

Canadians want a co-operative, indeed a warm relationship with the United States. But we also want a relationship that respects and reflects Canada's distinctive character and interests. Hence, Canadians will always be worried about any steps which appear to call into question the government's economic autonomy or undermine fundamental national interests, values or social institutions. As I told George Shultz in Calgary, "What is incidental to you can be central to us. What is entertainment to you can be culture to us."

The protection of our distinct cultural identity is of singular importance to Canada. Culture is an elusive concept. It is the embodiment of a nation's nature and spirit. It is the heritage that is handed down to succeeding generations. It is how we define ourselves to ourselves, and to others. This implies domestic encouragement and international exposure. Cultural industries are the commercial enterprises that transmit cultural expression, at home and abroad.

As we enter trade negotiations, some in Canada are extremely concerned with the effect these negotiations might have on Canadian cultural industries and therefore on our ability to express and develop our national sovereignty. I respect their concern. Two questions are at issue. One is the vitality and support of Canadian culture. The second is the negotiation of trade rules that might affect cultural industries. We distinguish between these questions.

Our government's intention to promote culture in Canada through direct financial support is simply not at issue in a trade negotiation. The issue of whether or not specific Canadian cultural industries require special measures to assist them is a domestic issue that falls outside trade negotiations. Nor do we expect that the extensive framework of American government support for similar institutions in the US will be considered in trade negotiations either.

No country is more open than Canada to foreign cultural products. Anyone who doubts that should look at our book stores, our theatres, our cinemas, our magazine racks, our broadcasting system, our galleries and museums. Equally, no country in the world is more committed than Canada, to making the rules of international commerce more transparent and fair.

But not all sectors are of equal weight. We, as do other countries, reserve the right to make distinctions between sectors based on certain explicit criteria. In the US, you cast the net of "national security" over more areas than we; in Canada, we cast the net of cultural sovereignty more widely than you. We may disagree, but we should also recognize that friendly relations require a willingness to accept those differences.

But that commitment to cultural sovereignty should not stop us from seeking better trade rules for cultural industries. From Canada's point of view, better rules are both possible and desirable. For example, Canadian performing artists and writers have proven their excellence but they have found US immigration rules a barrier to access. Our film makers would like to increase their presence in the US market but have found the distribution system a major obstacle.

We are prepared to discuss with the US whatever concerns it may have. We expect a similar openness

---