

clear: two sovereign democracies, sharing the same continent, have much that will benefit each other and even more that will enhance the cause of a durable peace in the world.

Because of your enormous size and influence, the government of Canada must always be vigilant to ensure the protection of our integrity and interests. This government shall enhance Canada's sovereignty and independence at all times and in all circumstances. We shall do so with strength and resolve — in a manner free from malice — in the certain knowledge that a stronger Canada can contribute to a more equitable world.

I have had two excellent meetings with President Reagan, who has shown a great warmth for Canada and a deep understanding of our problems. He has quite properly pointed out the enormous benefits that accrue to both sides from a sound association and has committed his Administration to resolving many of those matters that trouble us both.

Many US citizens are aware of the similarities between our two countries: a common heritage of individual liberty, shared democratic values of freedom and justice, vast commercial links, an immense geography spanning a continent with an open and undefended border. Today the most noteworthy measure of our relationship is in our economic ties — in investment, in trade, in technology flows.

After all, almost one fifth of your exports go to Canada.

Canada is the largest trading partner of the United States.

The United States is the largest market for Canadian goods, services, and investment.

In 1983 total trade between Canada and the US exceeded \$90 billion (US). That amount exceeds more than \$27 billion (US) trade with Japan.

In 1984, Canada-US trade is likely to exceed \$110 billion (US). In fact, your trade with Canada exceeds total American trade with Germany, France, and Great Britain by almost \$34 billion (US) in 1983.

To put the matter in a different context, Canada is the leading trading partner of the US, and your second largest trading partner is not Germany or Japan but Ontario, a province of Canada.

The restoration of good and sound relationships between our two countries is clearly a top priority. This relationship, spanning 170 years of uninterrupted peace, billions in two-way trade and investment, and reciprocal agreements covering a multitude of subjects, is incontrovertible evidence to the world of a vibrant and mutually productive relationship. To all who seek a definition of peaceful association between nations I say look no further — it is unlikely you shall find a better illustration than the simple story of friendship and prosperity that has marked the evolution of our two countries over the years.

So how do we manage our bilateral affairs? I have suggested several initiatives, both to President Reagan
