

# Statement

Secretary of  
State for  
External Affairs



# Déclaration

Secrétaire  
d'État aux  
Affaires  
extérieures

90/09

CHECK AGAINST DELIVERY

## NOTES FOR A SPEECH

BY THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS,

THE RIGHT HONOURABLE JOE CLARK,

AT MCGILL UNIVERSITY

DEPARTMENT OF POLITICAL SCIENCE AND ECONOMICS

MONTREAL, QUEBEC

February 5, 1990.

Affaires extérieures et  
Commerce extérieur Canada

External Affairs and  
International Trade Canada

Canada

## MEDIA NOTE

This address is the first of two major statements by the Secretary of State for External Affairs on the subject of Canadian policy towards Europe. Today's speech outlines Canada's interests in developments in Europe and defines the principles which will guide the development of our policy towards Europe. A second speech, to be delivered in the next few weeks, will outline a series of initiatives Canada intends to pursue bilaterally and multilaterally in its relations with Europe. This second speech will follow consideration by Cabinet of these initiatives, and the associated policy framework.

Late last November, during one of the many massive demonstrations which filled Prague's Wenceslas Square, a sign was posted by a young Czech protestor. That sign told a story:

- Poland - 10 years
- Hungary - 10 months
- East Germany - 10 weeks
- Czechoslovakia - 10 days

And, five weeks later, he could have added:  
- Romania - 10 hours

The pace and scope of change in Eastern Europe has been truly remarkable. Literally, no one predicted what has happened. And, more to the point, no one knows what will happen next.

The story is just beginning; it is only the opening act in a long drama whose plot we do not yet know.

In response to the revolution sweeping Europe, I initiated a review of Canada's policy towards the region. That review is almost complete, and I will be bringing the results to Cabinet in the next two weeks. Then I will bring the results of Cabinet discussions to the House of Commons Standing Committee on External Affairs and International Trade. This policy review is designed to help Canada participate as fully as possible in the historic changes in Europe. Because events are moving so fast, Canadian policy towards Europe will be under virtually constant review. What is happening in Eastern Europe is not just a change in current events, but a change in history. And we Canadians have an important place in that history.

What is at stake in Europe is nothing less than the successful replacement of the brittle postwar order which we have endured since 1945.

For 45 years, we have presided over a partial peace, a peace which has denied freedom to half a continent. It was a peace based on the constant threat of a new war.

We are presented today with the prospect for the first time in two generations of a Europe prosperous and free - a Europe woven together by a web of interdependence which would make the calculation of war irrational.

Who are the authors of this opportunity? The first is Mikhail Gorbachev, whose strong vision and steadfast purpose led him to openly acknowledge the abject failure of the 70-year old Soviet experiment, and to act forcefully upon that realization at home and abroad.

Abroad, by re-writing Soviet foreign policy, by making Moscow a responsible and reasoned great power in many corners of the globe and on most international issues.

And at home, by challenging the Soviet system - and the Soviet people - to discard the failed machinery of the command economy, to accept a new challenge: the challenge of building a new system based on self-reliance, initiative, and openness.

But Mr. Gorbachev's domestic message has gone well beyond the Soviet border. That message was also received by the people and ultimately by the governments of Eastern Europe. Gorbachev has done what we in the West would never have expected of a Soviet leader: he has accepted - even encouraged - the dissolution of the Soviet Empire in Eastern Europe.

The other authors of this great change are the peoples of Eastern Europe themselves. From Berlin to Bucharest, from the streets of Prague to the town square of Timasoara, they have risen in an unprecedented demonstration of the power of popular will. They have thrown out the old guard, seeking a freedom and prosperity denied them for over 40 years.

The reaction there - and the reaction here - to this remarkable revolution have been one of euphoria. But the time for euphoria is over. It is time to consolidate the gains made so far and to render real and enduring what has, until now, been hope and promise. The opportunity is immense, but so too are the challenges.

The countries of the East are embarked on an unprecedented two-track process of reform. One track is political - the abandonment of single party structures, the introduction of the ballot box, the construction of democracy.

The other track is economic - discarding the crippling constraints of the command economy and introducing a more open and freer market.

Each of these tracks has its challenges. But the pursuit of both simultaneously poses particularly various risks.

