

While all of this is pretty much settled, it is also recognized that the process of political union will be significantly slower than economic union because it is not a purely internal matter for Germans to decide. It depends critically on the external aspects of unification, and specifically on the outcome of the 2 + 4 talks involving the two Germanies and the four occupying powers — France, Great Britain, the Soviet Union and the United States. Before turning to those issues, however, we would offer a few comments on Canada's role in the internal process of German unification.

Apart from wishing the process well, Canada has little or no say in these internal matters, but it is possible for Canadians to participate and benefit. To be specific:

Canada's Presence in the GDR, Rudiger Puf of the German Federation of Industries said that East Germany needs so much that West Germany cannot do it alone. "There is plenty of room for foreign investment." Furthermore, he predicted that those who invested now would reap very handsome profits not so far down the road and also "gain cheap entry into the European community, as well as a base for reaching into Eastern Europe and the Soviet Union." We would add that if Canadian business is to take advantage of these opportunities, they had better move quickly. Our strong impression is that the opportunities in the new Germany will not wait upon a cautious, slow and faint-hearted response. In addition to pursuing fast-changing economic opportunities, Canada should also be in a position to effectively monitor the momentous political developments taking place in both Germanies. While we are well-equipped to do that on the West German side, we believe there is an urgent need to upgrade the Canadian presence in the GDR during this transitional period to economic and political union. While impressed with the calibre of the Canadian officials we met, we are not satisfied with the current arrangements whereby the Embassy in Warsaw — a post of immense importance in its own right — is also made responsible for covering events in the GDR. Accordingly, **the Committee recommends that the Government urgently investigate alternative means of upgrading Canada's diplomatic and trade presence in the German Democratic Republic, so as to achieve the essential objective of having Canadian officials continuously present in the GDR during the transition period to German unification.**

Democratic Development, Among the most pressing problems in unifying the two Germanies is that of "de-Stalinizing" the East, to use a common term in East Germany. This means building new, democratic structures from the ground up and in particular ridding the country of the scattered but well-entrenched remnants of the "stasi", the former communist state police. Dr. Sabine Bergmann-Pohl, President of the Volkskammer, told us this was a problem with which the parliament would have to deal for a long time. While the West German governments at both the federal and Länder levels, as well as the various party foundations, are already active in extending assistance, this might be another area in which Canada's help would be welcomed.