

So far, I have been dealing with Canada's traditional areas of interest, the United States and Western Europe. When this Government came to power in 1968, one of its early decisions was to undertake a fundamental review of Canada's foreign policy.

What came out of it was not so much a fundamental change in our policy as a reorientation of our thinking about Canada's place in the world and an enlargement of our world view. Canada's angle of vision, for historical reasons, has been across the Atlantic to Western Europe and southward to the United States. We decided that in these two directions we must extend our line of sight, eastward to the nations of Eastern Europe, southward to the countries of Latin America. We decided that we must look northward to our own Arctic and across the Pole to our northern neighbour the Soviet Union, westward across the Pacific to Australasia, Japan, China and the countries of Asia.

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 economy we shall 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.