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international co-operation.

#### Conduct of the relationship

How, then, do we deal with new issues in the context of change? It is obviously in both our interests to solve problems, and to prevent the more intractable problems from assuming unwieldy proportions. This means the constructive and perceptive management of the relationship.

The key element is the degree of consistent and rational discipline that both governments are able to exercise when translating the many competing domestic pressures upon them into policy decisions affecting the other country's interests. I should simply reaffirm the obvious -- that individual decisions taken by each government must be examined for their relevance to the general Canada/United States relationship if we are to devote the sensitive effort required to maintain a constructive relationship.

Another central element to the successful management of our relations is a disposition on both sides to consult with each other about potential issues whenever possible. Both sides have accepted this principle to the point where prior consultation and discussion are a day-to-day feature of our government-to-government relations. This provides opportunities for both sides to ensure that their concerns are given a fair hearing. This is important if there is to be a sensible accommodation of one another's interests, and if the number of surprises we spring on each other is to be kept to a minimum.

However, in a very limited number of cases, both governments will have to be prepared to live with some differences -- as we each live with our differences with other nations -- without calling into question the state of the general relationship.

Let me cite one example. The Third United Nations Law of the Sea Conference -- where Canadian and U.S. positions reflect areas both of differences and agreement -- is a dynamic example of the interplay of relations at both the multilateral and bilateral levels. Both governments attach the highest priority to the successful conclusion of the Law of the Sea Conference, the most important and complex exercise now taking place in the development of international law.

It is not surprising that two neighbouring coastal states such as the United States and Canada, both of which have a wide range of essential interests at stake in the conference, share the same

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