

For Canada, the vital element of this bargain was that our case for allowing the Canadian dollar to continue to float received international recognition. The Smithsonian agreement dealt for the time being with the monetary side of the problem. Attention then turned to bilateral trade issues. A number of the issues in Canadian-American trade relations were long-standing. They had been only temporarily pushed into the background by concern over the surcharge. The notable example is the auto pact. This subject had already been under discussion between the two countries for some time. A new complication was added, however, with the introduction of the DISC legislation in the United States. There were other trade "irritants" on both sides. An attempt was made to dispose of some of these outstanding issues in the winter by negotiating a package of reciprocal and balanced concessions with the United States. The Canadian Government's position was put confidentially to the United States in this context at the time. The attempt at negotiation was not successful. At the moment, the position is that negotiations on outstanding trade issues are to be resumed at a time still to be fixed. Pending resumption, each side is reviewing its negotiating position.

Meanwhile the Government has introduced legislation to control take-overs of Canadian firms by foreign capital. The debate on the legislation is continuing in Parliament. The Government's aim is to have it adopted by the end of the month. Strictly speaking, this is a Canadian, not a bilateral issue. Everybody knows, of course, that the capital involved is largely capital from the United States, and that the issue of American ownership of Canadian business and industry is a matter of intense debate in Canada.

These then have been the most important economic questions for relations between Canada and the United States in recent months. Other issues have leaped into prominence as well, notably energy questions and environmental issues. Last autumn, the United States Administration proceeded to conduct an underground nuclear test on Amchitka Island. This spring, it has authorized the construction of the Trans-Alaska pipeline, thereby strengthening fears that the two countries will face a serious danger from oil spills if ever Alaskan oil begins to move through the narrow waters of the Straits of Georgia and Juan de Fuca. An ominous foreshadowing of these dangers was provided only two weeks ago, when there was a spill -- fortunately small -- from a tanker unloading at the Cherry Point Refinery just south of the Canada-United States border.

Both the decision to conduct the Amchitka test and the decision to authorize the Trans-Alaska pipeline produced wide-spread protest in Canada. The House of Commons adopted resolutions expressing Canadian concern, by one vote short of unanimity in the case of the resolution on the Amchitka test and unanimously in the case of the resolution on West Coast pollution dangers. As a result of the oil spill at Cherry Point, a further resolution, introduced by a Government member, was also adopted unanimously. This calls