

negotiating a new North Warning System, which will increase the security of both our countries by improving the radar warning system that is key to deterrence.

In cultural terms, your ingenuity and volume have created fears that US culture will dominate Canadian culture. As you know in Los Angeles, that is a two-way street. Three of Hollywood's illustrious major studios — Warner Brothers, United Artists and MGM — were founded or co-founded by Canadians, Jack Warner, Mary Pickford, and Louis B. Meyer. Ivan Reitman has made a career of top comedies, the latest being *Ghost Busters*. Canada has been intimately involved in the technical aspects of the film industry; one Canadian company has developed the now popular IMAX and another has developed a computerized colouring process capable of turning black and white films into colour.

So in commerce, in culture, in defence, in values, we have these interests together.

There is nothing new about that. What is new is the view of my government that Canada has become significantly more confident in itself over the past decade, and that it is time to demonstrate that self-confidence in our relations with the United States. We have begun that process.

A former government, fearful of US investment, introduced the Foreign Investment Review Agency (FIRA), whose bureaucratic nature became an obstacle to investment and jobs in Canada. That agency, and that attitude, are being replaced with a new structure called Investment Canada. While it will maintain some reviews in sensitive areas, it will have a new, positive mandate to encourage and facilitate investment. It sends the signal that Canada is open for business, including US investment to create Canadian jobs and growth.

In defence, a former government had not concluded negotiations on the North Warning System. And some of its former ministers urged me in committee last week to continue to delay those negotiations, even though delay weakens our ability to know what is happening in our North. The new government is proceeding with the negotiations. We consider it to be a positive assertion of Canadian sovereignty to protect ourselves in our territory, and an expression of deeply held Canadian values to join with you in a system that helps to deter Soviet aggression.

In trade, we have launched a public debate in Canada about trading relations on this continent and in the world. Canada is almost three times as dependent on international trade as the United States and twice as dependent as Japan. We are concerned about pressures to the open trading system, and so are examining all avenues to secure and enhance Canadian trade.

On most of these matters Canada and the United States are in broad agreement. On some questions, which are vital to Canada, we do not yet agree.

One of these questions is the impact and urgency of acid rain. That has been seen traditionally as an environmental question, which is important enough in itself. Our government believes it is also an economic and political question, because lakes and livelihoods and industries — like our lumber and pulpwood industries — are being destroyed. The problem is serious in Canada and in parts of the US,

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