



STATEMENT

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**NOTES FOR AN ADDRESS BY
THE HONOURABLE ANDRÉ OUELLET,
MINISTER OF FOREIGN AFFAIRS,
TO THE NATIONAL CAPITAL CHAPTER OF THE
CANADIAN INSTITUTE FOR INTERNATIONAL AFFAIRS**

**OTTAWA, Ontario
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Mr. Hyndman, Mr. Seaborn, ladies and gentlemen, dear friends:

I am happy to be here with you this evening. Let me first thank the National Capital Chapter of the Canadian Institute of International Affairs (CIIA) for its invitation. The Institute is, and for a number of years has been, an important partner of the Government's in the conducting of its foreign policy.

The Government recognizes and appreciates the work being done by the Institute. The communication, insight and education provided by your 23 chapters across Canada are a great help. With the capabilities that we have today for sending and receiving information, it is not enough simply to see the world and its problems; we must above all be able to understand them and assess their consequences. Organizations like yours assist Canadians to interpret this daily input. With today's international information overload, we can become numb to world events. However, we must realize that these far-off problems affect not just others, but us also. Hence the importance of a coherent, flexible foreign policy.

The review of foreign policy launched by the Government reflects our desire to involve Canadians in the decision-making process. We wish to raise the awareness of Canadians concerning foreign policy issues, since such issues affect us directly. The link between national and international policy is becoming increasingly important. In some areas, such as foreign overfishing, this link is easily seen. In others, such as our relations with China, it is not as clear, although very real.

Communication is an essential part of foreign policy. I say this because I believe we cannot be successful in the implementation of our foreign policy agenda if we fail to communicate it effectively to Canadians.

As you know, this government was elected on a firm commitment to engage Canadians and Parliament in the ongoing foreign policy process. Our foreign policy review is a reflection of this commitment. We want to raise awareness among Canadians about foreign policy issues because foreign policy affects them. Whether it is foreign overfishing, unfair trading practices or humanitarian crises, issues like these can and do shape the lives of Canadians.

Making an effort to raise awareness among Canadians about foreign policy issues is also necessary because the media is constantly bombarding us with information about world events. Without a basis for understanding Canada's view on these events, it is easy for people, including well-informed experts, to draw conclusions based solely on media reports. Our China policy is a case in point. This is why I welcome the opportunity to talk about some basic principles of Canada's foreign policy under the new government and to situate our relationship with China in that context.

Consistent with the Red Book but without prejudging the outcome of the foreign policy review, I have identified four policy principles as a basis for our foreign policy.

As stated earlier, the Government is seeking to democratize the foreign policy decision-making process. A two-day National Forum on Canada's International Relations was held in Ottawa in March. Parliament has already debated major foreign and defence policy issues five times in the last six months. A parliamentary committee is undertaking a review of Canada's foreign policy. I am personally involved in a parallel set of consultations with a wide range of Canadians with invaluable experience and knowledge in foreign policy, such as the people in this room.

A second principle is our commitment to promoting the full range of Canada's interests and values in the conduct of our international affairs, be they human rights, the environment, the economy or trade.

A third principle is setting a more independent course for Canada vis-à-vis the United States. The United States remains our most important partner and ally. However, we will not hesitate to pursue distinct approaches when it is in Canada's interest to do so, as exemplified by ideas we are promoting on Cuba and Haiti. This does not prevent us from working closely with the Americans on issues of common concern such as Bosnia, where we have warmly endorsed American leadership.

The fourth principle of this government is our determination to reaffirm Canada's commitment to multilateralism, and to modernize it in the context of the approaching 21st century. This is why we are actively working toward UN reform. Canada is also seeking ways to improve the effectiveness of the OAS [the Organization of American States], the Commonwealth, La Francophonie and the G-7 [Group of Seven (leading industrialized countries)]. Canada has called as well for the creation of an Arctic Council to promote circumpolar co-operation.

These foreign policy principles are important. It is equally important, however, to incorporate them in foreign policy and to communicate both principle and policy to Canadians in a clear fashion. This is why I welcome this opportunity tonight to speak to you about a particularly complex issue — our relationship with China.

Many commentators have reduced our relations with China to a debate over the link between trade and human rights. Our government's policy starts with the premise that trade and the promotion of human rights are part of a larger set of policy objectives, which are, in fact, mutually reinforcing.

In dealing with China, we must keep in mind some basic realities. One in five of the earth's inhabitants lives in China. There are five nuclear powers and China is one of them. There are five permanent members of the UN Security Council and China is one of them. China is now the world's 10th largest trading nation and has one of the world's highest economic growth rates.

A second set of realities are the basic objectives of our new government: to create jobs and sustained economic growth; to promote international peace and security; to expand trade opportunities in order to help meet our economic growth goals; and, to ensure that Canadian values are reflected in public policy decisions.