Glasnost throughout the East has been an impressive success. On television, radio and in the print media, the news is full of exposés, charges of past misdeeds and critiques of the old ways. In fact, the degree of frankness at times exceeds what we in the West have come to expect from our own.

However, the freedom to criticize and express becomes a double edged sword when reality itself is slow to change. Hidden failure is one thing. Openly acknowledged failure is another - particularly when the failure is allowed to remain unaddressed.

There is another challenge - the challenge of constructing democracy. Having wrested power from the old regimes, the new regimes must learn how to exercise power. And it is a new sort of power. Democratic power - the most subtle form of government.

None of these countries has had recent experience with democracy. And in many of them there is no history of democracy. Teaching tolerance in societies which have spent the last 40 years enduring intolerance is not an easy task. The limits of acceptable debate and the techniques of compromise are not easy to define. Democracy is not a gadget to be assembled with an instruction booklet. It is a state of mind, a cultural habit.

Eastern Europe is attempting to do in a matter of months - peacefully - what has taken us centuries to achieve.

One year ago, not one country in Eastern Europe had held a democratic election in over 40 years. By the end of this year, with the exception of Albania, the ballot box will have been tried in every country of the region.

So what awaits these brave, pioneering democrats? What awaits them is what has brought them to the threshold of power: economies in a state of virtual collapse, in such bad shape that it would almost be easier to start from scratch to salvage prosperity from the current mess.

Although the problems vary from country to country, there is a common illness and a common pathology. The symptoms are all too evident:

- outdated, and in some cases non-existent infrastructure;
- old, inefficient and outmoded industrial sectors;
- mountains of foreign debt;
- inflationary pressures;
- price and wage structures totally unrelated to cost;
- and currencies worth not much more than the paper they are written on.

Finally, there is a crisis of attitude. We tend to think that born in every human being is the desire to compete, to take the initiative. But these habits too are cultural. What if the people do not want to do what a successful market place requires? What if they resist the promise of profit and seek refuge in the old predictability of a command economy? What if they sit back and wait for the state to tell them how to be free?

The period of economic transition will be terrifying. Wages will drop. Prices will rise. Unemployment will soar. The clear danger here is that democracy, not the previous regime, will be blamed for the misery.

What is the role of the West in all this? Our role relates to the attitudes and principles we bring to this historic challenge, as much as it does to concrete initiatives. For it is these attitudes and principles which will help determine the choices we make and the risks we take.

The first requirement is an attitude of unstinting support for the reform efforts under way in the USSR and Eastern Europe. Given the issues at stake, we cannot be fair-weather friends. We must understand that in a profound way, we are in this together - and we are in this for keeps.

There is a tendency now to hold up the leaders of Eastern Europe and the USSR and examine them as if they were laboratory specimens, to peer at them and engage in premature public eulogies or obituaries.

Television trivializes everything through repetition. It tends to treat as significant only that which is new. Andy Warhol said that everyone was a hero for 15 minutes. He had a point. Today we see pundits portraying Mr. Gorbachev as yesterday's man, a flash in the pan - a bad bet. This is nonsense.

Television, radio and newspapers have played a major role in the reform sweeping the East. It has given a new meaning to the term 'the communications revolution'. We cannot overestimate the immense importance of continued Western support.

A related principle is patience. The road ahead will be rocky. There will be reverses and setbacks. But given the dimensions of the change, it would be astonishing if a smooth ride were possible. There are bound to be developments which Canadians will judge as disappointing, or unsettling, or even offensive. Rather than rush to these judgments, we must give reform every chance to succeed.

The third principle is a clear recognition of what we in the West can do - and what we cannot. We in the West cannot solve the problems facing the East. Ultimately, it is the peoples and governments of these countries who will make democracy and the open market work. This is as true in Eastern Europe as it is in Canada.

But we do have an important role. We can offer help when it is sought and we can provide a stable context for the development of democracy and prosperity.

That co-operation can be of an emergency nature - as with the \$12 million in food aid Canada is giving to Poland or the \$30 million we have contributed to supporting the Polish currency as they move towards an open market.

