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D'ÉTAT AUX  
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EXTÉRIEURES.



NOTES FOR A STATEMENT BY THE  
SECRETARY OF STATE FOR EXTERNAL AFFAIRS,  
THE HONOURABLE MITCHELL SHARP,  
TO THE ANNUAL FALL MEETING OF THE  
ONTARIO REGION OF THE CANADIAN  
JUNIOR CHAMBER OF COMMERCE,  
TAMO'SHANTER, TORONTO,  
SATURDAY, OCTOBER 14, 1972

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

the aim of his Government to recognize the People's Republic of China as soon as possible and to support the right of that Government to occupy China's seat at the United Nations.

How quickly times change! When the newly-elected Government undertook a review of this country's China policy, some expressed doubts. We were asked why a change was necessary. Such questions seem inconceivable today. Events have shown how well-timed the Canadian move was. In this, we anticipated history more accurately than some of our friends. At the time, we said Canada had to act in accordance with the realities of international life. The Government in Peking was the effective government of China. It had been so for almost 20 years. How could we have gone on ignoring this fact? This seems obvious now. It was less so to many people four years ago. But in the intervening years, following Canada's example, and generally for the same reasons, close to 30 nations have established diplomatic relations with the People's Republic of China. How much credit can Canada take for this turn of events? I cannot say. The Chinese certainly believe Canadian action was influential. I am satisfied, anyway, that the Government made the right decision at the right time.

So we had decided to negotiate with the Chinese about recognition. The next puzzle to many people was, why was it taking so long? The Sino-Canadian talks on recognition lasted 20 months. There is no great secret about the reason for this. The problem was Taiwan. From the very first meeting in Stockholm in February, 1969, the Chinese side made clear to us their position that Taiwan was an inalienable part of the territory of China. This was a principle to which the Chinese Government attached the utmost importance. We too made Canada's position clear from the start: the Canadian Government neither endorsed nor challenged the Chinese Government's position on the status of Taiwan. This remains Canada's position to this day.

After much discussion, both sides agreed to a joint communiqué. On the status of Taiwan, it said simply: "the Canadian Government takes note of this position of the Chinese Government". This formula, or one something like it, has been used during the last two years by most of the countries which have followed Canada in establishing relations with Peking. The sino-Canadian communiqué of October 13, 1970 was the world première of a performance repeated many times since. The formula we worked out with the Chinese has entered the jargon of specialists as "the Canadian formula". Like so many important things, it all seemed so simple once it had been worked out. But remember: working out this simple formula took almost two years of steady work.

I was proud to announce to the House of Commons that Canada had recognized the People's Republic of China. It was an historic moment. A decisive step arising from the Government's review of foreign policy had taken place.

But I was very much aware that this was just a first step in the development of relations between Canada and China. Even between 1949 and 1970, despite the lack of official relations, there had been contacts in a number of fields. Wheat sales had already made our trade relations with China important. Apart from trade, a few Canadians had travelled to China in those years, seen for themselves something of the Chinese experience, and established contacts with Chinese people. This had been possible, even in the absence of diplomatic relations, because the Canadian Government, unlike some, never put restrictions

on travel to China by its citizens. But such contacts, however significant they might have been for individual Canadians involved, were very limited.

At the time of recognition, there remained, in fact, a great deal of ignorance and misconception about China in Canada. The average Chinese did not know much about Canada either. Canada and China had gone their separate ways for twenty years without any official contacts. I was deeply conscious of the need to use recognition to increase mutual understanding. Canadian diplomats and trade experts immediately set to work. The Canadian Embassy in Peking was set up within a few months. Ralph Collins, Canada's first Ambassador to the People's Republic of China, took up his post in June, 1971. Chinese diplomats arrived in Ottawa in February, 1971. The first Ambassador of the People's Republic of China to Canada, Mr. Huang Hua -- now his country's permanent representative to the United Nations -- presented his credentials in Ottawa in July of the same year. The process of getting to know each other officially had begun well.

The gap to be bridged was enormous. We were two of the world's largest countries, separated by the world's widest ocean. Ideology had widened the gap geography created. But we were bound to come increasingly into contact. Canada wanted these contacts for the sake of Canadian interests and for the good of the international community at large. China for its part was obviously ready for a more outward-looking and more active role on the international scene. Areas where Canada and China could both benefit from more extensive contacts had to be identified and carefully studied.

A significant step was taken in the summer of 1971 when my colleague, Jean-Luc Pepin, the Minister of Industry, Trade and Commerce, led an important delegation of Canadian officials and businessmen to the People's Republic of China. This mission, the first Canadian Government mission to visit China, sought to establish close contacts with Chinese Ministers, officials and business representatives in all spheres of economic and commercial activity. This objective was fully achieved. During the three working days the Canadian group spent in Peking, no less than 25 separate formal meetings were arranged with representatives of each of the seven state trading corporations responsible for China's export and import trade, with the People's Bank of China and with the China Council for the Promotion of International Trade.

