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Notes for a speech by the
Honourable Allan J. MacEachen,
Deputy Prime Minister and
Secretary of State for
External Affairs, to the
Canadian Institute for
International Affairs

Canada and the United Kingdom:
Building an Effective
Relationship in a New Age

HALIFAX

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CANADA AND THE UNITED KINGDOM: BUILDING AN EFFECTIVE
RELATIONSHIP IN A NEW AGE.

I AM GRATEFUL TO THE CANADIAN INSTITUTE FOR INTERNATIONAL AFFAIRS FOR GIVING ME THIS OPPORTUNITY TO SHARE WITH YOU MY THOUGHTS ABOUT A SUBJECT VERY MUCH ON MY MIND, RELATIONS BETWEEN CANADA AND THE UNITED KINGDOM.

IT GIVES ME SPECIAL SATISFACTION TO WELCOME TO CANADA, AND PARTICULARLY TO MY HOME PROVINCE OF NOVA SCOTIA, OUR DISTINGUISHED VISITORS FROM THE UNITED KINGDOM, WHO ARE HERE FOR THE COLLOQUIUM ON BRITISH-CANADIAN RELATIONS. I WISH TO EXTEND A PERSONAL GREETING TO BARONESS YOUNG, THE BRITISH MINISTER OF STATE FOR FOREIGN AND COMMONWEALTH AFFAIRS. I AM ALSO DELIGHTED TO SEE AMONG US CANADA'S MAN IN LONDON, MY OLD FRIEND AND COLLEAGUE, THE HONOURABLE DON JAMIESON.

THE PURPOSE OF TOMORROW'S COLLOQUIUM, ENTITLED "CANADA, BRITAIN AND THE ATLANTIC COMMUNITIES: BILATERAL LINKS IN A MULTILATERAL WORLD", IS TO TAKE STOCK OF RELATIONS BETWEEN OUR TWO COUNTRIES AND TO HELP ILLUMINATE THE WAY AHEAD FOR US. THAT IS A DAUNTING ENTERPRISE. WE ARE, EACH OF US, TRYING TO COPE WITH COMPLEX, CHALLENGING AND EVEN DANGEROUS TIMES -- WITH THREATS TO THE INTERNATIONAL MONETARY SYSTEM, WITH EROSION OF THE INTERNATIONAL TRADING SYSTEM AND WITH STRAINED RELATIONS BETWEEN EAST AND WEST. CANADA AND BRITAIN ARE CLOSE ASSOCIATES IN ATTACKING ALL OF THOSE PROBLEMS AND FORTIFYING OUR BILATERAL RELATIONSHIP IS AN IMPORTANT PRIORITY IN THIS PERILOUS ATMOSPHERE.

THE PATRIATION OF CANADA'S CONSTITUTION IN 1982 CONSECRATED A FUNDAMENTAL AND IRREVOCABLE CHANGE IN RELATIONS BETWEEN THE TWO COUNTRIES, A CHANGE WHICH HAD BEEN UNDERWAY SINCE THE NINETEEN-THIRTIES. THE POST-WAR ERA SAW AN END TO COLONIALISM AND EMPIRE, A NEW EMPHASIS ON MULTILATERAL RELATIONS IN THE SPIRIT OF DUMBARION OAKS, BRETTON WOODS AND THE HAVANA CONFERENCE, AND A GROWING SUPRANATIONAL ETHOS IN EUROPE.

IT WAS INEVITABLE THAT BRITAIN WAS PULLED BETWEEN THE COMMONWEALTH, THE EUROPEAN CONTINENT AND AMERICA, WHERE SPECIAL RELATIONSHIPS BASED ON HISTORY, KINSHIP AND WARTIME COOPERATION PREVAILED WITH BOTH CANADA AND THE UNITED STATES. AND IT WAS NOT SURPRISING THAT THE FORCES OF HISTORY GRADUALLY BROUGHT BRITAIN AND EUROPE TOGETHER, ECONOMICALLY AND INSTITUTIONALLY NOT TO SAY GEOGRAPHICALLY.

AT THE SAME TIME, CANADA WAS CHANGING. THE CANADA-U.S. BASE OF THE NORTH ATLANTIC TRIANGLE WAS LENGTHENING IN ECONOMIC TERMS, UNTIL FOR CANADA IT WAS SCARCELY A TRIANGLE AT ALL, WITH MORE THAN SEVENTY PERCENT OF OUR EXPORTS NOW GOING TO THE UNITED STATES, AND THE LION'S SHARE OF FOREIGN INVESTMENT IN THIS COUNTRY COMING FROM SOUTH OF OUR BORDER. PROFOUND CULTURAL AND SOCIAL TRANSFORMATION ACCOMPANIED ECONOMIC CHANGE. IMMIGRANTS CAME FROM THE FOUR CORNERS OF THE EARTH. AND CANADA ESTABLISHED ITS OWN NORTH AMERICAN PERSONALITY, BASED ON ITS OWN VISION OF THE NEW WORLD.

