This is the first time that, as External Minister, I have tried in this House to analyze our relations with the Communists in this way. When the differences between Moscow and Peking first became apparent, there was a natural reluctance on the part of the West to attach too much importance to them lest the cleavage be short-lived. While this was a prudent reaction at the time, we can now begin to draw a new balance sheet and get away from too exclusive a preoccupation with only one of the Communist giants. They are clearly at odds with each other on national, historical and racial grounds, though as Communists their differences find expression in ideological terminology. These differences, which have been coming into the open for perhaps four years, are obviously not a transient phenomenon.

Change in the Soviet Bloc

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thi ed, It is impossible to say how deep the <u>détente</u>, or the pause, with the Soviet Union will go, or how penetrating it really is. In the meantime, I think it should clearly be our intention to encourage this pause or <u>détente</u>, while remembering that Soviet positions have not changed on most of the central issues which divide us, including the division of Germany, the cruel, special case of Berlin, and the fomenting of unrest throughout the non-Communist world under the guise of liberation. Moreover, as we have recently noted in Ottawa as well as in other parts of the world, Communist efforts to subvert individuals and groups in free countries, and to expand their power and influence by other means than war, have continued unabated despite the <u>détente</u>.

This kind of situation, of course, requires the most careful examination. Each week brings some new evidence that it is possible to modify the word "satellites" in describing the relationship between the Soviet Union and the countries of Eastern Europe. This trend, of course, should not be exaggerated, but it is evident that, apart from foreign policy, and within certain limits, the Eastern European countries are being allowed, much more than ever before, to develop a brand of Communism more in conformity with local conditions and the national characteristics of their peoples. Simultaneously, the process of de-Stalinization has led to a considerable reduction in the physical control over the populations in these countries. Such trends are not easily reversed.

A final element to be kept in mind is that the Communist countries are faced with substantial economic difficulties. Agriculture is clearly inefficient, and the planning and organization techniques of Communist industry are passing through a period of revision. These developments present possibilities to the West for trade and for the opening of channels of communication which may help us to break down some of the barriers between the Soviet world and our own. Yet, even if we should be able to make some really substantial progress toward an understanding, a modus vivendi, with the Soviet Union and Eastern Europe, there would still remain the ominous question mark of Communist China.

A Question Mark

The Prime Minister and I had the opportunity for a frank discussion about Communist China with President de Gaulle and M. Couve de Murville, the French Foreign Minister, during our visit to Paris shortly before the French act of recognition. While we would have preferred that France had consulted