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TORONTO, ONTARIO, CANADA
JANUARY 23, 1978

CANADA-U.S. RELATIONS: A SOLID, WORKING PARTNERSHIP

IT IS A PERSONAL PLEASURE FOR ME TO RETURN TO ONE OF MY FAVORITE CITIES THIS AFTERNOON AND TO HAVE THE PRIVILEGE OF ADDRESSING THIS DISTINGUISHED GROUP. FOR 81 YEARS, THE CANADIAN CLUB HAS SERVED AS AN IMPORTANT FORUM, AT THE LEADING EDGE OF CANADA'S POLITICAL AND ECONOMIC THOUGHT. IN THAT CONTEXT, I UNDERSTAND THAT FINANCE MINISTER CHRETIEN'S SPEECH HERE LAST WEEK WAS A STIRRING EXAMPLE OF THE VERY HIGH CALIBER THAT TRADITIONALLY HAS MARKED CANADIAN CLUB PRESENTATIONS.

I LAST APPEARED BEFORE THIS REDOUBTABLE GATHERING 10 YEARS AGO. I REPORTED TO THE CLUB AT THAT TIME ON WHAT I FORESAW AS "SHIFTING PATTERNS OF TRADE AND INVESTMENT BETWEEN CANADA AND THE U.S." EVIDENTLY, MY ANALYSIS WAS SO FAR OFF -- THAT IT'S TAKEN YOUR MEMBERSHIP A FULL DECADE TO GET UP THE NERVE TO INVITE ME BACK! BUT NO MATTER WHAT YOUR MOTIVE, I'M DELIGHTED TO BE HERE.

IN REVIEWING THE TALK I GAVE LAST TIME, I FOUND AT LEAST ONE REFERENCE WHICH IS PROBABLY JUST AS TRUE TODAY AS IT WAS THEN. I REFER TO AN ALLUSION I MADE TO THE AMERICAN

PROFESSOR -- AN EXPERT IN CANADIAN AFFAIRS -- WHO ARGUED THAT CANADA WAS THE ONE SUBJECT ON WHICH NO AMERICAN SHOULD EVER MAKE A PUBLIC STATEMENT.

THE PROFESSOR REASONED THAT: FIRST, ANY AMERICAN WHO PONTIFICATED ABOUT CANADA RAN AN UNACCEPTABLY HIGH RISK OF ERROR; AND SECOND, HE RAN AN EVEN GREATER RISK OF BEING TORN TO SHREDS BY CANADIAN CRITICS!

THE SAGACITY OF THIS LOGIC REMAINS IRREFUTABLE. AND IF THERE IS ONE SUBJECT UPON WHICH IT IS EVEN MORE DANGEROUS FOR AN AMERICAN TO HOLD FORTH TO CANADIANS THAN CANADA ITSELF, IT IS THE STATE OF CANADIAN-AMERICAN RELATIONS.

NONETHELESS, THROWING A BANKER'S TRADITIONAL CAUTION TO THE WIND AND WITH DUE APOLOGIES TO THE GOOD PROFESSOR, THIS AFTERNOON I WOULD LIKE TO CONFRONT HEAD-ON THAT TOPIC OF HEATED DEBATE. IN SO DOING, I WILL OFFER MY OWN THINKING ON SUCH "SERENE" ISSUES AS THE OUTLOOK FOR OUR TWO ECONOMIES, THE PROBLEMS SURROUNDING OUR RESPECTIVE DOLLARS, AND THE ECONOMIC IMPACT OF THE QUEBEC QUESTION.

LET ME STATE AT THE OUTSET THAT I BELIEVE THAT GOOD RELATIONS BETWEEN CANADA AND THE U.S. ^{are} ~~is~~ OF CRITICAL IMPORTANCE, NOT ONLY TO OUR TWO COUNTRIES BUT TO THE WORLD-AT-LARGE. IN THAT CONTEXT, I AM EXTREMELY ENCOURAGED BY THE CURRENT STATE OF RELATIONS BETWEEN OUR TWO COUNTRIES.

