

I am honoured to speak to the Chicago Committee of the Council on Foreign Relations and to so many distinguished representatives of institutions and corporations active on both sides of the Canada/U.S. border. Such advantageous links are at the foundation of Canada/U.S. relations.

In line with your Committee's request for an address on "Canada-USA relations in the context of the international situation" I have two objectives in mind for today. I want to talk first about the character of our bilateral relationship. Additionally, I will speak about the broader and more fundamental global challenge confronting not only Canada and the United States but the world as a whole.

As a point of departure, I would like to focus on the text of the letter from the Chicago committee inviting you to this luncheon. I was particularly struck by the following references: that "the Trudeau years have seen controversy with the U.S.; that nationalism has made Canada less hospitable for American investment; and that restrictions have been especially strict in the area of natural resources".

I must say that things do not look so stark from our side of the border. A brief glimpse at history causes me to wonder whether we have indeed witnessed more controversy in the last fifteen years than during the previous Canadian administrations led by Messrs. Diefenbaker and Pearson.

I mention this, not to demonstrate that one period was more or less controversial nor to document that controversy can arise on either side of the border, but simply to acknowledge that controversy can be found at almost any juncture of this unique relationship, if that is what you seek. It is inevitable that, with so much going on, problems and differences will emerge. There will be ups and downs. It is also inevitable that the positive achievements tend to be neglected or taken for granted.

We have done things together which are the envy of other states. We have established joint investment, production and technology-sharing arrangements which are unparalleled. We have collaborated to defend our common values, to improve our environment and to enhance our stewardship of this continent. We have continually set examples of partnership others wish to emulate.

We have the most complex relationship of any two countries in the world. We are, by far, each other's most important trading partner, exchanging over \$80 billion U.S.