

presence in Europe, strengthens the alliance. Against this background, the precise allocation of Canadian defence resources -- as between the European theatre and the North American and Atlantic regions of NATO -- is largely a matter of deciding where these resources can be used most effectively in the common interest. I can tell you, however, that the Canadian Government has no plans for any further reduction in the level of its military contribution in Europe in the foreseeable future.

The foreign policy review went well beyond considerations of security. Of necessity, much of it was devoted to the central problem facing Canada -- how to live distinct from but in harmony with the U.S.A., the greatest power on earth. The nations of Western Europe share this problem, but in Canada's case it is magnified by geographical proximity, economic interdependence, the shared defence of the North American continent and the pervasive influence of American culture on Canadian society.

The maintenance of an adequate measure of economic and political independence in the face of American power and influence is a problem we share with you. In dealing with this problem, there is at once a community of interest and an opportunity to work together. We seek to maintain close political, economic and social ties with Europe not as an anti-American measure but to create a healthy balance of relations within the North Atlantic community.

While many people in Europe have a full understanding of the historical and cultural links that bind Europe to Canada and of the great opportunities for a scientific and economic co-operation that can contribute to both our societies, there is a too-frequent tendency here to say to Canada: "Your interests are adequately taken care of by your close relations with the U.S.A.; accept the fact that you are a North American nation, sort out your problems with the U.S.A." For Canada this is not an acceptable option. The U.S.A. is our closest friend and ally and will remain so, but to say this is not to say that Canada will come to accept any kind of U.S. hegemony. Canada will remain sovereign, free and independent. In pursuit of this prime objective, healthy and strong relations with the nations of Europe are essential.

When Canadians look across the Atlantic, it is a changing, indeed a new, Europe that they see. The Iron Curtain is no longer so impervious to trade, the exchange of ideas and the process of negotiation. The European Economic Community has become a dynamic reality. We have been very aware of these changes, though perhaps not always aware enough of their meaning and their effects upon Canada.

We are learning fast. The enlarged Common Market of ten will encompass 40 per cent of the world's trade. It may be expected to import some 16 per cent of what it consumes. Canada cannot afford to stand aside from this great market, cannot ignore what it means in terms of our international trade, the trade by which we live.

This is one of the principal reasons for my visit to the European Communities in Brussels, as well as to some of the Capitals of The Six and for