A special issue of <u>International Perspectives</u>, released today, contains a major study of Canada-U.S. relations by the Honourable Mitchell Sharp, Secretary of State for External Affairs.

The article examines the integrating forces that are at work in North America. It endeavours to assess the impact of these forces on Canada in the light of changing attitudes and changing realities on both sides of the border. In the face of the inherent pull of continental forces, the article identifies three options as being open to Canadians:

To try to maintain something like the present position with a minimum of policy changes;

To move deliberately toward closer integration with the United States; or

To pursue a comprehensive, long-term strategy to develop and strengthen the Canadian economy and other aspects of Canada's national life.

The article proceeds, as did the Government's foreign policy review, from the assumption that "living distinct from, but in harmony with, the world's most powerful and dynamic nation, the United States" is one of the "inescapable realities" against which any policy option for Canada must be assessed. It argues that "there is no intrinsic reason...why Canadian distinctness should in any way inhibit the continued existence of a fundamentally harmonious relationship between Canada and the United States" in view of the many things the two countries hold in common both as continental neighbours and as members of the international community.

The article considers the first option to be inadequate because it does not come "fully to grips with the basic Canadian situation or with the underlying continental pull" and thus involves a risk that Canada might find itself "drawn more closely into the U.S. orbit." The second option is also rejected because, whatever the economic costs and benefits of closer integration with the United States, it is judged unlikely that "this option, or any part of it, is politically tenable in the present or any foreseeable climate of Canadian public opinion". The article concludes that, of the three options presented, the third is the one best calculated to serve Canadian interests because it would over time lessen "the vulnerability of the Canadian economy" and in the process strengthen "our capacity to advance basic Canadian goals" and develop "a more confident sense of national identity."

The article is based on studies which have been in progess over the past year. While these studies are continuing, they have reached the stage where it is possible to present a balance sheet of some of their main assessments and conclusions. That is the purpose of the article. In its preparation Mr. Sharp notes that he has had the benefit of the advice and assistance of his colleagues in the Government and of officials in the Department of External Affairs.