

of Canadians as oil-rich robber barons still lingers.

It has required intensive and continuing efforts to make Americans aware just why it is that we have had to take these steps. In so doing, one advantage that we continue to have is that officials, editors and Americans in general are usually willing to listen to our point of view, and sometimes even to be persuaded by it. As a State Department official once put it, Canadians and Americans approach problems in much the same way; we may reach different conclusions, but the way in which each of us has come to our conclusions is usually understood by the other. It is this sort of possibility of mutual comprehension that may make lying in bed with an elephant less hazardous than is generally supposed.

*Similar approaches but different conclusions*

### **General understanding**

In our energy relations, then, there is now at the official level pretty general understanding of Canada's position; the principles that lie behind our oil-export tax and the phasing-out of exports are not in dispute, even if there may still be some argument on the details of implementation. It is recognized that we can hardly be expected to sell our oil at a lower price than we pay for the increasing quantities we must import; nor do Americans really challenge the proposition that we can only export the surplus that remains when our own needs have been met. And more and more of them now realize that Canada has become a growing net importer of oil.

*No disagreement in principle on environment*

As far as bilateral issues relating to the environment are concerned, there is also no disagreement in principle, although the balance between environmental constraints and other needs does not always come out in the same place for the two countries. Nor, for that matter, do all Americans (or Canadians) agree on what this balance should be. We are not without allies on such issues as tanker-routes along the West Coast or the Garrison Diversion Project in North Dakota. And those Americans concerned about the possibility of coal-mining along the Flathead River in southern British Columbia because of the environmental damage that might be done in Montana certainly have supporters on the Canadian side of the line.

Much more sensitive issues, by their nature, and more likely to arouse concern in the American business community and among the public at large, are those that they may see as having overtones of discrimination, unfairness and government interference in areas most Americans are

accustomed to think of as the private domain of "free enterprise". Here again we can rely on a measure of willingness to listen to our point of view or (as with the Foreign Investment Review Act and its machinery) to suspend judgment until it is clearer what Canada is actually doing.

### **Misunderstanding**

We cannot lose sight of the fact that government regulations affecting the way foreign interests may do business in Canada can be a source of misunderstanding, concern and even resentment on the part of the businessmen affected — especially if they interpret them as being directed against American enterprises in particular. This can hardly be a decisive consideration in determining Canadian policies; but given the importance of foreign investment in Canada and our recognition of the need for it, we must obviously keep in mind that ground-rules for foreign investment in Canada are most likely to be sympathetically received when they are clear and when the policies are presented in ways that will not unnecessarily give rise to charges of unfairness and discrimination. All this is part of the task of managing our relations in a way that will safeguard the interests we see as vital, allow us to grow in our own way and help to deal with some of the inevitable points of real difference. In our relations with the U.S.A. we seek not to magnify the usual run of bilateral issues into tests of national will but rather to achieve practical and workmanlike solutions, saving our most forceful presentations for the occasions when *fortissimo* is called for in the orchestration of our point of view and when the issues are vital to the preservation or advancement of our national interest.

There will, of course, be occasions when the United States has felt obliged to act, domestically or internationally, in ways that run counter to our interests and thus generate resentment in Canada. This should not be surprising; we cannot expect the Americans to accept the fact that our decision-making process will from time to time yield results unattractive to them without ourselves accepting the same phenomenon in reverse.

Formulated at a time when President Nixon's economic measures of August 1971, were very much alive in our memories, the Third Option emphasized "the present Canadian vulnerability". It is too soon to assess to what degree policies designed to lessen Canada's vulnerability to external factors have achieved their objective. Certainly, the U.S. Government is now far more sensitive to our concerns