TEN YEARS AGO, BY CONTRAST, I WAS TROUBLED THAT CANADIAN-AMERICAN RELATIONS WERE DETERIORATING. I WAS CONCERNED WITH

THE RESURGING SIGNS OF PROTECTIONISM WHICH I SAW, NOT ONLY IN CANADA AND THE U.S., BUT IN MANY COUNTRIES AROUND THE WORLD. I FEARED THEN THAT THE IMMEDIATE FUTURE OF WORLD TRADE AND FOREIGN INVESTMENT MIGHT BE JEOPARDIZED BY TRADE WARS PITTING NATION AGAINST NATION IN RETALIATORY AND COUNTER-PRODUCTIVE EMBARGOES, IMPORT DUTIES, QUOTAS, HIGHER TARIFFS AND EXCHANGE CONTROLS. IN CANADA'S CASE, IN PARTICULAR, I WORRIED THAT THE INTENSE FEELINGS OF NATIONALISM -- WHICH SEEMED SO PERVASIVE IN THE COUNTRY -- MIGHT EXACERBATE TO A POINT WHERE THE VERY FOUNDATIONS OF CANADIAN-AMERICAN RELATIONS MIGHT BE OPEN TO QUESTION.

THANKFULLY, MY CONCERNS PROVED TO BE SHORT-LIVED.

THE ISSUES THAT LOOMED LARGEST A FEW YEARS AGO -- NEGATIVE ATTITUDES TOWARD FOREIGN INVESTMENT AND OWNERSHIP IN CANADA, FOR EXAMPLE -- SEEM TO HAVE ABATED SOMEWHAT. AND WHILE 10 YEARS AGO, I FELT THAT RELATIONS BETWEEN OUR TWO COUNTRIES WERE GROWING MORE DISTANT, TODAY I SEE THEM GROWING CLOSER, MORE COMFORTABLE, AND MORE MUTUALLY BENEFICIAL.

ONE CLEAR SIGN OF THIS "RENEWED SPIRIT OF COOPERATION AND TRUST" IN CANADIAN-AMERICAN RELATIONS ^{IS} ARE PRECISELY THE AREAS OF TRADE AND INVESTMENT.

IN THE AREA OF INVESTMENT, CANADA ACCOUNTS FOR 19% OF ALL FOREIGN DIRECT INVESTMENT IN THE U.S. CANADIAN DIRECT INVESTMENT IN THE U.S. TOTALS JUST UNDER \$6 BILLION -- SECOND BY A NOMINAL AMOUNT TO THE NETHERLANDS, WHOSE U.S.

INVESTMENTS ARE DOMINATED BY TWO LARGE MULTINATIONAL CORPORATIONS. CANADIAN INVESTMENTS IN THE U.S. RUN THE GAMUT FROM MACHINERY TO PETROLEUM, FROM FOOD PRODUCTS TO FINANCIAL INSTITUTIONS. ON THE OTHER SIDE, OF COURSE, CANADA IS THE LARGEST SINGLE COUNTRY OF U.S. DIRECT INVESTMENT, ACCOUNTING FOR ALMOST ONE-QUARTER OF ALL U.S. DIRECT INVESTMENT ABROAD.

CANADA AND THE U.S. HAVE ALSO FOR MANY YEARS BEEN EACH OTHER'S BIGGEST AND CLOSEST TRADING PARTNER. IN 1976, 23% OF ALL U.S. MERCHANDISE EXPORTS WENT TO CANADA. THAT SAME YEAR, 21% OF ALL U.S. MERCHANDISE IMPORTS CAME FROM CANADA. IN REAL VALUE TERMS, THE U.S. IMPORTED MORE FROM CANADA THAN IT EXPORTED TO CANADA; THUS AIDING THE CANADIAN BALANCE OF PAYMENTS. THIS STEADY AND SIGNIFICANT STREAM OF CANADIAN EXPORTS TO THE U.S. MARKET SERVES AS A SOURCE OF BOTH CANADIAN ECONOMIC GROWTH AND CANADIAN DOMESTIC JOBS.

THE AREA OF TRADE HAS PLAYED AN INCREASINGLY SIGNIFICANT ROLE IN THE ECONOMIES OF BOTH CANADA AND THE U.S. IN THE U.S., IMPORTS AND EXPORTS AS A PERCENTAGE OF GROSS NATIONAL PRODUCT TODAY EQUAL NEARLY 14% -- HAVING DOUBLED OVER THE PAST DECADE. IN CANADA, IMPORTS PLUS EXPORTS, AS A PERCENTAGE OF GNP, NOW EQUAL MORE THAN 40%.