TWO GENERATIONS OF CANADIANS AND BRITONS HAVE NOW GROWN UP READING OF OUR COMMON HISTORY, RATHER THAN LIVING IT IN THE INTENSE WAY THEIR PARENTS AND GRANDPARENTS DID. NOT SURPRISINGLY THE CHARACTER OF RELATIONS BETWEEN THE TWO COUNTRIES HAS CHANGED. IT IS NOW BASED LESS ON KINSHIP AND MORE ON PERCEPTIONS OF COMMON INTEREST. NEITHER OF US IS THE OTHER'S MAIN PREOCCUPATION. YET FOR ALL THAT OUR BILATERAL RELATIONS REMAIN IMPORTANT AND DYNAMIC.

IT IS TRUE THAT MUCH OF WHAT TAKES PLACE BETWEEN OUR TWO COUNTRIES NEEDS NO GOVERNMENT LEADING. BUSINESS TIES ARE BASED ON ADVANTAGEOUS MARKET POSSIBILITIES. CULTURAL LINKS ARE A FUNCTION OF THEIR OWN EXCELLENCE. AND THE PLENTIFUL PEOPLE-TO-PEOPLE CONTACTS ARE TESTIMONY TO THE SPECIAL AFFINITY WE STILL HAVE FOR EACH OTHER. IT CERTAINLY WOULD BE APPROPRIATE FOR ME SPEAKING IN HALIFAX TO MENTION THAT NOVA SCOTIA IS NEW SCOTLAND AND THERE ARE, AFTER MANY YEARS OF INACTIVITY, MUCH MORE FREQUENT AND MORE VALUABLE INTERCHANGES BETWEEN SCOTLAND AND NOVA SCOTIA THAN THERE HAVE BEEN FOR A LONG TIME. THAT PERSON TO PERSON, PEOPLE TO PEOPLE, LINKAGE IS GROWING ALL THE TIME AND I BELIEVE TO THE MUTUAL BENEFIT OF BOTH.

I WANT TO MENTION THAT IN 1982 WHEN I RETURNED TO MY POSITION AS SECRETARY OF STATE FOR EXTERNAL AFFAIRS, I MEASURED A CHANGE IN OUR BILATERAL RELATIONSHIP, WHICH UNDER MY PREVIOUS TENURE HAD ALREADY BEEN EVOLVING TO ADAPT TO BRITAIN'S ENTRY INTO THE EUROPEAN COMMUNITY. AS I TURNED TO IT AGAIN, I FOUND A MIXED PICTURE: THERE WAS SOUND CAUSE FOR SOME SATISFACTION, BUT THERE WERE ALSO REAL GROUNDS FOR CONCERN. LINKS OF ALL KINDS -- HUMAN, COMMERCIAL, SCIENTIFIC, CULTURAL -- WERE STILL RICH AND DIVERSE; BUT AT THE SAME TIME A CERTAIN COMPLACENCY SEEMED TO HAVE SET IN IN OUR GOVERNMENT-TO-GOVERNMENT DEALINGS. WE HAD, I THOUGHT, BEGUN TO TAKE EACH OTHER FOR GRANTED. THIS WAS IN NEITHER COUNTRY'S BEST INTEREST.

ONE OF MY FIRST MAJOR CONSULTATIVE MEETINGS AT THAT TIME WAS WITH MR. FRANCIS PYM, THEN FOREIGN SECRETARY: AND WE TOOK STOCK. WE FOUND THAT WE WERE BOTH CONSCIOUS OF THE DANGERS OF DRIFT, AND BOTH CONCERNED TO ARREST AND REVERSE IT. INDEED THE REALITY OF A CERTAIN NEGLECT OF THE RELATIONSHIP WAS BROUGHT HOME TO US BY THE VERY FACT THAT MR. PYM'S VISIT TO CANADA WAS THE FIRST IN SIX YEARS BY A BRITISH FOREIGN SECRETARY.

WE DECIDED THEN, TO HAVE MORE SYSTEMATIC AND THOROUGH POLITICAL CONSULTATIONS AND WE HAVE DONE JUST THAT. PRIME MINISTER THATCHER VISITED CANADA LAST SEPTEMBER. PRIME MINISTER TRUDEAU WENT TO LONDON IN NOVEMBER TO DISCUSS WITH MRS. THATCHER THE GROWING DANGERS IN EAST-WEST RELATIONS AND THE POSSIBILITIES OF REDUCING THEM. I MADE AN OFFICIAL VISIT TO BRITAIN IN EARLY DECEMBER AND HAD TALKS WITH FOREIGN SECRETARY SIR GEOFFREY HOWE AND WITH BARONESS YOUNG, WHO PARTICIPATED IN THOSE TALKS. JUST OVER A WEEK AGO MR. GERALD REGAN HAD TALKS IN OTTAWA WITH HIS BRITISH COUNTERPART, MR. CHANNON, WHO WAS REPAYING MR. REGAN'S OWN WORKING VISIT TO LONDON OF ABOUT A YEAR AGO. IN ADDITION, WE HAVE SOUGHT ONE ANOTHER OUT AT MULTILATERAL MEETINGS IN, FOR EXAMPLE, THE U.N., THE COMMONWEALTH AND NATO CONTEXTS, TO MAINTAIN A CLOSE DIALOGUE ON MAJOR ISSUES.