That co-operation can also be of a longer term nature - helping Eastern European governments develop the expertise to run a democracy and a modern economy. Such things as management training and statistical assistance are important here. So too is gradual integration into the Western financial system, as demonstrated by the Prime Minister's proposal that the USSR be given observer status at the GATT, his advocacy of a meeting between Mr. Gorbachev and the Host of the Economic Summit, and Canada's intent to join the new European Bank for Reconstruction and Development.

There is a fourth principle, though, which is as, or more, important than any of the others.

It is the over-arching requirement for stability. I do not mean stability for stability's sake. I do not mean simple military stability - I mean stability politically and economically as well as in the security field. And I mean stability for the purpose of proceeding with change. Stability is the singular foundation upon which new structures can be built with confidence.

We must recognize that at a time when everything seems to be changing, there is a premium on retaining what remains valid, on re-invigorating institutions which have served us well, and not discarding them blindly and prematurely.

And there is a premium as never before on careful co-ordination and consultation. In the mad rush to remake Europe, we cannot afford free-lancing or unilateralism, any more than we can contemplate isolationism or the search for unilateral advantage.

The requirement for stability extends to security arrangements.

Even Mr. Gorbachev, who once called for the abolition of NATO, now accepts its desirability as a framework of certainty in a period of great change. The struggle for prosperity and democracy will fail if insecurity is allowed to creep in. That means that reductions in national military capability should proceed under the umbrella of negotiated agreements. It also means that those negotiations themselves must keep pace with the political will, and grasp the opportunity now before us to increase security at vastly lower levels of armaments.

The requirement for stability in security arrangements also speak to the continued validity for the transatlantic security guarantee. For 40 years, European security has been based on the commitment of North America to the security of Europe. That commitment remains critical in the transition to a new security framework for Europe.

The principle of stability also extends to the question of institutional development. There are institutions with the West -and between East and West - whose membership and mandate make them ideal as fora for discussion and agreement on new programs and structures for Europe.

NATO, for example, is the only security organization whose membership encompasses both North America and Western Europe. As such, it remains the singular guarantee of Western security. NATO's arms control agenda - in the conventional and nuclear fields - must be pursued now with the same vigour which we have applied to maintaining a balance of military forces between East and West. But there is even more required. The definition of security should be expanded well beyond the accumulation of soldiers and arms into verification and confidence building.

The old NATO was based largely on a stark military mission. The new NATO will be based on a definition of security which goes beyond arms to the psychology and politics of security relations. NATO's long-term relevance will hinge on its ability to supplement its military role with a political mission.

Stability also requires that we use existing institutions with a comprehensive membership to lay the framework for political and economic co-operation across Europe. I refer here in particular to the Conference on Security and Co-operation in Europe, whose past accomplishments have helped emboldened the peoples of the East to action, and whose role in the future can be even greater in uniting North America with Europe - East and West - in the pursuit of common goals and shared values. Ways must be found to further institutionalize, politicize and broaden the role of the CSCE in a new Europe. CSCE must become the drafting board for the new European architecture.

I would like to speak briefly about the re-unification of Germany. The division of Germany has been at the core of the division of Europe. As long as Germany remains divided, Europe too will remain divided. A united, free Germany holds the key to a united, free Europe.

Canada, along with NATO, has always supported the peaceful re-unification of Germany. We do so today. Accomplished peacefully, democratically, and in full accordance with the principles of the Helsinki Final Act, a united Germany can be a force for peace and prosperity throughout Europe.

But the very enormity of the opportunity mandates proceeding with great care. A successful re-unification process will hinge on the degree to which the leadership of the two Germanies approach their future with this in mind. We have been greatly encouraged by Chancellor Kohl's statesmanlike response to this challenge.

Some may wonder what Canada's particular interest is in all this. They may believe that our geography puts us away from the action. That we have outgrown Europe. That our future is on this continent - or perhaps in Asia - that it is no longer in Europe.

We reject that hypothesis completely. In a profound way, Canada is a European nation. Our two founding peoples are rooted there and millions of other Canadians owe their origins to the great cultures of Europe.

Our values are, historically, European values. The triumphs and travails of the human spirit there are our own.

Our economic prosperity is based on a global economic system which requires peace for prosperity. Threats to that peace are threats to our prosperity.



Two bloody wars this century have taught Canadians that security at home is meaningless without security in Europe.

Around the world, regional conflicts and problems have gone unattended - or in fact have been exacerbated - because of the tensions which have enveloped Europe.

