

ment's most fundamental policies. This is the policy to diversify – to reduce the vulnerability of the Canadian economy to one continental market – to maintain our freedom of action in the international scene – and equally important to preserve and nourish our individuality.

Trade with U.S. and Europe

At the same time, let me be clear in stating that we were not thinking in terms of substituting Europe for the United States as a trading partner. We are North Americans and the United States, of course, remains our most important partner.

But the mere acknowledgment of this fact does not lead us to accept the constraints of any so-called continental determinism. We believe we can multiply our exchanges with other countries, particularly in Europe, with a view to promoting the cultural life and economic prosperity of Canadians without loosening in the process our vigorous ties with our southern neighbours.

Links with Europe

In relative terms our relation with Europe is more important to us than the United States relationship with Europe is to the Americans. Forty-two per cent of our immigration continues to come from Europe. Our national fabric is composed of distinctive ethnic groups – most of them European. These have not been assimilated into a Canadian homogeneity. As in this organization, they preserve and value their links with Europe as they do their Canadian nationality.

Security is another bond. Canada's security is indivisible from that of Europe. That is why we are members of NATO. We do not have troops in Europe (in fact in the Federal Republic) solely for the purpose of defending Europe, but to defend Canadians. A strong and independent Western Europe is vital to the independence of Canada. Complementary to our NATO purposes is our agreement with the Federal Republic for the training of battalion-size groups of German forces on the Canadian Forces Bases at Shilo, Manitoba.

Canadian interest in the attitude which the Community will take to its responsibilities to the world community is, of course, natural. Canada,

perhaps more than any of the other industrialized nations, is dependent on an increasingly free and open world order, particularly in the economic and trade spheres. It is clear that we have a vested interest in the increasing liberalization of conditions of trade throughout the world. It is highly important to us that bloc confrontations, about which there has been some recent concern, be avoided. The importance of a generally outward-looking world view from the European Community cannot be underestimated. In any confrontation between economic giants such as the enlarged Community, the United States and Japan, we would all stand to lose – Canada more than most.

It follows that our interests in the Federal Republic are not just those of a close trading partner, a nation with whom we share many cultural and political values, a colleague in NATO and the OECD. We are vitally interested in the role the Federal Republic is playing in the enlarged European Community. As the most populous and economically powerful member, the Federal Republic's role will continue to be very significant. As anywhere else, power can be exercised badly or constructively. In the case of the Federal Republic, that power has, in our view, been used with imagination and with the wider interests of the world community at heart. The Federal Republic has been a leader in trying to shape responsible and outward-looking policies for the nine.

Relations with the GDR

Shortly before he came to Ottawa this fall Herr Scheel and I were both in New York at the United Nations General Assembly. His visit was an historic one. The admission to the United Nations of both German states was an outstanding achievement. For the Federal German Republic it was a difficult decision. For the United Nations, it brings that organization much closer to the long cherished goal of universality. For Europe it gives greater substance and meaning to *détente*. When the process began it meant the opening of talks leading to the establishment of diplomatic relations with the German Democratic Republic (GDR).

For our part this process began on December 22, 1972, when the Canadian

Government announced its willingness to establish diplomatic relations with the Government of the German Democratic Republic and to hold discussions for this purpose. Our announcement constituted recognition of the GDR by Canada. Through our respective ambassadors in Warsaw, we have been discussing the establishing of diplomatic relations since February 1973. In so doing, our interest has been in achieving complete mutual understanding before entering into any agreement on diplomatic relations. We wished to obtain clarification on a number of matters we thought should be completely understood before any agreement was concluded. We have asked questions and the GDR has asked questions and through this process we have clarified a number of important issues.

On two occasions, the most recent being in New York in September, I have discussed this matter with my GDR colleague, Foreign Minister Otto Winzer. Although the talks have taken longer than we would have liked, the end result, we hope, will have been worth the perseverance and patience that have been required. One of our principal preoccupations has been the matter of the reunification of families which we would like to see dealt with expeditiously on a humanitarian basis.

In making its announcement the Canadian Government also made known its intention to propose negotiations on a suitable basis for trade between Canada and the GDR once diplomatic relations are established.

In my own remarks to the United Nations General Assembly, I made the point – not just of welcoming the two German states – but of applauding the statesmanship, the breadth of mind, that had brought about this achievement. The statesmanship to which I was referring was that of *Ostopolitik* – pursued with skill, determination and courage by Chancellor Willie Brant and the Government of the Federal German Republic.

I commend this outlook. It is the longer rational review, which acknowledges world responsibilities as well as national responsibilities. This outlook characterized the Federal German participation in the Washington Conference earlier this week. I think I can say that it applied also to Canada's role in the Conference....