

Moreover, our views on the larger multilateral trade and payments question are broadly similar during this period of substantial change in the international monetary and trading world.

But the economic relations between the two countries has greatly changed. Since August 1971, the United States has been pursuing what is called the New Economic Policy. Canada, for its part, has been intent on strengthening its economy, and diversifying its external economic relations, in order to reduce its vulnerability. We have each acted in response to domestic and international circumstances in pursuing separately our own perspectives of our national interest.

Nevertheless, the United States and Canada remain each other's most important customers. In fact, the trend for the foreseeable future points towards a continuation of this mutually-advantageous situation.

We are no longer at a stage where the trade "irritants" of 1971-72 assume so much immediate importance. These have taken on a different perspective when viewed against the energy crisis and other international developments. There has also been a recovery in the United States balance of payments.

The atmosphere is accordingly very much improved. But the situation is quite different from what it was in the 1960s. As I told the House Standing Committee on External Affairs and National Defence on March 19, we are in a period of adjustment to many domestic and international circumstances. National policies in both Canada and the United States, in several areas, such as the resources, economic and environmental sectors, will not necessarily coincide.

The Canadian objective is to expand and strengthen the Canadian identity and the Canadian economy.

To this end, our aim internationally will be to ensure that any measures adopted will be compatible with our goals. Domestically, if we are to meet our social and economic requirements, our industrial and manufacturing sectors will need to be strengthened. The level of employment will have to increase, so as to be in step with an expanding labour force. Regional disparities must be reduced. This will require Canadian decisions on locating industries in areas where they will most benefit our society as a whole. In the resource sector, it will mean the development of mineral resources at our own pace and the encouragement of further processing in Canada.