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## CANADA-UNITED STATES ECONOMIC ISSUES

*The following passages are from an address by Mr. Mitchell Sharp, Secretary of State for External Affairs, to the Rotary Club of Armour Heights, Toronto, on June 20, 1972:*

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...Whether this has been a good year or a bad year for Canadian-American relations is something we can discuss; it has undeniably been a big year. More persistently than any others, economic issues have caught the headlines. Last August 15, came the dramatic announcement of President Nixon's new economic policy. This carried a number of implications for Canada. Some of these are only now coming fully into focus. At the time, you will recall, Canadian interest centred on the American decision to impose a temporary import surcharge, as one of a number of measures designed to deal decisively with the chronic problem of the United States balance of

payments. We spent a good deal of the late summer and autumn locked in discussion, both in Canada and abroad, about the wisdom, equity and probable effects of the surcharge. Finally, toward the end of the year, the United States agreed to drop the surcharge as part of a bargain involving the readjustment of the parities of the major international currencies.

For Canada, the vital element of this bargain was that our case for allowing the Canadian dollar to continue to float received international recognition. The Smithsonian agreement dealt for the time being with the monetary side of the problem. Attention then turned to bilateral trade issues. A number of the issues in Canadian-American trade relations were long-standing. They had been only temporarily pushed into the background by concern over the surcharge. The notable example is the auto pact. This subject had already been under discussion between the two countries for some time. A new complication was added, however, with the introduction of the DISC legislation in the United States. There were other trade "irritants" on both sides. An attempt was made to dispose of some of these outstanding issues in the winter by negotiating a package of reciprocal and balanced concessions with the United States. The attempt at negotiation was not successful. At the moment, the position is that negotiations on outstanding trade issues are to be resumed at a time still to be fixed. Pending resumption, each side is reviewing its negotiating position.

Meanwhile, the Government has introduced legislation to control takeovers of Canadian firms by foreign capital... Strictly speaking, this is a Canadian, not a bilateral issue. Everybody knows, of course, that the capital involved is largely capital from the United States, and that the issue of American ownership of Canadian business and industry is a matter of intense debate in Canada.

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## ENVIRONMENT ISSUES

These then have been the most important economic questions for relations between Canada and the United States in recent months. Other issues have leaped into prominence as well, notably energy questions and environmental issues. Last autumn, the United States Administration proceeded to conduct an underground nuclear test on Amchitka Island. This spring, it has authorized the construction of the trans-Alaska pipeline, thereby strengthening fears that the two countries will face a serious danger from oil spills if ever Alaskan oil begins to move through the narrow waters of the Straits of Georgia and Juan de Fuca. An ominous foreshadowing of these dangers was provided only two weeks ago, when there was a spill - fortunately small - from a tanker unloading at the Cherry Point refinery just south of the Canada-United States border.

Both the decision to conduct the Amchitka test and the decision to authorize the trans-Alaska pipeline produced widespread protest in Canada. The House of Commons adopted resolutions expressing Canadian concern, by one vote short of unanimity in the case of the resolution on the Amchitka test and unanimously in the case of the resolution on West Coast pollution dangers. As a result of the oil spill at Cherry Point, a further resolution, introduced by a Government member, was also adopted unanimously. This calls for a reference of the problem to the International Joint Commission. All these resolutions were promptly transmitted to the United States Government. We understand that they have received attention at the highest level. This form of solemn parliamentary protest is unprecedented in Canada-United States relations.

Recently, the revival of the war in Vietnam has returned that subject to a high place on the list of issues complicating relations between Canada and the United States.

## NIXON VISIT

On the other side of the ledger, we have had a highly successful visit of President Nixon to Canada. In what he said while he was in Ottawa, the President showed a perceptive sensitivity to some of the issues that concern Canadians most. His clear acknowledgement of the separate identities of our two countries is one example of this; what he said about foreign ownership was another. The visit was capped by the signature of an important new agreement on a joint approach to cleaning up the Great Lakes. And from the discussion of international questions that took place, it was clear also that the two Governments hold convergent views about the international order that is now emerging.

