

was in a similar state of isolation. I wonder how many of us believe that Soviet isolation served the interest of world peace? I well remember Mr. Vishinsky saying in the United Nations that never would he allow the windows of the Soviet Union to be opened to the ideas of the West. And the nations of the West at that time, for the most part, strove to establish contact with the Soviet Union along lines which have now clearly become better established.

Some means must be found to remove the suspicion and ignorance which feeds on isolation. The lesson of the last years seems to point toward increased contacts. Whether those contacts take the form of scientific and cultural exchanges or of limited agreements, they serve to lower the barriers of hostility. I do not suggest it would be appropriate to rush into some new formal relationship at this time with the Chinese people's Communist republic. The avowed intention of Peking to occupy Formosa stands as a serious obstacle to both the seating of Communist China in the United Nations at this time and to the recognition of the Peking regime. But I suggest that the increasing ostracism of Communist China from the world community may be self-defeating and a potential threat to international stability. It is not too soon to begin in the West to formulate realistic and far-sighted policies toward this Asian giant.

Trade, of course, has a special place in the process of overcoming the mistrust which exists between the West and the entire Communist bloc. The Soviet Union and other Communist countries are facing a particularly difficult problem of resource allocation at the present time, and both the nature of this problem and the attempts to deal with it will have important implications not only for the domestic and foreign policies of those countries but for East-West relations in general.

What are the implications for Canada of the developments which I have been discussing? First, it must be understood that we are bound by treaty obligations, by tradition and by national interest to the Atlantic world and to those countries which derive historically, economically and politically from Western Europe. Interdependence is a fact of international life, and Canadian relations with the Communist world are inevitably governed by the general state of relations between the two great military groupings, particularly those of the United States and the Soviet Union. It is neither possible nor desirable that our relations with the Communist world should be significantly better or worse than the relations of our closest friends and allies with the Communist world. Within those limits, however, there are certain possibilities open to us which could serve our interests and those of our allies. I believe profoundly that the long-term solution of East-West problems will come through the slow evolution of Communist thinking about their own methods and objectives, and about the outside world. It will not help if the Soviet leaders continue to feel that the West is totally alien and implacably hostile. Breaking down this dangerous misconception is the political reason behind our encouragement of cultural and other contacts, and it should also be the political reason for our trade with Communist countries.

So, for these broad political considerations, as well as for the commercial advantages which accrue to Canada, a country vitally dependent upon its exports, the Government intends to allow non-strategic trade with the