

Of course, we shall also be raising with them our export interests which have been adversely affected by Britain's joining the EEC: over 40% of our 1971 exports to the United Kingdom of over one billion three hundred millions dollars could now face more difficult entry. There are other issues as well. I won't document them here as you are familiar with them but you may be sure that they will be defended. Britain's entry into the EEC was a decision for Britain to take. While we welcome the EEC's success, the parties to enlargement must understand that the burden of adjustment thrown upon Canada is greater than that placed upon any other country outside the enlarged EEC. If EEC policies took a protectionist turn, there could be real damage to our trade. We have, therefore, been pleased to note the recent declaration of intent published by the United States and the EEC in which they make a pledge to enter into broad multilateral trade negotiations in about a year from now. If a new balance is necessary we want it at a higher not a lower level of trade.

So we intend to speak to the Europeans not only about the protection of our present interests but also to work now with them to develop our shared potential interests. We shall both benefit from outward looking approaches and liberalizing tendencies in world trade, since our respective stakes in world trade are important. Closer relations will assist us both. Closer industrial ties would help.

In the end, of course, the possibilities of closer industrial ties are going to be only as large as the mutual interests and abilities of Canadian and European industry make them. We can't develop synthetic interests. I am convinced, however, that a closer examination of possibilities will reveal matters of ample potential interest, if the political will is there. I believe this is now more apparent on both sides.

Let me say, very forcefully, that there is nothing in what I've said which could be seen as being in any way "anti-American". Nothing I have said is intended to suggest that the closeness of our relations with the United States needs re-evaluation in the light of possibilities for closer economic relations with Europe. Indeed, it is because of the unusual closeness of our economic relations with the United States that we need energetically to explore the possibilities of other areas we may have underplayed. It is all the more necessary for us to do this in Europe now that Britain has joined the EEC.

Never before have so many questions been raised about Canada's relations with Europe. Until now, Europe has been too busy re-organizing itself to pay much attention to how it is going to arrange its relations with the rest of