OUR OFFICIALS HAVE ALSO BEEN MEETING FREQUENTLY AND REGULARLY. FOR EXAMPLE, MY DEPUTY MINISTER FOR POLITICAL AFFAIRS HAS MET HIS BRITISH OPPOSITE NUMBER ON SEVERAL OCCASIONS. IN THE CONTEXT OF ONE OF THE OLDEST CONSULTATIVE MECHANISMS WE HAVE, THE CANADA/UK CONTINUING COMMITTEE, MY DEPUTY MINISTER FOR FOREIGN TRADE AND HER BRITISH COLLEAGUE MEET BIANNUALLY.

SO THERE HAS BEEN THE WILL AND THE MECHANISMS FOR CLOSE CONSULTATION, AND WE ARE SEIZING, MORE AND MORE, THE OPPORTUNITIES FOR DIALOGUE. AT THE SAME TIME, THE TWO GOVERNMENTS ARE READY TO GIVE IMPETUS, WHEN IMPETUS IS REQUIRED, TO THE MANY OTHER ACTIVITIES THAT BRING US TOGETHER. OUR AIM IS TO REALIZE FULLY THE POTENTIAL OF THE GREAT RANGE OF OUR RELATIONS IN BUSINESS, IN EDUCATION, IN SCIENCE AND IN THE CULTURAL WORLD.

I BELIEVE THAT WE CAN DRAW SOME SATISFACTION FROM WHAT DOES HAPPEN BETWEEN US.

THE BASIS OF OUR RELATIONSHIP IS PEOPLE. WHILE IMMIGRATION WAS DOWN SHARPLY LAST YEAR DUE TO THE EFFECTS OF THE WORLDWIDE RECESSION, BRITAIN CONTINUES TO BE AN IMPORTANT SOURCE OF HIGHLY SKILLED IMMIGRANTS TO CANADA. IN THE PAST DECADE NEARLY A QUARTER OF A MILLION PEOPLE HAVE COME FROM BRITAIN TO CANADA TO STAY. ADDED TO THESE ARE THE HALF-MILLION WHO COME AS VISITORS EVERY YEAR.

THESE PERSONAL TIES AND THE FAMILIARITY THEY AFFORD US ARE A GREAT ASSET AND WE MUST NURTURE IT. THEY CAN ALSO BRING WITH THEM THEIR SHARE OF PROBLEMS. WHEN I SAY THAT, I AM THINKING PARTICULARLY OF THE SOME 41,000 PENSIONERS IN CANADA WHO DO NOT BENEFIT FROM THE INDEXING OF THEIR PENSIONS THEY WOULD ENJOY IF THEY LIVED IN BRITAIN. CANADA IS ANXIOUS TO CONCLUDE A COMPREHENSIVE AGREEMENT WITH THE UNITED KINGDOM WHICH WOULD PROTECT THE SOCIAL SECURITY RIGHTS OF ALL MIGRANTS BETWEEN THE TWO COUNTRIES.

OUR CLOSE HUMAN TIES ARE REINFORCED THROUGH EDUCATION. THERE ARE OVER FIVE HUNDRED CANADIAN STUDENTS IN BRITISH UNIVERSITIES IN ANY ONE YEAR. AS I CAME DOWN ON THE PLANE I RECALLED THAT ON MY POLITICAL STAFF IN OTTAWA THERE ARE THREE MEMBERS WHO HAVE STUDIED IN BRITISH UNIVERSITIES. MY EXECUTIVE ASSISTANT STUDIED AT EDINBURGH UNIVERSITY AND TWO OTHER MEMBERS OF MY STAFF ARE RHODES SCHOLARS FROM NOVA SCOTIA, WHO STUDIED AT OXFORD. ALL THREE OF THEM I MAY ADD ARE FROM MY OWN ELECTORAL DISTRICT. A SLIGHTLY HIGHER NUMBER OF BRITISH CITIZENS ATTEND CANADIAN UNIVERSITIES, REVERSING THE TREND OF MANY YEARS. THE BRITISH GOVERNMENT HAS TAKEN MEASURES TO ALLEVIATE SOME OF THE HARDSHIP CAUSED TO CANADIANS BY ITS FOREIGN STUDENT FEE STRUCTURE. I WELCOME THIS POSITIVE AND FORTHCOMING ATTITUDE AND THE WILL TO GIVE EXPRESSION TO IT.

