Mr. Chairman, Ladies and Gentlemen,

Shortly after the Second World War, Walter Lippmann wrote that the Atlantic ocean unites the Americas and Western Europe "in a common strategic, economic and cultural system". While this proposition remains fundamentally unchanged, the Atlantic Community has undergone many important changes in the intervening years.

In contrast to the tragic conflict in the Middle East, détente in Europe is well advanced. A significant new pattern of relationships has evolved between the super-powers and new centres of power have emerged in Japan and in China. Intersecting with these changes has been the construction of an increasingly cohesive and dynamic European Community -- a development which has implications for Canada as well as for the United States which are as much political as they are economic.

It was timely then, this spring, for Dr. Kissinger to open the United States' initiative on the Year of Europe.

My initial reaction to this speech was one of welcome -- but of cautious welcome. We welcomed it as a serious and constructive attempt to launch a co-operative review of the Atlantic relationship in the light of the new set of problems facing the U.S.A. and its allies. We also interpreted it as an important reaffirmation of an outward-looking American foreign policy.

But as I said our welcome was cautious. One reason for our caution was because it was not clear whether -- and if so how -- the Canadian interests would be taken into account.

Canada was mentioned, but almost as a footnote. And for that matter how would Japan fit into a formulation which seemed to bear on the interests of the industrialized democracies as a whole? Was it by way of a tri-polar system? Dr. Kissinger had identified three main power centres in the non-communist world: the United States, Europe and Japan. While we have no illusions about becoming a fourth power centre, we believe that we have a distinctive contribution to make. We remain concerned not to find ourselves polarized around any of the main power centres.

In my travels outside of Canada, I have sometimes found an assumption that Canada should fall naturally and inevitably into the United States' orbit. This is perhaps understandable, but it is unacceptable to Canadians. It is inconsistent with our conception both of what Canada is and what our interdependent world should be. It runs against the grain of post-war Canadian efforts to build an open and liberal world trading system. It is also contrary to the Canadian Government's basic policy of a relationship "distinct but in harmony" with the United States.

North America is not a monolithic whole -- economically or politically. Nor do I think it would be in the interest of any of the parties concerned to deal with a single North American colossus.

Canada's relationship with Europe is not the same as the United States' relationship with Europe. There are political, economic, cultural and linguistic elements in our relationship with Europe which are unique. Perhaps in relative terms our relationship is more important to us than the United States of America's relationship with Europe is to the Americans. Forty-two percent of our immigration