...As to the question of exchange rates, it has been a great success for the Minister of Finance and for his predecessor to have so solidly established

the case for allowing the Canadian dollar to continue to float. At the same time, the Government's recent measures to encourage lower interest rates ought to prevent our dollar from moving upwards to the point where exports are seriously affected. With the problem of parities resolved, attention can now turn in monetary matters to reform of the international monetary system. Canada will be making its contribution to that process. Reform is not, of course, a matter for today or tomorrow. For our purposes today, let me simply record that I expect Canada to work in close consultation with the United States on this question and see no reason why it need become an issue dividing us.

## TRADE IRRITANTS

As to the trade irritants, it is impossible to say now what the outcome of the next round of negotiations may be. Nor can I tell you the details of the Government's negotiating position. I can say, however, that the offer the Government made to the United States several months ago was perfectly reasonable. If some of these issues remain unresolved, it is not because of any rooted refusal on the Canadian side to bargain sensibly.

While I cannot speak for the United States, I would warn against seeing patterns in various actions by the United States where none exist. The fact that there are by now a number of outstanding issues to be negotiated is, to an important degree, fortuitous. Without seeking to belittle these problems, I suggest that none of them - not even the auto pact - goes to the heart of the relation between the two countries. In so complex a relation, we should not be surprised at any particular time to find a question of the order, say, of the Michelin Tire problem awaiting solution. But there are no fundamental differences of principle between Canada and the United States in these matters. Canada has every sympathy for the United States Government's desire to correct imbalances in its trade. By allowing the Canadian dollar to float upward months before President Nixon announced his new economic policy, we gave evidence of our willingness to contribute to the necessary process of multilateral adjustment.

## FOREIGN OWNERSHIP

In Canada, the most controversial of these economic questions is obviously that of foreign ownership. I have already drawn attention to the fact that this is more our problem than it is a bilateral problem. I venture to say it is more a problem of federal-provincial relations than of international relations. All we can expect from the United States is sympathetic understanding of the difficult choices which confront us. At the moment, I should say that we have that sympathetic understanding. Whatever future developments there may be in this field, I expect

## CANADIAN INITIATIVES AT ENVIRONMENT CONFERENCE

In a report to the House of Commons on the United Nations Conference on the Human Environment on June 21, Mr. Jack Davis, Minister of the Environment, stated that delegates from 112 countries had agreed, "often unanimously to a set of principles, an action plan and an organizational structure which will help mankind to fight pollution on land, in the sea and in the air".

Mr. Davis said that the success of the conference had, to a large extent, been due to Canada's leadership, since much of the groundwork had been laid by Mr. Maurice Strong, a Canadian, Secretary-General of the conference, and many of the recommendations and resolutions had emanated from representatives of the Canadian provinces and Canadian industry. The Canadian delegation had, he said, "operated like a team at all stages in the conference's deliberations".

Passages from the Minister's statement follow:

\* \* \* \*

Our collective accomplishments cover a broad front. They range from the identification of atmospheric pollutants of global concern to the dumping of toxic substances on the high seas. Provisions were made for the protection of endangered species, of wildlife and for the payment of compensation when the effects of pollution originating in one country were felt in another country.

A world registry of clean rivers is to be set up and the harvesting of renewable resources, including fish, must be placed on an optimum, sustained yield basis.

More specifically, in the area of marine pollution Canada deliberately set out to utilize the Stockholm Conference as a means to the further advancement of international law. We tabled a set of marine pollution principles, all 23 of which were endorsed by the conference.

A statement of objectives was also agreed upon, stressing the need to manage ocean space and the special interests of the coastal state in that management process.

The Stockholm Conference referred to a conference to be held in London later this year, draft articles for an ocean-dumping convention, which

provides not only for effective control from an environmental point of view but also for enforcement by all parties, including coastal nations, against "ships under their jurisdiction".

With regard to the special rights of coastal states, the Stockholm Conference took note of them and "referred these principles to the 1973 IMCO Conference for information and to the 1973 Law of the Sea Conference for action".

Canada also tabled, well before the conference, a declaration on the human environment consisting of legal principles analogous to the UN declarations of principles on outer space and human rights. We were the first country to do so. Some states opposed the introduction of legal principles into the Stockholm declaration, but we persisted.

