

"nationalist" and "short-sighted", the terms most often used to characterize this supposedly sudden shift in direction are "interventionist", "restrictive", and "discriminatory". In the view of some prominent Americans, at least, it is no longer possible to look northward and recognize the Canada they thought they knew.

Accompanying this generalized concern in some quarters is a more specific complaint, voiced mostly by corporate spokesmen, that the "rules of the game" have been abruptly changed in Canada, and that this amounts to unfair treatment. The companies involved have not hesitated to act on their convictions and seek support in this country, often from their friends in Congress.

Alarm unjustified

This level of alarm is unjustified, but to a degree it is understandable, since the commercial and economic stakes are high. Over 21 per cent of U.S. foreign direct investment world-wide is in Canada; according to the latest available figures, this amounted to more than \$38 billion. So there is a strong degree of exposure involved. But be reassured that it is two way. In 1980, two-way trade between the two countries totalled some \$90 billion, the largest trading relationship in the world between any two countries. The point is that neither side wishes to jeopardize economic links of such importance.

A key to ensuring that damage is not done is knowledge. I would like Americans to know more about Canadian realities. They would then recognize that these realities are not threatening to U.S. interests but reveal a country in the process of strengthening itself, not at the expense of others, and in a way which will in fact result in a more capable neighbour and ally for this country.

What is happening in Canada is for us an exciting process — the enhancement of our nationhood. Our domestic debates over the form of our government are well known to you and have their roots in the original bargaining which led to Confederation over a 100 years ago. Perhaps less well known is the on-going debate over economic development policy which has paralleled the political discussion.

These two strands are now coming together as the constitutional issue nears a decisive stage and as the over-all direction of economic development policy is clarified. The combined effect of this "coming of age" will be noticeable to a near neighbour, but if our lines of communication are kept open, one hopes not too unsettling.

Our Prime Minister summed it up as he introduced President Reagan in the House of Commons on March 11 this year. "In the years to come the United States will be looking at a dynamic neighbour to the north. By putting its own house in order, Canada will grow confident in itself. We will establish more clearly where our interests lie and we will pursue them with renewed vigour. One thing will remain unchanged, however: our deep friendship for the United States."

Clarifying Canadian interests

What we hope our American friends will realize is that, in economic terms, this clarifying of national interest is based on political traditions and economic structures different from their own. More than 200 years ago our paths diverged, although our goals remained much the same. The parting of the ways led to different political