

This may all sound somewhat grandiose, but it has very real meaning. Canada no longer sees itself primarily at the apex of the North Atlantic triangle, but as an Atlantic, a Pacific, an Arctic and, above all, an American nation. This is bringing about changes of emphasis in our foreign policy. It is not a retreat into isolationism as some observers have suggested, rather it is a broadening of horizons. It is also a considered move toward a more independent position in terms of foreign policy.

If we look to the United States for everything we cannot find in our own economy we will find ourselves with nothing of our own, at least in terms of independence. So we look first to Europe for the diversification we seek. There too we must be realistic. Europe is facing a long period of adjustment, following a long period of negotiation. I have confidence that the enlarged and deepened Community will be outward-looking in the longer term, in the shorter term Canada will face real problems of adjustment to the new Europe, particularly in trading matters.

Nor is there any good or adequate reason why, in our search for diversification, we should keep our sights low and confine our efforts to the areas where we have close historical, cultural and economic ties. Our economic interests alone require us to broaden our areas of activity. The United States is not a market for Canadian wheat, nor can Western Europe accept more than a share of our production. The economy of the Prairie Provinces now depends on wheat sales to China, to the Soviet Union and Eastern European nations.

What is relatively new for us in the Pacific is our recognition of the People's Republic of China and the growing importance of Japan as a political and trading force of the greatest magnitude. We established diplomatic relations with Peking to come to terms with the political reality of China, to do our part to bring China into the community of nations and particularly the United Nations and to overcome the fiction whereby we were doing hundreds of millions of dollars worth of business with a country whose effective government we did not recognize. We do not necessarily expect recognition to increase our trade with China although there are indications that it will.

Our relations with Japan are now so close that we have formed a Joint Ministerial Committee with them to oversee our shared concerns and to deal with problems as they arise. Japan has become the third great economic centre of the non-communist world, with the United States and the Common Market.

Nor can we continue to follow a rather passive