

my discussions with Britain and the U.S.A. It is vitally important for me, as Secretary of State for External Affairs, to take a first-hand reading of the important developments that are taking place or about to unfold in Europe and to meet personally and to renew acquaintance with the personalities who are engaged in changing Europe. For this is what you are in the process of doing; The Six, on the one hand, and the four applicants, on the other, which together would make up the hard core of the enlarged Community, will change the map of Western Europe, and perhaps to some extent the economic and political equilibrium as we have known it since the end of the war.

The enlarged Community is already the world's leading importing unit and The Six, as well as the four applicants, share a measure of responsibility for altering the balance of multilateral trading relations as we have known them. While it is true that the Community and the applicant countries are involved in very delicate, complex and time-consuming negotiations, those who will make up the enlarged Community should at some point take cognizance of their weight and importance in the new configuration of the Western World. Is the enlarged Community prepared to assume world responsibilities in keeping with its size and importance? Can we expect an enlarged Community to be a liberalizing influence in world trade?

Perhaps in the past Canadians have seen the growing Common Market too much in terms of the difficulties and constraints it seems to pose and not enough in terms of the challenges and opportunities it offers. In pursuit of our own national aims and interests, we intend to take advantage of this great and growing market, not just as a place where we should wish to sell increasing quantities of agricultural products and raw materials from our forests and mines but also as an outlet for our manufactures. The Common Market can absorb, to its benefit and to ours, far more Canadian manufactured goods. It is essential for us to build up our secondary manufacturing industry, particularly at a time when unemployment in Canada is close to 7 per cent -- and regrettably higher in certain areas, including the Province of Quebec. The extractive industries may bring wealth to Canada, but they cannot provide enough jobs for our growing population.

At the same time, we have very real fears about some of the effects of the enlargement of this great market. These I am now discussing with my European colleagues. British entry into the Common Market will bring about disruptions and shifts in Canada's exports, particularly of agricultural products. I do not suggest that the growth of the Common Market should be arrested or delayed for Canadian reasons. I do suggest, and am impressing strongly on my colleagues here, that the enlargement of the Community should not be and need not be achieved at the expense of countries such as Canada.

There is also the very real danger of market polarization between Europe and North America. It has taken a generation to begin to alleviate the polarization of power politics that led us into the Cold War; to recover from the effects of trade polarization leading to trade war might be even harder. The effects of such a polarization on Canada would be dire indeed. We stand to lose perhaps more than any other country from U.S. protectionism and from retaliation by others. We could be left with the choice between moving totally into the embrace of the U.S.A. or out into the cold. Neither prospect delights us.