Our policy toward China is based on these realities. Each of the foreign policy principles I outlined applies to China and constitutes the framework within which we approach our relations with that country. This framework is built on four pillars: economic partnership, sustainable development, peace and security, and human rights and the rule of law.

We will not sacrifice one at the expense of another, and it is my belief that we have not done so in our approach to China. Only this kind of systematic and wide-ranging contact will be most likely to lead to calls within Chinese society for greater openness and freedom.

Economic partnership

I was interested to note that last week a prominent Canadian politician agreed that trade with China is important. As he said: "We will not advance the cause of human rights one whit by pulling away from extensive commercial, cultural, educational ties." For once I totally agree with Premier Bob Rae of Ontario!

China has undergone and is continuing to undergo an enormous economic transformation. Annual growth rates are over 12 percent and, in southern China, an impressive 20 percent.

We have to position ourselves now to build an economic partnership with China that will create jobs and prosperity in Canada and will also benefit the people of China.

Under the previous government, in the four years after Tiananmen Square, trade with China had increased 50 percent. Under this government, trade is continuing to increase. The difference is we do not try to hide that fact. Wheat has been our biggest export to China. This trade is beneficial not only for Canada, but also for China and its massive population. Now, however, our exports are expanding into other areas which offer a wide range of opportunities for Canadian companies across Canada. Canada's recognized capabilities in telecommunications, electrical energy,

oil and gas, transportation and agriculture provide a perfect match for China's enormous economic development needs.

This government recognizes that high-level political contacts are and will continue to be an important element in opening doors for Canadian companies and making senior Chinese leaders aware of Canadian capabilities. That is why this year will see many high-level visits between Canada and China, culminating in the visit of the Prime Minister to China in November.

It is because Canada firmly believes in an international trading regime based on agreed and predictable rules that we strongly support China's entry into the new World Trade Organization (WTO). That membership, however, brings obligations, not just benefits. The WTO will have standards and codes of conduct which would bind China just as they bind any other member.

It is our view that conditionality of trade on respect for human rights is not a fruitful path to follow. Washington's decision last week to renew China's most-favored-nation status shows that the United States administration has also reached this conclusion.

Sustainable development

Sustainable development is the second pillar on which our relations with China are built. Canadians believe that it is essential to protect the environment while promoting economic growth. We will build a solid economic relationship with China if, and only if, the latter's development is sustainable.

In order to do this, countries like Canada must provide support to China — support that incorporates not only the economic aspects of development, but the social, political and environmental aspects as well. Allow me to use environmental protection as an example. China's burgeoning population is placing considerable pressure on its natural resources. It has to have enough water and arable land to feed over a billion people. However, water shortages in China are increasingly frequent and serious. The beds bearing underground water are gradually deteriorating. The level of lake and river pollution is alarming. Erosion, salinization and urbanization are taking their toll on agricultural land. China is the world's largest consumer of coal, and coal-fed electrical generators are the engine of its growing economy. However, the human and environmental cost of burning coal is tremendous. Air quality and acid rain are problems of an urgency unknown in Canada. The impact of this on global warming must not go unheeded by the international community.

Canada can assist China to increase its ability to manage its environment. This we can achieve through economic ties and

through our Development Aid Program, which gives access to Canadian technologies and services, technical training, management expertise and applied research. We shall also continue to work through multilateral institutions.

Canada and China continue to support efforts to deal with the question of air and water quality under a special environmental Memorandum of Understanding between our respective governments. We will continue to help finance and assist a high-level council of experts on environment and development. Within the context of updating our bilateral Development Assistance Program with China, we will be looking at innovative and creative means to give even greater substance to our efforts to co-operate with China in the environmental sector.

CIDA [the Canadian International Development Agency] will be asked to continue to help the Chinese government develop national policies that recognize the links between economic growth, social development and the environment and continue to support other activities and institutions in China to ensure progress in these areas. This will help provide opportunities for Canadian companies to promote environmental technologies in China, consistent with our Red Book commitments, as well as for academic and non-governmental institutions to provide their invaluable expertise.

Peace and security

Canadians have long been committed to promoting international peace and security. In Asia, peace and security obviously require the full participation of one of the most powerful and influential countries in the region.

This government believes that regional multilateral organizations should play an increasingly important role in the 21st century. We therefore intend to engage China in a dialogue on regional security questions. To this end, we have invited a high-level delegation from China to visit Canada in the near future to discuss regional security and non-proliferation questions.

From a regional security perspective, no issue is more troubling than heightened tensions on the Korean peninsula. It is absolutely clear that any deterioration in the security situation there would have grave consequences for Canadian interests. China has a major role to play in defusing those tensions.

