CANADIAN

FOREIGN POLICY

SERIES

89/12



External Affairs Affaires extérieures Canada

STATEMENTS AND SPEECHES

Speech by The Right Honourable Joe Clark, Secretary of State for External Affairs, to the Canadian Club

Canadä

Toronto, Ontario May 3, 1989

SYNOPSIS

- The release of the Rabinovich family and their reunification with their family in Canada last Sunday is one sign of what can only be called a revolution sweeping Soviet society.
- It is one of the most important developments in the world today and has profound implications for Canada's relations with the Soviet Union and Eastern Europe.
- The Soviet Union is now embarking on political, economic and legal reforms at home which will test this revolution.
- Gorbachev has also established new rules, goals and attitudes for Soviet foreign policy.
- Initiatives by the Western Alliance, and alliance sclidarity, made it necessary, and possible, for the Soviet Union to change.
- Western proposals which were earlier rejected are now being advanced by Moscow as their own.
- Canada must continue to be guided by the combination of defence and dialogue which has served the NATO Alliance so well for 40 years and which helped create the incentive for Mr. Gorbachev's reforms.
- Is it in our interest to see Mr. Gorbachev succeed? The unequivocal answer is yes.
- Canada and the West have a large stake in Mr. Gorbachev's success. We must applaud his efforts, unequivocally state our support for his domestic goals and help Soviet citizens develop the self-confidence and self-worth crucial to the success of reform.
- We must capitalize on the extensive relationship which we already have with the Soviet Union in the cultural, scientific, environmental, humanitarian and business fields.
- The Prime Minister's trip to the Soviet Union this fall will be an important catalyst for advancing this multifaceted relationship.
- The are many risks ahead, for Mr. Gorbachev and for all of us. We must act with prudence and imagination, conscious of the probability that we are at a genuine watershed in modern history.

Five months ago Alexander Rabinovich was again denied the right to leave the Soviet Union, because "he was party to state secrets, having worked a decade ago, in a Soviet communications facility." Last Sunday, the Rabinoviches were reunited with their family in Canada, because the question had been brought to the direct attention of the highest leadership in the Soviet Union.

That is but one sign of what can only be called a revolution sweeping Soviet society. It is one of the most significant, intriguing, and hopeful, trends in the world today, and has profound implications for East/West relations generally, and for Canada's relations with the Soviet Union and the countries of the Warsaw Pact.

The reaction of the West to these developments in the Soviet Union has been mixed;

- -- we are awed by their pace and scope;
- -- we are sceptical of their permanence and intent;
- -- we are apprehensive about both their success and their failure;
- -- and we are hopeful for ourselves and our children.

Those mixed reactions are understandable, and appropriate.

When frames of reference collapse; when some tried and true concepts are tested; when old limits shatter and new horizons emerge: the intuitive response is often to deny the change or to say that everything has changed. The challenge is to identify what has changed, and what that means for us.

Some scepticism is natural. After all,

- -- we have seen hopes raised before, only to be dashed:
- -- we have seen promises made, only to be broken;
- -- and an earlier generation was promised "peace in our time" only to return to conflict and recrimination.

But today, I believe we have entered a watershed. We are there partly due to our own persistence and prudence. The unity and the initiatives of the Western Alliance have made it possible and necessary for changes to come within the Soviet Union. But the fact that the changes have come, and are so pervasive and profound, is due to Mikhail Gorbachev, and the reformers he has brought to power. Mr. Gorbachev is embarked upon a journey of almost unprecedented risk, challenge and promise. He has undertaken to re-make Soviet society - initially from the top down and eventually from the bottom up.

This is an effort of almost unimaginable proportions. For any leader, anywhere. For we are not talking here about tinkering. We are talking about massive, structural change across the board - in all sectors and in all walks of life. And we are talking about changes in attitude and spirit as well as the concrete components of a society.

But this task is even more difficult for a <u>Soviet</u> leader.

