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Thoughts on a policy review for the United States

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20-1-2 = USA.

Over the past few months we have been awaiting the possibility of a request, possibly from the Standing Committee, for a policy review of the United States. Members asked the Minister why one had not been requested by the Government. Journalists also noted the omission. It may still be possible that a request will come from some source and the following may be of assistance to you at that time.

2. The first question concerns who should do it. Perhaps my own experience is relevant. I was assigned the "watching brief" on the basis of my availability and having just completed a six-week seminar on Canada-U.S. relations. This is really not satisfactory. The secretary of the project should have more intensive experience in the departmental aspects of Canada-U.S. relations (for example in Commercial Policy, TC and E or the North American Defense Division). He should also preferably have served in Washington, D.C. Indeed service in Washington is perhaps the main prerequisite since it would give the required perspective on Canada-U.S. relations as well as a pretty comprehensive idea of U.S. society and where it is heading. Thought might be given to releasing an officer of the Embassy to work on a task force preparing the review.

3. As to the form, we are given a great deal of leeway by the Prime Minister's office. To my mind, the Latin American review follows the requisite model and could serve as such for us. The format would be as follows:

1. The United States in the 1970's.

This would require the services of one very thoroughly versed in the affairs of the United States and very definitely not an amateur. Indeed, it occurs to me that the Department might engage the services of an academic to prepare this section. It would include the discussion of a series of models on possible developments in the United States over the next decade. The models

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could set up any number of possible combinations: the United States as isolationist/internationalist/unstable/dynamic, etc. It seems to me also that the chapter ought to have a section on Canada in the 1970's. It would include a projection on the likely attitudes of Canadians to the United States (this would be related to the sort of United States which emerged because it would follow that anti-Americanism would receive an impetus from unpleasant happenings in that country).

## 2. A Framework for policy

- 1) Economic
- 2) Defence
- 3) Governmental relations
- 4) The private sector

## 4. Challenges, restraints

1) The United States and Canada as post-industrial societies; to what extent is this prospect desirable, conditioned by good relations with the United States, a natural outgrowth of present trends in the Canadian economy; should or have Canadians to pay the "price" of continuing co-operation to reach this new level of civilization?

2) Geographical factors: Canada as an extension of the United States land mass.

3) United States policy: an "acceptable" Canadian defence posture; Canada open to free enterprise and United States capital; the multinational corporation and its implications.

4) Canadian and U.S. leverage vis a vis the other: Canada as a source of essential raw materials and energy - the U.S. as a source of capital, expertise and political power.

5) The role of U.S. subsidiaries.

## 5. Policy alternatives

- 1) Continentalism
- 2) Limited independence: present situation continued
- 3) An independent policy: develop relations with Europe and the Third World; foreign policy initiatives not necessarily welcome to the United States; new trading patterns; exact political advantage for exports of key commodities; multilateralism. Costs.

4. This very roughly is how I would see the project developing. It would be an overwhelming task and I can well understand why it was decided not to proceed with it. It would involve the most penetrating analysis (as I have suggested not to be found entirely within Government) as well as a mass of statistical evidence. I have very strong doubts that any very convincing mastery of the material could result and I am skeptical whether it is likely to result in any foreseeable reorientation of Canadian policy.

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