

# Statement

Secretary of  
State for  
External Affairs



# Déclaration

Secrétaire  
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## CHECK AGAINST DELIVERY

### NOTES FOR A SPEECH BY

**THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS,**

**THE RIGHT HONOURABLE JOE CLARK,**

**AT A CONFERENCE ON CANADIAN-SOVIET RELATIONS AT**

**THE GOVERNMENT CONFERENCE CENTRE**

**OTTAWA, Ontario**

**November 28, 1990**

Yesterday afternoon, I returned from a trip to three very different parts of the world -- from the Soviet Union and Eastern Europe, where I visited Prague and Moscow; from Western Europe, where the Prime Minister and I attended the Conference on Security and Co-operation (CSCE) Summit in Paris and, in Rome, approved the Trans-Atlantic Declaration between Canada and the European Economic Community; and from the Middle East, where I held talks with leaders in Ankara, Amman, Tel Aviv and Cairo. In each of those regions there are developments which pose both profound dangers and promising opportunities for international order. In each region, those dangers and opportunities are linked in cause and effect to problems and opportunities elsewhere. In each region, Canadian interests are at stake. And in each region, we are at a moment of truth, of transition.

What is happening there will determine whether 1991 will mark a watershed or a precipice for a world which is changing dramatically. What is happening there will help mould the contours of Canada's prosperity and security. And what is happening there will shape the future of the Canada-Soviet relationship.

In Prague and Moscow, I saw societies in the throes of revolution. Those societies are different and their problems and approaches to them vary. But both are societies which are attempting -- bravely -- to overcome decades of mismanagement and repression, to do in months and years what it has taken other societies decades and centuries to accomplish: the simultaneous construction of an open market and democracy. The change is real and profound. The Soviet Union is trying to deal with several levels of problems simultaneously. A professional observer of both Canada and the U.S.S.R. remarked that Canada's challenges resemble a game of checkers. Theirs is a game of chess.

The CSCE Summit buried the Cold War -- fully, forcefully and forever. That Summit bid farewell to a Europe divided by arms and arguments, a Europe which for decades was a trigger for tensions there and around the world. That Summit ushered in a Europe which is whole, a Europe without walls, a Europe united by the commitment to democracy, human rights, the open market, and a new structure of security which depends on confidence and not fear. And that Summit posed a challenge for the future -- the challenge of building together a Europe which works, a large Europe, from Vladivostock to Vancouver Island, a Europe in which both the Soviet Union and Canada are full partners.

What made that Summit possible was the revolution begun by Mikhail Gorbachev, the revolution transforming Central and Eastern Europe. There would not have been a Paris Summit if the peoples there had not sought and fought for liberation. At one

dramatic moment in the proceedings, Vaclav Havel -- playwright, prisoner, president -- said: "Participating in this Summit is the pre-eminent moment in my life" -- because it brought to pass the goals of freedom and comity he had spent all his days pursuing.

The promise of Paris will remain unfulfilled if these brave leaders and their peoples are unable to turn challenge into accomplishment.

In Helsinki in September, Presidents Bush and Gorbachev basically agreed their interests in the world are the same. This should be a cause for celebration. But the celebration is muted because, thousands of kilometres from Europe, another drama is unfolding. The world, through the United Nations, is united to prove that the old way, of naked aggression, has no place in the new international society we seek to build. My talks in Turkey, Jordan, Egypt and Israel confirmed the belief that the greatest catastrophe for the region would be for Saddam Hussein to get away with his attack on Kuwait. Those countries prefer a peaceful solution, but not one that would reward the aggression of Iraq.

The world would not be united in common purpose in countering aggression if the Cold War were still with us. The Security Council of the United Nations would be frozen by ideology, stalled by vetoes. The Soviet Union would be obstructing, not constructing. And aggression would proceed uncontrolled, undeterred and unpunished. The United Nations, to which Canada has always been committed so profoundly, now has a chance to fulfil its creators' expectations. It cannot fail.

The Gulf has other global dimensions. The dramatic escalation in oil costs as a result of that crisis is a perilous blow to the struggling economies of Eastern Europe -- and those of the developing world. This aggression is a direct threat to world order and to the welfare of millions of people all around the globe. That is why the world takes this so seriously. The vital need is for Iraq to understand the world's resolve.

The act of war by Iraq, against Kuwait, points to the limits of what we celebrated in Paris and the challenges which remain -- the fact that development, and debt, and terrorism, and the trade and proliferation of arms threaten our security as much as the old threats which fell with the Berlin Wall. The Persian Gulf shows that other regions are far from the structure of confidence and trust now being built in Europe, and that Europe itself -- and the rest of the world -- are exposed to danger unless those regions and those problems are addressed urgently, through common commitment.

