

*Economic Relations with United States*

that concern us here in our relationships with the United States stem from the many points of contact. That conflict is healthy and it is positive, as long as it is contained and managed.

This resolution speaks about a "continuing deterioration of communication." When he put those words down the hon. member must have had his tongue in his cheek. When I look at the whole complex of mechanisms that have been established between Canada and the United States over the years, and that have been increased since this administration took office, I wonder how the hon. gentleman could have felt justified in putting those words on paper.

You know, Mr. Speaker, I can understand the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) who thinks that the introduction of those words is only going to interfere with a sensible debate on these matters, so he moved that those words should be omitted. I suggest to the hon. gentleman that we would have had a better debate if those words had been omitted because they fail to take into account the tremendous development of relationships between our two countries. I will just mention a few of them. I will first take some of the older, established ones.

There is the Permanent Joint Board on Defence.

**Mr. Forrestall:** How often has it met in the last five years?

**Mr. Sharp:** It has met frequently, and it is meeting very soon. They share information and resolve problems about the joint defence of North America. Two countries whose relationships are bad are not going to be talking about their joint defence. Countries that have a continuing deterioration in communications and whose relationships are bad are certainly not going to be talking about common defence problems.

The International Joint Commission which was established to regulate disputes over boundary waters is to be the chosen instrument to carry out an agreement between Canada and the United States to achieve, maintain and monitor water quality standards in the Great Lakes, the first agreement of this magnitude between any two countries in the world, and under negotiation right now despite the Official Opposition's doubts of the effectiveness of our communications.

So important indeed and so far reaching are our relationships that our two countries established a joint ministerial committee many years ago, when Mr. Pearson occupied my present portfolio under Prime Minister St. Laurent. This committee has met frequently during this administration. It last met in November, 1970. Preparations are under way for another meeting of the committee soon. U.S.-Canadian relationships are not static. They have been changing to meet the changing circumstances that are now emerging, and profound changes are taking place in power relationships.

There is the emergence of China as a member of the Security Council, and probably as the leader of the Third World. Just this morning I had the opportunity of having private conversations with the Foreign Minister of Yugoslavia, and we were speculating about the result of the entry of the People's Republic of China into the United

[Mr. Sharp.]

Nations. What a profound change this is going to make in the debates in that assembly, and in the configuration of the power complex.

Then, we must look at the signs of detente, the tumbling down of the old barriers. There is the Berlin Agreement, a four power agreement that is now being negotiated between the two Germanies. There are the first tentative approaches towards a mutually balanced forces reduction in Central Europe, with Manlio Brosio going as an explorer from the NATO countries to talk with the Soviet Union to find out if the Soviet Union is serious. A European security conference is now being planned.

Then, we must look at the trading patterns, the emergence of the Common Market not just as a group of six but as a group of ten that will account for 45 per cent of world trade. We must look also at the U.S. balance of payments problems. It is against this background that the recent Canadian moves and the recent Canadian activities should be seen.

It is childish and, I suggest, very immature to suggest that the tentative and the positive Canadian moves towards better and more rewarding relationships with China, the Soviet Union and other communist nations are an act of defiance towards the United States.

**Some hon. Members:** Hear, hear!

**Mr. Sharp:** After all, the United States is moving in the same direction. The other day in answer to a question I said that we are not looking for credit but perhaps we have helped to break down some of the walls that stood in the way of better relationships between the United States, the Soviet Union, and China. And it is childish and immature to suggest that we expect that better relations with China and the Soviet Union will equal, or offset, or replace our close alliance and friendship with the United States.

This is a central fact of our life. We are here situated on the same North American continent. Our destiny and our geography have made it clear that it is in the interests of the Canadian people for us to have good relationships with the people and the government of the United States. Surely, that does not have to be defended as a proposition. That is not new. But there are changes going on. This is one of the reasons Canada decided to exchange diplomats with the People's Republic of China and in due course, and logically to support the occupancy of the China seat in the United Nations by that government. It was not long after we had taken that position and achieved this exchange of diplomats that the President of the United States said he was going to Peking. That was met with applause in the United States. Any suggestion that in taking these initiatives toward China we are acting contrary to the policies of the United States seems to me to be quite confounded by the facts.

• (5:20 p.m.)

**Some hon. Members:** Hear, hear!

**Mr. Sharp:** When the hon. gentleman criticizes Canada, by implication, for having diplomatic relations with the People's Republic of China at the expense of the Republic of China government, is he suggesting that we should