

# STATEMENT DISCOURS

SECRETARY  
OF STATE  
FOR EXTERNAL  
AFFAIRS.

SECRÉTAIRE  
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EXTÉRIEURES.



Notes for a speech by the  
Right Honourable Joe Clark,  
Secretary of State for  
External Affairs, to the  
Canada Club

London, England  
December 10, 1984

IT IS A PLEASURE TO BE HERE THIS EVENING IN THIS GREAT CITY, THE EMBODIMENT OF SO MANY OF THE INSTITUTIONS AND VALUES THAT REST AT THE BASIS OF OUR DEMOCRACY. I FIND IT PARTICULARLY APPROPRIATE THAT MY FIRST APPEARANCE HERE, AS FOREIGN MINISTER, SHOULD BE AT THE CANADA CLUB. THIS CLUB OWES ITS ORIGINS TO THE FUR TRADERS OF THE NORTH-WEST COMPANY, AND SO DOES WESTERN CANADA, FROM WHICH I COME. THE OLD "COMPANY OF ADVENTURERS TRADING INTO HUDSON BAY" HAS CREDIT FOR OPENING WESTERN CANADA, BUT THEY WERE LED WEST AND FORCED WEST BY THE MORE AGGRESSIVE ADVENTURERS OF THE NORTH-WEST COMPANY. ANYONE WHO QUESTIONS THE IDEA OF ENTERPRISE SHOULD REFLECT THAT, WITHOUT THE COMMERCIAL INITIATIVE THAT ANIMATED THIS PARTICULAR CLUB, MY RICH REGION OF CANADA WOULD HAVE HAD ITS DEVELOPMENT DELAYED BY DECADES. AND HAD THAT DEVELOPMENT BEEN DELAYED, THERE WOULD HAVE BEEN NO INSPIRATION TO SIR JOHN A. MACDONALD TO STRETCH HIS COUNTRY WESTWARD, FROM SEA TO SEA.

A CANADIAN CAN SCARCELY TALK ABOUT OUR COUNTRY WITHOUT THINKING OF OUR PROFOUND CONNECTIONS TO THE UNITED KINGDOM. OUR POLITICAL AND ECONOMIC TRADITIONS START HERE - AND PART OF WHAT I WANT TO SAY TONIGHT IS THAT THE NEW GOVERNMENT OF CANADA - WITH AN OVERWHELMING MANDATE - INTENDS TO RENEW THOSE TRADITIONS OF ENTERPRISE, OF OPENNESS AND OF CONSTRUCTIVE INTERNATIONALISM WHICH HAVE DEFINED OUR COUNTRY AT OUR BEST.

MOST OF YOU WILL KNOW SOMETHING ABOUT THE EXTENT OF THE PROGRESSIVE CONSERVATIVE VICTORY ON SEPTEMBER 4TH. WE WON TWO HUNDRED AND ELEVEN OUT OF THE TWO HUNDRED AND EIGHTY TWO SEATS IN THE HOUSE OF COMMONS. WE WON A DECISIVE MAJORITY IN ALL TEN PROVINCES AND IN THE NORTHERN TERRITORIES. IN THE FRENCH SPEAKING PROVINCE OF QUEBEC, WHERE MY PARTY HAS HISTORICALLY HAD GREAT DIFFICULTY IN ESTABLISHING BROAD SUPPORT, WE TOOK FIFTY-EIGHT OUT OF A POSSIBLE SEVENTY-FIVE SEATS. TO PUT THAT IN PERSPECTIVE, YOU SHOULD KNOW THAT GOING INTO THE SEPTEMBER ELECTION, WE HELD ONLY ONE SEAT IN QUEBEC.

