

exploiting the trading opportunities offered by the new Europe will still remain. At which point we say, "over to the private sector".

Our relationship with Japan offers similar scope for expansion and diversification. Japan will continue to be both Canada's largest market in Asia and Asia's largest exporter to Canada. It is the content rather than the volume of trade that remains a problem. As in the Western European market, Canada remains too much a supplier of raw materials and foodstuffs, too little a supplier of semi- and fully-manufactured goods, while Japanese exports to Canada have been almost entirely finished goods. Our long-term objective will be, with the assistance of Canadian exporters, to change the rather unsatisfactory traditional content of our trade within a framework of a general expansion. My colleague Jean-Luc Pepin, the Minister of Industry, Trade and Commerce, has recently had a notable success in promoting this objective. Recent Japanese moves towards trade and monetary policies appropriate to Japan's industrial status and prosperity are in the right direction.

Finally, above all, most important of all and most difficult of all, is our relationship with the United States. At several points in this address, I have pointed out how closely perceptions in the United States of the changing nature of the world's power structure have paralleled perceptions in Canada. I have also pointed out how much it is to Canada's advantage in a multi-polar world to have greater international elbow-room. To some extent, we owe it to the United States that we have this greater elbow-room; the United States has in effect created it for Canada and other countries by adopting a less ambitious concept of its world rôle. Canada and the United States have recognized, at much the same time and in rather the same way, the shift to the multi-polar world. Sharing a similar world view, we ought, one would think, to move easily with the Americans in the new environment.

Furthermore, we have some impressive recent evidence that President Nixon has reflected deeply on relations between the United States and Canada, and that he understands us pretty well. Last month, when he was in Ottawa, he said it was time for both countries to recognize:

- " -- that we have very separate identities;
- that we have significant differences;
- and that nobody's interests are furthered when these realities are obscured".

And he had some equally perceptive things to say, you may recall, about particular issues like foreign ownership.