

# Statements and Speeches

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## CANADA/UNITED STATES RELATIONS

A Speech by the Secretary of State for External Affairs, the Honourable Allan J. MacEachen, to the Winnipeg Branch of the Canadian Institute of International Affairs, January 23, 1975.

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Before taking up my subject, I should like to take, if I may, a brief look at our overall approach to external relations. This will help to put our examination of Canada-United States relations in its proper perspective.

As all of you know, in 1970 the Canadian Government carried out a comprehensive review of foreign policy, the first such examination since the early postwar years. One of the most important conclusions of the review is that foreign policy is an extension abroad of domestic policy. The objectives of foreign policy must be relevant to Canadian national needs and interests if it is to attract the support of the Canadian people.

Linked with this conclusion are two major points of concern. One is the question of maintaining national unity, an essentially internal problem but with important external implications. The other is the very complicated problem of living distinct from but in harmony with the world's most powerful nation, the United States. This problem is obviously external in nature, but it has very important implications for the Canadian domestic scene. It involves our sovereignty and independence. A considerable degree of interdependence between Canada and the United States is inevitable -- and, indeed, mutually beneficial. But the problem is to manage the relationship in such a way as not to undermine Canadian national identity and independence.

Some basic facts (and I shall not go beyond basic facts) of our situation reveal the magnitude of the problem for us. Canada/United States bilateral trade *per annum* amounts to about \$40 billion. The United States provides the market for 67 per cent of our exports and supplies 69 per cent of our imports. Canada takes 21 per cent of United States exports and supplies 25 per cent of United States imports. The United States market absorbs up to 35 per cent of all the goods produced in Canada. In contrast, Canada buys less than 2 per cent of all goods produced in the United States. By the end

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