In all three regions -- the Soviet Union and Eastern Europe, Europe as a whole, and the Persian Gulf -- we are seeing

old structures coming down and new structures being built. Each of those structures -- new and old -- has origins and consequences which relate to the others. Each of those new structures is incomplete and fragile. Making those structures strong will require courage, effort and sometimes sacrifice.

And building those structures is what the Canada-Soviet relationship is now about. That was not always the case. Until Mr. Gorbachev arrived on the scene, relations between our two countries were both limited and contentious. They were steeped in suspicion. We spent our time perpetuating tension, not promoting co-operation.

That our relationship is now so different -- and has even greater potential -- is a function of the radical changes brought to Soviet attitudes, Soviet society and Soviet policy. Their achievement is our opportunity.

Soviet ideology was once in direct opposition to Canadian values. But there are now fundamental new freedoms for the individual and the media, the move towards political structures which are democratic, the transition to a Soviet Union based on the rule of law.

Five years ago, in Israel, I met Anatoly Sharansky, one of the first few Soviet Jews to be released. Monday, at the Knassett, I discussed with Prime Minister Shamir the new problem for Israel of receiving 400,000 more Soviet Jews over the next five years. And while the Soviet Union has yet to embrace Adam Smith, it has surely rejected Karl Marx in all but name.

In foreign policy, the Soviet Union is now a fixer not a nixer. It has stopped hindering and started helping. A week ago today, the Prime Minister and I met Mr. Gorbachev and Mr. Shevardnadze in Paris. This conversation confirmed once again, that in region after region, on problem after problem, the Soviet Union now brings a welcome flexibility, and assessments remarkably similar to Canada's. We see this at the CSCE, in the Pacific, in Cambodia, in Central America, in Angola, in South Africa, Afghanistan and the Gulf. We see it in the fight against drugs, the struggle against terrorism, the pursuit of arms control. Disagreement with the Soviet Union was once the rule; it is now the exception. And what disagreement does exist is often one of degree, not kind, and flows from national interest not ideological intransigence or ambition.

We are no longer enemies. We are no longer foes in a Cold War no one could win. We are friends. We are partners in building a structure of co-operative security and prosperity in which we all win.

Whether our partnership endures and grows hinges on the success of efforts at reform in the Soviet Union. Those reforms are risky and extremely complex. Success is not assured. But let there be no doubt about it: Canada is not a fair-weather friend of the Soviet Union. We support reform unreservedly and unambiguously. On success in that reform hinges a new structure of international order. On success in that reform hinges the fulfilment of Canada's own interests.

Some may feel the Soviet Union is, to quote Neville Chamberlain in another context, "a far away country, of which we know little." It is not. In this global village, the Soviet Union is a neighbour. How it manages its future will influence how well we can manage our own.

Now is not the time to turn our back but to extend our hand. Now is not the time to discourage, but become engaged. This is a window of opportunity. We must seize that opportunity now or see it lost forever. We must support reform because reform is right. We must support a new order there because it affects a new order elsewhere.

We cannot overestimate the consequences of failure. And we must not underestimate the tremendous benefits that success can bring.

It is not in the interest of international order for the Soviet federation to fall into civil war and anarchy. It is not in the interest of that order for a superpower which still possesses thousands of nuclear weapons to opt to abandon its commitment to arms control. It is not in Europe's interest for ethnic violence and hatred to spill over borders or for millions to migrate because of fear or deprivation. And it is not in anyone's interest to lose the positive partnership Soviet engagement can be in addressing so many problems in so many regions and around the world.

And Canada has special interests, special assets -- advantages which the Soviet Union lacks and needs -- in communication, transportation, food products and distribution, management skills, housing, oil and gas extraction. And we have the unique advantage of our ethnic richness -- a richness which benefits us and can benefit them -- proud Canadians who know the customs, culture, language and systems of the Soviet Union. Our assets can become theirs, and together we can build prosperity and create jobs here and in the Soviet Union.

Those interests will not be met if the Soviet Union drifts into disarray or returns to its authoritarian past. And today, the prospect of success is not sure and the risk of failure is there. There is no disputing the fact that the Soviet Union is at a critical point.

The problems are diverse and daunting:

- a deteriorating supply of essential goods, prompted by hoarding, sabotage, chronic inefficiency, faulty distribution, disillusionment and the use of internal trade as a weapon in political conflict;
- rampant inflation, as larger and larger amounts of worthless rubles chase fewer and fewer goods;
- an economy where the old system has been discarded but a new one has yet to be created, where the old rules and sanctions are no longer in place -- or are ignored -- and where a new system of initiatives and reward does not exist;
- no certainty as to the ownership of capital and property, thereby deeply complicating jurisdictional issues with the Republics;
- ethnic and nationalistic violence, repressed and unresolved for decades, now emerging in the new atmosphere of freedom;
- a federation where every republic has declared some form of independence or sovereignty and where the authority and policies of the central government are ignored or contradicted daily;
- a crisis in political legitimacy where leaders are not trusted, laws are not obeyed and institutions are in disrepute;
- a crisis of expectations, where the people have been promised prosperity and are experiencing deprivation; and
- a crisis of awareness, where the people now know about the problems and the inequalities and will not accept them any more.

