

if the problem is along the St. Lawrence/ Great Lakes waterway, on the Atlantic or Pacific coast, or in the Arctic. We have developed in the Auto Pact a most unusual, if not a unique, industrial relationship. And the cultural intercourse, mostly one-way south-to-north, through television, films, books and magazines, is unparalleled in the world.

Canadians may and certainly do argue constantly about whether these results of the relationship are helpful or harmful, but to deny that they add up to "something special in this world" is to deny reality. Ministers might as well go around declaring in their speeches that this is the warmest country in the world, hoping that if they say it often enough the people will come to believe it and will cease spending foreign exchange in Florida, the Caribbean and Hawaii.

In another part of his speech, Mr. MacEachen said that "the special relationship no longer serves either of our best interests". This at least makes sense, so far as Canada is concerned. If it is true, the answer is to change the relationship or its effects where it is in our power to do that. For instance, it was good news to hear in Mr. MacEachen's speech that Canada "cannot accept" the extraterritorial application of American laws. However, a Canadian is entitled to ask his own Government why we accepted so many affronts to our independence by the application of the U.S. Trading With the Enemy Act all through the Sixties and halfway through the Seventies.

On the oil-export issue, it is clear that the interests of the two nations clash, and this cannot be avoided. It is the proper job of each government to get the best deal it can for its own citizens; but, since Canadians have the oil that Americans want, we should expect our Government to make the most of a strong hand, regardless of the ownership of multinational oil companies. One sees the clash of these interests quite clearly in the two speeches, and to my mind Mr. MacEachen has the best of it. On the other hand, I suspect Mr. Porter had the stronger case on the beef controversy, a suspicion strengthened by the fact that Mr. MacEachen avoided the subject entirely.

Cultural barriers

Our Government is moving also to raise some barriers to American cultural penetration, and the indications at the time of writing are that Washington will return a soft answer. In this field it seems to me primarily a question of what Canadians ought to accept in the way of government

control over the content of public broadcasting and films. If national agencies encourage Canadian creativity to improve the quality of Canadian discussion, wonderful. If such policies the flow of information and ideas from source, foreign or domestic, cry had the policies do both things, we should to examine the bargain with gravitation.

Standard battle

The two orators engaged in the standard statistical battle over transinvestment, with Mr. Porter taking prize for the most ingenious argument. "Canadian investment in the United States now substantially exceeds that of United States investment in Canada per capita basis," said he, saving the cracker for the last five words. For know this may be true of Panama but Panamanians could put all their money in American stocks and cause a ripple on Wall Street, whereas Americans could buy out the country in a day they don't own it all already. Per investment has nothing to do with the problem. The issue is the degree of control. Yet, when that is said, the fact remains that we are not going to do much to limit foreign ownership anyway. The real challenge for us is to exercise a reasonable control over foreign companies and their operations in Canada.

(Incidentally, Mr. Porter trotted out an intriguing, if somewhat obscure suggestion that Canadians travelling in the United States "try putting a few bottles of Labatt, Molson or O'Keefe on a table with labels showing. The results will astonish you." I think his point was that the United States is teeming with Canadians, who will pop out of the woods with amazing numbers to gape at the sight of home-grown beer. The story, however, makes an inadvertent point about the way traffic in communications. What is famous in the United States is famous in Canada. What is famous in Canada is famous only in Canada. Two years ago the American Society of Cartoonists held its convention in Ottawa and was entertained at a dinner by the Carling O'Keefe Brewery. The president of the association made a gracious speech thanking his Canadian hosts, ending with "a special word of thanks to Mr. Carling O'Keefe".)

Perhaps the most serious passage in Mr. MacEachen's speech were his suggestions for consultation. This is an old Canadian song, but no less important for its old. The root origins of this speech, and the conception of the Third Option, occurred

*Clash of interest
on oil export
unavoidable*