IN BRITAIN, INTEREST IN CANADIAN STUDIES HAS GROWN. LAST DECEMBER IT WAS MY PLEASURE TO VISIT THE CENTRE FOR CANADIAN STUDIES AT EDINBURGH UNIVERSITY IN THE COMPANY OF BOTH HIGH COMMISSIONERS. WE HAD A VERY EXCELLENT TIME AND I WAS PLEASED TO RETURN TO THE UNIVERSITY BECAUSE I WAS THERE IN THE 1970S WHEN THE CENTRE FOR CANADIAN STUDIES WAS FIRST INAUGURATED. ONE OF THE PERSONS WHO ATTENDED THE MEETING OF THOSE IN THE UNITED KINGDOM WHO LATER HAD THE RESPONSIBILITY OF SUPPORTING THE CENTRE WAS LORD TREND WHO WILL BE PARTICIPATING IN THE COLLOQUIUM. SO I WAS VERY PLEASED TO FIND OUT THAT THE CENTRE IS GROWING IN IMPORTANCE AND WE

WANT TO GIVE IT AS MUCH SUPPORT AS WE POSSIBLY CAN IN CANADA. SIMILAR CENTRES EXIST AT LEEDS AND AT BIRMINGHAM. BUILDING ON THE INTEREST OF BRITISH ACADEMICS AND ON THE FLOURISHING LINKS BETWEEN THEM AND THEIR CANADIAN COLLEAGUES, OUR HIGH COMMISSION IN LONDON ENCOURAGES TEACHING, RESEARCH AND PUBLICATION ABOUT CANADA. FACULTY ENRICHMENT AWARDS, FOR EXAMPLE, ENABLE BRITISH ACADEMICS TO VISIT CANADA EVERY YEAR. OUR HIGH COMMISSIONER, MR. JAMIESON, CHAIRS AN INDEPENDENT TRUST, THE FOUNDATION FOR CANADIAN STUDIES IN BRITAIN. WHILE THE GROWTH OF CANADIAN STUDIES IN BRITAIN HAS BEEN ESSENTIALLY A BRITISH PHENOMENON REFLECTING THE INTEREST AND COMMITMENT OF BRITISH ACADEMICS, WE, TOO, ARE COMMITTED TO MAINTAINING ITS IMPETUS.

SIMILARLY WE ARE FURTHER STIMULATING AN ALREADY FLOURISHING EXCHANGE IN THE CULTURAL FIELD. WE RECENTLY ENJOYED A VISIT TO CANADA BY THE ROYAL BALLET. ONE OF THE WORLD'S FINEST ORCHESTRAS, THE MONTREAL SYMPHONY, HAS JUST PLAYED IN LONDON. ONE OF LONDON'S LANDMARK THEATRES, THE OLD VIC, HAS BEEN RESTORED BY A CANADIAN AND LONDONERS THEN SAW A FINE REVIVAL OF THE MIKADO BY THE CANADIAN STRATFORD FESTIVAL COMPANY.

OUR HIGH COMMISSION ALSO SUPPORTS A LARGE NUMBER OF CANADIAN PERFORMERS AND ARTISTS BY PROVIDING ADVICE, CONTACTS, AND BY ARRANGING EXHIBITIONS THROUGHOUT BRITAIN AS WELL AS AT THE CANADA HOUSE CULTURAL CENTRE, REOPENED BY HER MAJESTY THE QUEEN MOTHER IN 1982.

I DON'T KNOW IF YOU CAN INCLUDE CURLING AS A CULTURAL ACTIVITY, BUT ON THE OCCASION OF OUR VISIT TO EDINBURGH, LORD ELGIN ENCOURAGED MR. JAMIESON AND MYSELF TO ISSUE A CHALLENGE TO HIS LOCAL BROOM HALL CURLING CLUB TO COME TO CANADA. WE ISSUED THAT CHALLENGE AND WE DID NOT EXPECT IT TO BE PICKED UP BUT HIS CLUB DID TRAVEL FROM ONE END OF CANADA TO THE OTHER, ALL THE WAY FROM HALIFAX TO OTTAWA. SOME PEOPLE WOULD THINK THAT THAT WAS FROM ONE END TO THE OTHER. OF COURSE IT WAS A RATHER EXCELLENT EVENT IN WHICH A LOT OF PEOPLE IN CANADA PARTICIPATED. THESE ARE IMPORTANT EXCHANGES WHICH WE OUGHT TO ENCOURAGE.

CONTACTS BETWEEN PEOPLE ARE AT THE HEART OF ANOTHER AREA WHERE WE HAVE RECENTLY MOVED TO ENCOURAGE CLOSER CONTACT, THE FIELD OF COOPERATION IN SCIENCE AND TECHNOLOGY. THE CHIEF SCIENCE ADVISORS TO OUR TWO GOVERNMENTS RECENTLY CONCLUDED A FORMAL EXCHANGE OF LETTERS THAT ESTABLISHES A MORE FORMAL STRUCTURE FOR OUR

RELATIONS IN THIS FIELD AND PROVIDES FOR PERIODIC REVIEW MEETINGS AT A SENIOR LEVEL. SPECIFIC AREAS OF EXISTING AND FUTURE COOPERATION HAVE BEEN IDENTIFIED. IT IS OUR HOPE THAT THIS COOPERATION WILL LEAD TO INDUSTRIAL COLLABORATION.

