

FOR IMMEDIATE RELEASE
JUNE 13, 1981



STATEMENT DISCOURS

SECRETARY
OF STATE
FOR EXTERNAL
AFFAIRS.

SECRÉTAIRE
D'ÉTAT AUX
AFFAIRES
EXTÉRIEURES.

STATEMENT BY THE
SECRETARY OF STATE FOR
EXTERNAL AFFAIRS,
DR. MARK MACGUIGAN,
DURING THE DEBATE
IN THE HOUSE OF COMMONS
ON FOREIGN POLICY,
OTTAWA, JUNE 15, 1981

TEXT

Madam Speaker,

The Prime Minister, Mr. Trudeau, has dealt eloquently with the question of instability and poverty in the world; of the need for nations to find ways to improve the conditions of the nearly one billion people on this planet who live on the margin of human existence. At the same time, he has underlined Canada's growing interdependencies with the world.

All Canadians have a huge and growing stake in what happens outside our borders. There is hardly a community in Canada which is not in some way or in some manner affected by developments outside this country. The same could not be said only a few years ago. Our economy and that of the world are now firmly intertwined. Our destiny and that of the world have become inseparable as never before.

The quest for world stability and order takes on an added sense of urgency under the circumstances. It is no longer an abstract concept. We are not simply a fortunate and remote country surrounded by three oceans and occupying one end of an isolated Northern land mass. We are a country which is vitally dependent on the world. The ripples resulting from events elsewhere do not stop at our borders. They carry on past and have an impact on all parts of our country.

The world presents a mixture of constraints and opportunities for Canada, as it does for all countries. The realization of our national goals is enhanced or diminished by what happens outside our borders. Growing global interdependence alters the balance of these constraints and opportunities. How world problems are dealt with becomes of vital importance to a country like Canada whose links with and dependency on the rest of the world are great.

Foreign policy can be said to begin in national interests and to end in international action. It is the extension abroad of national policies, as the government stated in its "Foreign Policy for Canadians" in 1970. Even more, it is the expression in the world of our fundamental national values -- values such as freedom, democracy, civil liberties, peace, justice and economic and social progress.

To be sure, we have to pursue our national objectives in an international perspective. National aims can no longer be realized in isolation but require international consensus and united action through the principal associations to which we belong -- the United Nations and its agencies, the North Atlantic Treaty Organization (NATO), the North American Aerospace Defence Command (NORAD), the Commonwealth and la Francophonie.

This is not the occasion to address conflicts between the national interest and the international good, except to note that the ultimate safeguard is the intrinsic appeal of the common good of all mankind. But Canada has less reason than most countries to anticipate conflicts between its national aims and those of the international community. In fact, from the time of our full emergence as an independent state with the Second World War and well before our present economic interdependence with the rest of the world, internationalism has been a trademark of our foreign policy. I believe that almost all Canadians accept it as one of our foremost national values.

The foreign policy review of 1970 divided Canadian values, as applied to foreign policy, into six categories which could thus be treated as the main themes. The events of the 1970s required the review and adjustment of many of the policy directions within that overall framework. But as a framework for our aspirations, I believe these themes remain valid.

In my view, these themes -- fostering economic growth, safeguarding sovereignty and independence, working for peace and security, promoting social justice, enhancing the quality of life and ensuring a harmonious national environment -- continue to reflect the aspirations of Canadians and indicate a continuity in Canada's foreign policy goals. The strategies required to realize these goals today are different from the strategies of the 1970s. The relative priority of the goals may also differ, but the goals themselves remain.

What sort of world were we facing at the outset of the 1970s when that review took place? It was a different world, a world which was, frankly, more hopeful. There was more confidence then about our economies. We believed that money and technology transfers could overcome a number of global problems and advance the development of developing countries. Social programmes could easily be expanded both at home and abroad; the disfavoured people in our own societies and the disfavoured countries of the world could be helped simultaneously. The term "oil shock" would have brought a blank stare. We were entering a period of economic expansion on a global scale. The fruits of this expansion would allow progress to be made on a number of fronts. Meaningful disarmament initiatives appeared possible. The Soviet Union appeared to be moving toward greater co-operation with the West.

