

icy needs a consistent strategic approach which will require some departure from the past.

In the past, we have generally taken a functional, somewhat decentralized approach to relations with the U.S. In most respects this makes sense. The overwhelming bulk of the economic relationship is private in nature and doing just fine. Some basic Canadian interests are with the provinces. Although this may reinforce a natural tendency to decentralize, it also demands better central management as the relationship becomes more complicated.

This decade will see development decisions of greater scale and scope than ever before. Their significance to U.S. interests will make them important to governments in both countries. They cannot be handled along functional lines alone, or in terms of their local impact alone. They need strategic attention at the political level if Canadian interests are to be served and if the relationship is to be as predictable, coherent, and reliable as both countries should expect.

Another break with the past concerns linkage. We have generally opposed it, tending to treat each bilateral issue on its merits alone, and keeping bilateral and multi-lateral questions separate. This was partly because we judged that the bigger partner could always "outlink" the smaller.

It may still be true that outright linkage is not in Canada's interest. On the other hand, it may be, particularly within very broad sectors. Moreover, leverage can be brought to bear on specific issues by keeping legislators and others who are conscious of particular benefits from Canadian trade, investment, tourism, etc., informed of Canadian interests in other areas where they have influence. More directly, care can be taken to ensure that immediate issues are seen in the context of the long-term, broader picture of respective interests.

A third break with the past might be in the area of institutional structures for the conduct of relations. Generally, Canada has avoided reliance on bilateral mechanisms. A major exception has been the International Joint Commission (IJC), the oldest mechanism of its kind. The IJC was established to deal with specialized problems, especially the management of boundary waters, and has found new relevance in a period when pollution across the frontier, whether borne by air or water, is a matter of growing public concern. It continues to serve us well. Other mechanisms are less the focus of current attention. The Permanent Joint Board on Defence functions smoothly, but in the background.

We have been wary of specific sectoral arrangements. Over the years, the balance of advantage to the partners from the defence production sharing arrangements and the autopact have been much debated. Still, it may be useful to look at new possibilities. Joint issue management groups might assist in the efficient conduct of some aspects of relationship. Although joint management is rarely possible, the Fisheries Treaty does call for it in relation to that important resource and the consultative mechanism on energy established in 1979 has been useful in understanding basic policy objectives. Further possibilities for closer arrangements economic sector by economic sector should never be ruled out, particularly since little scope exists for improvement on the tariff side, as most of our trade with the U.S. is already duty-free.

Another technique of importance is the projection of

Canadian policy interests to the U.S. Congress and on public opinion. Congressional relations have only been worked on seriously in the last five years. There probably has to be even more attention paid to this area in the future, if only because of the activity of Congress itself. The foreign policy role of the Senate, which has always been great, has taken on renewed significance since the war in Vietnam.

The previous practice in Washington was to deal primarily, if not exclusively, with the Administration. Although congressional contacts need to be stepped up (as do our public affairs programs in general), the Administration must remain the basic *interlocuteur valable* — it is the Administration's responsibility. Moreover, the Administration has considerably greater impact on Congress than we ever could.

It remains important, however, that specific issues between the two countries not be managed in Washington from the standpoint of regional U.S. politics, but are given the importance that foreign policy issues have to receive. The fisheries-boundary treaty has been treated as such a regional political problem and the effect has been to hurt the international relationship. On the other hand, our own representation in the U.S. is plugged in regionally — for trade, politics, investment, and public opinion. There are 14 Canadian consulates and consulate-generals in the U.S. staffed by some of Canada's most senior foreign service officers. They have high-intensity programs, to get the Canadian view, and Canadian interests across. They are in some respects the most important day-to-day instruments of all.

In conclusion, the Canada-U.S. relationship will become even more complex and in some respects more difficult. It is already one of the most complex bilateral relationships there is. This is a natural product of events and circumstances in the two countries. The important thing is that it be managed properly. From the Canadian point of view, the management has to be strategic on the basis of longer-term objectives.

Things have changed from a decade or two ago, because the societies have changed in both countries. There is less concern now with U.S. interference in Canadian affairs. It is recognized that this is not the issue, as it sometimes seemed to be in the sixties, after the notion of a perfectly harmonious "special relationship" of identical interests had ceded to the obvious differences in development needs in the two countries.

Today, U.S. interference in Canada is not the issue. On the other hand, there are vital connections between the two economies which give decisions in one country great importance over the other — and it is a fact of life that these links are central to Canadian development. Trade policy objectives need to recognize this as a basic given. There is interdependence involved which is the basically important identity of interest.

It used to be that because of the great strategic role the U.S. played in the world, Washington assigned to relations with Canada a sort of secondary, backwater, quality. There was nothing intrinsically wrong with that. It was friendly and probably helpful. But it does not apply any longer. The world is too unpredictable a place for a relationship with so much substance in it to be given anything but primary attention. Its management is a strategic imperative, for both sides — which is why, despite the complexities and difficulties, it is likely to succeed.