Those diverse and connected problems have produced a profound malaise, a pervasive cynicism -- and great concern which itself compounds the problem. Symptomatic was the reaction to Mr. Gorbachev's much-deserved Nobel Prize, which was met with shrugs, and sometimes derision, from a Soviet population yearning for basic needs and basic order. The Soviet Union has been more successful in revising its policies abroad than remaking itself at home. That is understandable. Changing policies is easier than changing almost a century of stultifying habit-forming structures. People want change but do not know how to prepare for it.

Mr. Shevardnadze and Mr. Yeltsin were frank in expressing their fears to me. But those problems must be put in context. The Soviet people -- and we outside -- know about those problems because people can talk. Many of those problems are not new; they are simply now known. Recognition and discussion of reality is a consequence of reform, reform we support.

So too debate and dissent is not disintegration. It's democracy. Debate is how change happens, how reform takes place, how systems survive. To see debate as impending disaster is to treat the Soviet Union as it was, not as it has become or as we would wish it to be.

In addition, I believe we are sometimes hearing the perspectives of Moscow and Russia when we hear of problems and predictions of disaster in the Soviet Union. Russia is now facing problems which have existed for years in the rest of the Soviet Union. The problems have come home to the centre. They are no longer the plight of peoples far away, peoples long ignored.

Finally, we cannot ignore the capacity of the population of the Soviet Union to endure hardship. That too has its limits. But it is not to be discounted.

But these factors explain some problems and put them in perspective. They do not mean those problems don't exist, because they do.

The essential challenge facing the Soviet Union is that the old system has been discredited and in large part abandoned, but nothing which works has yet to be put in place. There is a vacuum politically, economically, and institutionally. The Communist Party has lost its legitimacy and its monopoly, but it still runs much of the system. The Soviet federation is not accepted as currently configured, and while Mr. Gorbachev's proposals for reform this week are far-reaching and seem inspired, it is unsure whether the constituent Republics are in a position to accept. The command economy is in disarray and an open market is being declared. But the open market does not yet exist. It is an economy in search of economics, and of jurisdictional definitions. Who owns what? Who decides? The economy, moreover, is largely an integrated one, based on transfers of functions to various republics sometimes against economics. How to unravel and restructure an economy which is unnatural and closely knit will be extraordinarily difficult.

It might be tempting for some in the face of those problems to backtrack, to re-establish authority and retreat to the old ways. But that will not succeed. It will not succeed because that system won't work. It didn't work and that's why we have reform. But there is another factor. And that is that the people -- much as they are discomfited by deprivation or discord -- now know freedom. That cannot be taken away.

Mr. Gorbachev is committed to reform. The problem is not the fact of reform. The problem is the pace and the problem is the transition. That transition will never be easy. But a

reform of half-hearted half measures will simply weaken one system without putting a new one in place. The Soviet Union is trying to move as quickly as possible on two tracks, tracks imposed by political reality and economic necessity. First, Soviet institutions must come to reflect the society that country has become. The legitimate aspirations of peoples must be accommodated through compromise if only because those aspirations cannot be ignored or erased. Second, an economic system must be established with the rules and rewards essential to an open market which works.

We are not taking sides.

We in the West will not create success for the Soviet Union. Success will come from attitudes and effort there, not attitudes and effort here. But we can assist where our interests and assets coincide or are complementary. And we can continue to staunchly defend reform -- informed reform, reform that works.

A new phase in our bilateral relationship was launched by the Prime Minister's trip to the Soviet Union last November. My visit last week allowed us to move that relationship forward on several fronts.

First, Canada is prepared to negotiate a formal treaty that will provide the legal framework for more co-operation in the future.

Second, as discussed by Mr. Crosbie, we will move to negotiate a new, less restrictive, trade agreement replacing the current one negotiated in 1956.

Third, we will actively pursue further relaxation of COCOM restrictions on exports to the Soviet Union. There has been much recent progress here but more is needed. Canada will actively engage our allies in that effort.

Fourth, we can move forward with new agreements in specific sectors, including a bilateral agreement on public health, an agreement on the prevention of dangerous military activities, an agreement on co-operation in the area of human contacts and a mutual insurance agreement.