The Soviet Union is a society of immense potential wealth - a massive territory, a large population, a storehouse of resources. But it is a society drained of spirit; an economy bereft of initiative; a populace deprived of freedom and driven to conform.

Not only does Mr. Gorbachev have to reform his society; he must teach his people to want reform: to replace complacency with initiative; conformity with variety; defeatism with optimism; and collectivism with individualism.

What is Mikhail Gorbachev up to and why?

In my view he has discovered a simple but profound truth: the Soviet system of the past has not worked, will not work and cannot work. It has failed, and failed miserably.

He also realizes that to change it requires more than a slogan, an adjusted 5-year plan, a special Party Congress or plenium.

It requires a revolution.

And so we have <u>elections</u>. For the first time, millions of Soviet citizens freely voting for multiple candidates. Real election platforms; candidate debates; differences of view. And the results? Reformers elected. A fired Politburo member, Boris Yeltsin, swept to victory in a landslide. And the old guard rejected in many areas through an extraordinary act: the crossing off of their names by a majority of the voters, even when they were the only candidate. A Canadian politician trembles at the thought.

Of course, this is not a Western democracy. The Communist Party still rules. The limits remain severe. The flower has barely shown buds.

But it is a beginning, a spring. And an important beginning at that, for once given the opportunity to express their views, the people are difficult to humble.

The Soviets are also engaged in fundamental economic reform. New words are being heard: decentralization; privatization; and the hallmark of capitalism -- profit. It is here where the stakes are highest and where the difficulties are greatest. It goes to the heart of the structure of privilege, corruption and complacency which has characterized the Soviet nightmare. It also demands that choices and opportunities not only be made available, but that they be treated as valuable by the worker.

This call to initiative, this exhortation to work harder and with pride is where Mr. Gorbachev's greatest vulnerability lies. For there is a quid pro quo. Soviet workers want evidence that their new efforts will be rewarded. They have to be enticed. Their attitudes will not change overnight, nor will they change because others want them to. They must be convinced. And the proof so far has been remarkable largely by its absence.

The dilemma is clear: the Soviet economy will not improve until attitudes and behaviour change. But attitudes and behaviour will not change until the economy improves. That is the most urgent test of Mr. Gorbachev's revolution.

There is another basic change, less publicized, but equally important. Mr. Gorbachev wants to reform the legal system. Much of the work is underway, largely quietly and behind closed doors. It is of abiding importance. For it demonstrates that Mr. Gorbachev wants to make his society less arbitrary, less capricious, less cruel. He seeks, in effect, to make it a society of laws, laws which many of us would still find repugnant, but laws nonetheless -- with due process, with rights, with duties and responsibilities. If he fails he will not gain the confidence of his countrymen that the system has changed. And if he does not safeguard the progress he has made through legal guarantees, his own grip on power becomes more tenuous.

And throughout, history is being re-written. Just as the present is precarious and the future uncertain, the Soviet past - once graven in stone - has been shattered. Old idols have been discredited. Joseph Stalin is now seen as being at the root of the Soviet economic failure. Leonid Brezhnev is now judged to have institutionalized stagnation. Unmentionable events are now documented - whether the bloody purges of the pre-War period or the Stalin-Hitler pact to dismember Poland. Criticism is encouraged. They say in Moscow that the most difficult problem today is "predicting the past".

It is in light of this multi-faceted revolution that we must evaluate the new reality in East-West relations. Mr. Gorbachev believes that prosperity and progress at home can only be purchased through peace abroad. That is not simply a question of reducing the stranglehold of the military on scarce resources. It is also a matter of seeking stability and prestige abroad to foster stability and prestige at home. And, eventually, it is a question of trying to benefit from the energy and resources of the Western economic system to help pull the Soviet economy out of its 19th Century doldrums.

