

"International Perspectives" which appeared on October 17. This issue was entirely devoted to my article entitled "Canada - U.S. Relations: Options for the Future". The article represents some of the main assessments and conclusions of a series of studies which had been in progress for about a year in the Government, to which both my Cabinet colleagues and officials of the Department of External Affairs contributed. If you wish to acquaint yourselves with the Government's basic approach to Canada-US relations, I urge you to read this article.

The studies on which the article is based were begun in the mood of questioning which followed the announcement of President Nixon's new economic policy in August, 1971. I shall try to summarize the main lines of its argument. In the face of the inherent pull of continental forces, the article identifies three options for Canada in the future development of our relations with the United States. They are:

- (a) Canada can seek to maintain more or less its present position in relation to the United States with a minimum of policy adjustments:
- or (b) Canada can move deliberately towards closer integration with the United States;
- or (c) Canada can pursue a comprehensive long-term strategy to develop and strengthen the Canadian economy and other aspects of its national life and in the process to reduce the present Canadian vulnerability.

The first option - maintaining the present position in relation to the United States with a minimum of adjustments - would involve pursuing the same general trade and industrial policy to which we are accustomed. There would continue to be a large degree of laissez-faire in our economic policy. The multilateral, Most-Favoured-Nation approach would continue to rule in trade policy. We would go on trying to get better access to United States markets, to maintain some form of special relationship with the United States. Industrial development would continue to be export-oriented to a considerable degree. Exports generally would still be dominated by commodities and semi-processed goods. No doubt we would continue trying to diversify our exports while avoiding so far as possible any greater degree of dependence on United States markets. We would try also to obtain more employment in Canada through a greater degree of processing of Canadian commodities. But this would be essentially a pragmatic option. We would deal with the issues as they arose, and not concern ourselves greatly about where the broad tendency of our policy was leading us, or whether the various parts of our policy were guided by a single sense of direction and purpose.