



Statements and Speeches

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An address by the Honourable Mark MacGuigan, Secretary of State for External Affairs, to the Centre for Inter-American Relations, New York, September 30, 1981

...We all know that it [Canadian-U.S. relations are] vast and complex. Today we often hear that Canadian policies are vexing the relationship. Tonight, I will give you the background to some of those policies.

My reason for wanting to provide this context or framework is a belief that unless and until Americans, both inside and outside government, appreciate more fully the rationale for Canadian economic policies, the goal of managing the relationship effectively will prove elusive. We have to understand each other, or we risk talking right past each other.

Let me begin with several political facts of Canadian life. First, all Canadians think of themselves as self-appointed experts about the United States. Second, all Canadians believe they know just what needs to be done to straighten out Canada-U.S. relations. Third, while Canada-U.S. relations tend to get buried on page 48 of the *New York Times*, it is big box-office in Canada. So, we have a usual situation of perceived general omniscience on one side and relative disinterest (albeit usually benign) on the other. These are aspects of the political environment which affect the way politicians in Canada have to deal with the topic.

Precisely because it is a potentially volatile topic, a succession of Canadian governments have placed great store in conducting relations with the U.S. on a business-like and case-by-case basis. The emphasis has been on dealing with most bilateral difficulties in a direct and low-key manner, and not through negotiations in the press. Over the years, the United States has welcomed this rational, problem-solving approach, and the state of the relationship reflected this. Beyond the obvious utility of these methods, the genuine respect and warmth existing between the two peoples made such a way of doing business natural. There have been difficulties. I think of 1971 when the U.S. took a number of national economic policy decisions directed toward trade, the so-called "Nixon shock", which were nothing short of traumatic for Canadian policy-makers at the time, and which subsequently reinforced Canadian determination to strengthen national control over our economy.

But it is with a general history of co-operation in mind that I turn to a set of American concerns, some of which have recently prompted U.S. officials to express public surprise at what they call Canada's nationalist and short-sighted policies. Perhaps in the next few minutes, I can help to alleviate this apparent state of shock.

Clearly, important elements of the U.S. private sector, Congress, and administration see a disturbing change in Canadian economic policies. In addition to the words

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life