

We have made common arrangements for our defence and are allies in the North Atlantic Treaty Organization. We carry on more trade with each other than any other two countries in the world. The same is true of the flow of investment capital across our borders. We are linked by a network of information media that is surely second to none. We are in contact with the same ideas and in large measure participate in a common North American culture.

These are the elements we have in common. In my view, they justify the conclusion that Canadians and Americans have a stake in each other. Inevitably, however, they raise the question which was recently put by Dr. John Conway in an article entitled "What is Canada". The question is this -- are Canadians, then, "simply a variant of the American republic, shaped by the same forces, governed by the same beliefs, based upon a political philosophy which is all but the same"?

Dr. Conway answers the question in the negative and that, I think, is how most Canadians would answer it.

This brings me to some of the differences that distinguish what I might call the Canadian situation from that of our friends and neighbours to the south. It is true that, between us, we share the North American continent. But, while we share it, we fill it very unequally. There are only some 19 million Canadians against about ten times that number of Americans. Moreover, these 19 million Canadians are concentrated along a narrow belt immediately adjoining the United States border, leaving the rest of our vast country relatively sparsely settled.

This pattern of settlement is largely related to our climate. But the important point to remember is this -- between them, our rigorous climate, the relative sparseness of our population and its diffusion over the breadth of a half-continent have important implications for our economic situation. They add to our overhead costs; they provide a productive base which is often too narrow to achieve the economies of scale that make for maximum efficiency in our modern, technological world; and they make Canada a great deal more dependent on outlets for our exports than is true of the United States. This has always been recognized by Canadians. We accept it as the price we pay for our nationhood.

This is another aspect of the Canadian situation in which we differ from the United States. We derive our nationhood from a process of historical evolution. We have never turned our backs on Europe as the United States did at a certain stage in its emergence as a nation. On the contrary, our two founding races have endeavoured to perpetuate their essentially European heritage, to adapt it to their North American environment and, as an ultimate objective, to weld it into a distinctive national pattern and identity. That, in essence, is the subject of the great dialogue which is engaging Canadians at this very moment.

There is one further point I should like to make about Canada, and it relates particularly to the part we play and can play in the world around us. Canada is a middle power. That term is now a matter of common usage, but I think it bears defining. When I speak of Canada as a middle power, I do not, of course mean that we are in some way neutral or non-aligned on the big issues. That would