The declaration on the human environment approved at Stockholm last Friday contained the principles introduced by Canada, based on the Trail Smelter case, namely, the duty of every state not to pollute the environment of other states, the duty not to pollute the sea, the air and outer space beyond the jurisdiction of any state, and the duty to develop the law concerning liability and compensation in respect of such damage.

A further consequential principle flowing from these three, the duty of states to consult with or notify states of activities which may have an environmental impact on them, received close to unanimous support but was referred to the twenty-seventh United Nations General Assembly for further consideration.

If I had to identify the area in which I believe our delegation made the greatest contribution, it would have to be on the marine side. Freedom of the high seas must not include the freedom to pollute. That freedom, or licence if you like, has been shaken by the Stockholm Conference. Further deliberations at the international level, including the Law of the Sea Conference in 1973, will be necessary in order to spell this principle out in some detail. But the basic theme is there. Thanks to Canadians, it has been expressed in legal language. Its elaboration in actual practice now only seems to be a matter of time.

\* \* \* \*

## BOOK ON CANADIAN ENVIRONMENT

In a book reporting the status of the Canadian environment in 1972, Environment Minister Jack Davis says he believes Canada can have both planned economic growth and environmental quality. He stresses, however, that Canada needs "new attitudes, and new laws to protect our fragile environment". The book is *Canada and the Human Environ-*

*ment*, prepared in response to a request by the United Nations that each participating nation provide an "information" document prior to the recent Conference on the Human Environment.

The 92-page book describes Canada's vast and diverse natural endowment, and identifies a number of the pollutants that threaten it - oil-spills, untreated sewage, industrial air-pollution, harmful

pesticides, phosphates, mercury, motor-vehicle exhaust-emissions, and many others.

Illustrated with 34 colour and 16 black-and-white photos, the book reviews all major problems associated with environmental quality in Canada, and the response action taken at the local, regional and national levels.

The report also makes a strong case for national and international standards in pollution control.

The book concludes with the view that, despite a projected population of 35 million by the year 2000, Canada should be able not only to keep pollution under control over the next 30 years but actually to improve the environment - provided it takes full advantage of new technology.

### BIG WHEAT SALE TO BRAZIL

The sale of 300,000 metric tons - approximately 11 million bushels - of wheat by the Canadian Wheat Board to Brazil was announced recently by Mr. Otto Lang, the Minister responsible for the Canadian Wheat Board.

The new contract with the Brazilian Wheat Board, valued at about \$20 million, completes purchases by Brazil under a long-term agreement negotiated in the spring of 1970.

The agreement called for maximum purchases of one million metric tons over a four-year period. However, with the completion of shipments under this latest sale, the maximum quantity will be taken in the first three years.

Grades to be shipped are: No. 4 Northern Wheat and No. 1 and No. 2 Canada Western Red Spring Wheat. All shipments will be from St. Lawrence ports between June and October.

In making the announcement, Mr. Lang said that the sale was made "under revised and expanded credit facilities approved by the Government of Canada to improve the competitive position of Canadian wheat in developing countries".

### YOUTH AT STRATFORD

Begun experimentally in 1958, the special performances for organized student audiences at the Stratford Festival have become among the most exciting of the annual season. Some 5,694 secondary-school students attended six performances during the period set aside for them in 1958. By 1971, this number had swelled to 82,831 from all parts of Ontario, Quebec, as well as Michigan, New York and Ohio. They come by bus, train and private cars to encounter Shakespeare's plays as they should be studied, on a stage. In addition to seeing a play, at reduced rates, they get a bonus that ordinary audiences do not enjoy - the opportunity to hear one of the leading actors speak extemporaneously at the end of the performance and to ask him questions.

