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"CHANGES IN CANADA"
NOTES FOR A SPEECH BY
THE RIGHT HONOURABLE
JOE CLARK, SECRETARY OF
STATE FOR EXTERNAL AFFAIRS,
TO THE CANADA/CALIFORNIA
CHAMBER OF COMMERCE

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LOS ANGELES

I am delighted that my first speech to an American audience as Canada's Secretary of State for External Affairs should take place in Los Angeles, the fourth largest Canadian city in North America, after Toronto, Montreal and Vancouver.

As you would expect, I want to talk today about Canada-United States relations. If you have been watching developments in Canada over the last several months, you will guess that I am going to talk about a new self confidence in my country - a country that is changing our laws to welcome foreign investment, asserting our sovereignty to cooperate in modernizing northern warning systems against Soviet attack; reducing our government debt burden; and placing unprecedented emphasis on becoming more competitive in world markets. We are proud of Canada, and excited about what we can become.

But this topic involves two countries, I intend to make the point that improvements in the relations between our two countries are as much in your interest as in ours.

I bring some personal perspectives to this topic. My mother was born in a small California community called Black Diamond, which has since been swallowed up by Los Angeles. Her father worked for some years as a guard in an asylum for the mentally disturbed. I consider that to have been pre-natal preparation for my career in politics.

Then in 1979, I was the Prime Minister of Canada who authorized our Ambassador, Ken Taylor, to offer sanctuary to six American Embassy employees in Iran, and who later issued Canadian passports to help the six escape. Looking back on that incident, I believe the emotional American response to our help was almost more remarkable than the Canadian action itself. To Canada, it was an automatic act of friendship. To you it seemed a sharp surprise that someone else would take risks to help the United States. That dramatized for me the degree to which your great and generous country can come to believe you are alone in pursuing purposes which you think are significant. As the Foreign Minister of one of the world's respected middle powers, I think it is important that you should not feel isolated or alone, and important also that you should neither be surprised by Canada's friendship, nor take it for granted.

You have a lot to distract you - a buoyant dollar and all its consequences, and challenges abroad in every field, from arms control to famine. Yet in the face

of all that competition, your Administration is giving deliberate priority to the United States' relations with Canada. The first major review of Canada-U.S. relations in over ten years has been undertaken by your State Department.

In less than a month, on St. Patrick's Day, your President and my Prime Minister are meeting in the historic old capital of Quebec City, to advance and to symbolize the relations between our two countries. Countries which, as well as being neighbours, are the best friend each other has. The last meeting of a President and a Prime Minister on that site was in 1944, and the British Prime Minister, Sir Winston Churchill, was also there. That was a meeting of the leaders of the three countries whose quite uncommon resolve assured victory against the Axis powers. This new meeting in Quebec has its own significance, because it comes at a time when my country is expressing a new self confidence, and when yours is showing that it knows that a super-power needs friends as well as allies.

The two governments have decided to make these summit meetings an annual affair, so that, at least once a year, the President and the Prime Minister will meet to discuss directly the progress in relations between our two quite different countries.

But I want that mutual interest to go beyond governments and become a more permanent part of the understanding of the people of our two countries. That is unavoidable in Canada, where we are always aware of your presence. But Californians are perhaps not as aware of the importance of Canada to the United States and I want to review, very briefly, that Canadian contribution to your strength and prosperity.

We are your most important trading partner, surpassing by a rather wide margin your trade with Japan. In 1984, our two-way trade exceeded one hundred and five billion dollars (American). Whether that is expressed in your dollars or in ours, it represents a tremendous volume of trade. It amounted to more, last year, than your total trade with the entire European Economic Community. What is most significant is that, in addition to being one another's largest market, we are also one another's fastest growing market.

These facts directly affect California. Let me mention just the question of Canadian military procurement. Approximately half of our three billion dollar purchase of CF-18 interceptor aircraft went to the Northrop Corporation here. Our long range patrol aircraft

- the model you know as the P-3 - were supplied by Lockheed Company of Southern California in a billion dollar program that has become a model of cooperation between Canada and the the U.S. industry. Hughes Aircraft supplies the radars for the CF-18 and has been a partner with Canadian companies on a number of communications satellites both in Canada and other countries.

