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TEXT OF A TELEVISION INTERVIEW
OF THE SECRETARY OF STATE
FOR EXTERNAL AFFAIRS,
THE HONOURABLE MITCHELL SHARP,
WITH MR. IRVING LEVINE OF NBC
ON APRIL 10, 1972

Reporter: Mr. Sharp, what do you expect President Nixon's visit to accomplish?

Mr. Sharp: Well, first of all it's an indication of how important we consider one another - Canada and the United States. This visit is both ceremonial and will also, I expect, deal with matters of substance, but it is, I think, first and foremost an indication of the important relationship our two countries have to one another.

Reporter: What has been the cause of the worsening of U.S.-Canadian relations?

Mr. Sharp: Well I don't think I accept the word "worsening". You know, it is interesting about Canadian and American policy in the last three or four years since Mr. Nixon came to office and since Mr. Trudeau came to office approximately at the same period. Both countries have followed rather parallel policies. There is a very great similarity, for example, between the Nixon doctrine and the Trudeau doctrine. We have felt and the United States have felt that the time has come for a redistribution of the burdens of defence and so on. We have also said that we are going to limit our commitments to our capacities and discharge them, just as President Nixon has said. So I don't really think that there has been a "worsening" of relationships. I think that there is now a more realistic appraisal and understanding of the nature of relations between Canada and the United States than there has been in the recent past. So I think that on the whole, the relations between our two countries are very healthy indeed.

Reporter: Does this more realistic awareness of the relations between the two countries involve a greater independence for Canada?

Mr. Sharp: Yes, I think that in Canada there is a growing feeling - a sort of national spirit, and a feeling of independence or perhaps a recognition that we have a role to play both in relation to the United States and the rest of the world that is different to other countries. Not different particularly from the United States, but different - it is a unique sort of a role as between our unique kind of a country. What we have done on our foreign policy, for example, is to try to project abroad our own nature. Unlike the United States we're a bilingual country. So we take special pains in our foreign relations to project this bilingual character in our relationships with other countries. We are a country that borders on the Arctic, the Atlantic, the Pacific. We are an American nation too. We've tried to project this reality and in the course of doing this we have, I think, understood a little bit better that we have room for manoeuvre and it isn't anti-American to sometimes differ with the United States.

Reporter: Do you think the United States draws false conclusions from the Canadian attitude and interprets it as anti-Americanism or a lack of cooperation?

Mr. Sharp: I don't think so. You know China is a good case. There was a great - there was a common interpretation in the United States that Canada had gone off on a China policy different to the United States. What did happen? No sooner had we entered into diplomatic relations with Peking then Mr. Nixon said "I feel the time has come for the United States to have some sort of relationship with that great country" with which it had no relationship. Well I don't think there is any difference fundamentally in policy. Similarly in our relations with the Soviet Union. We were criticized in Canada about what the reaction in the United States was. There were critics at home who said "Canada is having closer relations with Moscow just to spite the United States". Look what happened. Mr. Nixon said "I'm going to Moscow". I think it is important that we improve our relations with other great countries. So I think most of this rests upon a rather narrow vision and that in both countries we are beginning to understand that the world is bigger than just North America.

Reporter: Why are Canadians fearful of United States economic domination?

Mr. Sharp: Well because it is so great. You know there is no other country in the world with so much foreign ownership. There is no other country in the world that is like Canada, that reads the publications of the United States or listens to United States radio and sees United States television, reads United States magazines; and we are determined, if we can, to try to maintain a uniqueness. It isn't anti-American - it's just a desire to have a country which is our own, which has its own institutions and therefore we must resist the domination of the United States because otherwise we'll be overwhelmed. Some people think we're already down the slippery slope. I don't think so. I think we have retained certain values and certain integrity upon which to build. So I think it's as simple as that.

Reporter: Do many Canadians believe that there is an intention on the part of the United States to dominate Canada economically?

Mr. Sharp: I don't think so. Not an intention on the part of the United States government. But what they feel is that Canada is sometimes regarded as another state of the union for economic purposes, and that is what Canadians naturally resent. Canada is a different country and anyone who comes

to Canada and does business must observe the Canadian ways of doing things, Canadian laws and institutions and Canadian policy. So it's quite a natural attitude and it is one that has prevailed ever since this country was formed. Indeed, one of the reasons that Canada was formed was because of a fear that the United States following the civil war might want to move north according to the doctrine of Manifest Destiny. I think the doctrine of Manifest Destiny is dead but nevertheless there are certain factors that worked which arise from the great vigor, the great dynamism of the United States which we greatly admire, but which we do not want to have to accept. We want, if we can, to have our own civilization on the northern half of the continent.