Fifth, we can elaborate co-operation under existing agreements and programs. I believe there is much that can be done in the environmental sector, in management training, in advice on regulatory reform and privatization, in statistical expertise and in the area of establishing financial and judicial institutions crucial to an open market and a functioning democracy.

Sixth, we can help alleviate the shortages which the Soviets fear may cause deprivation and disorder over the coming winter. The Prime Minister indicated in Paris that we were prepared to consider making available a new \$150-million credit facility that the Soviet Union could draw on to purchase foodstuffs. I am able to confirm today that the Government has now decided to proceed with this initiative which will be within current program and resource levels. I will be communicating with Foreign Minister Shevardnadze this week to establish how available Canadian goods and Soviet priorities coincide.

Finally, I believe we can move forward together to enhance bilateral co-operation on Arctic matters and to consolidate and expand co-operation among all Arctic nations. I would like to expand on this last point.

Canada and the Soviet Union share a common stewardship for the Arctic, so much of which is composed of our lands and waters. We are both Northern nations and whatever else has separated us, the Arctic has linked us -- physically and spiritually. The Arctic is our history and our heritage.

All too often, it has been a heritage we have ignored or squandered. The North has been the recipient of tensions which have divided us. Its delicate and beautiful ecosystem has become a dumping ground for pollutants from the South, carried by winds and waters which know no borders. Northern peoples have sometimes suffered unintentionally through the application of Southern solutions to Northern problems, and the clash of modern and traditional civilizations has created more than its share of victims.

These have been problems shared to one degree or another by all Arctic countries. They can benefit from co-operative solutions. And here, there are new opportunities -- opportunities to share experiences, share information and technology and develop joint strategies with others.

This combination of challenge and opportunity has produced an explosion in Arctic co-operation in the last year -- bilateral and multilateral, governmental and non-governmental. In addition to the bilateral co-operation between Canada and the Soviet Union, the Finnish initiative for environmental co-operation has progressed substantially, with a ministerial meeting planned for next spring in Finland. An Arctic aboriginal summit is planned for 1991. And a meeting of Arctic regional governments was held in Alaska in September, a meeting which declared an intent to establish a Northern Forum for circumpolar co-operation at the sub-national level. All of these developments have involved active Canadian and Soviet participation.

This explosion of initiatives and accomplishments is not coincidental. It reflects a keen sense that problems are great and that many can only be addressed through co-operation. It also reflects the recent revolution in Soviet policy on Arctic issues, a policy which, as in other areas, is now based on co-operation not competition, engagement not isolation.

Taken together, these developments demonstrate that if we act with vision we can construct a new architecture of Arctic co-operation. This region deserves more than a focus which is ad hoc or sporadic. It deserves the efficiency which can come from further international collaboration. It deserves the success which can only come from shared stewardship. It deserves the attention which will only result from political will, political direction.

In Leningrad last November, the Prime Minister suggested that Arctic nations might eventually establish a council to co-ordinate and promote co-operation among them. The Government believes that now is the time to move forward to establish that Arctic Council.

Canada intends to propose an Arctic Council to the seven other Arctic countries -- Finland, Sweden, Norway, Iceland, Greenland, the United States and the Soviet Union. We will raise the proposal at a ministerial meeting in Finland next spring on environmental co-operation. Canada is willing to host a small secretariat for this Council and contribute to sustaining it from the outset.

The agenda of an Arctic Council should be flexible, allowing for growth with success, as confidence grows. In addition, the Government believes that it is crucial that an Arctic Council allow the voice of Northern people to be heard so that they may contribute to decisions affecting their lives and interests. Finally, an Arctic Council should be designed to include some appropriate input from non-member countries from outside the region who have interest in the Arctic and whose activities can affect that region -- for better or worse.

The challenge is great -- an environment in urgent need of cleansing, development which must be made sustainable, and unique social problems which require urgent attention. But the opportunity has also never been greater. With the Cold War over, and with our own concepts for security changing to address non-military threats to our future -- let us move forward. For no two countries is the responsibility and opportunity greater than for the U.S.S.R. and Canada. The Arctic must cease to be a frontier and become a bridge.

Whether in the Arctic, the Gulf, the CSCE, the United Nations or through bilateral co-operation and trade, the horizons of the Canada-Soviet relationship are limitless. The benefits to both our nations can be substantial. The political will is present. The commitment is strong.

The Soviet Union is at a profoundly important point. That point can be a turning point or a breaking point. Opportunity is present, but so too is danger. It is Canada's profound interest that opportunity become accomplishment, that the society there survives and thrives so that it can become the positive force its potential portrays. Canada will act -- as it can and as it must -- to encourage reform that works, reform that rewards. On that foundation we will build a relationship that will flourish, a relationship devoted to peace, predicated on democracy and dedicated to prosperity. That is our commitment. Let us make it our destiny.