

In 1985
of United States Secretary
in Calgary on October 28, 1985
for External Affairs

STATEMENT DISCOURS

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Toast by the
Right Honourable Joe Clark,
Secretary of State for
External Affairs,
at a luncheon in honour
of United States Secretary
of State, George Shultz

CALGARY

October 28, 1985.

In remarks delivered at a luncheon in honour of United States Secretary of State, George Shultz, in Calgary on October 28, the Secretary of State for External Affairs, the Right Honourable Joe Clark, stated that Canada and the United States are "good neighbours" whose trade last year exceeded \$150 billion. He emphasized that "we want to begin discussions with the United States to secure and enhance market access for both our countries. A trade agreement with the United States could cause change. It represents a challenge. But Canadians and Westerners, in particular, have never shirked a challenge."

Mr. Secretary, Mrs. Shultz:

Welcome to Calgary. As a native Albertan, I am especially pleased that as we begin our second year of these quarterly meetings that we could have as our backdrop the Canadian Rockies and the rolling foothills which surrounded me as I grew up.

Although I had not planned it, we are celebrating an anniversary today. Five years ago, over my strenuous objections, the National Energy Program was introduced in Parliament. I think that came to your attention. It was an unpopular policy in the United States. It was a disastrous policy in Canada; and my colleague, Pat Carney, will be celebrating that anniversary later this week with further steps to end the philosophy of the NEP, and restore the vitality of the Canadian energy industry.

One of the ironies, however, of the relationship between Canada and the United States is that we sometimes persist in silly policies just because you don't like them. I hope that era is over. There will continue to be some Canadian policies you dislike, but I trust that we are now mature enough as a nation that our standard will be the interest of Canada, not the opinion of others.

Canada and the United States are good neighbours. We have been good neighbours for more than a century and we hope that we shall always set an example to the world of how civilized peoples can live together. But just as in private life, friendship is a thing which must be cultivated if it is to endure, so between nations there must be a continuous effort towards a better understanding. That is the purpose of our talks here in Calgary today. It was Dr. Johnson who said that a man should keep his friendships in constant repair. New problems, new modes of thought, are always arising and it is vital that each should keep in touch with the development of the other. No two countries in the world have more in common. The test of our friendship is the way we assert our common interest, and respect our differences.

As independent nations enjoying joint tenancy for the richest continent on the globe, we have been inspired by a common heritage, by a common commitment to peace and freedom. As societies, we each stand for freedom. That is our conviction for ourselves; that is our commitment to others.

On other occasions our policies will disagree, but we are driven by the same vision as to the value of the individual. This has led us to work closely together in the battle against hunger, oppression and aggression in all its forms. Our people and our governments respond naturally and generously to international famine, tragedy and despair. Through two world wars, and in Korea, Canadians and Americans fought side by side. Today, we stand together as partners in NATO and NORAD, and my government takes some pride in the knowledge that Canada is the only one of the Allies which has acted to increase our NATO troop commitments in Europe.

I am very conscious that you have come to Calgary in a week crowded with preparations for the Geneva Summit. In a few days you fly again to Moscow to continue those historic preparations.

A testament to your seriousness and your leadership is the way you have involved your Allies in a process whose result affects us all. You should know that you, and your President, enter these next weeks with the full support of the people of Canada and our prayers.

The test of power is the way you exercise it. You have created an opportunity for the super powers to come together, and now you are pursuing that opportunity with determination and flexibility. The Prime Minister of Canada, with the other western leaders whom the President consulted, is impressed by that combination of openness and resolve. We are not directly present at the table in Geneva, but you represent our interests there, and we will do our part in the other institutions where peace and freedom must be advanced.

Calgary's best known newspaper was called THE EYE OPENER and was run by a remittance man named Bob Edwards. He wrote once that: "Canadians want to be friends with Americans, not a good square meal for them"!