Throughout the arena of global politics, Mr. Gorbachev has established new rules, new goals, and new attitudes for Soviet foreign policy. The withdrawal from Afghanistan, a more constructive approach to Southern Africa and the Middle East: all testify to a willingness to compromise, to seek realistic solutions, and to back away from the troublemaking and obstruction of the past.

Reform in Eastern Europe is not only being tolerated, but encouraged. Poland and Hungary are moving towards a form of pluralistic democracy, without let or hindrance from Moscow. And the repressive regimes in East Germany, Czechoslovakia and Romania are criticized by Moscow for their adherence to the old, cruel ways.

A new attitude has been brought to international organizations and multilateral cooperation. Part of the reason the the U.N. system has been reinvigorated is that there is a new Soviet acceptance of its relevance and utility.

And in those areas most fundamental to Western security - arms control and other aspects of the East-West relationship - we have seen a remarkable transformation. Western proposals previously rejected as untenable are now seized by Moscow and advanced as their own.

That happened when Mr. Gorbachev and President Reagan signed the historic agreement which eliminated a whole class of nuclear weapons.

It is reflected in the Soviet Union reversing the previous policy to embrace other Western arms control proposals - on a chemical weapons ban and on assymetric force reductions in Europe.

Real compromise, real give and take, the beginnings of acceptance of Western concepts of stability and confidence-building: that has become more the rule and less the exception.

Naturally Mr. Gorbachev still seeks to preserve national advantage and advances some proposals whose primary intent is to cause domestic political problems for Western governments. But there is a fundamental dynamic to the new Soviet attitude which is refreshingly flexible, even reasonable in its tone and content. Rather than strangers playing games according to different rules, using different concepts, and seeking different ends, one now has the sense of a traditional negotiating process between players who accept the rules, share the concepts and know where the areas of compromise lie. One sees this in the new negotiations on conventional forces in Europe, as well as in nuclear arms control.

Now, what should our attitude in the West be to all of this?

And what stake and interests do we as $\underline{\text{Canadians}}$ have in this process?

To me, the most fundamental question for the West is this: Is it in our interest to see Mr. Gorbachev succeed? From this, everything else follows.

To me, the unequivocal answer is yes.

Why should we fear a more prosperous and free Soviet society? Are the processes of social and economic development which turned Western societies away from war and towards diplomacy invalid for the U.S.S.R. and Eastern Europe? Is the Soviet leadership incapable of seeing the advantages of peace, and the costs of war? Just as within the West, the webs of trade and prosperity act as a damper on conflict, is it not possible to envisage a similar fabric between East and West? And should we not strive to bring that to pass?

If we are suspicious of Mr. Gorbachev; if we deride the pace of his reforms or the degree of his success; if we shun opportunities for mutual advantage then we must ask ourselves some troubling questions.

Would the alternative be better?

Do we wish to see the Old Guard returned?

Despite what we've been saying for years, do we really prefer Stalinist repression, inefficiency and imperialism?

Are we so fearful of change that we seek a retreat to the past?

The answer to all these questions is surely no.

Now, this of course does not mean we slide into escapist dreams or flights of idealism divorced from reality.

We cannot forget, after all, that the Soviet military remains enormous, enjoying tremendous numerical advantages over our own forces in Europe.

Again, the obstacles Mikhail Gorbachev faces internally are major ones. His eventual success can not be taken for granted.

We must remain prudent, always careful to safeguard our interests and advance our values.

The Soviet Union has no tradition as do we of democratic institutions or individual liberties.

In any negotiations with the Soviets, we must bargain hard.

And we must, above all, continue to be guided by that combination of defence and dialogue which has served the NATO Alliance so well for 40 years, which helped create the incentive for Mr. Gorbachev's reforms.

But it is not a choice between "our" interest and "theirs"; between dialogue and silence; between their future and ours.

Canada and the West have a big stake in Mr. Gorbachev's success.