The volume of trade between Canada and California alone is immense. In 1983, it exceeded 5.5 billion U.S. dollars which is large enough to make California Canada's third largest trading partner (after the United States in total and Japan). We are, of course, your state's second largest trading partner.

The Canada-California commercial relationship is in many ways a model. The two-way trade remains almost in balance in terms of commodity shipments, although when services, tourism and other invisibles are included, I expect that it would be somewhat in California's favour. Further, the type of commodities traded between us includes a wide variety of both primary and manufactured goods.

California's major exports to us are, in order of importance, computers, fruits and vegetables, telecommunications equipment and aircraft and parts, followed by a wide variety of other basic and high technology items. On the other side of the coin, although almost forty percent of our sales to you are in natural gas, the rest cover a wide mix of products such as pulp and paper, aircraft and parts, precious metals and lumber, petroleum, communications equipment, and motor vehicles.

Canada was one of the founders of NATO - the North Atlantic Treaty Organization. We are one of the few NATO countries which maintains forces outside our borders on a permanent basis, and our new Government is committed to strengthening the effectiveness of Canada's contribution to collective defence. In our North, which is a potential route of attack by the Soviets on North America, we are negotiating a new North Warning System, which will increase the security of both our countries by improving the radar warning system that is key to deterrence.

In cultural terms, your ingenuity and volume have created fears that U.S. culture will dominate Canadian culture. As you know in Los Angeles, that is a two-way street. Three of Hollywood's illustrious major studios - Warner Brothers, United Artists and MGM - were founded or co-founded by Canadians, Jack Warner, Mary Pickford, and Louis B. Meyer. Ivan Reitman has made a

career of top comedies, the latest being "Ghost Busters". Canada has been intimately involved in the technical aspects of the film industry, one Canadian company has developed the now popular IMAX and another has developed a computerized colouring process capable of turning black and white films to colour.

So in commerce, in culture, in defence, in values, we have these interests together.

There is nothing new about that. What is new is the view of my Government that Canada has become significantly more confident in itself over the last decade, and that it is time to demonstrate that self confidence in our relations with the United States. We have begun that process.

A former government, fearful of U.S. investment, introduced the Foreign Investment Review Agency (FIRA), whose bureaucratic nature became an obstacle to investment and jobs in Canada. That agency, and that attitude, are being replaced with a new structure called Investment Canada. While it will maintain some reviews in sensitive areas, it will have a new, positive mandate to encourage and facilitate investment. It sends the signal that Canada is open for business, including U.S. investment to create Canadian jobs and growth.

In defence, a former government had not concluded negotiations on the North Warning System. And some of its former ministers urged me in Committee last week to continue to delay those negotiations, even though delay weakens our ability to know what is happening in our North. The new Government is proceeding with the negotiations. We consider it to be a positive assertion of Canadian sovereignty to protect ourselves in our territory, and an expression of deeply held Canadian values to join with you in a system that helps to deter Soviet aggression.

In trade, we have launched a public debate in Canada about trading relations on this continent and in the world. Canada is almost three times as dependent on international trade as the United States and twice as dependent as Japan. We are concerned about pressures to the open trading system, and so are examining all avenues to secure and enhance Canadian trade.

On most of these matters Canada and the United States are in broad agreement. On some questions, which are vital to Canada, we do not yet agree.

One of these questions is the impact and urgency

of acid rain. That has been seen traditionally as an environmental question, which is important enough in itself. Our Government believes it is also an economic and political question, because lakes and livelihoods and industries - like our lumber and pulpwood industries - are being destroyed. The problem is serious in Canada and in parts of the U.S., and it can only be solved by concerted joint action between our two countries. Our new Government in Canada is moving now - on our side of the border - to put in place a major abatement program involving all levels of Canadian government and the Canadian private sector.