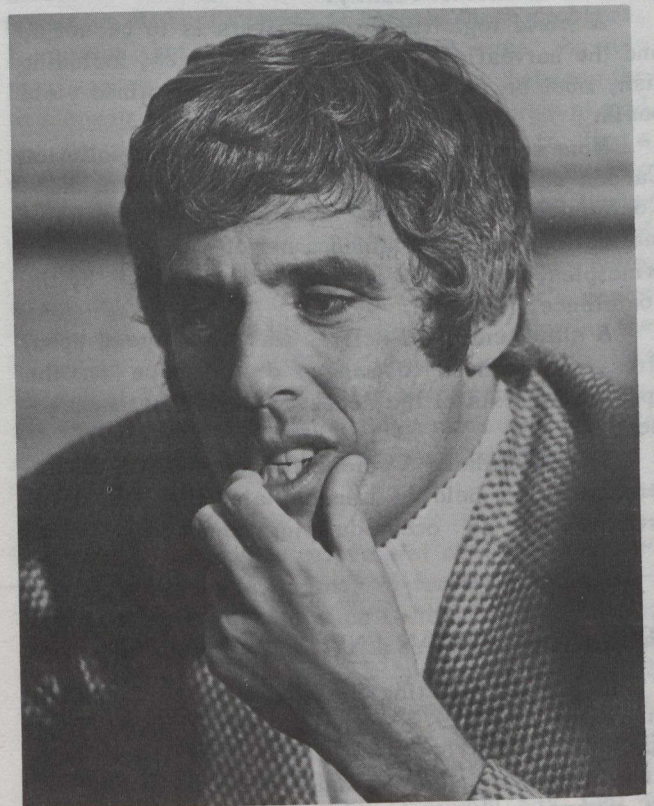
For the 1972 season the regular school matinees ran for two weeks in May prior to the official opening and will continue for six weeks from September 11 to October 21, with the public admitted on Saturday evenings during this period. This season's student performances are *As You Like It*, *Lorenzaccio* and *King Lear*.

### BACHARACH BACK AT MCGILL

Burt Bacharach, 43-year-old Hollywood musician and composer, came back to Montreal last month to receive an honorary doctorate of music from McGill University, his alma mater. The winner of two Oscars (one for the score of the film *Butch Cassidy and the Sundance Kid* and the other for the hit tune from that movie - *Raindrops Keep Fallin' On My Head*), Bacharach studied piano under Professor Helmut Blume, Dean of Music at McGill. Professor Blume said that the honour had been conferred "to evoke that human response on a world-wide scale through his songs, his rhythms, his orchestration, his total texture through his individuality, and timelessness of his music".

Among the composer's other successes are *Alfie*, *What the World Needs Now* and the musical show *Promises, Promises*.

Mr. and Mrs. Bacharach (the film star Angie Dickenson) arrived in Montreal from Los Angeles.



Burt Bacharach

## CANADIAN CLASSICAL INDIAN DANCER

One of the best-known exponents of Indian classical dance, Anjali, a Canadian, gave a recital last month in the National Arts Centre Studio.

Born in Ottawa, Anjali (Anne-Marie Gaston) began her ballet training at eight years old. Later she studied modern dance with the New Dance Group of Toronto. After completing a B.A. and a B.P.H.E. at Queen's University in 1964, she went to Madras, India, to teach with the Canadian University Service Overseas Program (CUSO). Fascinated with the temple sculpture illustrating Indian dance, she resolved to study its living form, *Bharata Natyam*, and at the same time, *Hatha Yoga*. Returning to Canada in 1966, she gave performances and lecture demonstrations at universities, Indo-Canadian friendship societies, art galleries, the Colonnade Theatre with the Garbut Roberts' troupe in Toronto, and at Expo 67 in Montreal. In 1968 she was a member of the folk-dance group that represented Canada at the Cultural Olympics in Mexico City. A Canada Council arts bursary in 1969 enabled her to return to India for a further two years to study *Bharata Natyam* and *Odissi*. During this time, she visited the state of Orissa, as a guest of the state government, and gave two performances of *Odissi*. In February 1971 she participated in the East-West Encounter at the Max Mueller Bhavan in New Delhi, both as a panelist and a performer. She toured England in the spring of that year.

Some of her recent performances in Canada have included the National Dance Conference at the University of Waterloo, Indian Students' Association at the University of Ottawa, and Sir George Williams University in Montreal. A special recital for the diplomatic corps was arranged by the Indian High Commissioner to Canada. Anjali has made several



*Anjali (Anne-Marie Gaston) performs, and also plans to to teach, Indian dance.*

appearances on television in India and Canada, and this medium has proved ideal for the intimate nature of Indian dance. She has travelled extensively in India, photographing the temple carvings in which the dance is recorded. At present, Anjali holds a Commonwealth scholarship and is spending the major part of this year in New Delhi furthering her studies, though she still frequently gives performances.

