

spheres. It is clear that we have "a vested interest" in the increasing liberalization of conditions of trade throughout the world. It is highly important to us that bloc confrontations, about which there has been some recent concern, be avoided. The importance of a generally outward looking world view from the European Community cannot be underestimated. In any confrontation between economic giants such the enlarged Community, the United States and Japan, we would all stand to lose--Canada more than most.

It follows that our interests in the Federal Republic are not just those of a close trading partner, a nation with whom we share many cultural and political values, a colleague in NATO and the OECD. We are vitally interested in the role the Federal Republic is playing in the enlarged European Community. As the most populous and economically powerful member, the Federal Republic's role will continue to be very significant. As anywhere else, power can be exercised badly or constructively. In the case of the Federal Republic, that power has, in our view, been used with imagination and with the wider interests of the world community at heart. The Federal Republic has been a leader in trying to shape responsible and outward looking policies for the nine.

Shortly before he came to Ottawa this fall Herr Scheel and I were both in New York at the United Nations General Assembly. His visit was an historic one. The admission to the United Nations of both German states was an outstanding achievement. For the Federal German Republic it was a difficult decision. For the United Nations, it brings that organization much closer to the long cherished goal of universality. For Europe it gives greater substance and meaning to détente. When the process began it meant the opening of talks leading to the establishment of diplomatic relations with the German Democratic Republic.

For our part this process began on December 22, 1972 when the Canadian Government announced its willingness to establish diplomatic relations with the government of the German Democratic Republic and to hold discussions for this purpose. Our announcement constituted recognition of the GDR by Canada. Through our respective ambassadors in Warsaw, we have been discussing the establishment of diplomatic relations since February, 1973. In so doing, our interest has been in achieving complete mutual understanding before entering into any agreement on diplomatic relations. We wished to obtain clarification on a number of matters we thought should be completely understood before any agreement was concluded. We have asked questions and the GDR has asked questions and through this process we have clarified a number of important issues.

On two occasions, the most recent being in New York in September, I have discussed this matter with my GDR colleague, Foreign Minister Otto Winzer. Although the talks have taken longer than we would have liked, the end result, we hope, will have been worth the perseverance and patience that have been required. One of our principal preoccupations has been the matter of the reunification of families which we would like to see dealt with expeditiously on a humanitarian basis.

In making its announcement the Canadian Government also made known its intention to propose negotiations on a suitable basis for trade between Canada and the GDR once diplomatic relations are established.

In my own remarks to the United Nations General Assembly, I made the point--not just of welcoming the two German states--but of applauding the