We must encourage his reforms. We must applaud his efforts, while asking for more. We must be patient. We must state our support for his domestic goals clearly and unequivocally. We must help the Soviet citizen develop that sense of self-confidence so central to the success of reform.

How does Canada fit in to all of this?

In one sense, we have no "special" interest. We are a country like others which seeks peace, strives for stability and searches for new avenues of cooperation. But we also have much that is special. We are the next-door neighbour to the Soviet Union, a Northern country, an Arctic nation. We too have a resource-based economy, and skill and experience in developing it. We share environmental concerns and problems. We are a multicultural society that works - and that has direct family connections to the East - one in ten Canadians are from Russian or Eastern European backgrounds. And we have much to offer a Soviet Union which seeks Western know-how and experience as it enters a new economic era.

I believe we must capitalize on this commonality of situation, this mutuality of interest - both out of our narrow national interest and a recognition of the value of cooperation for a more stable East-West relationship.

The Prime Minister's trip to the Soviet Union this fall will be an important catalyst for this process.

Our relationships with Moscow are already extensive and improving across the board. They range from artistic exchanges through the scientific and environmental communities. There is active Arctic cooperation. The flow of human contacts is quickening and widening. Family reunification cases have been resolved at an unprecedented rate. A little more than two years ago I handed Soviet Foreign Minister Shevardnadze a list of 42 cases we wanted to see resolved. Everyone of them has been resolved.

Business contacts with the Soviet Union are thriving. Canadian business leaders have been beating the path to Moscow. They report to me that the opportunities are real and that the Soviets are serious. Ten joint ventures are underway, involving Lavalin, Olympia and York, Abitibi-Price, Fracmaster, Foremost, and others, and more are in the works.

Many of you have personal experience doing business in the Soviet Union. Canadian firms are building the world's largest off-road, all terrain transporter with a Soviet partner. McDonald's of Canada will soon be serving hamburgers to Muscovites. Other Canadian companies are improving Soviet dairy herds, making tooling for the automotive industry and working in Soviet oilfields. Our geographic similarity gives us a natural opportunity to sell and buy technology and products useful in the resource and agricultural sectors.

The Government of Canada seeks new trade in both directions with the U.S.S.R. and with Eastern Europe. We will support it, and we encourage you to go for it.

As some of you will know, doing business with the East requires flexibility, patience and persistence. My Department stands ready to assist you in this process, in making contacts, obtaining data and providing follow-up.

The Prime Minister will take some senior business leaders with him to the U.S.S.R. We hope deals will be signed. But we also hope that contacts will be made and that President Gorbachev will appreciate the interest of Canadian business in his country.

I know that the changes gripping the Soviet Union, Eastern Europe and East-West relations have triggered mixed emotions among Canadians of Eastern European and Russian ancestry. Many families bear the bitter scars of unbearable experience. These wounds induce a natural scepticism, and sometimes cynicism, about the meaning of perestroika.

But I also know that there is concern for relatives and friends who remain, a desire that things improve and a hope that they will. We cannot assume that the past will persist indefinitely into the future. Certainly, where real change begins, we should encourage it.

We must steer between the extremes of euphoria and retribution. Change will not be immediate. Set-backs will occur. But we should not react, knee-jerk, to such disappointments by withdrawing into our shells, or refusing to offer our hand.

Nor should we glide into complacency, confident that the world will evolve as it should, towards harmony and prosperity without effort or vigilance. Peace must be earned; it is not given.

We have to be alert to change. Real change is occurring in the Soviet Union, reaching into other countries, holding the prospect of a transformation in East/West relations. The change is based on the realization that the Soviet system doesn't work, and must be changed. There are many risks ahead, for Mr. Gorbachev and for all of us. We must act with prudence and imagination, conscious of the probability that we are part of a genuine watershed in modern history.

With effort, sincerity - and luck - we may be on the verge of the grandest reconciliation of them all.

I ask that we join together on this remarkable journey of such epic importance to us all.