

on the principles applicable to a northern gas pipeline. This agreement provides a bilateral framework for construction and operation of a line that is to carry, initially, Alaskan gas to U.S. consumers and subsequently to carry Northern Canadian gas to consumers in Southern Canada.

Early in 1977, Canada agreed to increase exports of natural gas on an emergency basis to those areas of the United States hardest hit by severe winter weather and energy shortages. Bilateral consultations took place during the year on the problem of oil supply to the "Northern Tier" states, which were dependent on Canada for supply; these consultations led to agreement on oil "swaps" amounting to over 60,000 barrels a day in both directions. These and other developments in bilateral co-operation on energy questions have enhanced understanding in the United States of Canada's energy-pricing and -export policies, i.e. of phasing-out Canadian oil exports and increasing gas and oil prices in accordance with world trends. Long-standing co-operation between Canada and the United States on nuclear matters was reinforced by the signing in November of an interim bilateral agreement to permit continued co-operation and trade between the two countries in atomic materials.

Canada co-operated with the United States and other countries in the International Energy Agency and at the Conference on International Economic Co-operation in the consideration of international energy and related questions.

Environment

Both Canada and the United States continued to give high priority to transboundary environmental issues. Bilateral co-operation in seeking mutually-satisfactory solutions to problems of environmental protection along a common border has dated from the 1909 Boundary Waters Treaty and the establishment of the International Joint Commission (IJC). Frequent consultations and negotiations between the two governments have been necessary on a great variety of projects. A valuable role has also been played

by the IJC, which, besides its regulatory and advisory functions, has undertaken special studies, at the request of the two governments, designed to recommend courses of government action in some areas. The IJC has had a particularly active role in dealing with matters of water quality and levels in the Great Lakes.

An encouraging development of 1977 was the assurance received from President Carter concerning the Garrison Diversion project in North Dakota, in response to Canada's request that further action be delayed in view of the possible injurious effects of the project on health and property in Manitoba. The IJC recommended fundamental revisions in the project that would protect Canadian interests. Bilateral consultations continued on such questions as West Coast tanker traffic from Alaska, drilling in the Beaufort Sea and the construction of thermal-power plants on the East Poplar River in Saskatchewan and at Atikokan, Ontario. Careful attention continued to be given to cleanup operations in the Great Lakes, and the two governments began a review of the operation and effectiveness of the 1972 Great Lakes Water Quality Agreement. The long-range transportation of air-pollutants was an issue of growing interest to both governments.

Maritime boundaries and fisheries

In view of the extension by both Canada and the United States early in 1977 of their respective fishing-zones to a 200-mile limit, negotiations were begun on the settlement of the four unresolved maritime boundaries between Canada and the United States—viz. the Gulf of Maine, the Beaufort Sea, the Strait of Juan de Fuca and the Dixon Entrance. In August, both countries appointed special negotiators to try to reach a comprehensive settlement of maritime boundaries and related resource issues. The Canadian special negotiator and his U.S. counterpart submitted an interim report to both governments on October 15 concerning the principles of a comprehensive settlement. They recommended establishment of a joint fisheries commission for the co-operative management of fish stocks of common concern, proposed arrangements for the sharing of hydrocarbon resources in boundary areas, and expressed hope that a satisfactory