

continues to come from Europe. Our national fabric is made up of many distinctive ethnic groups -- many of them European. These have not been assimilated into a Canadian homogeneity. They preserve and value their links with Europe as they do their Canadian nationality. Canada's security is indivisible from that of Europe. Our exports to Europe represent 2.8 percent^{*} of our G.N.P. -- whereas the United States' exports to Europe represents 1.3 percent of the United States' G.N.P. The countries of the European Economic Community together constitute our second most important trading partner -- after the United States.

Now, the second reason for being cautious in welcoming the Year of Europe was my concern that a declaration or even a series of declarations should not be regarded as a substitute for the hard work in many forums required to find solutions to the substantive political, military and economic problems facing the trans-Atlantic community. From the Canadian point of view, moreover, we would not want a declaration to divert us or the Europeans from developing the sort of meaningful long-term relationship we have been pursuing with the enlarged European Economic Community.

Thirdly, we are anxious that the discussions now going forward between the community and the United States do not in any way pre-empt the NATO forum from performing its role as a diplomatic instrument in reinforcing the basic solidarity of the Atlantic nations. Without trespassing on the existing universal and regional forums for economic negotiation, NATO has, under Article 2, another task in avoiding serious conflict and disarray between member states in their economic policies.

We should be addressing ourselves to the equally vital issues of spiralling inflation, rising deficits from energy and defence expenditures and the capricious movements of world finance.

You will understand that questions such as these were very much on my mind when I met with Dr. Kissinger in New York for the first time in his new capacity as Secretary of State. While we did not have an opportunity for detailed discussion, it was a most cordial and satisfactory meeting. Dr. Kissinger expressed interest in -- and an awareness of -- the Canadian perspective on many of these and other bilateral questions. I believe we are on common ground with respect to the development of the Atlantic relationship within appropriate multilateral forums such as NATO and the O.E.C.D.

While there is much common ground, you will appreciate that the Canadian approach to the Atlantic relationship is by no means always identical with the American. There are distinctive Canadian views on the European Security Conference, on the development of relations with the enlarged community and on such issues as trade and monetary policies.

Canadians are often accused of being reserved -- perhaps of other things as well. Some of this may be true, although as a feature of the national character, I believe the charge is exaggerated. However, on the international plane reticence, no less than bombast, is a characteristic we cannot afford. On these issues, which vitally affect our present and future

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^{*}1972 figures.