

country of only some 25 million against 120 million Japanese and over 320 million Europeans within the 12 member states of the Community.

The great good news I can now proclaim is that your President himself has just said, in his State of the Union address no less, that Canada and the United States are the world's biggest trading partners. Ah, progress at last!

Myth number two is that Canada enjoys an inordinate surplus in its trade with the United States. This myth distorts reality by being out of focus in one eye and blind in the other. It looks at trade in goods alone, and it ignores trade in services (which includes dividends and tourism).

Before I take you further through the myth about the Canadian trade surplus with the United States, I want to say a word about statistics. The problem is that your statistics from 1980 onwards have consistently under-reported U.S. exports to Canada and over-reported Canada's surplus in merchandise trade with the United States.