



# Bulletin

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## CANADA'S TRADE RELATIONS WITH THE UNITED STATES

*In an address to the Canadian Business Outlook Conference in Vancouver last month, Mr. Mitchell Sharp, Secretary of State for External Affairs, described Canada's relations with the Third World and the Communist countries. His speech dealt at some length with relations between Canada's trading partners, in particular the United States, to which the following excerpt is devoted:*

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...We have some impressive recent evidence that President Nixon has reflected deeply on relations between the United States and Canada, and that he understands us pretty well. Last month, when he was in Ottawa, he said it was time for both countries to recognize:

- that we have very separate identities;
- that we have significant differences;
- and that nobody's interests are furthered when these realities are obscured".

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And he had some equally perceptive things to say, you may recall, about particular issues like foreign ownership.

Why is it, then, that relations between Canada and the United States seem to have been so bedevilled in the past year? In part, I think, the bedevilment is an illusion. In all sorts of old ways, and in some important new ones, the relationship has had a good year, appearances notwithstanding. For example, President Nixon and Prime Minister Trudeau signed the Great Lakes Water Quality Control Agreement during the President's visit to Ottawa. This Agreement establishes a new framework of co-operation between the two countries. It creates a magnificent opportunity to restore the harm two neighbouring industrial societies have done to one of their most precious shared assets. I would like to think that the fresh and imaginative approach to a shared problem is representative of the relationship at its best. And yet all this was worked out over the past year or so, when many were complaining that the relation was at its worst.

If we are honest with ourselves, we will recognize also that a good deal that gets attributed in Canada to bad relations with the United States on examination turns out to be a purely Canadian problem. I must tread warily here, for I am dealing in intangibles. But it does seem to me that a part at least of the emotional steam which is generated over what are unquestionably valid problems — like how best to organize the automobile industry in North America, or how best to admit development capital to Canada — is attributable, not to the problems themselves, but to the burden of struggling endlessly in each new generation to create a successful relation between two partners of such unequal size. The burden leads to frustration, and the frustration to anger; and the anger tends to vent itself on whatever current difficulties we may be experiencing, whether they deserve the outburst or not.

Please don't misunderstand me. I am not trying