

whelming proportion of these transactions is between Canada and the United States. There are some with Great Britain, France and Germany, but they are relatively modest compared to the Canadian-United States one, for obvious reasons.

**Mr. Laniel:** Can you tell us what proportion of our gross national product these programs would represent. I am trying to discover what would be the influence on the Canadian economy if, tomorrow, we were not to break relations with the United States but at least to isolate ourselves to a point where we would have to establish our own military force and procure for ourselves different things from outside. Because of that isolation would we put ourselves into a position where we would lose advantages that might affect Canadian industry?

**Mr. Golden:** Indeed, we would lose very considerable advantages, but I could not give any quantitative or qualitative assessment.

As I said earlier, I certainly do not believe that military or foreign policy should be motivated only by these considerations, but I do believe they are considerations which must be taken into account, among many others, in these re-examinations.

Certainly in many industries access to United States technology—access to modern American advances—is very important if you wish to stay competitive world-wide. I suppose there are other ways of doing these things but they are very difficult and very costly and very time-consuming.

**Mr. Laniel:** You said that Canadian-United States relations are paramount but do you feel that within NORAD our participation is satisfactory, perhaps not militarily—you said you were not a military expert—but in the decision-making process?

**Mr. Golden:** I think you really should ask somebody else about that. On the face of it,

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we have very senior military officers participating. I have no personal knowledge of how consultation takes place, on the political level, but on the levels of participation I think this must of necessity vary with changing world situations and changing technology. We all know that a whole new round of AWACS and other things are now being talked about which, I assume, would be for intergovernmental discussion on what role, if any,

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Canada should play, bearing in mind our very limited resources in comparison to those of the United States.

**Mr. Laniel:** One last question: Certain people say that because of our geographical situation next to the United States we would retain many of the advantages we now benefit from even though we did isolate ourselves in neutrality. But do you feel that, proportionately, Canada right now is, and for the past 10 years has been, receiving more advantages than has Mexico which is also a neighbour of the United States? And would the reason for this be that we are in different alliances and cooperating closely with the United States either in NATO or in the defence of North America?

**Mr. Golden:** I suppose that is so. I do not wish to offend the Mexicans, but it seems to me that we are somewhat more advanced as a technological, industrial nation than is Mexico as yet. That, too, not only has an effect on Canadian-American relations but affects what we hope to achieve through Canadian-American relations—what is it they call it?—the revolution of rising expectations. The sort of industrial backup that would have been quite acceptable to Canada before the onset of World War II would be an absolute nonsense in 1969.

**Mr. Laniel:** Thank you.

**The Chairman:** Mr. MacDonald, and then Mr. Anderson.

**Mr. MacDonald (Egmont):** Mr. Golden, I think you gave us the key to your presentation some time ago when you suggested that the relations between Canada and the United States really are paramount to your consideration and to the brief you have presented today.

Although, starting from that point, you could end up with a number of different positions, you have ended up in one particular position which accepts that not only should we act extremely closely in defence matters with the United States, but, as has been pointed out this morning, even defer to the United States on occasions when we might disagree on the importance of a certain defence instrument or posture.

If I may go to the basis of your considerations here it seems to me that the essence of your philosophy, if I may call it that, is in