I do not have to go through a litany of things which altered our views during the 1970s. It is not necessary to describe the incredible global impact of two oil shocks and two recessions as well as other developments which diminished the early hopes of the 1970s.

However, much was accomplished internationally in the 1970s on which we can build in the 1980s. The 1970s saw a vast increase in international co-operation and the establishment of new frameworks to facilitate international transactions. Increases in trade and human contacts developed on a wider scale than ever before. There were attempts to develop crisis management mechanisms which could lessen threats to the international system in a wide variety of areas.

And the 1970s saw a greater degree of stability returned to relations between the European states, particularly between the two Germanys. China joined the community of nations. The states of ASEAN (Association of South East Asian Nations) formed a new nucleus for mutual co-operation.

A significant foreign policy challenge for the global community and for Canada will be to use those positive elements of international co-operation which were built in the 1970s to help deal with the uncertainties of the 1980s to which the Prime Minister referred. Canada cannot -- nor can other responsible states -- turn inward when faced with the difficulties of the 1980s. The 1970s would have been far more difficult internationally without the safety net of institutions and procedures which have been built up with such difficulty and in which we have invested so much. We cannot now turn away from these institutions and frameworks. We need them to a greater extent than ever before.

I should like to look ahead at the 1980s through the prism of the six principal Canadian values to which I have already referred. The 1980s will require more emphasis on some of these themes than on others in order to deal with new realities. All these values are important. Any one from time to time can require the highest priority from the government.

The goal of Canadian foreign policy is to create a just and peaceful world in which all nations can achieve greater well-being and prosperity. In order to attain this goal, particular priority has to be given at the present time to promoting social justice and fostering economic growth.

There are two themes -- working for peace and security and safeguarding sovereignty and independence -- which are fundamental to everything else. There can be little hope for economic growth or social justice if one's security or sovereignty is threatened. Themes interlink.

Canada defends its sovereignty and independence through a variety of means -- through boundary and territorial negotiations, for example -- but working for peace and security represents the most important way for Canada to defend its sovereignty.

Canadian security policy in the past 30 years has been based on three foundations of peace: first, deterrence of war through collective defence represented by participation in NATO and NORAD; second, verifiable arms control and disarmament agreements; and third, mechanisms and arrangements for the peaceful settlement of disputes.

When it was clear that the collective arrangements for peace provided for under the United Nations Charter were not going to be allowed to work, it became imperative to make other security arrangements. Canada joined with others in creating the North Atlantic Alliance in 1949 and has since contributed to the collective deterrence and defence capacity of NATO.

For the Canadian government, along with defence capacity, security also requires the search for arms control. If the armaments spiral is ever to be broken, verifiable arms control and disarmament agreements must be concluded. Arms control and disarmament is the pursuit of undiminished security at lower levels of armaments and expenditure. The step-by-step approach takes time, beginning with the mutual perception of security which can lead to agreements to limit arms and to control their development and deployment. Once arms competition is contained, efforts can be focused on reductions, which would continue to reflect that same approximate security balance.

The prospects for concluding arms control and disarmament agreements continue to be limited. The postponement of consideration of ratification of SALT II (Strategic Arms Limitations Talks) by the U.S. Senate followed the Soviet invasion of Afghanistan in December, 1979. The review of arms control and disarmament policies by the new U.S. administration should result in a new start in the SALT process. At the last NATO Foreign Ministers' Meeting in Rome, which I attended, the United States reaffirmed the intention of the previous administration to go forward with discussions on the limitation of theatre nuclear forces. Negotiations on a comprehensive test ban treaty and on a ban on chemical weapons have continued to be protracted.

It is, indeed, in the process of peacemaking that real disarmament progress is likely to be registered. Many of the crisis spots in the world are not cast in ideological and imperial terms as is the current case between the East and the West. The vast majority of disputes, particularly in the Third World, are regional in scope and often reflect deep-seated and historical quarrels in relation to local and ill-defined issues. Canada has been active in seeking solutions to international conflicts.

A major focus of Canada's recent arms control activities was the Prime Minister's proposal at the first United Nations' Special Session Devoted to Disarmament in 1978 in the context of restraining the technological momentum behind the strategic nuclear arms race. The elements of the "strategy of suffocation" -- a comprehensive test ban treaty, a ban on the flight testing of all new strategic delivery vehicles, a ban on production of fissionable material for nuclear weapons purposes and an agreement to limit and then progressively to reduce military spending on new strategic nuclear weapons systems -- were not new to the arms control discussions. What was new was the concept of their interaction in combination to prevent proliferation of nuclear weapons among heretofore non-nuclear weapons states or the nuclear weapons states themselves.

