

one to the other, gradually, in the light of results? Or must success be achieved not step by step but as a result of a series of sudden and drastic moves? These issues are under debate at present as a result of the report on European Union by the Belgian Prime Minister, Mr. Tindemans. This experiment is of considerable interest for us as a country. The political future of many European countries that are close to us, the very balance of power in Europe, is bound up with the outcome of this process. And less-developed countries will not fail either to draw lessons for their own evolution from the results of these bold European rearrangements of their political apparatus. These aspects reinforce the importance both of knowing what is happening and of being in a position to relate to this changing European phenomenon.

Before turning more specifically to the new ways [in which] we are starting to relate to the EC, I might just recall that, in my immediately previous assignment as Ambassador in Washington, one of my tasks was to ensure that the U.S. Administration was cognizant of, and understood, important elements of Canadian foreign policy, including our policy of diversification. The main objective of this policy is clearly to strengthen our independence through an expansion of our external relations, including trading relations with other partners. Such a course is fully compatible with -- in fact, it is a necessary component of -- a policy of friendship with the U.S.A. This "Third Option" is aimed precisely at reducing the consequences, the frictions, the problems that are the results of the over-reliance *vis-à-vis* the U.S.A. in which we found ourselves. Our problems would have increased if we had not taken these steps. Good relations with the U.S. can only benefit from a better balance in our external posture. The idea, furthermore, is not to reduce in absolute terms our trade, our economic and financial relations with our good but powerful neighbour to the South but to increase simultaneously our relations both with the U.S.A. and with our other partners and thus achieve a different and better balance at a higher general level of exchanges.

What, then, do we want to do with the Community? Apart from additional political consultations, and co-operation in specific areas such as aid, the plan is to encourage, to stimulate, relations with the Community in the related economic and industrial fields. Should fields handled by the [European] Economic Community expand in the future, it is our hope that the closer relations that we hope to establish with it will naturally extend to the new fields it will control. As I indicated a moment ago, there is no question of reducing or prejudicing in any way relations or links that exist now or may develop in the future between Ottawa and member states individually in the areas that will remain under national control. In the public sector,