

concomitant termination of the Production Sharing Agreements, would have far-reaching consequences which no Canadian Government could contemplate with equanimity. It would be interpreted as a notice of withdrawal on our part from continental defence and even from the collective defence arrangements of the Atlantic alliance.

With regard to your specific request that we reveal all military production contracts related in any way to the Vietnam war, there is so far as I am aware no way in which the Canadian Government - and perhaps even the U.S. Government - could ascertain the present whereabouts of all items of military equipment purchased in Canada by the U.S.A. Such equipment goes into the general inventory of the U.S. armed forces and may be used for such purposes and in such parts of the world as the U.S. Government may see fit. The converse is true of equipment which is purchased in the U.S.A. by the Canadian Government. This long-standing arrangement - which is sometimes known as the "open border" - reflects the collective defence relationship of Canada and the U.S.A. and is an important element in the broadly-based co-operation of the two countries in the defence field. It would not, in my judgement, be consistent with that relationship for the Canadian Government to seek to impose the sort of restrictions which you suggest, nor am I convinced that, by taking such a step, we should be contributing in any practical way to achieving a political solution to the Vietnam problem.

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