Three years later the concept of the strategy of suffocation remains valid. The government takes every opportunity to reaffirm the importance it attaches to the continuation of the SALT process and to the realization of a verifiable comprehensive test ban treaty. These priorities, together with assisting in the preparation of a conventional ban on chemical weapons and the promotion of the evolution of an effective non-proliferation régime, will guide Canadian preparations for the second United Nations' Special Session on Disarmament next year in which Canada intends to take an active part.

As the Prime Minister has indicated, in the 1980s we must look for new ways of dealing with tension and threats to peace through new forms of consultation and crisis management, including ways of dealing with regional crises. Peacekeeping has been an important Canadian contribution to the search for international stability in the 1970s. We are hopeful that the wide range of multilateral machinery built in the 1970s will provide us with a good basis for developing these new ways of approaching security-related issues. It is particularly important to recall that the instability of our world, which we expect to deepen in the 1980s, is of a different, less predictable character, centred to some extent in the growing interdependence between industrialized and Third World nations.

The peace and security of Canada thus is becoming increasingly linked to regional tensions and crises. Regional crises are rarely contained in one particular region. There is a growing spill-over effect. There are wide-ranging repercussions that have a multidimensional impact far from their point of origin. A regional crisis of a military or a political nature in one region can have an economic impact on the other side of the globe; witness the economic impact of the Arab-Israeli war and the Iran-Iraq war on the West. On the other hand, the shock waves from an economic crisis in one region can trigger a military or political crisis elsewhere.

TRANSLATION

Closer interdependence means that Canada cannot remain isolated from the crises which erupt elsewhere in the world. We are particularly concerned about certain unstable areas. The crisis which threatens the stability of the Asiatic subcontinent has got us greatly concerned. I have already mentioned the mounting East-West tensions and the Right Honourable the Prime Minister, Mr. Trudeau, dwelled on that subject. I am convinced that Canadians would find it unacceptable if their government were to maintain a policy of détente towards the U.S.S.R. while closing its eyes on Soviet activities in foreign lands. The invasion of Afghanistan had a very negative impact on the interests of the world community. The Russians' refusal to change their position on that question has seriously jeopardized the situation. For all practical purposes, the Soviet Union ignored world opinion as expressed in two resolutions which gained very wide support in the General Assembly. The peace and stability of that area and of the community of nations will be endangered for as long as Afghanistan has not regained its sovereignty, its independence and its status of non-aligned nation.

The situation in Southern Africa enables us to entertain hopes and fear deceptions. Hopes because there seems to be a possibility that Zimbabwe might evolve towards a democratic and multiracial society, but deceptions as well because the policies of South Africa remain unchanged. Last fall at the United Nations I spoke of the permanent affront to humankind which the apartheid policy represents. The government feels it is despicable.

We also maintain that South Africa must loosen its grip on Namibia. The mere fact that the Namibian issue remains on the list of critical problems in foreign policy proves it. The intransigence of the South African government is the only obstacle to a negotiated settlement, one which would allow the Namibian people to gain independence through a free and fair election in which all Namibians could take part. Such an election under the supervision of the United Nations is the focal point of Resolution 435 of the United Nations' Security Council and Settlement Plan. Our support in this regard is unconditional. However, new elements may have to be added to Resolution 435 to win over all the parties involved to its provisions and the terms of the U.N. plan. But I must point out that any addition must be in complete agreement with the basic principles of the resolution. In our view, there is therefore no question of amending the resolution, but rather of ensuring its implementation. The addition of new elements with the agreement of all parties involved should aim not at weakening it, but at giving it full effect.

I want to point out to our African friends that Canada has only one purpose in this matter, that is, independence for Namibia. We have nothing to gain and, indeed, much to lose as long as Namibia is occupied illegally by South Africa. We have indicated to the latter that only an international solution can be a lasting one and that only an international solution will bring stability and security to the region. The resolution of the Namibian issue is as much in the interest of South Africa as of the other parties involved. Canada will continue to work for a negotiated solution, but in the final analysis, South Africa will have to make the decision. It was not ready to proceed last January at the Geneva conference. I hope that on reflection it will agree to a direction and a plan which has the approval of the entire world community.

