

into the 1960s. But, after almost three decades, our enthusiasm was waning and the results of our generosity were being questioned. Our policies needed change, not only to meet new realities in the world but also to meet a new mood in America. Many Americans were no longer willing to support the sweeping range of our postwar role. It had drained our financial and especially our psychological reserves."

In short, President Nixon indicated that the time had come for others to share a greater portion of world leadership.

His statement also reflected the growing feeling of Americans that United States policies should serve more immediate and domestic interests. This feeling applies to Canada as well as to other nations. In the United States, a view was taking hold that the "special relationship" has worked too often to Canada's advantage. It is maintained that it has involved accommodations to Canada that are no longer tenable in the light of current economic realities and in the light of the changing United States leadership role.

Linked with this change in external posture are changes in the domestic scene. (I am talking about the United States.) There is increasing public concern with domestic issues as opposed to foreign problems. The long preoccupation with Watergate has passed and the United States Administration and Congress have begun to concentrate upon a broad range of domestic problems. Their priorities seem to lie in the direction of reinvigorating the economy, combating inflation, and re-establishing a sense of purpose and direction in the country. Faced with serious economic problems at home, it is almost inevitable that the Americans will tend to calculate their national interest more narrowly in their foreign economic relations. The economic measures of August 1971 furnish one notable manifestation of this attitude. In addition, Canada cannot forget that certain of the American domestic economic problems have, in our increasingly-interdependent world, Canadian dimensions. Energy, natural resources and the environment are but three areas in which American efforts to meet their own needs can obviously impinge on Canadian interests. Consequently, the American preoccupation with their own domestic difficulties has important implications for Canada, particularly at a time when we are defining our industrial and foreign investment policies.

The fact is that, in both Canada and the United States, there has been a growing awareness that the special relationship no longer