IN THEMSELVES, THE NUMBERS ARE LESS IMPORTANT THAN THE VIRTUAL UNANIMITY OF THE VOTE FOR CHANGE. I HAVE BEEN IN PARLIAMENT LONG ENOUGH TO KNOW THAT PEOPLE CHANGE BEFORE GOVERNMENTS DO, AND MY PARTICULAR EXPERIENCE ALLOWS ME TO DISTINGUISH BETWEEN A RELUCTANT MANDATE AND A DECISIVE ONE. THE SEPTEMBER ELECTION SHOULD BE INTERPRETED AS AN OVERWHELMING DEMAND BY CANADIANS FOR AN END TO BOTH AN ERA OF CONFLICT AND A STYLE OF GOVERNMENT. IT IS ALSO AN ASSERTION OF CONFIDENCE, A SIGNAL THAT CANADIANS HAVE HAD ENOUGH OF LOOKING INWARD AND ARE REACHING OUT TO COMPETE, AND TO ACCEPT OUR DUTY, IN THE WIDER WORLD.

CANADA IS A COUNTRY OF GREAT POTENTIAL, AND GENERALLY GOOD PERFORMANCE. BUT, FOR TOO LONG, WE HAVE BEEN DEFINED ABROA

BY OUR DISAGREEMENTS AT HOME. WE HAVE PAID MORE ATTENTION TO THE P.Q. THAN TO THE G.N.P. I BELIEVE THAT IS BEHIND US NOW, AND THAT WE HAVE MOVED QUIETLY INTO A NEW MATURITY AS A NATION. PART OF THAT HAS TO DO WITH A SENSE OF EQUALITY IN OUR REGIONAL COMMUNITIES. THERE HAS BEEN A DRAMATIC EVOLUTION OF SELF-CONFIDENCE IN QUEBEC AND, FOR DIFFERENT REASONS, IN MY REGION OF WESTERN CANADA, AND THAT IS BOUND TO INFLUENCE CANADIANS AS A WHOLE. BUT QUITE APART FROM OUR GEOGRAPHIC AND CULTURAL COMMUNITIES, THESE LAST FEW DECADES HAVE SEEN A BURST IN CANADIAN ACCOMPLISHMENT - LITERATURE, SCIENCE, INVESTMENT, INVENTION, PAINTING, SPORT. HERE IN BRITAIN, A COUNTRY WHICH HAS PRODUCED SO MUCH OF THE WORLD'S GREAT LITERATURE, THERE ARE NOW UNIVERSITY COURSES DEVOTED EXCLUSIVELY TO THE STUDY OF CANADIAN WRITERS. THIS YEAR AT LEEDS, JON KIMURA PARKER, A GIFTED YOUNG CANADIAN, WON THE INTERNATIONAL PIANO COMPETITION, ONE OF THE WORLD'S PRE-EMINENT COMPETITIONS.

I ARGUE THAT CONFIDENCE AND ACCOMPLISHMENT NOURISH ONE ANOTHER AND THAT CANADIANS ARE MUCH MORE SURE OF OURSELVES THAN WE HAVE BEEN BEFORE. THE MODERN PURPOSE OF CANADIAN NATIONALISM IS TO EXPRESS OURSELVES, NOT TO PROTECT OURSELVES, AND THAT SENSE OF MATURITY IS AT THE ROOT OF THE NEW DIRECTIONS THE NEW GOVERNMENT HAS ESTABLISHED.

MUCH OF THE COURSE OF CANADIAN POLICY IS STILL BEING WORKED OUT. INDEED, WE HAVE EMBARKED ON THE MOST OPEN AND EXTENSIVE PROCESS OF POLICY CONSULTATION IN THE NATION'S HISTORY. THE PRIME MINISTER AND PROVINCIAL PREMIERS HAVE BEGUN MEETINGS TO BRING COHERENCE TO CANADIAN ECONOMIC POLICY, SO THE FIRST BUDGET OF OUR NEW GOVERNMENT IN THE SPRING CAN REFLECT AGREED PRIORITIES OF THE WHOLE COUNTRY. DISCUSSION PAPERS ON TRADE, EMPLOYMENT, TRAINING AND OTHER BASIC QUESTIONS ARE BEING PUBLISHED OVER THE NEXT TWO MONTHS, SO THAT WE CAN HAVE THE HELP OF EVERY INTERESTED CANADIAN IN SETTING PRACTICAL NATIONAL POLICY. I WILL BE TABLING IN JANUARY A GREEN PAPER ON CANADA'S INTERNATIONAL RELATIONS TO ALLOW PARLIAMENT TO CONDUCT ITS FIRST COMPREHENSIVE PUBLIC REVIEW OF OUR FOREIGN POLICY. OUR PURPOSE IS NOT JUST TO BE OPEN. WE HAVE A MANDATE FOR CHANGE, AND WE WANT TO GET IT RIGHT. THE BEST GUARANTEE OF THAT IS TO HAVE THE COUNTRY HELP US SET OUR GOALS.

