

have ever been. The modern purpose of Canadian nationalism is to express ourselves, not to protect ourselves.

The real challenge is that the world is getting tougher. A few years ago, in world hockey, Canada learned that we can't take success for granted. That is a lesson that we have to carry out of the rink.

The reality is that we cannot stand still in an increasingly competitive world. The status quo will not be good enough. This country was built on the development of its resource base, but the terms of trade have been working against the resource sector and we have been slow to adjust.

We have seen the competition moving fast. Within our lifetime Japan has gone from toys to radios to shipbuilding to cars to high tech. The United States has shifted from the smokestack industries of the northeast to Silicon Valley and the Sunbelt. We've got to be equally quick if we are to maintain the standard of living that Canadians have come to enjoy and come to expect.

We must begin, I believe, by making much better use of the opportunities and the advantages that our geopolitical situation affords us.

Our primary foreign policy challenge is the relationship with the United States. In recent months, 78% of Canadian exports have been to the U.S. market, providing jobs for three million Canadians. The growth alone in our trade with the United States last year exceeded our total trade with Japan. The quality of our air and of our water as we all know is affected by emissions and omissions south of the border. We come under the U.S. defence umbrella. Anne Murray goes to Nashville for her reward.

Naturally, over the years, some Canadians have feared that pervasive American presence. Yet working with the United States can pay handsome dividends. Cooperation led to Canadarm and the technological spinoffs that come with it. It has provided a high level of national security, through NATO and NORAD. It produced the St. Lawrence Seaway, the Skagit Treaty, and the Autopact.

Through closer cooperation with the United States, we can play a larger role in promoting trade liberalization and the access to markets that Canada simply and inescapably needs to create jobs and prosperity at home.