

prepared to enter into discussions with the German Democratic Republic for the exchange of diplomats. We also think it paves the way for the two Germanies to get into the United Nations. It was most important that there should be an agreement on a *modus vivendi* to reduce the possible causes of conflict before the two Germanies do enter the United Nations, otherwise they would just be bringing their own problems and adding to those that we already have in that body....

#### Vietnam supervisory commission

**Q.** Something of the same difference of view appears to have come up in the question of Vietnam and a truce supervisory force or a peace supervisory force. Do you feel that there has been any improvement in the position regarding such a supervisory commission?

**A.** I think it is significant that Canada has said publicly what its conditions are. Otherwise people might have quite unrealistic ideas of what can be done and the conditions under which it can be done. Too often in the past there has been a tendency to believe that you throw in a supervisory commission or you throw in a peace-keeping force without having definite terms of reference, without too clear an idea of what it might do. This has been embarrassing not only to the members of the supervisory commission but frustrating to all concerned. So on this occasion when we did get a little bit of notice that our name was being used, we decided to make clear what experience had taught us, not only in our own interest, so that we did not get involved in an operation that would be futile, but also for the guidance of other countries that might be thinking of participating or might be asked to participate. At least that is an advance. We have yet to see whether the conditions are such that we can participate or that it is a useful exercise for anyone to participate. After all we don't have to be members of this, we're not seeking to be members of the commission in Vietnam but we recognize that we have responsibilities and as such we decided to say these are the conditions that must be met, otherwise the operation will be useless.

**Q.** With the possibility of peace in Vietnam, is Canada offering any form of rehabilitation for those countries?

**A.** Yes, some time ago we made it quite clear that we wanted to play a full part in special programs in special rehabilitation. In *Foreign Policy for Canadians*, which was put out a couple of years ago, we announced our intention to do so and that remains valid. A ceasefire would permit prospective donors to evaluate the needs for reconstruction assistance as well as the appropriate channels for making such assistance available. It is very difficult for the time being to prepare more than contingency plans although we've had some preliminary discussions with other governments and agencies interested in relief and reconstruction in the postwar situation.

#### Trade with Japan and Pacific nations of the Commonwealth

**Q.** What about other Pacific relations?...with Japan and Pacific countries of the Commonwealth...how have they developed?

**A.** Well, of course, there has been an enormous development in our relations with Japan. Trade just grows from year to year and Japan is now our fourth trading partner. We continue to devote a great deal of effort to the promotion of our trade with Japan. We're also having, of course, contacts in other directions too, politically we have more to talk about than we did. Japan followed our lead in recognizing Peking as the government of China. That was — I remember, when I talked with the Japanese delegation that was in Canada a couple of years ago — that was something that they were not at that time contemplating. But within a very few months they changed their minds and negotiated, and after the change of government in Japan, they have now followed our lead. So, we have many reasons to want to keep closely in touch with them. They are going to be an extremely influential country in the whole of the Pacific region. Indeed, probably occupying a pivotal role in relations with the Soviet Union, with China, with the United States and with us. There has also been some development, of course, in our relations with other countries. We've been having more to do with Indo-

nesia which, with a population of a hundred millions or so, is bound to play a large part in Southeast Asian affairs. Australia and New Zealand are also in process of changing their foreign policy as a result of changes of government, and we look forward to having more direct contacts with those countries — not arising out of our Commonwealth relationship, but just because we have more bilateral matters to discuss....

#### Latin America

**Q.** There have been some steps in Latin America, particularly in trade and assistance, with Canada joining the Inter-American Development Bank.... What problems remain there....?

**A.** I suppose there are always some problems with Latin-American countries that arise out of the nature of their production. To some extent they are competitors as well as customers. They've always had fairly close ties with the United States and with Europe. We have to make way against those natural tendencies or historical tendencies, but we're doing quite well. We've certainly made very rapid progress in the field of institutional arrangements. That apart altogether from the fact that we've now become a permanent observer in the OAS, we've joined the Inter-American Development Bank, we belong to their health organization, their agricultural institution. We're gradually spreading ourselves through those inter-American agencies, we've been stepping up our trade promotion in all sorts of products, so on the whole I think we are making fairly good progress. But it's not an easy place for Canadians to develop their relations. There aren't the historic links that we have with America and Europe. And there isn't the natural complementarity that exists between Japan and Canada. Many of the countries in Latin America are exporting raw materials or exporting food in competition with us, so that our markets are of a rather different kind than Latin America. Their markets are for capital goods, machinery, equipment, and things of that kind....

#### Relations with United States

**Q.** Now closer to home, with the United States, the problems seem to