

our industry. Clearly, no country concerned with its independence could accept passively a situation in which it found itself so exposed to a major and unexpected change in the terms of its economic relations with a powerful neighbour.

In the economic [*sic*] field, there emerged a renewed concern for the development and preservation of our national cultural identity. Canadians became increasingly disturbed by the pervasive influence of American cultural penetration. At the same time, we witnessed a burgeoning of activity in all the arts -- theatre, literature, ballet, painting, and sculpture, films and music -- that has been unparalleled in our national history. Winnipeg is one of the leaders in these cultural developments. They are a marvellous manifestation of the "Canadian fact", and of our determination to establish our cultural identity and independence.

In the defence field, continuing improvements and technological changes in nuclear-missile and radar detection systems tended to cause the Soviet bomber threat to North America to recede. Consequently, the momentum towards more closely integrated and structured defence arrangements abated and the relative importance of the Canada/United States defence relationship levelled off in the late Sixties. Although circumstances are changing, Canada remains committed to co-operation with the United States, and to our NATO obligations and to the policy of collective security.

In the field of foreign affairs, Canada launched certain new initiatives. We moved to recognize China. In the new atmosphere of *détente*, we extended the range of our relations with the Soviet Union and Eastern Europe. And, as I have already indicated, we sought new openings to Japan and to Western Europe. We also took fresh initiatives in dealing with such global problems as marine pollution and the law of the sea. In those various ways, Canada responded to new realities in the international environment and to new perceptions of our national interest.

There have also been certain changes on the American side affecting Canada-United States relations of which we must take note.

The early Seventies witnessed a major change in United States foreign policy, a shift from global leadership to a more diminished role in the international community. President Nixon's address to Congress in May 1973 on United States foreign policy for the 1970s took note of this change. He said:

"The American people had supported the burdens of global leadership with enthusiasm and generosity