I AM WELL AWARE THAT THE AREA OF TRADE IS NOT WITHOUT ITS SERIOUS PROBLEMS -- ESPECIALLY FOR OUR TWO COUNTRIES. IN THE CASE OF THE U.S., WE HAVE BEEN PARTICULARLY CONCERNED OF LATE WITH THE EXISTENCE OF SO-CALLED "DUMPING" OF PRODUCTS.

OUR GOVERNMENT HAS BEGUN TO TAKE ACTION -- AND I THINK RIGHTFULLY -- WHEN DUMPING TURNS OUT TO BE A REALITY. IN THE CASE OF CANADA, CONCERN CONTINUES TO BE RAISED -- PARTICULARLY WITH RESPECT TO TRADE WITH THE U.S. -- OVER THE EXISTENCE OF TARIFFS ON CERTAIN AGRICULTURAL PRODUCE, MACHINERY AND CHEMICALS.

THESE PROBLEMS, TO BE SURE, ARE IMPORTANT AND MUST BE DEALT WITH. BUT I FEEL IT WOULD BE A TRAGIC MISTAKE, IF IN ATTEMPTING TO DEAL WITH THEM, WE AGAIN SOUGHT OUT THE REFUGE OF PROTECTIONISM, SO REMINISCENT OF THE DARK DAYS OF THE EARLY 1930s.

FORTUNATELY, CANADA AND THE U.S. HAVE THUS FAR RESISTED THE TEMPTATION OF PROTECTIONISM. INSTEAD, OUR TWO COUNTRIES HAVE CONTINUED TO MAKE PROGRESS BY APPROACHING TRADE QUESTIONS IN A HARMONIOUS MANNER. THE U.S.-CANADIAN AUTOMOTIVE TRADE AGREEMENT, NEGOTIATED IN AN EARLIER DAY IN A SPIRIT OF COMPROMISE AND CONCILIATION RATHER THAN COUNTERVAILING DUTY, IS A CASE-IN-POINT. THIS TREATY HAS RESULTED IN A 19-FOLD INCREASE IN BILATERAL AUTOMOTIVE TRADE, WHICH NOW EXCEEDS \$13 BILLION ANNUALLY. TODAY, AUTOMOTIVE PRODUCTS ARE THE LARGEST SINGLE TRADE ITEM BETWEEN THE U.S. AND CANADA. MORE RECENTLY, IN THIS SAME SPIRIT, THE U.S. PROPOSAL TOWARD A NEW INTERNATIONAL WHEAT AGREEMENT -- ESSENTIALLY DESIGNED TO MAKE THE WORLD'S GRAIN MARKETS MORE EFFICIENT -- WAS HAMMERED OUT IN CLOSE CONSULTATION WITH CANADA AND OTHER MAJOR SUPPLIERS. THEN TOO, VICE PRESIDENT MONDALE'S TRIP HERE

JUST LAST WEEK SEEMS TO HAVE RESULTED IN A MORE OPTIMISTIC OUTLOOK FOR REDUCING TRADE BARRIERS BETWEEN OUR TWO COUNTRIES.

ONE CAN HARDLY TALK ABOUT CANADA-U.S. TRADE WITHOUT ALSO MENTIONING THE CLOUDY INTERNATIONAL MONETARY SITUATION AND ITS EFFECT ON OUR TWO ECONOMIES.

OUR RESPECTIVE DOLLARS HAVE SUFFERED A GREAT DEAL OF UPS AND DOWNS RECENTLY. IN BOTH CASES, THE DOWNS HAVE FAR OUTWEIGHED THE UPS! IN THE CASE OF THE U.S., PRIOR TO PRESIDENT CARTER'S STATEMENT LAST MONTH IN SUPPORT OF THE DOLLAR, MANY OF US FEARED THAT THE PARIS NEWSPAPER HEADLINES WHICH WARNED OF "LA CHUTE LIBRE DU DOLLAR" MIGHT NOT BE FAR FROM WRONG. THE FREE FALL OF THE DOLLAR HAS BEEN PRECIPITOUS AND WORRISOME -- PARTICULARLY IN LIGHT OF ITS ROLE AS THE LEAD CURRENCY IN THE WORLD;

