

problems — it is a matter of necessity. Neither country can enjoy real economic health while the other is ailing — nor can one nation remain insensitive for long to the other's legitimate concerns.

I have told of some of the major success stories in our relationship this year. A balanced view requires that I take note of some still-unresolved problems. There is the matter of West Coast tanker traffic, our still somewhat differing views on a suitable regime to govern sea-bed mining, the irritating and potentially very serious issue involving the extraterritorial application to Canada and Canadians of American law and the negative impact of the U.S. convention tax on a Canadian travel industry already suffering a deficit, in relation to the U.S., of close to a billion dollars annually.

This audience is very familiar with the Auto Pact and I suspect that few from either side of the border would seriously advocate its abandonment. Yet there continue to be obvious shortcomings in the arrangement. For instance, in 1976, Canada had a deficit in auto parts of \$2.5 billion, only partially offset by a surplus of \$1.5 billion in finished automobiles. Canadian agriculture encounters problems from time to time, often in the non-tariff-barrier field.

There are, of course, grievances on the American side also; border television is an example of which you in this region are well aware. There are U.S. complaints on occasion about the application of our Foreign Investment Review Act and with actions by some of our provinces and the Federal Government in the resource sector.

On virtually all of these issues, negotiations are continuing and I can report with satisfaction that there is across-the-board progress towards resolution. This is yet another mark of the good state of Canada-U.S. relations, for, in today's troubled economic times, countries usually move instinctively towards isolation, protection and confrontation.

I have touched on only a few of the many bilateral matters of common concern. No one speech can cover the full range of Canada/United States relations. Even if it could, we can be certain that, before the words were uttered, new elements would be added and other no-longer-relevant issues deleted. Such is the nature of one of the most complex and dynamic bilateral associations in the world.

Despite this ever-changing pattern, there are, nevertheless, certain constants in the relationship, most of them highly desirable and positive but a few, as we have seen, that produce on-going, inevitable tensions. These call for constant attention and mutual sensitivity if they are to be kept within manageable limits.

When speaking of our common interests and characteristics, the temptation to indulge in highflown rhetoric is almost irresistible. By any measurement, ours is a remarkable and unique example to the world. In my extensive travels, I have found nothing in either the developed or the developing world that comes even remotely close. Quite the contrary. Good neighbourliness and mutual trust between nations are rare ingredients indeed on this tragically-troubled planet.