Los Angelenos are more than sensitive to the problems of atmospheric pollution, including acid rain and acid fog. I am told that there are lakes in California, in the High Sierra Mountains, which are presently being impacted by acid rain. I venture to hope, therefore, that there will be a certain amount of understanding from California of our desire in Canada to see steps taken as quickly as possible to stop ongoing damage to our country.

Not long ago, our two countries faced a similar problem with pollution in the Great lakes, and we worked together to improve significantly the quality of water in the Great Lakes systems. We hope to make similar progress on acid rain.

Other differences will arise between our countries - whether over protectionism, over gas, or electricity, or the unitary tax. In my first official meeting with George Shultz, I told him Canada would adopt the formula proposed by former President Gerald Ford, who said "we can disagree without being disagreeable".

For Canada's part, that is easier now than ever - not because the issues are simpler, which they demonstrably are not, but because Canada is able to deal with the U.S. more like an equal. You are a little bigger than us in population, and we are a little bigger than you in geography, but Canadians are now beginning to reflect a more mature confidence in our society. That self confidence has always been an elemental strength of the U.S., and because you were so sure of yourselves, and we shared so many similarities, it was difficult for Canadians to stand on our own terms.

It is easier now - easier because les Grands Ballets Canadiennes, the National Ballet of Canada, the Stratford Festival and the Symphony Orchestras of Montreal and Toronto, Margaret Atwood and Anne Murray and the Academy Award winning National Film Board and tous les artistes internationales du Quebec, and countless other

Canadians of accomplishment have demonstrated Canadian excellence to the world. Easier because Canadian exporters and entrepreneurs have shown their ingenuity in high technology telecommunication satellites, computer software, fibre optics, urban transportation, power generating equipment, and other fields. Easier because, last summer at the magnificent Summer Olympics staged in your city, our athletes stood tall on the podium, in cycling, swimming, pistol shooting, canoeing, rowing, boxing, and diving, to mention a few.

Easier because, out of the internal discord within the Canadian family in the last several years, there has emerged a new sense of confidence and equality in Quebec, and in Western Canada, the two communities which had felt most estranged and stifled before. We have just concluded a most successful meeting of Canada's Prime Minister and Premiers - it was held in Regina, in Western Canada. Last fall, when Mr. Mulroney visited Quebec City, the flag of Canada flew over the National Assembly of that province for the first time since the election of the Parti Quebecois government in 1976.

New controversies will arise, or old ones renew, but we are a stronger people now, able to stand easily as equals on this continent, and in the world. That is the spirit in which we seek to renew and expand our relations with the United States of America.

Several specific challenges await us. The meeting in Quebec City next month will set an important tone. Negotiations on trade relations will be critical to our future. Opportunities to work together will be important - whether in the private sector, or in public ventures.

Let me refer to one particular public venture. Next year, Vancouver, will be host to EXPO 86, which has as its theme "Transportation and Communication". Between forty and forty five countries, including many on the Pacific Rim will participate. Of the thirteen million anticipated visitors, we estimate that forty percent will come from the West Coast of the U.S.A. I am encouraged by recent developments concerning the possible participation of California at EXPO 86. Given this state's significant role on the Pacific Rim, your outstanding contributions to the transportation and communications sectors, and your many links to Canada, I sincerely hope that there will be a separate and distinctive California Pavillion at EXPO 86. That would be a good way to demonstrate, on the West Coast of our continent, that spirit of partnership which your President and our Prime Minister will express on St. Patrick's Day in Quebec City.

The election of September 4th in Canada did more than elect a new Government. It expressed a clear desire to change attitudes that many Canadians had found unsatisfactory. The new Government campaigned prominently on undertakings to improve relations with the United States, and to strengthen our own economic performance.

We won a massive - and a genuinely national - victory, with equally intense support in our largest cities, and the most remote villages of the Arctic. Part of our opportunity is to act as a Government for all of Canada, expressing our Canadian identity in action, by moving the whole nation forward together. Part of our responsibility is to create conditions for permanent jobs and growth. We are a distinctive, sovereign nation, with characteristics and resources no other nation can claim. But we are also part of a very good neighbourhood, your closest neighbour, your best friend. We have a lot to do together in the next four years.