Reporter: A former Canadian Prime Minister expressed concern about what he called "the hurricane of virile and dangerous anti-Americanism in Canada". Would you regard that characterization as inaccurate?

Mr. Sharp: As a "hurricane"? Oh no. You know Canadians are not anti-American. This is quite wrong. Any government - there have been many, many experiences in the past - any Canadian government that follows an anti-American policy loses the next election. We've had many illustrations of this. And so that sort of fine line between following a pro-Canadian policy and resisting the domination of the United States is one that has to be walked very gingerly by all governments. But any government that moves too much in either direction, either in favour of having an integration with the United States or on the other hand of following an anti-American policy almost invariably loses.

Reporter: When you brought in the matter of the politics involved in the attitude towards the United States, has politics played a part in the Canadian attitude in the trade negotiations? By that I mean is it politically impossible for the Canadian government to make trade concessions to the United States with an election in the offing here?

Mr. Sharp: Well I think that when you talk about trade concessions that you get to the root of the problem. Take the automobile agreement. The automobile agreement was an agreement presumably of equal value on both sides, and was signed with that in mind. We are quite prepared to re-negotiate this but we are not prepared to say that we should make concessions to the United States. We want to re-negotiate the agreement and to work out an agreement that is mutually satisfactory to both sides. On the other hand there are contributions that Canada is prepared to

make to the improvement in the world monetary situation - the world trade situation. For example, we floated our currency long before anyone else did which was a contribution to the stability of the world monetary situation. We advanced the Kennedy Round concessions that we made - and these were real concessions! We made a concession by advancing the time at which we would reduce our tariff. Now that was a genuine concession, but not just to the United States, though. That was made in order to improve the climate in world trade. So those kinds of things we are prepared to do but if anyone comes to us and says, - "you have an obligation to make unilateral concessions" - that we reject.

Reporter: Why? In view of the balance of trade and the balance of payments?

Mr. Sharp: You know, we have been for years running a very big deficit and we finally got to the point where we are beginning to be able to earn enough to pay interest on our borrowings and dividends and so on. We don't consider that this is an abnormal situation. We don't know whether it will continue but it has been one of our aims for years and years to improve our position so that we are not dependent, as we have been, on vast imports of capital. This is a legitimate aspiration and not one that is contrary to the interests of the United States.

Reporter: Mr. Foreign Minister, do you consider the United States to be unreasonable in its demands for trade concessions?

Mr. Sharp: Well I don't really know how to answer this because there has only been one issue that has been serious between us and that has been the automobile agreement. And there, as far as I'm concerned, one must have a really tough negotiation and these have been going on for months and months. Long before August 15th when President Nixon announced his program, we had been negotiating this. The United States want some changes in this agreement and we have our interest too. We cannot, so far, accept the position that has been put forward by the United States. But as far as this is concerned it is not an unusual situation. I've been through many negotiations myself and at some point you must reach an agreement and we haven't come to that point yet, apparently. Of course it is always possible to denounce it but as far as I can see in neither country do the interests of either the consumers or the producers want to denounce that agreement. So I can't answer the question. I don't really know what in the long run the United States will accept nor what we will accept in a position of bargaining and this is a

genuine economic bargain. It's an agreement that was negotiated and now the United States would like to re-negotiate it - to change its terms. So it's natural enough. We have our interests, too, and we are resisting certain proposals of the United States. And sooner or later we'll have to agree upon something. But we haven't yet reached that point.

Reporter: Realistically and frankly, is it possible for Canada to reach an agreement on changing the auto pact in any way before an election takes place in this country without giving the electorate the impression that you have knuckled under to the United States?

Mr. Sharp: It would be very difficult, I quite agree; and the trouble has been that during the course of the negotiations certain positions have been taken. Some of them are based upon a misunderstanding, but whether they are based upon a misunderstanding or not doesn't really matter. In fact political parties have begun to take positions. And therefore it has become an electoral issue. This is unfortunate, but this is the way it is. And I understand in the United States it has probably become an issue in certain Congressional districts - in certain States. This is one of the realities that one faces as a politician. And the art of politics is the art of the possible and it is also the art of compromise. And so, I think in the long run, we will work this one out. But it is being handled in such a way as to maximize the difficulties rather than minimize them.

Reporter: So the realistic way would be correct to say that this issue is unlikely to be settled until after the election in both countries?

