

situation, in which by dealing with bilateral questions on an ad hoc basis, looking only to their immediate or short-term implications, we find ourselves integrated by default. In our view the third option faces up squarely to the future of our relations with the United States -- and appears to offer the only route by which Canada can live "distinct from but in harmony" with the United States.

All three options are, of course, abstractions. Like all abstractions, they tend to simplify complex matters. But the distinctions they draw between the various courses open to Canada are basically valid and useful. Each option can be argued on its merits. Each has costs; costs in terms of identity, flexibility, independence and inter-dependence.

The Canadian Government has given these options and their costs long and careful consideration. The conclusion the Government has reached is quite clear. We believe that the best choice for Canadians and one that increasingly reflects the mood of Canadians is option three.

This option does reflect our anxieties about the degree of continental pull. But it is not anti-American. Far from it -- and I would like this to be very clear. Policies designed within the general framework of this option are intended to meet Canadian aspirations, to build on Canadian maturity and confidence, and in so doing reduce the irritations and frustrations which sometimes find outlet in shrill and unseemly anti-Americanism.

I have no doubt that there are times when you and some of your compatriots in Washington would welcome a less neurotic outlook from your neighbour.

In the sense that this policy is intended to produce a more resilient and mature Canadian economy, it is likely to become a more effective stabilizing factor within the continental context. The alternative is, as I have made clear, increasing integration. Increasing integration can only strengthen the protectionist forces which are abroad today with consequent dangers to both economic and political stability in the world at large. What I am saying is that over the long run, option three is in the best interest of both our countries.

It is also consistent with the view that President Nixon set before the Canadian Parliament in Ottawa last year. On that occasion the President said,

"It is time for Canadians and Americans to move beyond the sentimental rhetoric of the past. It is time for us 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".

He also had this to say:

"Our policy toward Canada reflects the new approach we are taking in all of our foreign relations -- an approach which has been called the Nixon Doctrine. The doctrine rests on the premise that mature partners must have autonomous independent policies:

- each nation must define the nature of its own interests;