

closer integration to arouse more opposition nowadays than proposals of this kind have in the past; and I would expect the opposition to come from all parts of the country.

The third option would be to decide that, over time, we would work to lessen the vulnerability of the Canadian economy to external shocks, especially those from the United States. Our purpose would be to re-cast the Canadian economy to make it more rational and more efficient as a basis for Canada's foreign trade. The basic nature of the economy would remain unchanged. The option would mean encouraging specialization, rationalization and the emergence of strong Canadian-controlled firms. Our domestic base, a prosperous nation of 22 millions, should be adequate to produce efficiency in all but the most complex and capital-intensive industries. We would still depend for a great deal of our national wealth on our success in exporting goods and services. But we would deliberately broaden the range of foreign markets in which we could successfully compete. We might also find that Canadian firms could provide a higher proportion of our domestic needs - not because we were deliberately trying to reduce our dependence on imports, but simply because they were the most competitive suppliers. There would be no question of retreating from our fundamentally liberal trading policies into protection, or of abandoning the most-favoured-nation principle in trade agreements with the United States or other countries.

This option would require close co-operation of government, management and labour. It would require as well the close co-operation of all levels of government. Since the option involves a deliberate strategy, some degree of planning would be involved. But considering the wide range of government involvement in the economy already, I doubt whether this option would radically alter relations between government and business. Working out the required consensus between the federal government and the provinces would require close consultation, but I see no reason why this need lead to friction. On the contrary, the basic harmony of federal and provincial objectives in industrial development could widen the area of federal-provincial co-operation.

Much the same could be said of the cultural dimension. The kind of policy instruments required to support an independent and flourishing national culture already exist. What may be necessary is the extension of policies which have already proven their worth to sensitive new areas created by the age of mass communication.

These, then are the three options. Now that you know what they are, I can make some general comments on them.

First, options are not policies. They provide a framework within which policy decisions can be taken. They