THIS SORT OF COLLABORATION ALREADY EXISTS IN THE DEFENCE SECTOR. AN ANNUAL STEERING GROUP MEETS TO COOPERATE IN DEFENCE RESEARCH, DEVELOPMENT AND PROCUREMENT. THIS IS SIGNIFICANT AT A TIME WHEN DEVELOPMENT COSTS IN THAT FIELD ARE RISING ALMOST BEYOND THE REACH OF ANY BUT A SUPERPOWER.

CLOSE COOPERATION EXISTS AS WELL IN DEFENCE TRAINING. MILITARY PERSONNEL FROM BOTH COUNTRIES REGULARLY TRAIN IN THE OTHER. THIS LEADS TO INVALUABLE UNDERSTANDING AND IT ENHANCES OUR ABILITY TO WORK TOGETHER IN THE DEFENCE OF EUROPE.

TRADE AND INVESTMENT LINKS BETWEEN THE TWO COUNTRIES ARE ALREADY WELL-DEVELOPED AND EXTENSIVE. WHEN I SAY THAT BRITAIN IS BY FAR OUR SECOND LARGEST SOURCE OF FOREIGN INVESTMENT, I SHOULD ADD THAT BRITISH INVESTMENT IN CANADA, SOME TWO-THIRDS OF WHICH IS CONCENTRATED IN THE MANUFACTURING SECTOR, AMOUNTS TO JUST OVER 5 BILLION DOLLARS OR ABOUT TEN PERCENT OF TOTAL FOREIGN INVESTMENT IN THIS COUNTRY. BRITISH FIRMS IN CANADA RANGE FROM REED PAPER AND RIO ALGOM IN THE RESOURCE SECTOR, THROUGH C.I.L. AND HAWKER SIDDELEY IN MANUFACTURING, TO MARKS AND SPENCER AND BOOTS DRUG STORES IN RETAILING. SOME 3,000 CANADIAN COMPANIES TRACE THEIR OWNERSHIP TO BRITISH COMPANIES.

AGAIN, THIS IS A TWO-WAY STREET. CUMULATIVE CANADIAN INVESTMENT IN BRITAIN AMOUNTS TO ABOUT 2 BILLION DOLLARS. THIS IS ABOUT TEN PERCENT OF OUR TOTAL INVESTMENT ABROAD. THE CANADIAN PRESENCE IN BRITAIN COVERS THE FULL SPECTRUM OF MANUFACTURES, MINES, RETAILING, BANKING AND SERVICE COMPANIES. CANADIAN NAMES LIKE GEORGE WESTON, THOMPSON, MacMILLAN BLOEDEL, McCAIN, AND NORTHERN TELECOM, TO CITE ONLY A FEW, ARE WELL KNOWN THERE.

HISTORIC TIES HAVE CONTRIBUTED TO THE DEVELOPMENT OF A STRONG TRADING RELATIONSHIP BETWEEN THE TWO COUNTRIES. BRITAIN IS OUR THIRD LARGEST MARKET. IT IS OUR SECOND LARGEST MARKET FOR MANUFACTURED GOODS. IN 1983, SALES TO BRITAIN REPRESENTED ALMOST 40 PERCENT OF OUR SALES TO THE ENTIRE EUROPEAN COMMUNITY.

FOR THE PAST TWENTY YEARS, OUR TRADE HAS GROWN STEADILY AND CANADA HAS REGULARLY HAD A HANDSOME SURPLUS. THERE WAS A DOWNWARD TREND DURING THE RECESSION BUT PROSPECTS ARE GOOD FOR A RECOVERY IN 1984. ALL THE SAME, WE HAVE DESIGNATED BRITAIN A PRIORITY EXPORT MARKET. AN EXPORT MARKET GUIDE TO THE UNITED KINGDOM IS BEING PREPARED BY MY DEPARTMENT. IT WILL BE AVAILABLE IN JUNE AND WILL IDENTIFY A NUMBER OF MARKET OPPORTUNITY SECTORS, IN ORDER TO HELP THE PRIVATE SECTOR IN FOCUSING ITS ATTENTION AND EFFORTS ON WHAT WE JUDGE TO BE THE PRINCIPAL AREAS OF PROMISE.