FUNDAMENTALLY, THE VALUATION OF ANY CURRENCY DEPENDS ON THE COUNTRY WHICH ISSUES IT. THE U.S. DOLLAR AFTER ALL IS BASED ON THE U.S. ECONOMY -- THE STRONGEST IN THE WORLD. THE WEAKNESS IN THE DOLLAR, IN MY JUDGMENT, HAS STEMMED ON THE ONE HAND FROM OUR GROWING BALANCE OF PAYMENTS DEFICIT, AND, ON THE OTHER HAND, FROM THE INCREASED CONCERN OF MANY PEOPLE THAT OUR GOVERNMENT WAS NOT INCLINED TO DEAL DIRECTLY WITH THE DOLLAR'S DECLINE. THEREFORE, THE PRESIDENT'S REAFFIRMATION OF U.S. POLICY WITH RESPECT TO THE DOLLAR WAS PARTICULARLY TIMELY. THE IMMEDIATE RESPONSE TO THE STATEMENT WAS AN INDICATION THAT THIS WAS EXACTLY THE KIND OF SUPPORT THAT WAS SO VITALLY NEEDED.

I AM HOPEFUL THAT IN THE PERIOD AHEAD, OUR GOVERNMENT WILL INTERVENE MORE FORCEFULLY TO SUPPORT THE DOLLAR TO COUNTERACT ERRATIC FOREIGN EXCHANGE MARKETS, AS INDEED IT GAVE EVIDENCE OF DOING EARLIER THIS MONTH.

UNFORTUNATELY, HOWEVER, I FEAR IT MAY TAKE MORE THAN ONE PRESIDENTIAL SPEECH AND THE EXPLORATORY BEGINNINGS OF A MORE AGGRESSIVE POLICY OF INTERVENTION TO TURN THE TIDE ON OUR DOLLAR IN A DECISIVE MANNER.

THE CANADIAN DOLLAR, TOO, HAS TAKEN ITS LUMPS -- SUFFERING EVEN MORE SEVERELY THAN ITS AMERICAN COUNTERPART. PERHAPS THE MOST PROMINENT REASON FOR THE STEEP SLIDE IN THE CANADIAN DOLLAR -- AND THE U.S. DOLLAR AS WELL FOR THAT MATTER -- HAS BEEN THE PERSISTENT POUNDING ON OUR ECONOMIES OF THE PRESSURES OF INFLATION.

IT SEEMS ESSENTIAL, THEREFORE, THAT IF WE ARE TO PUT OUR ECONOMIC HOUSES IN ORDER, WE MUST BE VIGILANT IN THE FIGHT AGAINST INFLATION. IN THIS CONTEXT, I BELIEVE CANADA IS TO BE COMMENDED. THE WORK OF THE BANK OF CANADA TO GEAR DOWN THE PACE OF INFLATION BY GRADUALLY MODERATING THE RATE OF MONETARY GROWTH IS A SANE AND SOUND METHOD OF REDUCING THE UNDERLYING INFLATIONARY RATE. CANADA'S ECONOMIC PROBLEMS -- INCLUDING ITS HIGH LEVELS OF INFLATION AND UNEMPLOYMENT, LARGE CURRENT ACCOUNT DEFICIT, AND DECLINING VALUE OF ITS DOLLAR -- CANNOT BE SOLVED BY EASY OR QUICK PRESCRIPTIONS. THAT'S WHY IT WAS REASSURING FOR ME TO HEAR MR. CHRETIEN SAY

THAT THERE WOULD "NOT BE ANY LARGE NEW SOCIAL PROGRAMS NOR GREATLY INCREASED GOVERNMENT SPENDING -- BUT RATHER ALL CANADIANS WOULD HAVE TO LEARN TO WORK HARDER, TO BE MORE EFFICIENT AND TO BE MORE PRODUCTIVE." I MIGHT SAY MR. CHRETIEN'S PRESCRIPTION IS NOT ONLY GERMANE TO CANADA, BUT TO THE U.S. AS WELL.

I AGREE WITH YOUR GOVERNMENT LEADERS THAT THE ONLY WAY OUT OF CANADA'S ECONOMIC DOLDRUMS IS THROUGH THE KIND OF FIRM AND EVEN-HANDED MONETARY AND FISCAL POLICIES THAT YOU ARE PRESENTLY PURSUING.

INDEED, CHASE'S CURRENT EXPECTATIONS FOR CANADA CALL FOR INFLATION TO MODERATE DURING 1978, PERHAPS DRIFTING BELOW THE 7% LEVEL. WE ALSO EXPECT YEAR-OVER-YEAR GNP GROWTH IN CANADA TO BE ABOUT 4% THIS YEAR, COMPARED WITH LAST YEAR'S GROWTH OF ABOUT 2%.

