

it only gives a sense of direction to policies. Some of these policies already exist. Others remain to be worked out in the mutually supporting fields of fiscal and monetary affairs; trade, competition and foreign ownership; science and culture. Under option three, we will have a permanent test for each policy instrument we devise: what will it do to strengthen our economy and reduce its vulnerability? And we will be compelled to examine each policy instrument in relation to the others, because each will be intended to support and reinforce the others. The proof of the pudding will be the kind of industrial strategy we pursue, the kind of energy policy we adopt, and so on. But the result will not be anything it would be sensible to call "Canada's United States policy". The emphasis of the third option is on Canada - on decisions that have to be taken in this country by Canadians - rather than matters to be negotiated with the United States. Deciding about option three means deciding what sort of Canada Canadians want to have. To borrow the language of the foreign policy review, it means ensuring our continued freedom to develop in our own way through a judicious use of Canadian sovereignty.

Thus the option is in no way an anti-American option. It implies no hostility to the United States. It assumes continuing friendship. Its object is to lessen Canadian vulnerability over time. This means two things: that especially in an age of interdependence, it will be impossible to make Canada totally invulnerable to continental pressures and unrealistic even to try; and second, that whatever success we have will be achieved not overnight, but over time. So there will be no sudden break in the pattern of Canada's relationship with the United States. Nor even in the long run will the relationship cease to be unique in the world in its closeness and complexity. It is entirely consistent with this option that Canada and the United States will go on being each other's best customer by a wide margin. There may even be particular areas of our exports where the United States market will become relatively more important than is the case even today. But this will not be a factor of increased dependence; it will be a factor of the competitive success of export-oriented Canadian firms too well-established to create fears of increased Canadian vulnerability. The economic relationship between Canada and the United States will continue self-evidently to be a special relationship in its scale and intimacy, but perhaps less so in the sense of demanding special arrangements to ensure that it functions well.

This, then, is how the Government proposes to approach Canada's relations with the United States. Obviously I have been speaking about a complex process which could only unfold over a period of months and years. Many policy decisions will be involved. Some of these decisions have already been taken; others are matters for a relatively remote future. But some are matters of immediate concern. I think you can count on seeing this reflected in the programme the Government presents to Parliament at the opening of the new session.