ON SOME QUESTIONS, IT IS ALREADY CLEAR WHAT CANADIANS WANT US TO DO, AND WE HAVE BEGUN BASIC CHANGES. TONIGHT I WANT TO DESCRIBE THREE OF THOSE CHANGES THAT MAY BE OF PARTICULAR INTEREST TO YOU. I REFER TO OUR ATTITUDE TO INVESTMENT, TO FEDERAL-PROVINCIAL RELATIONS, AND TO THE INTERNATIONAL INSTITUTIONS OF WHICH WE ARE PART.

ON NOVEMBER 8, MY COLLEAGUE, THE MINISTER OF FINANCE, DELIVERED AN ECONOMIC STATEMENT INDICATING THE DIRECTIONS THE NEW GOVERNMENT BELIEVES ARE ESSENTIAL TO ACHIEVE ECONOMIC RENEWAL. THAT IS A LONG TERM PROPOSITION, AND THERE IS NO "QUICK FIX". WE START WITH OUR BUDGET DEFICIT, WHICH HAS GROWN FAR TOO LARGE. WE HAVE ALREADY IDENTIFIED 4.2 BILLION DOLLARS IN EXPENDITURE CUTS, AND ARE CONDUCTING A FUNDAMENTAL REVIEW OF OUR PROGRAMMES TO MAKE FURTHER REDUCTIONS. BUT WE KNOW THAT THE BEST LONG-TERM SOLUTION TO THE PROBLEM OF DEBT IS ECONOMIC GROWTH, AND THE KEY TO ECONOMIC GROWTH, IN A COUNTRY LIKE CANADA, IS CONFIDENCE IN THE PRIVATE SECTOR.

THE SPENDING CUTS WERE THE FIRST STEP TOWARDS INVESTOR CONFIDENCE AND ECONOMIC RENEWAL. FRIDAY WE TOOK THE SECOND STEP, BY INTRODUCING LEGISLATION TO END THE FOREIGN INVESTMENT REVIEW AGENCY - FIRA - AND REPLACE IT WITH A POSITIVE AGENCY CALLED INVESTMENT CANADA.

IF PASSED IN ITS PRESENT FORM, THE INVESTMENT CANADA ACT WOULD MEAN THAT ALL FOREIGN INVESTMENT IN NEW BUSINESSES IS EXEMPT FROM THE REVIEW PROCESS. ALL DIRECT ACQUISITIONS OF CANADIAN BUSINESSES UNDER FIVE MILLION DOLLARS ARE EXEMPT FROM REVIEW. ALL INDIRECT ACQUISITIONS OF CANADIAN BUSINESSES UNDER FIFTY MILLION DOLLARS ARE EXEMPT FROM REVIEW. THE ONLY EXCEPTIONS TO THOSE EXEMPTIONS WILL BE IN SECTORS - TO BE DEFINED IN REGULATIONS - RELATING TO CULTURAL HERITAGE AND

NATIONAL IDENTITY - AREAS SUCH AS BOOKS, FILMS, BANKING AND MEDIA.

LET ME GIVE YOU SOME IDEA OF THE PRACTICAL EFFECT OF THE CHANGE. NONE OF THE FOUR HUNDRED AND FORTY - TWO NEW BUSINESSES REVIEWED IN 1983 UNDER FIRA WOULD BE REVIEWED UNDER INVESTMENT CANADA. EIGHTY PER CENT OF THE TWO HUNDRED AND EIGHTY THREE DIRECT ACQUISITIONS REVIEWED IN 1983 UNDER FIRA WOULD NOT BE REVIEWED BY INVESTMENT CANADA. NINETY THREE PER CENT OF THE INDIRECT ACQUISITIONS, REVIEWED IN 1983 UNDER FIRA WOULD NOT BE REVIEWED BY INVESTMENT CANADA. WE ESTIMATE THAT, UNDER THE NEW RULES, ONLY TEN PER CENT OF ALL THE PROPOSALS REVIEWED IN 1983 WOULD NOW REQUIRE REVIEW.

