

true, no doubt, that some Canadian economic imperatives differ from those of the United States. But this need not deter us in assisting each other in achieving our national objectives.

Other relationships are, of course, vital to us. Our fastest growing markets for capital goods are in Latin America, in the Middle East and with partners not presently among our traditional relationships. If you've watched the itineraries of my colleague, the Honourable Ed. Lumley, and myself, you will have noticed that we have been concentrating on certain areas of the world where we believe Canada's long-term interests will best be served. I recently returned from a series of meetings between a number of Canadian ministers -- Mr. Lumley, Mr. Lalonde, Mr. Whelan and myself -- and the corresponding Mexican ministers, and there is general agreement that the potential for a durable political and economic relationship between Canada and Mexico is very bright.

I believe, however, that we must be very clear about the nature of these bilateral relationships and the qualities they should have. I think that if they are to be consistent and enduring we must be prepared to pursue them on a long-term basis. Our approaches have to be planned. And the execution of our foreign bilateral policy must be coherent. In this, all the relevant instruments of governments, as I've said, should be called on to serve the relationship. To the extent possible, we shall have to avoid contradictions in our relationships. To achieve this our criteria for selecting key economic partners for Canada cannot be solely economic. We shall have to take account of a variety of political factors, such as compatibility of values, cultural links and mutuality of interest in other spheres.

I think that in Canada both the public and private sectors of our economy should recognize our potential for influence. Occasionally, we should not be afraid of establishing linkages in our relations, so that we can bring one issue into play vis-à-vis another in a positive and productive way. We must also be more focused in Canada in developing common purposes and in resorting more readily to foreign policy as an instrument of real national benefit.

The federal government intends to discuss this bilateral approach to foreign policy with the provincial governments, and to develop it further in consultation with business and other leaders in Canada. But the main lines of