

Chapter III

CANADA'S CHANGING OUTLOOK

In earlier eras, when British and United States policies diverged, Canada was always faced with difficult alternatives (the Suez crisis of 1956 was an outstanding example). Today, with Western Europe-United States relationships in a period of evolution, Canada has been facing correspondingly difficult choices in certain fields of policy. This development has taken place, moreover, while Canada's position and influence *vis-à-vis* the West European countries tended to diminish as they themselves regained their strength and economic power.

Canada's links with the new Europe are at least as numerous, complex and vital as with the post-war Europe. The growing awareness in Canada of being first and foremost a North American state has its effects on those links, but to enhance rather than reduce their importance. As Canada accepts its North American character, it also recognizes that the United States is, and will continue to be, the dominant state in the North Atlantic area—politically, economically and militarily. This fact has profound implications for Canada-United States relationships and for Canada's relations with both Eastern and Western Europe.

Growing Concern about American Influence

Canada's most important bilateral relationship is that with the United States. In the broader sense, the economic, military and political dominance of the United States also affects the political and economic well-being of every Western European nation and is a fact to be reckoned with by the nations of Eastern Europe, including the Soviet Union. The problems the European nations face in their relationships with the predominant power are magnified in Canada by geographic location, economic