Mr. Sharp: Well, I know when your election is going to be. I don't know when ours is going to be. We haven't made that decision yet. So I would say that it will be difficult if there is an early election to have it settled before an election. On the other hand I don't know when our election will be so I can't really answer better than that.

Reporter: A lot of the talk has been about concessions on the part of Canada. What concessions would the Canadian government like to see the United States make in the question of trade?

Mr. Sharp: Well we have many "grievances" against the United States on trade, just as the United States has some against us. For example, there is the so-called manufacturing clause in book publishing where the United States makes it impossible for us to print books in Canada - publish

books in Canada. There is the very serious restrictions that you impose against uranium. We've got vast quantities of uranium we'd be very happy to sell to the United States. And we look upon the action that you have taken as being in a default of your trade agreements with us. So we have a number of things of this kind that we would like to negotiate with the United States. This is one of the reasons why we take exception to the idea that it's Canada that should make the concessions because there are certain things that irritate the Americans. Well there are some things that irritate us too and it's in the course of trade negotiations that you can work these things out. I must add this, however, that I am very happy to see that in both Canada and the United States the Governments are in favour of another round of negotiations. This to us has been a source of great satisfaction to see the United States government come out clearly on the side of freer trade because that has been our policy from the beginning.

Reporter: Has it been offensive to Canada to have John Connally's threat, as it were hanging over Canada, of appropriate steps that might be taken because of the breakdown in Canadian-American trade negotiations?

Mr. Sharp: Well politicians often say things in the heat of the moment. I don't know how much importance to attach to what Mr. Connally has said. What I do know is that we do a vast volume of trade. You know we do more trade between Canada and the United States than between any other two countries - something like twenty billions of dollars. And what Mr. Connally says or what anyone on our side says is not going to affect that course of events. We are continuing to be very, very big traders. Even these difficulties that we are in now don't really affect the mass of our trade. So I'm fundamentally an optimist. And I don't attach that much importance to what any particular politician says at any particular time.

Reporter: The U.S. seems to be of the definite impression that Canada retreated in the trade talks from its original position of offering more than it finally did?

Mr. Sharp: Yes, I've heard this said. I don't accept that. I would retort that the United States might have accepted our proposals earlier and we could have avoided all this problem.

Reporter: The impression is that Canada retreated because the surcharge was lifted and that if the surcharge had not been

lifted so early Canada would have been under great pressure to stick to its original position.

Mr. Sharp: I don't accept that interpretation at all. We, of course, objected to the surcharge as such because we said we are not guilty of the "crimes" that the President had mentioned namely that our currency was undervalued or that we had arbitrary restrictions against imports from the United States. On neither count could the United States find any evidence. So we said, "Why are you applying the surcharge to us?" And it was after that that the United States then said, "Yes, but your situation has improved and therefore you must do something". But we didn't think that it was a crime for our situation to improve. So we never accepted the 10% surcharge as having any relevance to Canada-United States trade. Now the United States said they couldn't discriminate. Well, that's fine, but we still maintain the position from the beginning that the reason the United States imposed the surcharge did not apply to Canadian-American trade. Those difficulties did not arise. So we always considered the 10% surcharge as being inappropriate. We were very happy when it was lifted. But it would have made no difference to our attitude on these other questions.

Reporter: It's easily understood that Canada cannot make some of the concessions that the United States would like it to make because Canada would give the impression of knuckling under. But there seems to be certain other things that Canada could do that would also help Canada, such as more liberal allowances for tourists, which would be a popular item. Has Canada tied itself so much to being conscious of not knuckling under the United States that it cannot take steps that would be beneficial to Canadians as well?

Mr. Sharp: No, I don't think so. This is why I've said very early in this interview that there has only been one serious problem between us and that has been the automobile agreement. If it hadn't been for that we would have had no difficulties.

Reporter: But the other steps would be related, too?

Mr. Sharp: No not necessarily. That's where I take a different view than, say, Mr. Connally. The automobile agreement is an agreement per se - a bilateral agreement between Canada and the United States. It had nothing to do with the 10% surcharge.

Reporter: Well, that's my question. Why can't these other steps be taken?

Mr. Sharp: Well, we shall see whether they will or not. We will certainly take action that will be in our own interest. And this is why I say that it's only been in the automobile agreement that we have had serious difficulty. If it hadn't been for the automobile agreement there would have been no problem doing many of these kinds of things. So I feel it's most unfortunate that the automobile agreement should have been raised in the context of the surcharge.

Reporter: Thank you very much.