

and opposing pressures of this nature will remain at the heart of Canada-United States relations for the indefinite future.

We are linked closely to United States activities and policies in many fields other than the economic one, and these links present both opportunities for co-operation and problems of reconciling differing interests. Combating pollution in border areas with shared responsibility is obviously one. Reaching agreement on the best means in North America of ensuring the military security of the two countries under changing strategic and technological conditions is another. While Canada is committed by the North Atlantic Treaty to full participation in regional security arrangements and regards co-operative defence arrangements with the United States and protection of the strategic deterrent as fundamental in its own defence policy, there still remain questions to be settled about the ways in which the defence forces of a smaller, non-nuclear power can best co-operate with the forces of a world power.

Basic understanding and goodwill do not eliminate problems caused by impersonal economic forces or conditions -- commercial, technological or monetary -- which are much harder for the smaller nation to control. Nor do they provide any easy answer to questions about the cumulative economic, cultural or political effect in the smaller nation of a high degree of foreign ownership of resources and industry, which, in the short term or in purely economic terms, might be seen as advantageous and natural in contemporary world society. The problem of reconciling complex and often conflicting forces of economic and political interest under such conditions are not limited to Canada-U.S. relations. The West European nations face them as they proceed along various paths of integration, unification or political co-ordination. Within Canada we face them as we consider how best to achieve justice, satisfaction and consensus between our two cultural communities. Even with highly-developed political traditions of a century based on our federal, parliamentary and cabinet system of government, the reconciliation of conflicting interests poses a considerable challenge. When some aspects of an internal problem assume international dimensions in economic relations, with no superior political institution to make decisions, and only the normal diplomatic processes of negotiation available, then the need for foresight, understanding and Franklin's "well penn'd" bargains becomes evident.

### *Conclusion*

Sometimes preoccupations of individual Canadians about preserving national identity under the impact of the society to the south, particularly as reported outside the country, make it appear that only a few more degrees of American influence or presence would bring the whole Canadian political and cultural fabric down in ruins. My own view is that Canada is scarcely so fragile. I have referred several times to Confederation, because it was a political act in the last century which gave the Canadian political community its present form. Our society, in its North American context, is, however, much older than that and you would be brought up sharp in many parts of Canada if you seemed to assume that our significant history began only in 1867.