

USSR/EAST-WEST

- It is my view that the changes taking place in the Soviet Union are the result of an idea put forward by Mr. Gorbachev, to the effect that their economic system does not work and needs an in-depth overhaul.
- I find that highly interesting, not only with regard to the Soviet Union but also concerning Vietnam, Mozambique and other countries with a Marxist economy. If that is the base for their reform, then we must encourage the development of another approach in the Soviet Union.
- There are many ways of doing this. We must encourage Canadian business to become involved. As a matter of fact, Canadians are already very much involved in the Soviet economy, especially in certain fields such as oil and certain other fields concerning the development of natural resources and forests, as well as some areas of technology. This must be encouraged.
- We must encourage Canadian expertise in the areas of management and business methods. We could promote more exchanges along these lines.
- It is urgent that we take action of this type, because I think Mr. Gorbachev is facing two challenges. One is the issue of the various nationalities in the USSR. The second is that the people of the Soviet Union are demanding to be shown that reform can work. He has said that their system does not work and he has promised a better system. The holding of elections was a profound development, but the economy is still not functioning, and Mr. Gorbachev needs some success in this area. I think we must help the Soviet leaders achieve economic success.
- There is no inconsistency at all, I think, between being very strong in our support of the NATO system that defends western political values and making an aggressive attempt to ensure that western economic values, which Mr. Gorbachev now wants to adopt, are understood and made effective in the Soviet Union. The profound change has been a recognition that their economic system does not work and that our does.
- I think that there is an opportunity for us to instruct them in an economic system that they now recognize is superior to what they have been doing and maintain our strength and vigilance in defence of a political system that we think is profoundly superior.