Through first-hand contact with the Chinese economic Ministries and with the foreign trading corporations, the members of the Pepin mission were able to advise the Chinese in considerable detail of the range, variety and technical sophistication of the many products which Canada could supply to the Chinese market. Much of this was new to the Chinese. A good deal of attention was also given to exploring with the Chinese those areas where they might expand their exports to Canada to the benefit of both countries.

The first mission quickly produced results. We agreed with the Chinese to exchange missions in areas of particular commercial interest to both our countries, to hold trade exhibitions in each other's country and also to hold periodic consultations on trade matters. In the course of this visit, Foreign Minister Pai Hsiang-kuo accepted an invitation to visit Canada with a Chinese trade delegation. From the Canadian viewpoint, one of the most significant achievements of Mr. Pepin's mission was China's agreement "to consider Canada first" as a source of wheat. Canadian traders and farmers could be well satisfied that the official phase of our trade relations with the Chinese had begun so well.

Political developments were equally important. At the United Nations General Assembly in the autumn of 1971, Canada supported the resolution calling for the restoration of the rights of the People's Republic of China to the China seat in the United Nations. Canada's position was not only the logical consequence of our earlier decision to establish diplomatic relations; despite differences with some of our allies and friends, it was also in accordance with the desire of the large majority of countries represented in the United Nations. Canada was thus particularly pleased to join in welcoming Chinese representatives to the United Nations last year. Since then, at the United Nations headquarters in New York, in other international agencies and conferences, and in Peking and in Ottawa, Canadian and Chinese representatives have usefully consulted about everything from pollution to arms control. We do not always agree with the Chinese. Many times, our views are diametrically opposed. But even when we differ, we have found it possible to discuss the differences frankly, even vehemently. We have not found it necessary to cover up our differences or to talk around them. We have not had to pretend that the differences were not there, or that they could be ignored. It is no surprise that we differ, nor need this detract from the usefulness of meeting and exchanging views. Indeed, Canada argued that it was foolish and dangerous to exclude one quarter of humanity from the counsels of the world, whether we agreed with what their Government said or not. The candour of dialogue with the Chinese is a virtue in itself. We should not be discouraged from pursuing it by fears that we risk making matters worse by disagreeing with the Chinese as often as we do. Talking is better than fighting. The Chinese appreciate this as well as we do.

It was in this spirit that I undertook my recent journey to the People's Republic of China. My purpose was two-fold: to hold talks on bilateral and multilateral questions with the Chinese leaders and also to inaugurate our Solo Trade Exhibition in Peking. The Exhibition was the largest Canada has ever held abroad. I wanted to underline the importance the Government attached to it. And, as you know, it was a resounding success: 28 million dollars worth of Canadian goods were sold. Direct contacts were established between Canadian businessmen and representatives of Chinese trade corporations which will almost certainly lead to more sales.

By happy coincidence, China's Foreign Trade Minister Pai Hsiang-kuo arrived in Canada for a 10-day tour just as I entered China. During his stay, he was shown a good cross-section of Canadian industrial and technological capacity. Minister Pai inaugurated the Chinese Exhibit at the Canadian National Exhibition here in Toronto. You know what a remarkable success that exhibit had. The Chinese Trade Minister also met officials and representatives of all spheres of the Canadian business world. I returned from his country feeling that one more step had been taken in understanding China, its people, its way of life, its place in the world and what it expects of its contacts with other countries. I am sure he felt the same about his visit to Canada.

But what struck me above everything else in my talks both with Premier Chou En-lai, Foreign Minister Chi Peng-fei and other high officials of the Chinese Foreign Ministry was the ease and candour with which we were able to exchange views even on fairly delicate subjects. I was determined from the start to be frank and open with the Chinese. I felt if we were to have a useful dialogue, we should both express our views clearly and have an opportunity of arguing about them. That is exactly how it happened -- as it turned out, the Chinese were astonishingly frank in their comments to me about international questions and about relations between Canada and China.

On bilateral issues, fortunately, we have no serious problems. Our relations have been developing rapidly and smoothly. We're making progress in breaking down the barriers that have existed for almost a generation between the People's Republic of China and Canada. I hope that we shall make further progress; we would like to see a greater movement of people and an intensified exchange of ideas. The day has not yet come when Canadians can visit China as they visit the United States or Europe. For the time being, the Chinese have neither the desire nor the capacity to cope with large-scale tourism. This is understandable. They have diplomatic relations with some 70 countries. People from all these countries, as well as from some which do not have diplomatic relations with China, want to go to China. China's facilities for receiving them are still limited. Consequently, the Chinese authorities have to be selective in granting visas. They do so according to their own priorities. More and more foreigners will be allowed to visit China. Meanwhile we Canadians can't complain: this past August more than 600 visas were granted to Canadian businessmen, officials and athletes.

