

most of our expenditures are on personnel, we had to close some offices. We're gradually, however, beginning to move out again. We've established, of course, an Embassy in Peking, and I expect there'll be one or two early announcements. We have to have a strict order of priority, however. We don't want to open offices everywhere just for the form, but I expect that, within the next few years, we will have to extend our representation in Eastern Europe, and should.

You mentioned establishing an Embassy in China. Now, does that generally...can that be interpreted as an increasing interest in the Far East?

Yes it does. It represents, of course, first of all, a diplomatic initiative on Canada's part. We believed that it is not in the interests of the world to isolate Peking. Now I know, and most people know, that Peking to some extent has isolated itself, but when we saw an opportunity of moving to establish relations and to help them get into the United Nations, we felt we should. It is part of our policy to recognize governments not on the basis of whether we agree with their policies, but on the basis of whether they are the government of the area, and there could be no question about it that Peking had a greater claim to be the government of China than did the government at Taiwan. So, this was the first reason. The second reason was our growing interest in the Pacific. You know, Japan is now our third trading partner, and we're having closer and closer relations with Southeast Asia and South Asia, but the big gap in between was China where we were...where we recognized a government that didn't exercise sovereignty over many of the Chinese people.

Q. Southeast Asia. What's your reaction to the developments in this area, particularly as the Minister responsible for a Department that is involved in this area in the International Control Commission? What do you think of Laos for instance?

A. As a member of the International Control Commission, we have been trying for some months to get the commission to investigate the complaints that had been made by the Royal Laotian Government about invasion of Laos. And we've been completely unsuccessful.

Q. As a result of the refusal of the Polish and Indian Governments to do anything or...?

A. Yes, yes they would. Yes, they refused to take any action at all. When the South Vietnamese invaded Laos we raised the question again, and we said, well now let's investigate all these complaints, and we're talking with the Indians and the Poles, and I can't be very optimistic about it, however. Nevertheless, I believe it is necessary to proceed with this initiative because if we cannot carry out this mandate, which is to observe the breaches of the ceasefire,