

interest more narrowly in their foreign economic relations. The economic measures of August 1971 furnished one notable manifestation of this attitude. In addition, Canadians 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 serves either of our best interests. What is being developed is a more mature relationship. It is one which permits us to maintain close ties, to co-operate fully on bilateral and multilateral matters, is of mutual benefit and yet leaves each country free to pursue its national interest consistent with its international obligations.

It is plain that Canada and the United States have entered upon a new period in their bilateral relations. It is one in which the emphasis is on a clear-eyed appreciation of the national interest and in which there is no room for false assumptions or illusions. Each government will have to make hard decisions in line with its own perception of the national interest, decisions with which the other may find it difficult to concur.

On the oil export issue we feel we have demonstrated our willingness to assist the United States as far as possible consistent with our own national needs. There were strong objections from some quarters in the United States that American interests were being abused. But we could not be expected to sacrifice our own needs to meet the oil consumption requirements of the United States. I might add here that at least with respect to the oil pricing issue, recent United States action would appear to have gone a long way towards removing this irritant. Similarly, Canada's desire to develop mineral resources at her own pace and to encourage further processing before export is not necessarily in accord with American interests which appear to tend towards the rapid exploitation of known resources, accelerated exploration of new resources and increased imports of resources in their raw form.