I KNOW THAT OUR BRITISH FRIENDS PAY THE SAME CLOSE ATTENTION TO THEIR CANADIAN MARKET. EIGHTY PERCENT OF BRITISH EXPORTS TO CANADA LAST YEAR WERE MANUFACTURED PRODUCTS. THEY RANGED FROM SCOTCH WHISKY TO AIRCRAFT ENGINES. THE BRITISH HIGH COMMISSION IN OTTAWA AND THE CONSULATE IN HALIFAX AND THOSE IN OTHER MAJOR CANADIAN CITIES DEVOTE A GOOD DEAL OF THEIR EFFORTS TO PROMOTING TRADE. I KNOW THAT PRIME MINISTER THATCHER TOOK TIME DURING HER VISIT TO DO JUST THAT. TWO WEEKS AGO THE BRITISH MINISTER OF TRADE, MR. CHANNON, WAS IN CANADA FOR THE SAME PURPOSE. WE WELCOME THE EFFORT, BECAUSE WE KNOW FULL WELL THAT A ROBUST TRADING RELATIONSHIP IS VITAL TO BOTH COUNTRIES, AND THAT IT CONTRIBUTES TO STRENGTHENING OUR RELATIONS IN OTHER FIELDS.

OUR RELATIONS ARE NOT CONFINED TO WHAT THE TWO CENTRAL GOVERNMENTS DO. BECAUSE OF OUR HISTORY AND OUR FEDERAL CONSTITUTION, SIX OF OUR TEN PROVINCES -- ALBERTA, BRITISH COLUMBIA, NOVA SCOTIA, ONTARIO, QUEBEC AND SASKATCHEWAN -- HAVE REPRESENTATIVES IN LONDON. THEIR ACTIVITIES IN PROMOTING TRADE AND INVESTMENT COMPLEMENT OUR OWN EFFORTS TO NURTURE LASTING AND VIGOROUS LINKS BETWEEN THE TWO COUNTRIES.

THERE IS ALSO A HEALTHY, AND RECENTLY RE-INVIGORATED, LINK BETWEEN THE PARLIAMENTARIANS OF CANADA AND OF BRITAIN. A DELEGATION OF BRITISH MPS RECENTLY VISITED OTTAWA. I LOOK FORWARD TO EVEN CLOSER CONTACT BETWEEN MEMBERS OF THE TWO PARLIAMENTS AND TO THE BETTER UNDERSTANDING THAT IS BOUND TO FOLLOW. THE CANADIAN BRANCHES OF THE COMMONWEALTH PARLIAMENTARY ASSOCIATION HAVE BEEN A PRINCIPAL SOURCE OF CONTACT WITH PARLIAMENTARIANS IN THE UNITED KINGDOM, AND THAT WORK CERTAINLY OUGHT TO BE ENCOURAGED. THERE HAVE BEEN FREQUENT EXCHANGES OF VIEW ON PARLIAMENTARY PROCEDURE. AT ONE TIME WHEN I WAS LEADER OF THE HOUSE IN OTTAWA I LED AN

ALL PARTY DELEGATION TO THE UNITED KINGDOM TO DISCUSS PROCEDURAL REFORM. I THINK CANADIAN MEMBERS OF PARLIAMENT ARE INCLINED TO VISIT FOR THE PURPOSE OF EXAMINING THE STRUCTURAL OPERATIONS OF THE BRITISH PARLIAMENT. I THINK BRITISH MEMBERS ARE MORE INCLINED TO COME TO CANADA TO OBSERVE AND DISCUSS A BROADER RANGE OF ISSUES AND THAT WAS PARTICULARLY EVIDENT WHEN THE CONSTITUTION WAS A LIVELY ISSUE. I BELIEVE THAT MEMBERS OF PARLIAMENT ON BOTH SIDES AND PARTICULARLY IN CANADA OUGHT TO BE ENCOURAGED TO TAKE A VERY CLOSE INTEREST IN OUR BILATERAL RELATIONS AND TO ATTEMPT TO HELP ENRICH THAT RELATIONSHIP. WE HAVE PARLIAMENTARY ASSOCIATIONS WITH OTHER COUNTRIES INCLUDING THE USA, NONE OLDER THAN THE ASSOCIATION WITH THE UNITED KINGDOM. WE HAVE FOUND THAT WITH OTHER PARLIAMENTARY ASSOCIATES THERE IS GOOD VALUE IN FOCUSING ON BILATERAL QUESTIONS SUCH AS TRADE, INVESTMENT AND CULTURE AND SO ON.

I THINK YOU WILL AGREE THAT THERE IS A LOT GOING ON. THE RELATIONSHIP IS COMPLEX, WIDE-RANGING AND FAR FROM MORIBUND. MOREOVER, I THINK THAT THESE EXAMPLES SHOW VERY CLEARLY HOW BOTH GOVERNMENTS, FAR FROM TAKING MATTERS FOR GRANTED, WEIGH IN TO KEEP RELATIONS ON TRACK AND TO ENCOURAGE NEW POSSIBILITIES. THERE IS MUCH TO BE PLEASED ABOUT.

