

regard to energy. Over the years our two countries have found energy cooperation fruitful. Net exports of Canadian light crude oil, to the United States are now minimal, but "swaps" of considerable proportions still occur. Our exports to you of natural gas and electricity are increasing. Most striking of all, the massive northern gas pipeline project is moving forward despite organizational, financial and regulatory obstacles.

Ohio, however, presents an instructive example of the costs to Canada of living nearby. While this state provides coal to Ontario's industries, it also produces emissions which are contributing substantially to the serious air pollution problem now affecting both countries. In a Memorandum of Intent signed recently in Washington, the Canadian and United States' Governments committed themselves to taking action to reduce transborder air pollution. Some tough decisions will have to be made on both sides of the border to ensure that our energy and industrial requirements are not met at the expense of the environment - particularly in the light of the damage already inflicted on a large proportion of Canada's lakes by "acid rain".

From what I have said so far, it will be apparent that we consider the Canadian-United States' relationship to offer unique challenges and opportunities. Accordingly, it should not come as a surprise that we are unreceptive to schemes for continental economic integration which some would superimpose on the established pattern of bilateral links. As Prime Minister Trudeau stated in May during the visit to Canada of Mexican President José Lopez Portillo, Canada's interests would best be advanced by the continued strengthening of bilateral relations with our North American neighbours. Our relationship with the United States is too complex and rich to fit easily into an artificial "conceptual framework" more suited to the classroom than to the real world.

Before concluding, Mr. Chairman, I want to say a few words about a process now going on in Canada, with which some of you will be familiar. For a number of years, we have been engaged in the difficult task of constitutional revision - a process that inevitably gives rise to a certain amount of disagreement about how we should go about it, how powers should be divided between the federal and provincial governments, how fundamental rights can best be protected, how the ownership of resources is to be determined and how we can best enhance the rights of minorities while, at the same time, strengthening national unity. As your own history has shown you, and indeed that of all federal states, the matter of where to strike the balance between the central and regional authorities is almost always a complex and contentious issue. But I want to assure you that while our debate may be heated at times, it is a process