The Middle East is an area of the Third World which is of vital and direct interest to the West as a whole. It is the focus of the convergent interests of North-South and East-West relationships. The economic development of a large part of the world is intimately linked to the Middle East and the issues of concern to this area should be given priority by all international organizations. This government's policy is, whenever possible, to facilitate understanding and promote dialogue. Tension in the Middle East is multidimensional and its most important aspect is the Arab-Israeli crisis for which a long-term solution has to be found. Israelis and Palestinians have legitimate rights and concerns which must be taken into account. Among other things there is the security of Israel and its right to be readily accepted by its neighbours. But the world must also recognize the rights of the Palestinians and these include their right to a homeland, within a clearly defined territory, and by that I mean the West Bank and the Gaza Strip.

Madam Speaker, there are other regions of the world where tension and instability prevail, like Central America, the Caribbean, and South East Asia. Canada must recognize that development in those areas and elsewhere is getting even harder to control especially if East-West confrontations spill over into the Third World. We ask that Third World countries be sheltered from these rivalries and we support their legitimate desire to return to a true spirit of non-alignment. We also ask that the Soviet Union respect such non-alignment.

TEXT

I have mentioned the link between peace and security on the one hand, and sovereignty and independence on the other. But our relationship with the United States could be considered a special case of the exercise of the latter value. Indeed, this relationship is perhaps Canada's greatest foreign policy challenge. The reasons go beyond the sheer magnitude of the relationship, with \$90 billion in trade last year and its enormously complex network of personal and business links. The more profound reason why Canada-U.S. relations are so important has much to do with how we as Canadians want to shape our destiny.

In many ways, Canada and the U.S. are similar societies. We are both liberal democracies of the new world, lands of almost unlimited opportunity and personal freedom, whose people hold in common a range of cultural and ethical values. Yet in vital respects -- and this is the crucial point for Canadians -- we are very different nations with our own approaches to nation-building and some clearly distinguishable economic interests and social features.

For Canadians, the art of conducting relations with the United States is to co-operate in the development of what is in most ways a fruitful and mutually beneficial relationship while safeguarding Canada's paramount national interests. A vital, economically strong and unified Canada is in the economic and security interests of both countries.

This is the purpose of Canadian government measures to promote the Canadianization of the national economy, including the several steps in this direction which have already been taken, such as the establishment of Petro-Canada and most recently the framing of the National Energy Programme.

An irony of the relationship is that the very similarities which exist between Canadians and Americans can make the inevitable problems which arise more difficult to resolve. There is a difficulty sometimes in the United States to grasp that different policy methods are used in Canada, despite the similarities which exist, because our respective experiences and structures are in some other ways different. In order to minimize the friction in the relationship, therefore, a premium must be placed on explaining policy approaches to one another as effectively as possible.

Some observers believe that at the moment Canada and the United States seem to be headed in different philosophical directions. I would rather suggest that in fact the two countries are developing national policies suitable to their own particular circumstances. In the case of Canada, we all believe this to be an entirely healthy and understandable phenomenon which can in no way affect the foundation of goodwill and common interest which form the bedrock of Canada-U.S. relations.

Inevitably, we will have to be prepared to face opposition from some American quarters on some issues. No independence worth having is completely costless. Broadly speaking, however, I am confident that Canada and the United States will continue both to co-operate on questions of primary interest to the two of us and to work together to support peace, security and human dignity abroad.

One issue requiring co-operation between our two countries relates to a principal Canadian foreign policy theme, namely, working to ensure a harmonious natural environment. Since 1970 there have been important developments in this sphere,

both positive and negative in character. Modern technological development has had environmental consequences of a magnitude and complexity which were unforeseen ten years ago. Today, phenomena scarcely recognized in 1970, such as acid rain, ozone depletion and the accumulation of carbon dioxide in the atmosphere, have become issues of both domestic and international concern. Hazardous waste disposal and the health effects of new chemicals have acquired increasing international significance. Traditional, although no less significant, concerns such as air and water pollution, urban growth, deforestation, and soil degradation are becoming more internationalized; these phenomena do not recognize international boundaries.