AT THE SAME TIME, WE MUST BE AWARE OF THE PROBLEMS THAT LIE AHEAD. IN AN INCREASINGLY COMPLEX AND DIFFICULT WORLD EVEN THE BEST OF RELATIONSHIPS ENCOUNTER DIFFICULTIES. THESE APPEAR ALL TOO OFTEN, IN THE FORM OF TRADE BARRIERS AT LEAST WE THINK THAT. I MIGHT MENTION ONE AREA -- NEWSPRINT -- WHERE OUR TRADITIONAL MARKET IN BRITAIN IS BEING THREATENED BY THE ACTIONS OF THE EUROPEAN COMMUNITY. THE DEGREE TO WHICH WE FACE UP -- TOGETHER -- TO THIS AND TO OTHER THREATS AND CHALLENGES, THE EXTENT TO WHICH WE SEEK TO UNDERSTAND AND TAKE ACCOUNT OF EACH OTHER'S INTERESTS, WILL BE THE TRUE MEASURE OF THE STRENGTH AND VITALITY OF OUR RELATIONSHIP. WE ACKNOWLEDGE THAT CHANGE IS VERY MUCH A PART OF THE SITUATION AND NEWSPRINT, I THINK, IS AN ILLUSTRATION OF WHAT CHANGE BRINGS ABOUT AND HOW IT ADDS NEW CHALLENGES TO THE WAY WE MANAGE OUR RELATIONSHIP.

THE ECONOMIC STRESSES AND STRAINS OF TWO OIL SHOCKS AND A DEEP RECESSION HAVE EXPOSED ECONOMIC REALITIES THAT WERE MASKED BY THE GROWTH CONDITIONS OF THE SIXTIES AND EARLY SEVENTIES. THESE REALITIES REQUIRE US TO ADJUST TO VERY SIGNIFICANT CHANGES BOTH AT HOME AND IN THE WORLD ENVIRONMENT.

AT HOME, WE BOTH FACE THE REVOLUTION OF MICRO-TECHNOLOGY, THE COMPUTER AND THE ROBOT. WITH THE SPECTACULAR ADVANCES IN STORAGE AND RETRIEVAL OF DATA, WE ARE EXPERIENCING AN INFORMATION EXPLOSION. IN THE SPAN OF A GENERATION OUR SCHOOLS HAVE MOVED FROM THE ABACUS TO THE POCKET CALCULATOR TO THE PERSONAL COMPUTER. THE OUTLINES OF A COMPARABLE REVOLUTION IN BIOTECHNOLOGY ARE BECOMING CLEARER. THESE MEAN TREMENDOUS AND FAR-REACHING CHANGES FOR OUR INDUSTRIES, OUR ECONOMIES AND OUR SOCIETIES. WE ARE ALREADY WITNESSING MUCH OF THIS CHANGE. WE WILL BE ADDRESSING TOGETHER THESE KEY ISSUES AT NEXT WEEK'S OECD MINISTERIAL MEETING AND THE SUMMIT MEETING IN LONDON IN JUNE.

BILATERALLY, AS WELL, THERE IS MUCH KNOWLEDGE AND EXPERIENCE TO SHARE ON THESE ISSUES. WE BOTH NEED TO UNDERSTAND BETTER THE NEW SHIFTS IN INDUSTRIAL PRODUCTION AND COMPARATIVE ADVANTAGE. WE SHOULD CONSIDER HOW OUR SCIENCE AND TECHNOLOGY EXCHANGES AND ARRANGEMENTS COULD BE USED FOR THAT PURPOSE, AS WELL AS OUR CANADA/UK CONTINUING COMMITTEE. OUR FIRMS AND BUSINESSMEN HAVE LONG-ESTABLISHED PATTERNS OF WORKING AND TRANSACTING TOGETHER. THERE IS ALSO NEED FOR A COMPLEMENTARY AND CATALYTIC ROLE FOR GOVERNMENTS.

FAR-REACHING CHANGES ARE ALSO TAKING PLACE IN THE EXTERNAL ENVIRONMENT. AS LATE AS THE BEGINNING OF THE SEVENTIES WE, YOU AND OTHER MEMBERS OF THE COMMONWEALTH WERE LINKED BY A PREFERENTIAL TARIFF. TODAY THE UNITED KINGDOM IS PART OF A EUROPEAN FREE TRADE ZONE, COMPRISING THE EUROPEAN COMMUNITY AND THE EUROPEAN FREE TRADE AREA. IF YOU ADD TO THAT THE LOME CONVENTION AND PAINT WITH A COMMON COLOUR ALL THE COUNTRIES INVOLVED IN THESE PREFERENTIAL ARRANGEMENTS, YOU HAVE THE CONFIGURATION OF THE OLD ROMAN EMPIRE, AND MUCH OF THE BRITISH, FRENCH, PORTUGUESE AND BELGIAN EMPIRES COMBINED.