THE MEASURES TABLED IN PARLIAMENT GO A LONG WAY TO MEET THE CONCERNS EXPRESSED TO US BY FOREIGN GOVERNMENTS AND INVESTORS. WE ARE CONFIDENT THAT EXPERIENCE WITH THE NEW SYSTEM WILL DEMONSTRATE CLEARLY THAT THE CLIMATE FOR INVESTMENT IN CANADA HAS CHANGED. WE ARE OPEN FOR BUSINESS.

THAT IS ONE CHANGE IN CANADA. THE SECOND RELATES TO OUR FEDERAL SYSTEM, WHICH GIVES SUBSTANTIAL POWER TO THE NATIONAL GOVERNMENT AND VESTS IN THE PROVINCES EXCLUSIVE JURISDICTION OVER SUCH KEY SECTORS AS EDUCATION, HEALTH AND NATURAL RESOURCES. A FEDERAL SYSTEM OFFERS UNLIMITED POSSIBILITIES FOR CONFLICT AND, IN THE LAST TEN YEARS, WE HAVE TRIED ALMOST

ALL OF THEM. FEDERALISM HAS BEEN TO US WHAT FOOTBALL IS TO YOU. IT IS OUR BLOOD SPORT, OUR TRADE MARK, AND OUR DIVERSION FROM SERIOUS BUSINESS.

THE NEW GOVERNMENT HAS A DEEP RESPECT FOR THE FEDERAL SYSTEM; WE HAVE DEFENDED AND HELPED PRESERVE IT, BOTH IN PARLIAMENT AND IN THE QUEBEC REFERENDUM CAMPAIGN. WE BELIEVE A FEDERAL SYSTEM IS THE ONLY ONE THAT CAN WORK IN A COUNTRY LIKE CANADA, BUT THAT IT NEEDS LEADERSHIP FROM THE NATIONAL GOVERNMENT IN ORDER TO MAKE IT WORK. PRIME MINISTER MULRONEY SPEAKS OF NATIONAL RECONCILIATION. THAT IS MORE THAN A PHRASE; IT IS A CONDITION PRECEDENT TO CANADIAN RECOVERY, AND THE PLACE TO BEGIN IS TO HAVE OUR VARIOUS GOVERNMENTS WORK MORE CLOSELY TOGETHER.

WE CANADIANS, LIKE OTHER LIVELY PEOPLE, WILL HAVE OUR DIFFERENCES AT HOME, BUT WE DO NOT WANT THEM TO LIMIT OUR EFFECTIVENESS IN THE WORLD. THERE ARE REPRESENTATIVES OF CANADIAN PROVINCIAL GOVERNMENTS IN THIS ROOM TONIGHT, AND I AM CONFIDENT THEY WOULD AGREE WITH ME THAT IT IS TIME FOR OUR GOVERNMENTS TO USE OUR DIFFERENT JURISDICTIONS AS INSTRUMENTS OF COOPERATION NOT CONFLICT. THAT IS THE MOOD IN CANADA TODAY; IT WAS THE MESSAGE OF OUR VOTERS EVERYWHERE, ON SEPTEMBER 4TH; AND WE EXPECT IT WILL LEAD TO A MORE COHERENT VIEW OF CANADA IN THE WORLD.

LET ME TURN NOW TO INTERNATIONAL INSTITUTIONS, FIRST ECONOMIC, THEN POLITICAL.

TOO OFTEN, WE ARE PRE-OCCUPIED BY BREAKDOWNS IN THE INTERNATIONAL SYSTEM; WE WOULD BE BETTER TO ASK OURSELVES WHY SO MANY INSTITUTIONS AND ALLIANCES, THOUGH BATTERED, CONTINUE TO FUNCTION REASONABLY WELL.

