

In the paper on Canada-U.S. relations published last October in *International Perspectives*, ... the Government came out in favour of what has been termed the "third option". I confess that there were some misgivings in Government circles about opting for any particular direction in our relations with the United States. Why take a public position? Why not play it by ear? Why not leave all options open? Why give the Opposition something else to criticize? After all, it was argued, we have got along for years without any such statement of policy. Remember what that durable practitioner of the political art, Mackenzie King, once said: "I made only one memorable speech in my career and I always regretted it."

It was tempting politically to follow this cautious advice, but we finally came to the conclusion that a sense of direction had to be given to our relations with the United States. Economic integration with the United States as a direction of policy we ruled out as unacceptable to the Canadian people. The choice was then between continuing on a more or less *ad hoc* course, reacting to events in our great neighbour to the south, as we have been doing -- with some success -- or -- and this is the third option -- pursuing a comprehensive long-term strategy to develop and strengthen the Canadian economy and other aspects of our national life and in the process to reduce the present Canadian vulnerability.

Is this the right direction for Canada? This Government thinks so. But do the Canadian people? That question can only be answered if it is put before the people. That is what we have done, just as Prime Minister Trudeau opted for federalism and invited the people of Canada, in Quebec and elsewhere, to follow him....

Surely there is fundamentally the same rationale for giving a sense of direction to foreign policy, particularly in relation to a great friendly giant like the United States beside whom we want to live distinct but in harmony.

In the address to the Associated Press last week, Dr. Kissinger -- inadvertently -- underlined the very real significance of this third policy option to Canadians. First let me say that, because of our close ties with the United States and the members of the European Economic Community, Canada welcomes wholeheartedly what appears to be a serious and constructive effort by the United States Government to open consultations designed to redefine and revitalize the Atlantic relationship. There are inevitably questions about interpretation and implementation which remain to be answered -- but the approach recalls responses to earlier international crossroads: the Atlantic Charter, the Marshall Plan and the Canadian efforts when NATO was born to give the alliance political and economic as well as military significance. The Canadian Government has underlined on several occasions the inevitable interaction between developments on the economic and political fronts. While we continue to believe that consultations and negotiations on economic issues should take place in the appropriate multilateral bodies, we would agree with Dr. Kissinger that the broader association we have as members of the NATO alliance provides a convenient forum for developing a measure of political understanding on the broader perspectives of our individual national policies. I have myself used the NATO forum on several occasions to make this point. The importance of the trading relationships between Europe, Japan, Canada and the U.S.A., as well as the needs of the developing countries, will all be prime issues at the negotiations in the new GATT round starting this year. They will also receive attention in the continuing discussions in the OECD in Paris, where the countries mentioned by Dr. Kissinger are well represented. Canada's participation in and support for these