On the positive side, both the Canadian government and the international community have recognized the seriousness of these issues and are planning various measures to deal with them. Progress at both the domestic and international levels has been encouraging. Two examples come to mind in which this country has been particularly active. Canada played a major role at the Stockholm Conference on the Human Environment in 1972 which established the United Nations' environment programme. It also hosted an international Conference on Human Settlements, "Habitat", in Vancouver in 1976 which led to the creation of the United Nations' Commission on Human Settlements. There were a number of other successes, including the 1979 Convention on Long Range Transboundary Air Pollution.

Closer to home, the Canadian government has to work out environmental protection agreements with our neighbours. Negotiations are commencing this month with the United States for the formulation of an agreement on transboundary air pollution. A successful outcome is literally vital to Canadians. This is another issue on which the government will be vigilant in the Canadian interest.

Solutions to the problems we confront in the environmental sphere must be found although they are not easy to come by. Yet there is no question that Canada and other nations of the world have to focus now on the sort of planet we need to live in a decade or two or three away. We cannot ignore the active potential for ecological disaster that is building. We cannot, to coin a phrase, de-regulate our responsibilities.

It is significant that this House recognized those responsibilities when we recently voted unanimously to provide the authority, through amendments to the Clean Air Act, to meet our obligations to the United States vis-à-vis transboundary air pollution. We are hopeful the United States will take the same step.

As "Foreign Policy for Canadians" pointed out, there is a close link between environmental ills and the quality of life in Canada and abroad. This theme covers the promotion of a sane and livable social environment as well as that of the ecology. Terrorism is a contemporary phenomenon which only determined international co-operation will control. International drug trafficking is another area where the concentrated effort of all countries is necessary.

But Canada can also promote the quality of the lives of Canadians through expanding and enriching our cultural links abroad, through human contact in science and education, as well as in the arts, binding and reflecting the bilingual and multicultural character of Canadian society.

Canada's economic development is inextricably linked to the overall international environment. External factors and how we deal with them will be of central importance to our economic growth. Every economic goal which we have in this country is subject to the influence of external factors. Whether we are talking about regional development in Canada, industrial adjustment, skill upgrading, finding markets for our goods, all are influenced by what takes place outside our borders. Canada must pursue policies which defend, support and promote our domestic economic growth.

Canada is increasingly dependent on the world economic system. Canadian exports as a percentage of G.N.P. are greater than at any time in the past. We have a network of economic links with the world which are central to our economic well-being.

Canada is vitally dependent on an open and stable multilateral trade and payments system. We must work with our major trading partners and others to strengthen this system. The system at present is under considerable protectionist pressures from many directions. No member of the trading community can claim to be blemish-free in this regard. Who would have foreseen at the outset of the 1970s, for example, that in the 1980s there would be demands and pressures in the international trading system for restraints and adjustments forced on major industries which are too successful? This is an unfortunate sign of the times and a challenge facing the trading world.

A greater diversification of Canada's economic partnerships has been a principal corner-stone of Canadian foreign policy for a number of years. These efforts have been directed in particular at our industrialized partners, but the 1970s have seen the considerable economic growth of the so-called newly industrializing countries.

These countries offer the possibilities for mutually rewarding economic partnerships for Canada in the 1980s. And they themselves are actively seeking such diversified trade relationships.

For Canada, not a member of any trading bloc, it is necessary to build a global network of trading partners. As Canada does not have traditional relationships with many of these countries, efforts must be made to build long-term and stable relationships with them from the ground up. Stable and long-term relationships will be particularly necessary for Canada in a world which threatens increased instability. A strong policy of strengthening bilateral relationships with key countries is necessary.

The improved technique of concentrating our bilateral relations which I announced on behalf of the government in January is in effect an updating and extension of the third option policy of 1972 by projecting our economic links beyond our traditional trading partners -- the United States, Europe and Japan -- to the Third World.

