

In the sense that this policy is intended to produce a more resilient and mature Canadian economy, it is likely to become a more effective stabilizing factor within the continental context. The alternative is, as I have made clear, increasing integration. Increasing integration can only strengthen the protectionist forces which are abroad with consequent dangers to both economic and political stability in the world at large. Over the long run, option three is in the best interest of both our countries.

I have set out in very abbreviated form an outline of a most important policy guideline involving many complex issues and implications. As its significance and the considerations underlying it may not yet be fully appreciated, this is an area which Members may wish to explore in greater detail.

A logical complement to option three is increased attention to the development of our existing links with other major areas of the world. The enlarged European Community is, of course, a primary focus. Our day to day contacts with the Community have been reinforced by the appointment in Brussels of a separate Ambassador responsible for our relationships with the European Communities. In the past year there has been continued high level contact with the Commission and with Governments of member states. A mission of senior officials visited major European capitals in June, 1972. There have been sustained ministerial visits between the EEC and Canada, and, of course, the Prime Minister held talks with Mr. Heath in Britain last December. These contacts reflect