During my visit, the possibility of more exchanges in the fields of education, art, sports, medicine, science and technology were discussed. Some important exchanges were arranged. A high-level oil and petroleum mission has just completed what appears to have been a very successful 3-week tour of Canada. It has given the Chinese a good look at our technology and our capacity in that field. In November, we will receive a delegation of Chinese medical doctors and another delegation of Chinese scientists. Negotiations are also in progress to bring a group of Chinese acrobats to Canada very soon. I saw them perform in Peking. I'll bet they'll be a sensation here. From the Canadian side, a mining and metallurgical mission has completed plans to visit China.

All these exchanges of course will be made easier by the establishment of a direct air service between Canada and China. A Chinese delegation was in Ottawa this week for the second round of negotiations on a bilateral air agreement.

I am happy to announce that the agreement was signed yesterday. Air service between Canada and China will probably begin early in 1973.

There is one other aspect of our relations with China that might be mentioned here. I took the opportunity of my talks with Chinese leaders to urge them to give sympathetic consideration to requests by Chinese-Canadians to bring their close relatives now living in China, to live with them here.

In short, my talks covered most aspects of Canada's relations with China. We explained our respective positions, opened new areas to the exchange of people and ideas, and, to judge from the results already achieved, gave a general stimulus to contacts between Canadians and Chinese.

On international questions, of course, we differed on many issues. We have an entirely different approach to disarmament. They want to continue nuclear testing; we want all testing to stop. They seem less worried than we are over the spread of nuclear weapons. We want Bangladesh in the United Nations now; they want certain conditions to be fulfilled first. And so on. But I came away from my meetings in China with a better understanding of why the Chinese hold the views they do hold in international affairs. To read about the Sino-Soviet split, for example, is one thing. But to hear China's leaders evoke the events which led to it as they saw them, and to sense how deeply

China's differences with the Soviet Union affect China's policies on many issues, is quite another.

For my part, I tried to tell those I met not only what Canada's policy is on international questions, but also what geographic, historic, human and economic factors shape our foreign policy. I explained how we view the world and our role in it and gave particular emphasis to our policy of living distinct from but in harmony with our great southern neighbour. I am convinced that through official and informal talks, as well as through the numerous contacts established by Canadians who were in China this summer, the Chinese now know a great deal more about who we are, what we think and do, as well as what we can produce and sell.

I spent a total of ten days in China. In such a short time, one doesn't become an expert on a country like China. But any traveller is bound to be struck by certain things about the country itself. The first thing that strikes anyone who travels about the country as extensively as I did -- by plane, train, car and boat, and for a hundred yards or so by bicycle -- is that China is first and foremost an agrarian society. All the Chinese officials who spoke to me constantly stressed this. They all set their first priority as agriculture; second, light industry and third, heavy industry. This emphasis on agriculture, on food production, is evident everywhere. Others have said it before me, but now I can say it from my own observation: China is a garden. There is not a square inch of arable soil that is not cultivated. My picture of China is of people in the fields working, planting, harvesting, weeding, fertilizing, irrigating, making the best possible use of the land. What the Chinese have achieved in the countryside is enormous. Chinese agriculture is not yet mechanized, at least not by Canadian standards. The Chinese are, however, aware of the need to simplify some tasks by letting machines do the work. Gradually, tractors and more sophisticated agricultural tools and equipment are being introduced. But such tools or machines are more likely to bear the stamp "Made in the People's Republic of China" than any other.

This is because the Chinese are determined to become and to remain self-reliant. China does not intend to depend, economically or politically, on other countries. This has some significance for Canada's political relations with China but more for our commercial relations; only if we understand that point will we be successful in trading with China. Self-reliance and foreign trade are not mutually exclusive. As China's standard of living rises, as China increases its capacity to meet its own needs, so also will China's capacity to import. Of course, the Chinese Government will not leave its imports to chance, any more than it does now. Imports will be planned, and planned with a view to making China self-sufficient. If I could leave one idea with this audience, it would be this: China wants the capacity to look after her own needs. If we can contribute to that capacity, then we will be successful.

The third very strong impression I had is that China is determined to take its place in the world, a place in keeping with China's size and its importance. Yet its leaders disavow any intention of assuming the role of a super-power. The Chinese make much of this point: they say they are not now, nor will ever be, a super-power. But how does one measure power? Super-power or not, China is a great country. The Chinese have already begun to have a profound effect on the course of events in the world. They will surely continue to do so.

Canada has made surprising progress in the development of its relations with the People's Republic of China during the past two years. I think the prospects for a greater exchange of goods, of services, of ideas and of people are excellent. We can continue to build on the foundation we have laid because China's leaders and the Chinese people think well of Canada. Of course there are deep and obvious differences in our social and political systems. But the Chinese have confidence in their new relationship with us. This basis of confidence and mutual respect will enable our two countries to develop not only our trade but all those ties that are the foundation of a civilized international order.