

itself over 70 percent foreign-owned. And we created an integrated Canadian oil company for the first time.

These measures made sense to us for our own future and, I believe, sufficiently strengthened our national fabric to enable us to look at our partnership on this continent with vastly more confidence. But when Canada takes decisive action in its own interest, it is likely to affect your interests and each of these measures became an issue between our two countries.

Today, these issues are less of a problem. American investment in Canada in 1982 was estimated at 52 billion dollars. The approval rate of investment proposals by our Foreign Investment Review Agency over the past year has been about 96%. We have fine-tuned our regulatory approach to take account of the interests of American investors. So I cannot agree with the notion that Canada is less hospitable for American investment. Indeed, your able Ambassador in Canada, Paul Robinson, who hails from Chicago, has publicly stated that our Foreign Investment Review Agency is no longer a serious bilateral issue. Let me emphasize, therefore, that your investment is still, as always, most welcome.

On our NEP, while some philosophical differences persist, there is, I believe, a better understanding now of the objectives and of the opportunities available to both countries for dynamic and mutually beneficial development in the decades ahead. It is important to note that this program applies only to the oil and gas sector. We have stated clearly that "The special measures being employed to achieve more Canadian ownership and control of the oil and gas industry are not, in the Government of Canada's view, appropriate for other sectors." (Economic Development for Canada in the 1980s, November, 1981.)

So I believe that the statement in your invitation letter suggesting that there are restrictions on investment in natural resources in Canada is off the mark.

One of the central challenges for those seeking to manage the Canada/US relationship efficiently is to reduce the rhetorical or ideological impulses to levels of practical concern. Only then can solutions be developed and irritants contained. A first step to that end is to clarify the facts and remove misperceptions. I believe we are doing that and that, in a general sense, the bilateral relationship is on a strong, more confident footing.

A recently published review of our international trade policy reaffirmed the continuing and unparalleled importance