

- What would be the effect on Canadian access to other markets? Would better access to the US market improve our ability to compete in other markets or would it add complications?
- Would freer trade with the United States lead to an over-all improvement in Canada's economic performance as a result of the increased market access, and the increased competition, that would be involved?
- What degree of adjustment would be required in each economic sector? Should some sectors be excluded from consideration?
- What kind of institutional machinery would we need to set up with the Americans to manage freer trade and to resolve disputes?
- What would the implications be for Canadian sovereignty? How can those implications be assessed? How can they be measured?

Closer economic relations with the United States, if played right, can enhance our voice and influence in international affairs. So long as we are held back by our economy, we will not be as effective as we should be in our international activities or in our domestic policy. A strong economy builds respect, and allows initiative. Successful nations are listened to.

Moreover – and I suspect this is something that citizens of the United States and Canada both take too much for granted – we do share deep and powerful values with the United States. We can be proud of our common traditions as new world countries with open societies, and diverse societies. These are solid and unshakable foundations for innovation, for achievement and for degrees of co-operation that other neighbours would envy.

Equally important for Canada, a co-operative approach based on our underlying community of values can provide exceptional opportunities for Canada to bring our counsel to bear at the highest levels in the United States on issues where our views may differ. We must continue of course to press our position in forums around the world, and our government has made it clear that we intend to do that. But we should and we intend to press those same views one-to-one with our closest friend and ally.

We want to approach the United States from a new perspective, not with a pre-set and rigid collection of specific policies. Our idea is simple and direct: let us, in addressing our economic problems and in meeting our wider ambitions, get the most out of our North American context.

The Prime Minister has taken the lead in showing Americans that Canada wants to pursue constructive co-operation rather than confrontation. The President has already responded with an undertaking to meet annually.

In my meeting with Secretary Shultz, I sought to maintain that momentum. And I intend to build upon these and other early meetings to create a multilayered bilateral dialogue characterized by trust and by confidence.