WHAT DOES THIS DO FOR OUR OLD BILATERAL RELATIONS? OUR BILATERAL TRADE ACCESS PROBLEMS AND TRADE POLICY ISSUES ARE NOW IN THE MAIN CONDUCTED WITH THE EUROPEAN COMMISSION IN BRUSSELS. BRITAIN OBVIOUSLY NOW HAS TO TAKE ACCOUNT OF THE INTERESTS OF THE OTHER NINE MEMBER STATES OF THE COMMUNITY. AND WE ARE ALWAYS CONCERNED THAT OUR INTERESTS RISK BEING COMPROMISED BY THE INEVITABLE HORSE-TRADING AMONG THE MEMBER STATES. NEWSPRINT IS A CLASSIC CASE.

WE ALSO HAVE NOT BEEN SPARED BY CHALLENGES IN THE FIELD OF SECURITY, WHERE WE HAVE CONTRIBUTED MUCH TO EACH OTHER'S POLICY THINKING. NATO REMAINS A CORNERSTONE OF OUR FOREIGN POLICIES AND OF OUR BILATERAL RELATIONS. WE CANADIANS ARE ESPECIALLY PLEASED THAT LORD CARRINGTON WILL SHORTLY ASSUME THE HELM OF NATO. HIS VISION AND FORMIDABLE DIPLOMATIC SKILLS WILL DOUBTLESS SERVE THE ALLIANCE WELL AS WE CHART A COURSE FOR THE FUTURE.

THE TASK AHEAD OF US NOW -- BOTH CANADA AND THE U.K. -- IS TO WORK INDIVIDUALLY AND COLLECTIVELY TO BUILD A SOLID FOUNDATION FOR COOPERATION BETWEEN EAST AND WEST, ONE WHICH RECOGNIZES THE VERY GREAT DIFFERENCES WHICH REMAIN BETWEEN THE TWO SIDES BUT WHICH ALSO ACKNOWLEDGES THE SUBSTANTIAL AREAS OF COMMON INTEREST.

CLEARLY, THE AGENDA BEFORE US IS DAUNTING. AT HOME WE BOTH FACE AWESOME CHALLENGES OF OBSOLESCENT INDUSTRIES, UNEMPLOYMENT, BALANCING BUDGETS AND ACHIEVING SUSTAINED NON-INFLATIONARY ECONOMIC GROWTH. ABROAD WE MUST MAINTAIN AN OPEN MULTILATERAL TRADE AND MONETARY SYSTEM. A KEY PRIORITY IS THE MANAGEMENT OF THE INTERNATIONAL DEBT AND INTEREST PAYMENTS OF THE LDCS. INTERDEPENDENCE IMPELS US BOTH TO CONTINUE TO HELP THE DEVELOPING WORLD ATTAIN BETTER LIVING STANDARDS AND MATURE LEVELS OF ECONOMIC DEVELOPMENT.

IN ALL THIS THERE IS MUCH THAT WE CAN DO TOGETHER.

TO UNDERPIN THIS COMMON EFFORT, WE MUST MAINTAIN AND STRENGTHEN THE DYNAMIC COMPONENTS OF OUR OWN BILATERAL RELATIONSHIP. ONE FUNDAMENTAL AND ESSENTIAL CONDITION IS TO KEEP OPEN AND TO INCREASE OUR TWO-WAY EXCHANGES -- IN TERMS OF PEOPLE, STUDENTS, CAPITAL, GOODS AND SERVICES, AND INFORMATION. AND WE SHOULD NOT FORGET TO PROMOTE EXCHANGES IN THE ARTS AND CULTURE. THE VERY OPENNESS AND FRANKNESS THAT MARKS OUR SPECIAL RELATIONSHIP WOULD SEEM TO PRE-EMPT THE NEED FOR NEW INSTITUTIONS. JUST AS FAMILIES GET TOGETHER TO CELEBRATE OR MOURN, OR MARK A SPECIAL OCCASION, WE TOO AS GOVERNMENTS MEET TO MONITOR DEVELOPMENTS AND TAKE STOCK AND REORIENT AS NECESSARY OUR THINKING AND APPROACHES.

THE TAPESTRY OF CANADA'S RELATIONSHIP WITH THE UNITED KINGDOM IS STILL LUMINOUS. IT REFLECTS THE MATURITY AND VITALITY OF THE TIES THAT MAKE IT UNIQUE.

TOMORROW WE OPEN THE CANADA/UK COLLOQUIUM. IT IS A LIVING EXPRESSION OF THE RELATIONSHIP I HAVE BEEN TALKING ABOUT. I LOOK FORWARD TO PROPOSALS FOR NEW THOUGHT AND ACTIVITY TO ENRICH FURTHER OUR ENVIABLE RELATIONSHIP. AND OF COURSE WE HOPE THE CHALLENGE WILL BE PICKED UP AND THAT WE WILL FIND NEW WAYS TO MOVE AHEAD TOGETHER AND TO STRENGTHEN WHAT IS ALREADY A VERY RICH PART OF CANADA'S RELATIONS ABROAD. THESE RELATIONSHIPS THAT WE MAINTAIN WITH A VERY DEAR FRIEND, PARTNER AND ALLY, THE UNITED KINGDOM.