AT THE SAME TIME, WE EXPECT THE U.S. ECONOMY TO BE REASONABLY STRONG THIS YEAR, WHICH SHOULD HAVE A SALUTARY EFFECT ON THE CANADIAN ECONOMY. I MIGHT ADD PARENTHETICALLY THAT SEVERAL MONTHS AGO, A REPORTEDLY "PESSIMISTIC" ECONOMIC REPORT, ISSUED BY A CERTAIN NEW YORK BANK -- WHICH WILL REMAIN NAMELESS -- RECEIVED WIDE PUBLICITY HERE IN TORONTO AND ELSEWHERE IN CANADA. I CAN ONLY SAY THAT THAT REPORT, WHEN CAREFULLY READ, WAS NOT NEARLY AS OMINOUS AS IT WAS REPORTED IN THE PRESS. IN GENERAL, WE AT CHASE ARE CONVINCED THAT THE POLICIES YOUR GOVERNMENT IS PURSUING ARE CLEARLY THE KIND THAT SHOULD LEAD TO ECONOMIC RECOVERY.

FUNDAMENTAL TO ANY DISCUSSION OF ECONOMIC RECOVERY IN BOTH OUR NATIONS IS THE TOPIC OF ENERGY.

CANADA, ALTHOUGH LESS VULNERABLE THAN THE U.S., STILL IS NOT WITHOUT ITS OWN LONG-TERM ENERGY POLICY PROBLEMS. WHILE THE U.S. MUST FIRST STABILIZE AND THEN OVERCOME ITS DEPENDENCE ON FOREIGN ENERGY SOURCES OVER THE NEXT DECADE, CANADA MUST AVOID DETERIORATION IN ITS CURRENT ENERGY POSITION.

CANADIAN EFFORTS TO DATE ON ENERGY HAVE BEEN A GREAT DEAL MORE RESPONSIVE THAN THE MEAGER EFFORTS IN THE U.S. AFTER YEARS OF DISCUSSION AND DEBATE, THE U.S. STILL LACKS A COHERENT NATIONAL ENERGY STRATEGY -- SIMILAR TO THE ONE YOU HAVE DEVELOPED UNDER MINISTER GILLESPIE.

AT THE HEART OF THIS SERIOUS ENERGY DILEMMA IN THE U.S. IS OUR UNRELENTING, AND THUS FAR, GROWING DEPENDENCE ON FOREIGN SOURCES OF OIL. LAST YEAR ALONE, THE BILL FOR U.S. OIL IMPORTS TOTALED MORE THAN \$40 BILLION. CLEARLY, THE U.S. MUST BEGIN TO DEVELOP BOTH NEW DOMESTIC SOURCES OF PETROLEUM AS WELL AS ALTERNATIVE SOURCES OF ENERGY SUCH AS COAL AND NUCLEAR FUEL. BUT BEFORE WE CAN EVEN BEGIN TO THINK ABOUT ACHIEVING A LESSER DEGREE OF DEPENDENCE ON FOREIGN ENERGY SOURCES, THERE MUST BE MORE RELIANCE ON THE MARKET FOR PRICE DETERMINATION, AND GREATER ENCOURAGEMENT BY OUR GOVERNMENT OF CAPITAL SPENDING FOR INCREASED PRODUCTION OF DOMESTIC SOURCES OF ENERGY, THROUGH TAX AND OTHER INCENTIVES.

IN MY JUDGMENT, THE PRESIDENT'S PROPOSED ENERGY PLAN, WHILE RESPONSIVE ON THE CONSERVATION FRONT, FALLS FAR SHORT IN THE CRITICAL AREA OF CAPITAL FORMATION AND RESEARCH AND DEVELOPMENT. I AM HOPEFUL THAT IN THE MONTHS AHEAD, THE U.S. CONGRESS WILL RECOGNIZE THIS DEFICIENCY IN THE ENERGY PLAN AND MOVE TO CORRECT IT.

