

you and have their roots in the original bargaining which led to Confederation over a hundred years ago. Perhaps less well-known is the on-going debate over economic development policy which has paralleled the political discussion.

These two strands are now coming together as the constitutional issue nears a decisive stage and as the overall direction of economic development policy is clarified. The combined effect of this "coming of age" will be noticeable to a near neighbour, but if our lines of communication are kept open, one hopes not too unsettling.

Our Prime Minister summed it up as he introduced President Reagan in the House of Commons on March 11 this year. "In the years to come the United States will be looking at a dynamic neighbour to the north. By putting its own house in order, Canada will grow confident in itself. We will establish more clearly where our interests lie and we will pursue them with renewed vigour. One thing will remain unchanged, however: our deep friendship for the United States."

What we hope our American friends will realize is that, in economic terms, this clarifying of national interest is based on political traditions and economic structures different from their own. More than 200 years ago our paths diverged, although our goals remained much the same. The parting of the ways led to different political institutions and when compared with different geographic circumstances as well, even a different attitude towards the role of government.

A good example is the degree to which Canadian governments have historically felt the need to intervene in national life to knit together and develop a huge, under-populated and, in some cases, forbidding land. Among the results are national television and radio networks, national airlines, the Canadian National Railway family of companies and a host of other government undertakings, meant to mobilize capital, technological, and human resources in a scale of effort and risk which some of the challenges of our national development call for. The need for and familiarity with government intervention in the Canadian economy remain to this day.

I should point out that government involvement of this sort represents a pragmatic Canadian response to a particular set of circumstances, and by no means reflects