

make to the improvement in the world monetary situation - the world trade situation. For example, we floated our currency long before anyone else did which was a contribution to the stability of the world monetary situation. We advanced the Kennedy Round concessions that we made - and these were real concessions! We made a concession by advancing the time at which we would reduce our tariff. Now that was a genuine concession, but not just to the United States, though. That was made in order to improve the climate in world trade. So those kinds of things we are prepared to do but if anyone comes to us and says, - "you have an obligation to make unilateral concessions" - that we reject.

Reporter: Why? In view of the balance of trade and the balance of payments?

Mr. Sharp: You know, we have been for years running a very big deficit and we finally got to the point where we are beginning to be able to earn enough to pay interest on our borrowings and dividends and so on. We don't consider that this is an abnormal situation. We don't know whether it will continue but it has been one of our aims for years and years to improve our position so that we are not dependent, as we have been, on vast imports of capital. This is a legitimate aspiration and not one that is contrary to the interests of the United States.

Reporter: Mr. Foreign Minister, do you consider the United States to be unreasonable in its demands for trade concessions?

Mr. Sharp: Well I don't really know how to answer this because there has only been one issue that has been serious between us and that has been the automobile agreement. And there, as far as I'm concerned, one must have a really tough negotiation and these have been going on for months and months. Long before August 15th when President Nixon announced his program, we had been negotiating this. The United States want some changes in this agreement and we have our interest too. We cannot, so far, accept the position that has been put forward by the United States. But as far as this is concerned it is not an unusual situation. I've been through many negotiations myself and at some point you must reach an agreement and we haven't come to that point yet, apparently. Of course it is always possible to denounce it but as far as I can see in neither country do the interests of either the consumers or the producers want to denounce that agreement. So I can't answer the question. I don't really know what in the long run the United States will accept nor what we will accept in a position of bargaining and this is a