institutional pillars of our new policy towards Europe. They reflect our assessment of the most effective means by which the new Europe can be built. And they also reflect Canada's

interests and assets - political, security and economic - in ensuring that we are at the table, that trans-Atlantic links are maintained and that our priorities are addressed.

But our policy towards Europe hinges, as does the future of the new Europe itself, on the continued success of the reforms now underway in the Soviet Union and Eastern Europe. Those reforms have a long way to go before promise becomes reality. There is a period of sacrifice ahead which is both inevitable and daunting. The road will be rocky. There will be set-backs. As totalitarian control is lifted, old nationalisms and unaddressed antagonisms will re-emerge. Courage, imagination and statesmanship are required on the part of the governments and populations of the East. And on the part of the West, patience and prudence will be necessary. The East will not repair in months or even years four decades of damage to their societies. As President Havel stated before the Council of Europe two weeks ago, "What we have inherited from the former regime is a devastated landscape, a disrupted economy and, above all, a mutilated moral consciousness...We find there is almost nothing we are good at and much that we have yet to learn. We must learn political culture, independent thinking, and responsible civic behaviour."

The task of simultaneously constructing democracy and an open market economy, and doing it from the ground up is unprecedented. It has never been attempted in the history of mankind. The West has an abiding interest in seeing the East succeed. That is why, last year, we established a program to assist Poland and Hungary in their efforts at economic reform.

That program involved: $12 million in emergency food aid; $20 million in export credit insurance for Poland; and $10 million for economic development. Specific projects have included:

- support for the innovative International Management Centre in Budapest for management training, the newly named Dean of which is a Canadian;

- a training program for Polish farmers in livestock and farm management;

- the provision of 41 volunteer professionals to business and industries in Hungary and Poland;

- a grant to York University's School of Business Administration to train 40 middle-managers from Poland and Hungary. This will include attachment to Canadian firms;

- assistance in establishing an English/French language

training centre which will also focus on teaching the principles of democratic government and human rights.

In addition, senior Canadian Ministers have visited Eastern Europe, Canadian MPs have monitored elections in Romania, Elections Canada has provided advice to Czechoslovakia for its elections, expertise has been provided to Poland in the area of privatization, and my Department has hosted a session of investment seminars for Poland across Canada.

It is time for the international effort to expand to include the other new democracies emerging from the revolution of 1989. In the weeks ahead, the 24 countries which co-ordinated the program for Hungary and Poland will meet to broaden that effort to include these other countries. Canada will support this initiative and we will announce our own expanded national program in the near term. Canada will also participate fully in the European Bank for Re-construction and Development, to be established shortly. That Bank will provide much-needed capital to fund private sector initiatives and infrastructure throughout Eastern Europe. It will also introduce those countries to the culture, concepts and language of business.

We have established a Task Force on Central and Eastern Europe, which will elaborate the details of our expanded assistance program, administer it, and co-ordinate private and public sector activities. This Task Force has begun an intensive series of consultations with Canadian groups and individuals, encouraging them to participate financially and in practical, concrete ways - and asking them for their advice on initiatives we might undertake.

The Task Force will explore a three-pronged program of co-operation. The first would be a program of support for Canadian business, which could include trade-promotion, management training, support for trade councils and feasibility studies. The second focus would be on economic development, which could consist of technical assistance and management training in many areas, including agriculture, law, taxation, privatization, environment, finance and telecommunication.

The third element would be a political co-operation program designed to ensure that democracy is secure while the countries of Central and Eastern Europe experience their turbulent transformation. Our priorities would be to provide expertise in the areas of elections, law reform, a free media, the development of a professional public service, human rights, and the democratic political process. We would encourage people-to-people contacts.

Assistance to Eastern Europe is not a question of charity. It is a matter of hard common sense and self-interest.

Assistance to Eastern Europe is also not a matter of dumping large amounts of cash into the hands of these new governments. What is more important and more effective is the provision of expertise, the training of managers and decision-makers, the teaching of the tools of democracy, and the encouragement of private sector investment in specific projects and enterprises.

In this task, Canada has an asset available to no other nation. We have our multicultural community. One in ten Canadians is of Soviet or East European ancestry. These Canadians enhance our prosperity and enrich our culture. But they are also a business asset, a trading asset for Canada. They know the customs. They know the decision-makers. They know the systems. And they know the languages.

Already, Sonia and Thomas Bata, the Reichmanns and Andrew Sarlos have blazed new trails into the East. But they are only the tip of the iceberg. There are hundreds of Canadians who are also active in pursuing new opportunities in Europe and many thousands more who have priceless talents to offer. I encourage these Canadians to exercise their natural advantages, to tell us how we can help and how we can do what we do better - and to pursue this opportunity of a lifetime.

I would like to conclude with three observations.

First, the policy I have discussed today addresses a Europe in transition. The policy itself must also evolve with the region it addresses. Europe is not static; and neither will be Canadian policy.

Second, I have described the extraordinary Canadian advantage represented by our multicultural community. That advantage also carries with it responsibilities. One of those responsibilities is this: As Europe frees itself from the shackles of the past, old animosities are re-emerging, animosities frozen by repression and made more dangerous by the absence of traditions of compromise. These animosities can threaten the very social stability which will be required if democracy there is to survive. We Canadians - all Canadians - have a responsibility to avoid fanning the flames of intolerance. We also have an opportunity to encourage compromise and accommodation - the only avenue for societies who wish to turn their back on the old ways and embrace a democratic future.

One final point. What is happening in Europe illustrates graphically today's <u>imperative of interdependence</u> - interdependence between countries and regions, and interdependence between issues - political, military and economic. Interdependence means opportunity. It also means challenge. Global existence today does not have an escape clause - or an escape hatch.

How we behave towards each other at home has an impact on our interests abroad. And what we do abroad determines how prosperous and safe we are here at home.

Engagement with the new Europe is not a luxury; it is a necessity. And Canada will be there, as we must, for our own sake, our own security, our own prosperity.