And our economic prosperity is tied to a prosperous and free Europe, whose 320 million citizens in the West will form, in 1992, the largest single market in the world, and whose economies to the East form a vast, untapped market of great potential.

So it is in our interest that the brave peoples of the East succeed. It is not simply in their interest. It is our peace, not only their peace. It is our prosperity, not only their prosperity.

What sort of Europe does Canada seek?

- A new Europe which is free, governed by the principles of self-determination and non-interference.
- A new Europe which is democratic in its politics and committed to an open market in its economics.
- A new Europe which is imbued by a universal respect for the rights of the individual, for it is on this that democracy finally depends.
- A new Europe which is based on mutual security, where military forces are reduced to the minimum level required for security.

And, finally, we seek a new Europe which is an open Europe. A wall dividing Europe cannot be supplanted by a wall around Europe.

What is Canada's role in this? Our role is as one of the leading democracies of the West and one of the strongest economies in the world. We have a direct stake in the stable evolution of Europe.

We have unique characteristics to apply. Our own experience with federalism, and with the challenge respecting different cultures, has created special expertise and insight. We are a country with a strong economy, whose strength in a variety of sectors - telecommunications, transportation, the resource sector and management training - is worldclass.

Let me emphasize the multicultural reality. Often we describe that as simply a cultural or social advantage to Canada. It is also a business asset and a political asset. One in ten Canadians is of Soviet or East European heritage. These Canadians know the languages of Eastern Europe, understand the customs, and are familiar with the societies so foreign to much of the rest of the world.

That familiarity is a business advantage and something Canada can contribute to the East.

Already, Andrew Sarlos, the Hungarian-Canadian entrepreneur, is leading the way in establishing new enterprises in Budapest. Mr. Sarlos' expertise has been eagerly sought by the Hungarian leadership. He has established the First Hungary Fund, with investment of over \$80 million; he has just established the Central European Development Fund, with \$50 million in assets; and he is currently looking at opportunities in Czechoslovakia.

Thomas Bata, the Czech-Canadian industrialist, has returned to Czechoslovakia and is at this very moment advising President Havel on means to rebuild the Czech economy.

And the Reichmanns are involved in pulp and paper, oil and urban development projects in the USSR which could total \$1.6 billion in value.

Those are three prominent Canadian bridges to Eastern Europe and the Soviet Union, and there are thousands more, who deepen and enlarge Canada's opportunity to play a constructive part in the reforms in Europe.

\*\*\*\*

The developments in Europe have spawned a whole new vocabulary in diplomatic discourse. We hear of a Common European Home, of a Confederation of Europe, of a new European Architecture.

This dialogue is important. What we do require now is vision. We do need new institutions. And we do need to re-invigorate old ones whose mission, designed to capitalize on to-day's opportunity, remain more valid than ever.

A Europe at peace with itself - prosperous, whole and free - is the goal of every Canadian. It will sustain our security. It will support our prosperity. It will fulfill our values.

Its attainment is important in and of itself. Yet it is also crucial if the world is to move on to the other problems pressing around the globe. The crisis of debt, of drugs, of development, of regional conflict and of the environment.

The absorption of our energies in preventing conflict in Europe has distracted us from dealing with these other issues. And the divisions between East and West have themselves contributed to these problems through large defence budgets, wars, a competitive arms trade and the sheer neglect of other issues which is the product of opposing ideologies and interests.

A peaceful and prosperous Europe can free up our energies to tackle the global threats of the future. And Europe can itself act as a new example to the world - an example not of division, but unity; not of repression, but freedom; not of empire but self-determination.

Francis Fukuyama, a policy planner in the US State Department, has initiated a public furor with an article he published entitled "The End of History". Mr. Fukuyama is of the view that with the events in Eastern Europe, history, as the clash of values and ideologies, is now over.

That is a disturbingly narrow perspective. For the peoples of the East, history is not over; it has just begun. The values they have cherished - and which we share - are only now beginning to be fulfilled. And the values we hold together must now be fulfilled elsewhere, where the struggle for justice and freedom remains unwon.

As we start the final decade of the millennium, Canadians are fortunate to be on the hinge of history. We will do our part, as we can and we must, to ensure that the new renaissance on an old continent comes to pass.