

GLOBAL INTERDEPENDENCE

Nor is "interdependence" a euphemism for simple dependence. Interdependence really does cut both ways. To be sure, American economic policy decisions affect Canadians more than Canadian decisions affect Americans. Some of us, to paraphrase Orwell, are more interdependent than others. But the United States is dependent on its trading partners -- not individually on West Germany or on Japan or even on Canada, but collectively on all of us. Twenty-five percent of the goods the United States produces are exported. One-third of all farm acreage in the United States is planted for export. One American job in five depends on exports. Forty percent of all U.S. exports go to the Third World.

Nor is the U.S. market an American preserve. U.S. business has to compete with advanced electronics and automobile firms from Japan, specialty steel makers from Sweden and Canada, and electronics producers from newly industrializing countries. In 1983, the United States imports of goods and services exceeded exports by \$41 billion. Financing this enormous and growing deficit requires correspondingly large inflows of foreign capital.

Nor can the U.S. alone assist Argentina, Brazil and the other debtor countries to resolve their serious financial problems, although vital U.S. banking interests are at stake.

The debate in Canada between the nationalists and the continentalists is missing the essential point. Canada is integrated into the larger global economy. And so is the United States. Neither Canada, nor the United States, nor the two countries together, as Fortress North America, could stand alone and prosper.

We are, both countries, part of the global economy, an economy which is being transformed fundamentally.

Domestically, dramatic changes are being produced by a new kind of technology, one that requires an economic structure quite different from that on which the old mass production system and resource-based industries were built. New products can be upgraded and the prices lowered simply by improving the design of a silicon chip. This increases vulnerability at the same time as it enhances opportunity.