

As you know, these policies have been known in Canada as "the Third Option", because they have been selected after two other alternatives had been successively examined and rejected: the first of these alternatives was the maintenance of our post-war economic relationship with the United States with minimal policy adjustments; the second deliberately to seek economic integration with the United States. These two options were rejected because we felt they would be incompatible, in the long run, with the maintenance of Canada as a politically independent and culturally autonomous society. But we also felt that they were not viable alternatives, since any government which chose to pursue them would be faced with strong resistance from the Canadian public which would place much greater strains upon our relationship with the United States than the "Third Option".

My predecessor described this option as "a comprehensive, long-term strategy to develop and strengthen the Canadian economy and other aspects of our national life". The key element of this long-term strategy is the diversification of our international economic relations.

Some of you may be aware that, in some quarters, Canada's new foreign policies have been interpreted as being directed "against" the United States. In fact, the reverse is true: it is because our government wishes to preserve in the future a sound political basis for our close and friendly relations with the United States that we are seeking diversification: for we are convinced that continued economic cooperation with our great neighbour will only be acceptable to the Canadian public in the long run if it is balanced by closer links with other regions of the world. Indeed, our new policies have generally been received with understanding and sympathy by the Government of the United States. Thus, our new foreign policies are quite similar to your Takaku Gaiko -- that is, your own "diplomacy for diversification". I stress that it is a new departure: the overall policy has been worked out, but the manner of execution has not been formulated in all details. Furthermore, we are only beginning to implement these policies and, evidently, the extent to which we will be successful depends crucially upon our principal economic partners after the United States: Japan and Europe.