Canada has been an important player in nuclear non-proliferation talks. Negotiations will soon begin on the indefinite extension of the Non-Proliferation Treaty and on a Comprehensive Test Ban Treaty. If we view these treaties as essential to world peace and security, then we must engage all the parties concerned including China, as a major nuclear power. Our objective in our

discussions with China will be to seek their support for the early conclusion of both these important treaties. Canada would view any further testing of nuclear devices as harmful to this process.

On the bilateral level we will shortly begin negotiations with China on a Nuclear Co-operation Agreement. As you know, Canada has among the most stringent non-proliferation guarantees. If China accepts our conditions it will be another invaluable instrument in binding China to norms of international non-proliferation practice.

Our efforts need not and should not be limited to nuclear weapons. We must also seek China's co-operation in promoting restrictions on global sales of conventional weapons, as well as policies to support the conversion of arms industries to peaceful purposes.

These are all issues I will be raising shortly in my up-coming visit to Beijing as well as when I join the Chinese leaders in the ASEAN [Association of Southeast Asian Nations] Regional Security Forum in Bangkok. The Prime Minister will also promote these issues during his own visit to China in November.

Human Rights, Good-governance and the Rule of Law

This weekend will mark the fifth anniversary of the tragic events of Tiananmen Square. When they occurred, in a special House of Commons debate, I and my colleagues condemned the Chinese authorities for these acts of senseless violence. The question we must now ask ourselves is this: What can Canada do to promote dialogue rather than confrontation?

Respect for human rights is an essential part of Canadian foreign policy. Canadians expect their elected representatives to abide by the democratic principles on which our society is built. We believe that China will achieve long-term stability only through greater respect for human rights and the rule of law. Last year in Vienna, China joined with the international community in affirming its support for the United Nations Declaration on Human Rights. Canada must continue to work with other countries to ensure that China respects its obligations under the Declaration. This was affirmed in a resolution voted on two weeks ago in my party's Policy Convention.

On a bilateral basis, we have also expressed our concerns on human rights to the Chinese leadership during high-level visits and meetings. The Prime Minister first did so with President Jiang Zemin last November in Seattle and, most recently, both the Prime Minister and I did so with Vice Premier Zou Jiahua here in Ottawa last month. We will continue to do so in future visits, including my own to Beijing this July. We may not agree on

certain ideas or principles but we will not walk away from the table. Our objectives will not be achieved by doing so. Instead, we will talk frankly and openly about human rights and we will continue to denounce gross violations when they occur.

Let me say that the rule of law and the development of open political systems go hand in hand with respect for human rights. In this context the question of Hong Kong is relevant. When I go to Asia, I will underline Canada's support for a clear and unequivocal commitment that the future government of Hong Kong will respect the rule of law and will be responsive to the needs of the people who live there. Over 40 000 Canadians resident in Hong Kong and major economic interests there give Canada an important stake in Hong Kong's future. We will continue to make it clear that we want to see a smooth transition of power in 1997 that preserves Hong Kong's prosperity, stability and autonomy. Here again we must ensure that the lines of communication with China remain open.

New programs are currently being developed within my department and CIDA designed to engage the Chinese in a constructive dialogue on human rights. We are planning for a high-level delegation to visit Canada to discuss such specific issues as good government, the rule of law and democratic participation. This delegation will be exposed to the functioning of Canada's democratic system. The Government will also be funding a joint research project between the University of Ottawa's Human Rights Centre and Beijing University.

Conclusion

In 1970 the Liberal government of which I was a part took the bold and imaginative step of recognizing the People's Republic of China. I am proud of that achievement. We showed foresight and vision then, and I believe that act, which inspired other countries to take similar steps, helped to create the conditions for China to embark on a process of economic reform and opening to the outside world.

Canadians believe in healthy, balanced trading relationships. This is what we are developing with China. Canadians believe in sustainable development. We are helping China attain such development. Canadians believe in peace and security. We are seeking China's support on these issues. Canadians believe in human rights and the rule of law. We address this question at every opportunity with China's leadership and are developing a constructive dialogue with them.

As you can see, our relationship with China goes far beyond the trade versus human rights argument. It is a complex, evolving and serious relationship based on co-operation, dialogue and exchange. It is deeply rooted in the four foreign policy

principles I have outlined and recognizes the merits of engagement and the dangers of isolation.

Napoleon said, "When China wakes up, the world will tremble." The Chinese giant is slowly awakening from its millennial sleep. As Alain Peyrefitte observed, "All of a sudden the Chinese, ever immobilized in the eternal present, have come face to face with the future."

Canada must do its part to ensure that, as it changes, China incorporates the principles of democracy, peace, security, co-operation and sustainable development that we value — not only for our sake, but for China's also. We will tremble more if we are caught unprepared, or, worse still, if China collapses.

We know that a country cannot isolate itself or hide itself. Mutual commitments and mutually beneficial relationships will bring China out of its isolation and keep it from turning inward.

Thank you.