I BELIEVE THE ANSWER LIES IN THE CLOSE CONNECTION BETWEEN THESE INTERNATIONAL INSTITUTIONS AND OUR DEEPEST POLITICAL VALUES. IT IS OUR POLITICAL VALUES WHICH UNDERLIE OUR COLLECTIVE SECURITY ARRANGEMENTS IN NATO, OR OUR CONTINUING COMMITMENT TO IMPROVE THE EFFECTIVENESS OF THE UNITED NATIONS OR THE COMMONWEALTH. THAT IS TRUE FOR MORE THAN JUST EXPLICITLY POLITICAL OR SECURITY ARRANGEMENTS; ECONOMIC INSTITUTIONS SUCH AS THE GATT, OR THE IMF, ARE JUSTIFIED BY ECONOMIC THEORY, BUT OWE THEIR GENESIS AND SUSTENANCE TO POLITICAL VISION.

THE GREAT STATESMEN OF THE POST-WAR PERIOD FORESAW THE ADVANTAGES OF A STABLE, GLOBAL TRADE AND PAYMENTS SYSTEM AND BUILT THE INSTITUTIONS NECESSARY FOR ITS EMERGENCE. CANADA PLAYED A MAJOR ROLE IN THAT EFFORT, AND FOR MANY YEARS WE HAVE ALL ENJOYED THE ENORMOUS BENEFITS OF THAT ORIGINAL VISION.

BUT THEN, BEGINNING IN THE LATE SIXTIES AND PERSISTING TO THE PRESENT DAY, THE SYSTEM HAS BEEN SUBJECTED TO A SERIES OF RADICAL SHOCKS. GOVERNMENTS KNOW THAT THE SYSTEM THAT DEVELOPED SHOULD NOT BE DISMANTLED.

CANADA, AS MUCH AS ANY COUNTRY, SHOULD BE FAMILIAR WITH THE LESSONS OF INTERDEPENDENCE. FOR US, IN TERMS OF TRADE, STANDING STILL MEANS MOVING BACKWARD. EXPORTS CONTRIBUTE ABOUT 30% OF OUR GNP, SIMILAR TO YOUR FIGURE IN THE UNITED KINGDOM. COMPARE THAT TO JAPAN OR THE UNITED STATES, WHERE THE FIGURES ARE 15% AND 10% RESPECTIVELY. WE ARE BOTH OPEN ECONOMIES, PARTICULARLY SENSITIVE TO INTERNATIONAL CHANGES.

IN CANADA'S CASE, THE UNITED STATES IS BY FAR OUR LARGEST EXPORT MARKET. IT IS SUCH A HUGE AND POWERFUL MARKET THAT IT HAS, HISTORICALLY, APPEARED CAPABLE OF PULLING US ALONG FOREVER. WE HAVE ALWAYS BEEN WELCOME THERE AND HAVE DRAWN MANY ECONOMIC ADVANTAGES FROM OUR PROXIMITY TO THAT GREAT POWER. BUT STRONG PROTECTIONIST SENTIMENTS IN THE UNITED STATES ARE THREATENING OUR ACCESS TO OUR LARGEST MARKET. THE RAPID PENETRATION OF THE U.S. MARKET BY OUR COMPETITORS FROM OTHER COUNTRIES IS ALTERING THE DIRECTION OF U.S. TRADE. ALSO, THE U.S. IS ADAPTING MORE RAPIDLY THAN MOST TO THE CHANGING GLOBAL ECONOMY AND WE COULD FIND OURSELVES SLIPPING IN AN ENORMOUS MARKET WHICH NO LONGER HAS THE SAME NEED OF OUR GOODS AND SERVICES.

