

### *North-South Relations*

has to be found. Israelis and Palestinians have legitimate rights and concerns which must be taken into account. Among other things there is the security of Israel and its right to be readily accepted by its neighbours. But the world must also recognize the rights of the Palestinians and these include their right to a homeland, within a clearly defined territory, and by that I mean the West Bank and the Gaza Strip.

Madam Speaker, there are other regions of the world where tension and instability prevail, like Central America, the Caribbean, and South-East Asia. Canada must recognize that development in those areas and elsewhere is getting even harder to control especially if East-West confrontations spill over into the Third World. We ask that Third World countries be sheltered from these rivalries and we support their legitimate desire to return to a true spirit of non-alignment. We also ask that the Soviet Union respect such non-alignment.

[*English*]

I have mentioned the link between peace and security on the one hand, and sovereignty and independence on the other. But our relationship with the United States could be considered a special case of the exercise of the latter value. Indeed, this relationship is perhaps Canada's greatest foreign policy challenge. The reasons go beyond the sheer magnitude of the relationship, with the \$90 billion in trade last year and its enormously complex network of personal and business links. The more profound reason why Canada-U.S. relations are so important has much to do with how we as Canadians want to shape our destiny.

In many ways, Canada and the U.S. are similar societies. We are both liberal democracies of the new world, lands of almost unlimited opportunity and personal freedom, whose people hold in common a range of cultural and ethical values. Yet in vital respects—and this is the crucial point for Canadians—we are very different nations with our own approaches to nation-building and some clearly distinguishable economic interests and social features.

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For Canadians, the art of conducting relations with the United States is to co-operate in the development of what is in most ways a fruitful and mutually beneficial relationship while safeguarding Canada's paramount national interests. A vital, economically strong and unified Canada is in the economic and security interests of both countries.

This is the purpose of Canadian government measures to promote the Canadianization of the national economy, including the several steps in this direction which have already been taken, such as the establishment of Petro-Canada and most recently the framing of the National Energy Program.

An irony of the relationship is that the very similarities which exist between Canadians and Americans can make the inevitable problems which arise more difficult to resolve. There is a difficulty sometimes in the United States to grasp that different policy methods are used in Canada, despite the similarities which exist, because our respective experiences and

structures are in some other ways different. In order to minimize the friction in the relationship, therefore, a premium must be placed on explaining policy approaches to one another as effectively as possible.

Some observers believe that at the moment Canada and the United States seem to be headed in different philosophical directions. I would rather suggest that in fact the two countries are developing national policies suitable to their own particular circumstances. In the case of Canada we all believe this to be an entirely healthy and understandable phenomenon which can in no way affect the foundation of good will and common interest which form the bedrock of Canada-U.S. relations.

Inevitably, we will have to be prepared to face opposition from some American quarters on some issues. No independence worth having is completely costless. Broadly speaking, however, I am confident that Canada and the United States will continue both to co-operate on questions of primary interest to the two of us and to work together to support peace, security and human dignity abroad.

One issue requiring co-operation between our two countries relates to a principal Canadian foreign policy theme, namely, working to ensure a harmonious natural environment. Since 1970 there have been important developments in this sphere, both positive and negative in character. Modern technological development has had environmental consequences of a magnitude and complexity which were unforeseen ten years ago. Today, phenomena scarcely recognized in 1970, such as acid rain, ozone depletion and the accumulation of carbon dioxide in the atmosphere, have become issues of both domestic and international concern. Hazardous waste disposal and the health effects of new chemicals have acquired increasing international significance. Traditional, although no less significant, concerns such as air and water pollution, urban growth, deforestation, and soil degradation are becoming more internationalized; these phenomena do not recognize international boundaries.

On the positive side, both the Canadian government and the international community have recognized the seriousness of these issues and are planning various measures to deal with them. Progress at both the domestic and international levels has been encouraging. Two examples come to mind in which this country has been particularly active. Canada played a major role at the Stockholm conference on the human environment in 1972 which established the United Nations environment program. It also hosted an international conference on human settlements, "Habitat", in Vancouver in 1976 which led to the creation of the United Nations Commission on Human Settlements. There were a number of other successes, including the 1979 Convention on Long Range Transboundary Air Pollution.

Closer to home, the Canadian government has to work out environmental protection agreements with our neighbours. Negotiations are commencing this month with the United States for the formulation of an agreement on transboundary air pollution. A successful outcome is literally vital to Canadi-