## BABES IN HARMS WAY

Dental experts, pediatricians and federal inspectors of hazardous products have joined forces to give Canadian babies a better chance of living to a ripe old age.

The object is to boost safety factors for infants in cribs, who suck pacifiers, chew teething rings, gaze from playpens or bounce in "walker-jumpers".

This summer the Canadian Pediatrics Society will examine standards and suggest better safety measures for cribs, playpens and walker-jumpers. A pedodontics expert from the University of Manitoba has been commissioned to assess the hazards of teething rings and pacifiers already on the market and suggest how they can be made safer.

Results of the study should be in before the end of the year and government action taken to make life safer for infants.

## CRIB DEATHS

One major concern involves crib deaths. In 1968 (the latest figures available) 106 babies under 11 months died in Canada from mechanical suffocation. It wasn't always easy to pinpoint the precise cause of death but the suspicion lingers that some babies turned face up in their cribs, got their heads stuck between the vertical bars and swallowed their own vomit. Others swallowed pacifiers, or inadequately-designed mouth-guards, and choked.

Child-safety experts wonder at the unreported number of babies in walker-jumpers whose fingers are pinched or mangled in springs. Perhaps a thick plastic sheath is the answer here.

Regulations dealing with the sale of liquid-filled teething rings have been tightened recently because two designs were found to contain harmful bacteria. The Consumer and Corporate Affairs Depart-

ment ordered these rings withdrawn from stores because of the danger to babies. The rule now is that the fluid inside this type of ring be made sterile and that the container be made of material that is safe to suck.

Playpens made of wide-mesh plastic or string are also suspected of being hazards for infants. If the mesh is too wide, the baby may put its head through or get its limbs tangled and trapped.

Cribs with wooden slats (a safe width is no more than three inches) should have a bumper placed inside the crib between the mattress and wooden bars.

To reduce infant mortality and injury, the Department has already moved to control lead paint that manufacturers use on children's toys and furniture.

## ARCTIC PIPELINE RECCE

It was announced recently by Mr. Jean Chrétien, Minister of Indian Affairs and Northern Development, that Arctic natural-gas reserves discovered by Panarctic Oils Ltd. were sufficient to justify a reconnaissance this summer of two potential 2,200 to 2,500-mile pipeline routes from Cornwallis Island in the central Arctic archipelago to eastern markets.

The Minister said that, though the total volume of natural-gas reserves required to justify a pipeline have not yet been proven, discoveries were already sufficient to plan an aerial reconnaissance of two possible routes during the summer.

Panarctic began this reconnaissance early in June, using aircraft and helicopters to study possible feeder routes *via* the islands, Boothia Peninsula and along both the east and west coasts of Hudson Bay to a terminal point in Eastern Canada.

## SECOND BIG NORTHERN GAS FIND

Mr. Jean Chrétien, Minister of Indian Affairs and Northern Development, has confirmed the finding of a second major natural-gas well by Panarctic Oils Ltd. on the Drake Point structure in the northeast of Melville Island in the Canadian Arctic archipelago.

Mr. Chrétien noted that Panarctic planned to drill other exploratory wells on northeast Melville Island this year and was optimistic of further successes in the western region of the Arctic Islands.

The discovery ratio being maintained under Panarctic's exploratory drilling program that began in 1968, which has resulted in three gas discoveries and two oil discoveries, together with evidence of the extent of several of these reservoirs, augured well, said Mr. Chrétien, for reaching the large threshold volumes required to warrant exploitation possibly late in this decade.

Steps will be taken to inform all communities along the proposed routes of details of the air-reconnaissance plan. As these are only preliminary surveys, sufficient time will be available for consultations with Northern residents.

Cornwallis Island is approximately 2,100 miles north-west of Montreal and 170 miles west of the northern tip of Baffin Island.

## PREVIOUS STRIKES

To date, Panarctic has made three major gas discoveries: at Drake Point on the Sabine Peninsula of Melville Island, on King Christian Island and at Kristoffer Bay on Ellef Ringnes Island. Gas showings, along with recoveries of oil, were recently encountered at Thor Island about 50 miles north of King Christian and at Romulus Lake on the Fosheim Peninsula of Ellesmere Island.

