

Government could do otherwise, because the Canadian people share a unanimous repugnance to all forms of subjugation. Furthermore, if we and like-minded countries are to be credible in our efforts in such areas as southern Africa and at the Belgrade Conference, our utterances and our actions must be consistent.

Our acceptance of our share of responsibility for the future of the developing world is an extension of our long-established outward-looking foreign policy. Canadians have always recognized the interdependence of the global community. At first we willingly supported the democratic struggles of Britain and other free-world countries, as our record in two World Wars clearly shows. Today Canada chooses quite independently to support alliances such as NATO out of a firm belief in the continuing need for mutual security. Also, the Canadian search for a distinctive identity has defined special roles, such as United Nations peace-keeping, which our position and capabilities enable us to perform effectively.

We have no delusions of grandeur about our role in world affairs; we are not a superpower and there are limits to what we can accomplish; but we are seeing with increasing clarity where Canada fits in the international scheme of things. We have defined priorities and evolved policies that, while sufficiently flexible to meet the demands of fast-changing events, give us, nevertheless, a clear sense of direction and allow us to make the best use of those strengths we possess.

Central to our policy formulation is the fact that the United States is our closest neighbour. Much has been written and said about Canada-U.S. relations and Canada has been depicted as everything from a satellite of the Americans to an excessively jingoistic country preoccupied with sterile efforts to pull the eagle's tail-feathers. Neither assessment, of course, bears any resemblance to reality.

On balance, Canada-U.S. relations have never been better than they are today, despite the unprecedented complexity of many transborder issues, such as energy and trade. This satisfactory condition is due in large part to the growing clarity with which Canadians are defining and articulating their national objectives and to an increasing American willingness to understand these goals, and to accommodate them where possible. And, of course, there is the inescapable reality that Canada and the United States need each other now more than ever.

We are each other's largest trading partner, with Canada sending between 60 and 70 per cent of its exports to the United States. President Carter's energy strategy would be easier to implement if there were Canadian co-operation, particularly in terms of bringing Alaskan natural gas by a cross-Canada pipeline to the United States. The difficult decisions on this issue must be made by Canada this summer. On this question, as on all others, we have no wish to be dog-in-the-manger in our response to American needs. We have emphasized repeatedly, however, that the first and principal test of Canadian decisions must be that they are in the Canadian interest. That is why, in recent years, we have moved to strengthen our cultural sovereignty and to assess all new foreign investment against the basic criterion of "significant benefit to Canada".

Foreign control of the Canadian economy is in many respects our most important

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