PERHAPS THE ONE BRIGHT SPOT IN AN OTHERWISE GLOOMY U.S. ENERGY PICTURE IS THE COOPERATION AND SUPPORT WE HAVE RECEIVED FROM OUR CANADIAN NEIGHBORS IN HELPING SHOULDER THE ENERGY BURDEN. LAST WINTER, IN THE THROES OF A BITTER COLD SPELL, CANADA SUPPLIED THE NORTHEAST WITH EMERGENCY ALLOTMENTS OF NATURAL GAS. SEVERAL MONTHS AGO, THROUGH THE COOPERATIVE EFFORTS OF BOTH PUBLIC AND PRIVATE SECTOR LEADERS IN BOTH COUNTRIES, CANADA AND THE U.S. SIGNED THE GAS PIPELINE AGREEMENT, WHICH SHOULD BE OF SUBSTANTIAL BENEFIT TO US BOTH. THESE ARE BUT THE LATEST EPISODES IN A LONG AND FRUITFUL TRADITION OF COOPERATION BETWEEN OUR TWO COUNTRIES IN THE TRANSMISSION OF ENERGY.

ON BALANCE THEN, ON A GREAT MANY FRONTS -- TRADE, ENERGY, PUBLIC AND PRIVATE SECTOR COOPERATION -- I SEE A RENEWED VITALITY IN CANADIAN-AMERICAN RELATIONS. IT IS PRECISELY BECAUSE I BELIEVE IT SO IMPORTANT THAT THIS RESURGING COMARADERIE BETWEEN OUR TWO PEOPLES CONTINUES AND ENDURES -- THAT I AM SO CONCERNED WITH THE QUESTION OF QUEBEC SEPARATISM.

I SAID 10 YEARS AGO AND I REITERATED EARLIER THAT I DO NOT BELIEVE IT THE PROPER ROLE OF OUTSIDERS TO TELL CANADIANS WHAT TO DO ABOUT THEIR OWN AFFAIRS. I THINK THIS IS ESPECIALLY TRUE WITH RESPECT TO THE QUEBEC QUESTION.

SOME THINGS REGARDING QUEBEC, HOWEVER, ARE CLEAR. THERE IS NO QUESTION, FOR EXAMPLE, THAT EXTENSIVE TALK OF SEPARATISM AND THE FACT THAT THE ISSUE REMAINS UNRESOLVED HAS CONFUSED THE PERCEPTION OF CANADA IN THE WORLD MARKETPLACE. INVESTORS REACT ADVERSELY TO UNCERTAINTY. AND, SO LONG AS CONCERNS OVER CANADA'S POLITICAL STABILITY CONTINUE TO BE VOICED, GENERAL WORLDWIDE UNEASINESS ABOUT CANADA WILL CONTINUE TO IMPACT ITS CURRENCY AND IMPEDE ITS ECONOMIC PROGRESS.

IT IS MY OWN OPINION THAT CANADA, AS A UNITED NATION FOR MORE THAN A CENTURY, HAS SERVED AS A STRONG AND IMPORTANT PARTNER OF THE UNITED STATES. I BELIEVE IT IS ABSOLUTELY ESSENTIAL -- TO THE U.S. AND TO THE WORLD -- THAT THAT PARTNERSHIP BE PERPETUATED, WITHOUT INTERRUPTION, IN THE DIFFICULT MONTHS AND YEARS AHEAD.

HAVING SAID THAT, LET ME QUICKLY ADD THAT THE FRENCH CANADIAN COMMUNITY HAS BEEN A VITAL FORCE AND SIGNIFICANT ASSET IN THE DEVELOPMENT OF CANADA. I CAN WELL UNDERSTAND, THEREFORE, THE DEPTH OF THE CULTURAL AND ECONOMIC CONCERNS EXPRESSED BY FRENCH CANADIANS. I ONLY HOPE THAT IN PURSUING THESE CONCERNS, NOTHING WILL BE DONE TO DISRUPT EITHER THE

FOUNDATIONS OF A LASTING CANADA-U.S. RELATIONSHIP OR THE
PROGRESS WE'VE MADE IN SOLIDIFYING THAT RELATIONSHIP.

I SAID EARLIER THAT RELATIONS BETWEEN OUR TWO COUNTRIES,
LIKE THE FORTUNES OF OUR TWO CURRENCIES, HAVE NOT ALWAYS
BEEN SMOOTH. TODAY, I PERCEIVE A RENEWED AND HEIGHTENED
SPIRIT OF PARTNERSHIP BETWEEN THE U.S. AND CANADA. OUR TASK
NOW, AS I SEE IT, IS TO LET NOTHING STAND IN THE WAY OF THAT
PARTNERSHIP CONTINUING AND PROSPERING IN THE PERIOD OF
CHALLENGE THAT LIES AHEAD.

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