A closer and more coherent relationship with the United States should benefit Canada's economy by providing enhanced and more secure access to the United States market for Canadian exports, bringing in more investment to stimulate growth and create jobs, fostering increased co-operation in common problems such as the protection of the environment, and providing for greater Canadian influence on international issues.

Lines of communication have been strengthened to create a balanced but closer and more productive relationship with the United States through the annual summits between the Prime Minister and the President, the quarterly meetings between the Secretary of State for External Affairs and the Secretary of State and through the more frequent meetings between other Cabinet Ministers and their U.S. counterparts. Increased emphasis has been placed on the Canada-U.S. Interparliamentary Group so as to facilitate greater exchanges between Parliamentarians and members of Congress.

The provinces have been closely consulted in this process through institutional channels such as the First Ministers conferences as well as regular meetings of the Ministers reponsible for Trade, Environment, and Finance. Special interest groups such as business, labour, and the environmental groups have been consulted individually on a regular basis.

There have been a number of significant events in the development of our relations with the United States in the past eighteen months. On December 10, 1984, the Prime Minister gave a major speech to the Economic Club of New York in which he outlined initiatives to manage bilateral affairs and declared that the government was committed to rebuilding Canada's image as a free, tolerant and independent nation, a reliable trading partner, a good place to invest and do business, a people committed to the entrepreneurial spirit and as a country that honours its commitments to its allies.

The Ouebec Summit (March 1985) has been one of the most important events in this government's foreign policy stewardship. Prime Minister Mulroney and President Reagan set up procedures for trade enhancement and market access through the Trade Declaration, announced the appointment of Messrs. Davis and Lewis as special envoys on acid rain, achieved tangible progress on the revitalization of our defence partnership with the Declaration on International Security and the signature of the Agreement on the North Warning System, illustrated new co-operation with Canadian participation in the U.S. Space Station program and gave clear evidence of progress in the resolution of longstanding irritants with the ratification of the Pacific Salmon Treaty and the signature of the Mutual Legal Assistance Treaty.

In May 1985, the SSEA tabled a discussion paper on foreign policy called *Directions* for Canada's International Relations which complemented a paper tabled in January by the Minister for International Trade entitled How to Secure and Enhance Canadian Access to Export Markets. Both have sought in part to stimulate the domestic debate on our relations with the United States.

The Special Parliamentary Committee appointed in June to conduct the foreign policy review issued a preliminary report at the end of August on Canada's participation in research on the Strategic Defence Initiative and on - bilateral trade with the United States. In early September the government announced it would decline the U.S. invitation to participate in SDI research on a government-to-government basis, although there was no objection to private sector involvement. The government also expressed its belief that SDI research by the United States was prudent.