

areas, or that Canadian actions are chipping away at the traditional harmony between the two countries.

I don't think these assessments objectively describe Canada/U.S.A. relations. Rather, it seems to me they reflect different perceptions of how Canada/United States relations should evolve. As a result of these differences in perception, Americans and Canadians are holding our respective actions up to a different light.

However, as a people who this year are celebrating the bicentennial of your revolutionary experience, and who are reaffirming the ideals with which you have shaped your own nation, I am confident that Americans, above all our friends, can respect and appreciate why Canadians are concerned to give due attention to our own evolving national priorities.

It does not seem warranted to take the position that our bilateral relations are somehow less successful because of Canada's efforts to achieve national goals which Americans take for granted. Moreover, and this really goes without saying, it is unrealistic to conclude that Canada would acquiesce in what it regarded as a decline in its re-

lations with the United States.

The active assertion of national will in both nations requires that we acknowledge the legitimate aspirations and interests of the other, that we recognize the changes that are taking place in Canada and the United States, and that we take into account the fundamental desire of Canadians and Americans that our relationship, at bedrock, be mutually beneficial.

Against this background I think we are just beginning a long but orderly process which will involve a reasonable and constructive readjustment in our relations, in which each of us grows more aware of the other's proper concerns. We begin with the advantages of a long-standing friendship, and of a substantial degree of common interest. Canadians are the first to recognize the contribution to peace and world betterment which United States international leadership represents. And I think you will agree that there are many ways in which Canada does assist in shouldering the burden...I am confident the frequent consultations which Dr. Kissinger and I have found so useful will have established a pattern for the future.

systems make it the only Canadian company qualified to meet our standards."

The current range of Bombardier-MLW engines is now being used in applications such as the James Bay Energy Corporation for base power generation at LG2 and LG3 stations and for propulsion and ships' services for the Canadian Government's new "R" Class icebreakers under construction at Vancouver.

The G.M.T. engines satisfy the prime requirements for the higher-powered electrical generating plants and for propulsion of larger vessels. Engines of this size previously had to be imported into Canada.

A team of specialists from both companies is currently studying the start-up of Canadian manufacturing operations. Marketing for the new engines will be directed by the Diesel power systems department of the Canadian company.

The companies

G.M.T. is a joint venture between Fiat and Financiere, initiated in 1966. Fiat, the largest private industrial concern in Italy has a diversified range of products that includes cars, trucks, aircraft, gas turbines and nuclear plants. Financiere is the state-owned investment group with the major interest in Italy's shipbuilding, ship repairing and related industries.

The Bombardier-MLW Group is a Canadian enterprise engaged in the development, manufacture and sale of transportation and recreational products round the world. It represents the resources of two companies - Bombardier Limited and MLW-Worthington Limited - which have recently been integrated as a single manufacturing complex with facilities in Canada and Austria.

Bombardier, founded in 1942, began as a manufacturer of off-road tracked vehicles and became the world's largest manufacturer of snowmobiles in the 1960s; in the 1970s it diversified into other products such as motor cycles and sail boats. In 1974, Bombardier entered the urban transit industry.

MLW, established in 1902, was first a major manufacturer of steam locomotives and later became one of the world's largest manufacturers of Diesel-electric motive power units.

First contract after signature of pact between Canada and European Communities

The signing of a licensing agreement between Bombardier-MLW of Montreal and Grandi Motori Trieste (G.M.T.) of Italy, marks the first venture under the Framework Agreement between Canada and the European Communities signed in Ottawa, July 6 (see *Canada Weekly* dated July 21, 1976).

Under the agreement, which could mean immediate sales in the first year of up to \$5 million, increasing to \$20 million annually, the Canadian firm will have exclusive rights to market, manufacture and service G.M.T.'s medium speed Diesel engines in the 3,000 to 24,000 horsepower range in Canada. In addition, Bombardier-MLW will have non-exclusive rights for sales and service elsewhere in the world. Bombardier-MLW also receives exclusive Canadian market and service rights to other engines in the G.M.T. range up to 50,000 hp. per unit and non-exclusive sales rights for the rest of the world.

"Our delegation told the Europeans

we are interested in new investment, joint ventures, technology exchanges, inter-corporate linkages and improved business relationships generally and this new agreement proves that we are on the right track," Industry, Trade and Commerce Minister Don Jamieson said.

J. Claude Hebert, chairman and chief executive officer of Bombardier-MLW, said the agreement would "complement our present range of 700 to 4,500 hp. high speed Diesels. It is a natural extension of our capabilities to provide full service to Canadian customers with these new engines."

Luigi Laudisa, commercial director of G.M.T., said "we are pleased to have this new association with a Canadian company that has an excellent worldwide reputation with its Montreal-designed-and-built Diesel electric locomotives and Diesel power systems. The many years of experience MLW has in engineering, manufacturing, marketing and servicing Diesel engines and