

dollars of trade each year. Investment in each other's country is greater than anywhere else in the world. There are countless exchanges and transactions across the border every day. These are assets. They underpin about 20 per cent of Canada's gross national product and supply much of the capital we need for our own economic development. They are reflected in your own trade and prosperity.

Secretary Shultz and I have agreed to meet four times a year to manage our relations. We have struggled with the intricate detail of subjects as diverse as lumber, trade and trans-border trucking. These were, nevertheless, fundamental bilateral issues. And solutions were found. We have made progress on transboundary environmental issues affecting water quality, in the Great Lakes for example; on fisheries management; on various individual trade issues; and on the ways in which legislation on each side of our border sometimes affects business activity in adverse ways.

Much more remains to be done in these and other areas, of course, but the atmosphere of my meetings with Secretary Shultz is positive and co-operative. In fact, the bilateral side of things between our governments is in pretty good shape. It would be still better if you could come up soon with some workable proposals to deal with acid rain.

One thing, however, which crops up again and again during my meetings with Secretary Shultz is that, despite all our two countries share, there are also distinctions between them. As two separate countries, it is only natural that our national interests are not identical.

Historically, we have always had to do things somewhat differently to achieve the same ends of employment and prosperity. We each have adapted to our specific needs and environment. For instance, because of our need in Canada to develop a huge land of widely dispersed resources, in a sometimes hostile climate, and with a small population and capital base, the government has had a greater involvement in our economy than in your case. Canadians are comfortable with that; more so I suspect than many Americans would be.

To pursue effectively our distinct national interests, particularly in economic development, the Canadian government has used a number of specific instruments. Because over half of our manufacturing sector was already foreign-owned, we created a Review Agency to ensure that proposals for foreign investment in Canada were in our national interest. We also put in place a national energy policy because the oil sector of our economy represented one of our principal assets, but was