

and important prospects for industrial, technical and financial cooperation between us. Thus, it does reflect the needs of the signatory states to define anew their relationship, and to do so in terms of the rapidly changing international economic environment.

We live in a world in which economic relations are not measured in terms of trade flows alone. Rather, we look to the more complex connections created by investment flows, development assistance and the transfer of technology; and we recognize that while governments as such can create conditions conducive to trade, investment and the like, ultimately the real content of our economic relations is the product of decisions and actions by individuals and organizations within our societies.

By mutual agreement then, the intent of this new arrangement is to establish a flexible instrument, one that can meet changing needs in the future and not simply define in legalistic fashion the state of our relations at this moment. Moreover, it is an expression of political will and not just a contract between governments.

Indeed in this respect we are seizing this occasion to exchange letters which amplify this political will in a number of respects. Specifically for example: we are making clear that the Canadian government stands ready to consider