That was seventy years ago, yet there remains a lively Canadian apprehension that your very size and power may engulf us. This Government's view is that the Canadian community is stronger now than it has ever been, more united, more accomplished, more confident. But we are still engaged in nation building, maintaining and enlarging our sovereign power to be ourselves. Issues between Canada and the United

States have a different significance in our smaller country than in your larger one. What is incidental to you can be central to us; what is entertainment to you can be culture to us. We are acutely conscious that the Canadian economy and the Canadian identity must grow together.

Sovereignty depends upon a strong economy. Canada has become weakened as a national state and sovereign nation because of past profligacy. It takes more money now to pay the interest on the national debt than it does to service all our social programs. Our deficit represents almost 7% of our GNP. We owe \$190 billion and it costs 25 billion dollars a year of our revenues to pay the interest on the debt.

This Government is dedicated to putting our finances back in order. To do this we have made cuts in spending and we are getting a bigger bang for the bucks for which we are responsible. But the best way for us to restore our economic health is through trade. For trade means jobs and opportunity for Canadians.

Last year Canadian-American trade exceeded \$150 billion. This is the largest single trading relationship in the world. American investment in, and trade with, Canada is twice the size of its investment in and trade with Japan and greater than that with the ten nations of the European Community. The trade of this province alone rivals that of China with the United States! Our two countries are each other's largest growing market: in 1984, Canadian exports to the USA rose by 28% while USA exports to Canada rose by 26%. Nearly four million jobs, two million in each country, depend on this trading relationship.

Energy, especially important to Calgarians and Albertans, is a vital link in our community of interests. Canada is the largest foreign supplier of natural gas and electricity and the second biggest source of oil to the USA. Gas and oil pipelines cross the border at many points; and five Canadian provinces have hydro-electric power hookups with American states. The St. Lawrence Seaway and Power Projects and the Columbia River Power project are testimony to our cooperation in the development and operation of our joint resources.

We have achieved this felicitous relationship not through confrontation, but through cooperation. For protectionism is not the answer to the world's economic woes. The

1930's proved definitively that the road to prosperity lies through fair and open trade. Working through multilateral bodies like the GATT and negotiating with one another under the auspices of the MTN is the only way to ensure our economic health.

Albertans and Calgarians, especially, realize the importance of trade. The growth of the oil patch was in large part predicated on secure markets to the south. The technology to harvest this mineral wealth was largely American. We benefitted from the flow of oil patch welders and engineers who migrated north of your borders just as American cowboys did a half century before.

Albertans have now reached the point where we can in turn pass on the expertise that we have developed in fields such as pipeline construction. The development of our tarsands and exploration in the Beaufort and Hibernia is the new frontier in energy exploration. Trade in technology and human expertise has been for the most part unfettered by tariff or other barriers. We want to keep it that way.

Indeed we want to increase our trade. And to achieve this goal we are looking to our principal market. We want to begin discussions with the United States to secure and enhance market access for both our countries. As a Government we are ready to take this step because it represents the best chance for those Canadians who want jobs.

A trade agreement with the United States could cause change. It represents a challenge. But Canadians and westerners, in particular, have never shirked a challenge.

A half century ago this week, at a time when the worst ravages of Depression were laying wreck to Canada's economy, our two nations began the long climb back to health when they agreed to place the trade relations of our countries on a basis of mutual understanding for the first time since Confederation. It was taken because both sides recognized and I quote from the joint statement of President Roosevelt and Prime Minister King: "that an increase in trade would be beneficially felt in all activities and because trade is but another word for increased employment, transportation and consumption."

The Canada-USA Trade Agreement of November 1935 marked the beginning of the end of economic decline. That trading agreement contained some risks. But the alternative, the maintenance of the status quo, meant continued unemployment for the people of both nations. Canadians and Americans were prepared for the gamble because it meant a better tomorrow for their children. We are their children, and we owe our children the same opportunity.

Ladies and Gentlemen, please join me in raising your glasses in welcome and honour of Secretary and Mrs. Shultz.