

### Administrative Co-operation

To keep these vicissitudes within tolerable limits and to turn their positive aspects to mutual advantage, it was not unnatural that we should first look to administrative means. Beginning with the International Waterways Commission of 1905, there has been a series of mutually-useful joint governmental bodies created to consider Canadian-U.S. differences. The International Joint Commission, with its unique bi-national jurisdiction is an excellent example of the way in which Canada and the United States establish a framework for negotiating difficult technical and highly-chargeable issues. The Permanent Joint Board on Defence, the U.S.-Canada Ministerial Committees on Defence and on Trade and Economic Affairs and the inter-parliamentary organizations are amongst the most successful of the recent means we have used to organize our joint efforts.

We should not, however, allow this history to lead us to assume that reliance on administrative machinery alone can solve our problems in the complex world of the mid-twentieth century. The fabric of our relationship today is made up of an infinite range and variety of interests. From complex economic and trade matters, to fundamental considerations of defence to cultural and sociological similarities, to problems regarding resources and energy and national development, and to still others having to do with the manifold problems of the world in which we live today -- never in history can there have been two nations who shared more common interests or who were obliged to grapple with more common problems.

### Some Friction Inevitable

Yet we each have our own national interests and our own special preoccupations and it is inevitable that the increasing complexities of our inter-relationship will cause some difficulties for both of us. Because the extent to which our economies, our societies, and our daily personal lives are intertwined, a great many problems are bound to be a permanent feature of our relationship and a certain amount of friction unavoidable. To keep that friction to a minimum, our two countries must talk and negotiate and communicate with one another on a great many issues continuously and on a variety of levels. We must continue to do so with that traditional candour which is the essence of our unique relationship. If frank dialogue should ever cease and we should begin to deal across the border at arms length, then -- and only then -- would there be cause for real concern.

Let me now suggest to you some of the areas in which I believe that this new maturity in our relationship and our broader perspectives are going to allow our two nations to solve some very complex and very difficult problems.

In the economic sphere, the essentials of our interdependence are not difficult to summarize. Most people are aware that the United States takes nearly 60 per cent of Canada's total exports and provides 70 per cent of all our imports. It is not so widely known that Canada is the largest individual market for the United States (20 per cent of total U.S. exports of goods and services) and the main source of the imports needed by the