

weight of these figures ten times because of the proportionately smaller size of our economy.

The costs to Canadians of reducing acid rain to an acceptable level are high; about \$1 billion a year by 1990. But given the stakes I have just described, you can see why it will be a good investment. The economic and social cost of not acting would be much higher.

The cost to the United States of a 50 per cent reduction in emissions from thermal plants east of the Mississippi would be \$2.5 to \$3 billion by 1990, an average increase in utility rates of about 2 per cent. This may be reduced by advances in technology. In Canada, given our population differential – we have about one tenth the population you do – the burden on individual Canadians would be three to four times as great as on Americans, and we are prepared to pay it. Canadians are willing to do our share.

This, very briefly, is the Canadian case against acid rain. The gravity of the problem has been recognized by both our countries, and the need for swift and decisive action has been embodied in the U.S./Canada Memorandum of Intent. This document, if lived up to, will set us well on our way towards eliminating co-operatively the threat in the only way that matters: reducing, at source, the pollution that causes it. President Reagan put it this way when he addressed our House of Commons on March 11, 1981:

“We want to continue to work co-operatively to understand and control the air and water pollution that respects no borders.”

Canadians are disappointed with developments in the United States, and apprehensive about their significance both for dealing with acid rain, and managing this increasingly serious bilateral issue. Always, the constant refrain rings out from the Administration that nothing is proven, and that an indefinite amount of further study is needed, not prompt action. Well, we can't wait. Our lakes and forests are literally dying.

We find that regulations in the United States are being relaxed – with two excuses. First, that ambient air quality standards are being met or improved. But ambient air quality is by definition, local; it is not the standard relevant to long-range pollution transportation. Second, we are told that the existing regulations permit exemptions. Thus, in relaxing standards, the existing regulations are really being vigorously applied. It is hard for us to convince Canadians that the solemn commitments given to us, and which I quoted to you, are being fulfilled.

This is not what we expected when we signed the Memorandum of Intent.

One of the important specific undertakings the United States made is to “Promote