To illustrate how important the Third World has already become to Canada in trade terms, the following figures will be of interest to the House. Canadian exports to the developing countries constituted 9.7 per cent of total domestic exports in 1979. This figure rose to 11.6 per cent in 1980. From 1979 to 1980, while the value of total Canadian exports increased by 16 per cent, the rate of increase to the developing countries was 37 per cent. Particularly dynamic markets are China, Algeria, Brazil, Mexico and Saudi Arabia. Our exports to Brazil in 1980 rose by 111 per cent; those to Mexico by 104 per cent.

Furthermore, for several years our manufactured exports to developing countries have been of greater value than our manufactured exports to Europe. The Third World now also is the recipient of roughly 25 per cent of Canadian investment abroad. At the same time the rate of growth of imports to Canada from developing countries between 1979 and 1980 is greater than the average rate for all countries. This statement is true even if the export figures for the oil-exporting OPEC (Organization of Petroleum Exporting Countries) countries are eliminated from the statistics.

Specifically, where in the Third World does Canada look for new partnerships of mutual benefit? The countries of the Pacific Rim, and more specifically those of ASEAN, offer many potentially new partners. The annual growth rate of the ASEAN economies of some seven per cent over the last ten years has been twice that of North America and the European Economic Community (EEC) countries. The economic prospects of these countries remain particularly bright. There are growing links between Canada and ASEAN which, in particular, are stimulating the Pacific dimension of Canada's foreign policy.

Latin America offers another region of potential partnerships. Geopolitically, Canada has been screened from Latin America by the bulk of the United States. Our relationships with Latin American nations have tended to be one-dimensional, based largely on trade. We intend to broaden our relationships, in particular, with Mexico, Brazil and Venezuela, with an accent on a mutually beneficial relationship of the widest possible scope.

Canada has two regional relationships which are integrally linked to our interests in both the Commonwealth and la Francophonie. If I had more time, I would speak about both the Commonwealth Caribbean and Francophone West Africa.

Canada's growing economic links with developing countries are not Canada's only interests in seeking the economic prosperity of the Third World. This would be a betrayal of how Canadians see our responsibilities towards the developing world. Promoting social justice is an important domestic objective of this government. It has a clear international dimension which finds its reflection in Canada's foreign policy. It is central to our approach to the North-South dialogue, to Canadian development assistance, to human rights issues and to humanitarian questions. It is a major theme of emphasis in Canada's foreign policy. The government is, indeed, pleased to endorse the broad thrust of the report of the Parliamentary Task Force on North-South Relations.

A few moments ago, I heard what I can only call the politically-motivated attack of the Honourable Member for Kingston and the Islands, Miss MacDonald, on the Prime Minister's leadership on North-South issues over the years. I think the world would find such criticisms laughable. At Commonwealth meetings and in his Mansion House address, which is considered a classic throughout the world in the statement of the responsibilities of Northern countries, in the development and implementation of policies which are among the most favourable in the world to Third World countries, the world has recognized the leadership which the Prime Minister has brought to this field.

Because of time limitations, I shall leave the full range of my comments on North-South issues and the Breau Report for tomorrow's debate. At the moment I would note only that the theme of social justice in Canada's foreign policy is clearly apparent in questions touching the rights of the individual. The rights of the individual are at the basis of our political system. It is therefore essential that the promotion of human rights be part of the framework of Canadian foreign policy.

In general, our approach to the Third World is to insulate it as much as possible from East-West confrontations; in other words, to treat Third World countries on their own merits. Of course, when a developing country applies a foreign policy approach which actively aims at subverting the independence of other countries, our policy has been to terminate aid relations and to restrict economic relations to non-strategic commodities. However, for countries like Angola, our policy is to maintain open relations and to avoid punitive measures.

May I say in conclusion that I think it is important for Canadians to realize that foreign policy is not something secret or esoteric. It represents, internationally, what Canadians are and what they value. If fairly presented, it can be understood by all Canadians. I must say it is one of my personal goals to so open our foreign policy to the public as to make it generally understood. If the public can be persuaded to participate in the formation or carrying out of our foreign policy, so much the better. The businessman who fosters our commerce abroad and the aid administrator or field worker who spends part of his or her life helping the poor in developing countries are participating in our foreign policy, just as are the overworked and underpraised veterans of our foreign service.

Foreign policy is shaped by the value judgements of the government, based on the values generally shared by Canadians. In this way, Canadian foreign policy not only promotes democracy but also expresses the democracy that constitutes our national life.