Panarctic has identified, and conducted geologic and seismograph surveys on, a number of similar geologic features, and during the coming year will drill test-wells on a number of highly prospective locations.

Panarctic now has five drilling rigs under contract and is arranging for a sixth. Each rig can drill from two to three wells a year.

## NORTHERN FIREFIGHTERS

A 64-man native firefighting force is to be established in the Northwest Territories with equipment and mobility that will enable it to react immediately in the event of forest fires anywhere in the Territories, it was announced recently by Mr. Jean Chrétien, Minister of Indian Affairs and Northern Development.

The creation of the new force grew out of the disastrous experience of 1971, when 330 forest fires swept the Mackenzie District of the Northwest Territories. Six firefighters were killed and 2 million acres of woodland were destroyed.

## KEY CREWS

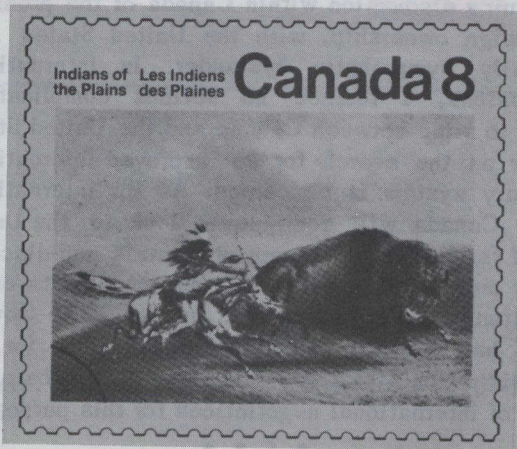
Under the new organization, eight crews of eight men will be located at key centres in the Mackenzie Valley and south of Great Slave Lake, each with portable firefighting equipment and helicopters to transport it swiftly to wherever it is needed. A fleet of water-bombers consisting of *Canso* and *Twin-Otter* aircraft will back up the force and be on call as required.

Arrangements are being made with the Alberta Forest Service to assist in the training of the new force. It is planned to have a safety and training officer assigned to the group to continue the training when the men return to their stations.

In the case of major fires, the support of local volunteers will be sought as before but, with the increased strength and mobility of the new group, it is hoped that the need for volunteers will be minimized.

### CANADIAN INDIAN STAMPS

Two 8-cent stamps featuring the artifacts and way of life of Canada's Plains Indians were issued by the Canada Post Office on July 6. They are the first of a series of 20 stamps depicting cultural features of various Indian peoples of Canada that will be issued during the next three years.



The design for one of the stamps is taken from the print *Buffalo Chase* by George Catlin, an American artist of the nineteenth century, who was renowned for his study and portrayal of Indian life.



The other stamp design was created from a photograph by Ray Webber of Toronto. The objects shown in the photograph are a club, a feather headdress, a woman's saddle, a beaded saddle-bag, a moccasin, a decorated bison skull, a *parfleche* bag and a calumet (clay pipe). They were photographed through the co-operation of the Royal Ontario Museum and the National Museum of Man. The layout and typography of both stamps were done by Georges Beaupré of Montreal.

#### INDIANS OF THE PLAINS

The Plains Indians comprised many tribes speaking a variety of tongues. They ranged over the vast

prairies of North America in pursuit of the bison, on which they depended for their survival. Its flesh was used as food, the skins as clothing and equipment, the bones for tools and arrow-tips, and the dung as fuel.

Among the Plains tribes were the Blackfoot, the Sarsi the Plains Cree, the Assiniboin, and the Plains Ojibwa. These shared a general culture, though their spoken languages were of three distinct stocks: Athapaskan, Siouan and Algonkian. Ranging over the primary habitat of the bison in Canada they occupied the southern reaches of Manitoba, Saskatchewan, and Alberta to the foothills of the Rocky Mountains.



*A Plains Indian Chief at the Calgary Stampede*

The basic social unit of the Plains Indians was the band, a local group which jointly camped and hunted during much of the year under one leader. In summer the tribal bands united in large camp circles and the social and religious affairs of the tribe were governed by a political organization of their chiefs.

They were a nomadic people whose annual round of life was closely adapted to the habits of the herds of bison. During the autumn and winter the bison dispersed in small herds, seeking shelter and forage along streams or migrating south. The Indians followed, each band seeking a traditional wintering area where fuel, shelter and hunting were adequate. In the summer when the bison congregated in enormous herds for feeding and mating, the tribal bands joined forces through the camp circle for communal hunting.