WE MUST EXPORT, BUT EXPORTS CANNOT DEVELOP PROPERLY UNLESS THERE IS A STABLE GLOBAL TRADE AND PAYMENTS SYSTEM, AND SECURE ACCESS TO FOREIGN MARKETS. WE ARE COMMITTED, THEREFORE, TO STRENGTHENING THE MULTILATERAL INSTITUTIONS AND AGREEMENTS, SUCH AS THE GATT AND IMF, WHICH ARE THE MAINSTAYS OF THE INTERNATIONAL ECONOMIC SYSTEM. WE ARE ALSO DISCUSSING WITH THE UNITED STATES WAYS OF LIBERALIZING TRADE BETWEEN OUR COUNTRIES. IN PARTICULAR, WE WANT TO FIND WAYS OF ELIMINATING U.S. NON-TARIFF BARRIERS WHICH POSE REAL DANGERS TO OUR BILATERAL RELATIONSHIP. ANY CANADA-U.S. AGREEMENT WOULD, OF COURSE, BE COMPATIBLE WITH OUR GATT OBLIGATIONS. WE MUST RENEW THE POST-WAR VISION OF COOPERATION AMONG NATIONS FOR THE BENEFIT OF ALL, ESPECIALLY IN THE FACE OF SHORT-SIGHTED PRESSURE TO REJECT OR IGNORE THE FORCES OF HISTORICAL CHANGE.

ONE INTERNATIONAL INSTITUTION WHICH IS WORKING VERY WELL IS NATO. I AM TRAVELLING FROM LONDON TO BRUSSELS TO ATTEND A MEETING OF NATO FOREIGN MINISTERS, AND I WILL USE THAT OPPORTUNITY TO RENEW OUR PROFOUND COMMITMENT TO THE COLLECTIVE SECURITY OF THE WEST. THE NEW GOVERNMENT INTENDS TO FULFILL ALL OUR NATO COMMITMENTS AND TO ACT ON THE UNDERSTANDING THAT THE SECURITY OF CANADA IS INSEPARABLE FROM THE SECURITY OF OUR EUROPEAN ALLIES.

I AM PARTICULARLY PLEASED BY LORD CARRINGTON'S VIEW THAT NATO IS AS MUCH A POLITICAL AS A MILITARY ALLIANCE. HE HAS SAID THAT "DEFENCE POLICY IN A DEMOCRACY, OR IN A DEMOCRATIC ALLIANCE, CANNOT BE STRONGER THAN THE PUBLIC SUPPORT ON WHICH IT RESTS". CANADA WAS A PRINCIPAL ARCHITECT OF ARTICLE II OF THE NORTH ATLANTIC TREATY WHICH SPEAKS OF THE CONTRIBUTION OF ECONOMIC AND POLITICAL WELL-BEING TO WESTERN SECURITY. THAT WAS THIRTY FIVE YEARS AGO, AND WE MUST ACKNOWLEDGE THAT A YOUNGER GENERATION OF CANADIANS, LIKE THEIR COUNTERPARTS THROUGHOUT THE ALLIANCE, HAS COME TO KNOW NATO MORE BY ITS MISSILES THAN BY ITS VALUES. I WANT THE WIDER REALITY KNOWN AND CANADA, FOR OUR PART, IS DETERMINED TO JOIN LORD CARRINGTON'S EFFORTS TO BROADEN THE UNDERSTANDING OF THE REASONS FOR THE ALLIANCE.

I AM HERE TONIGHT TO TELL YOU THAT CANADIANS ARE READY TO PARTICIPATE FULLY WITH OTHER NATIONS IN MEETING THE CHALLENGES OF THE FUTURE. WE ARE MORE UNITED AND CONFIDENT THAN BEFORE, AND MORE AWARE OF THE RISKS OF INWARDNESS AND COMPLACENCY. WE ARE EMBARKING ON A GREAT NATIONAL DISCUSSION OF OUR FUTURE IN THE WORLD AND ARE EAGER TO GET GOING. WE TREASURE OUR HISTORIC CONNECTIONS WITH BRITAIN AND OUR OTHER TRADITIONAL ALLIES, AND INTEND TO BUILD ON THEM. BUT THE MOST IMPORTANT NEWS I CAN DELIVER TONIGHT IS OF A PURPOSEFUL, SELF-CONFIDENT COUNTRY BUILDING ITS FUTURE IN THE NORTHERN HALF OF THE NORTH AMERICAN CONTINENT.