

How well would this option work for us in practice? That would depend on the relative success we had in maintaining our position in United States and other markets. The costs of this option would vary accordingly. But suppose we take an optimistic view. Suppose the United States does not turn protectionist, and suppose an open world trading system brings Canada success in other markets as well. We might pursue this option for some time with apparent success. But the fact is that the continental pull has a momentum of its own. Therefore, there is a risk that, in pursuing this purely pragmatic course, we would be drawn more and more into the United States orbit. And remember, even this is on optimistic assumptions. In appearance, we would be following a policy intended at least to maintain, if not improve, our present relative position. But in fact, we might be falling behind.

The second option would be closer integration. This could mean many things. It could mean more arrangements like the Auto Pact, confined to particular industries. These arrangements, we know, have advantages. But they create difficulties too. They could put us at a bargaining disadvantage both with the United States and with other trading partners. We might come to the conclusion that something more extensive was necessary - a free-trade area, or even a customs union. Either of these would lock us permanently into arrangements with the United States which in themselves might appear to be to Canada's material advantage. But would they increase our independence?

In fact, were we to pursue this option, we might be forced to the conclusion that the only way we could compensate for the overwhelming economic power of our partner would be to opt at the same time for some form of political union. In this way, we would seek to obtain maximum direct influence over the economic decisions which affected us.

I have pursued the logic of this option to the point where its difficulties will be plain to you. It has undoubted attractions in material terms. There is a sort of parallel in it to the movement towards European unity. But the parallel breaks down on examination. There is a world of difference between the internal balance which can result from economic and political union of a number of European societies, which positively desire to overcome old enmities through union, and the internal balance which would result from the union of two North American societies, one of which is so immensely powerful that the other must struggle to maintain its distinctiveness.

And all of this is without asking whether either Americans generally or Canadians generally would want union. I would not try to predict what the reaction might be in the United States. In Canada, I would expect almost any form of