## MANITOBA AID TO ST. LUCIA

New horizons will soon open for the blind of the Caribbean island of St. Lucia. A project proposed by a service club in the Province of Manitoba will help them earn a living while participating in the growth of the tourist industry of St. Lucia.

The St. Lucia Blind Welfare Committee and the Castries Lions Club will direct construction of a 40-student academic and handicraft school with dormitories, workshops and *boutiques*. Besides yielding an income to students, sale of items will help the school to meet its own needs.

The cost of construction is being subsidized by the Canadian International Development Agency's Non-Governmental Organizations Division, the St. Lucia Lions Club, Britain's Royal Institute for the Blind, and the Rotary Club of Portage-la-Prairie. In addition, Stephen Edmunds of St. Lucia is studying at the Ontario Institute for the Blind through a CIDA award, and will return soon to join the staff of the new school.

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## CANADA-UNITED STATES ECONOMIC ISSUES (Continued from P. 2)

Canada to remain liberal in its economic policy. Therefore, I see no reason why we should forfeit this understanding. While debate will continue in Canada — often intense debate — I do not expect the fact that Canadians must go on struggling with this issue to become in turn an issue in relations between the two Governments.

It hardly needs saying that there is no national consensus on this question. The warmth of the continuing controversy is proof enough of that. Some regions of Canada are vigorously searching for capital and enterprise and are less concerned about its origin than about the availability. All regions are understandably concerned that national policy should recognize their particular needs and aspirations. The Federal Government considers that Canada can now afford to be more selective about the terms on which foreign capital enters the country. Some 17 per cent of the net annual capital inflow to Canada has been going to purchase existing concerns rather than to develop or expand industries. This sort of inflow may or may not be in the national interest. The Government wishes to ensure that it is. The purpose of the Government's legislation is, therefore, to ensure that this kind of capital inflow will only be approved when a particular takeover will, on balance, be of significant benefit to Canada.

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In the years immediately ahead, then, there will continue to be particular problems — difficult, although not fundamental problems — which will

complicate our economic relations with the United States. Canada will continue to diversify its trade, with a view to becoming less dependent on the United States market. The United States will, however, undoubtedly remain Canada's most important trading partner and it would, in my view, be a mistake not to exploit fully the possibilities of that market. The relation will also be complicated, no doubt, by a continuing discussion within Canada of the problems of foreign ownership, with the United States as a generally sympathetic bystander. In international discussions, I foresee no serious complications likely to arise between Canada and the United States so far as the search for an improved international monetary system is concerned. As for international trade, Canada will continue to look to the United States for leadership in moves towards non-discriminatory multilateralism to minimize the effects of the formation of trading blocs like the EEC. The Government has already declared its support for the Administration's proposal that there should be a new round of international negotiations for this purpose.

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At a more fundamental level in our political relations with the United States, an extremely interesting pattern is emerging. All of us students of the relation are conscious that basic shifts have been taking place in the world view of both countries. The implications of these shifts are only beginning to become apparent. I suspect we will spend the rest of the Seventies working out some of their implications. In the process, Canadians may find themselves giving up a good deal of the conventional wisdom about relations with the United States. It seems obvious to me that the options for Canadian-American relations, and for Canadian foreign policy generally, are already proving to be markedly different from what they were even five years ago. In a world where the two super-powers conceive their roles with a new and refreshing sense of limitation, and where new power centres are arising, the smaller countries, freed from the constraints — and perhaps deprived of the advantages — of alliance diplomacy, have freedom to manoeuvre unprecedented in this generation. Anxious to assert its identity and to diversify its contacts and its markets, Canada will surely find this a world of opportunity. To a visible extent we have already done so. Without immodesty we can claim to have led even our great neighbour to take advantage of some of the opportunities of this changing world. To the extent we take advantage of this world — created in part, let us remember, by the constructive action of the United States itself — we ought surely to find relatively greater fulfilment, and correspondingly less frustration, in our international role. And this in turn ought to help us come to grips with the inevitable problems of the Canadian-American relationship with wisdom and equanimity.