

of close co-operation and negotiation in good faith which will condition our approach to specific issues ahead.

Associated fishing rights

For example, we are engaged in an effort to settle permanently four seaward boundaries between Canada and the U.S. and associated fishing rights. As you will appreciate, negotiations over territory are especially difficult, particularly given the potential mineral, petroleum and fisheries resources involved. The matter was precipitated by the decisions of our two countries to establish 200 mile off-shore fisheries zones. Fisheries negotiations had reached an impasse by February. Without some agreement in place, the prospects grew that both countries would be enforcing their fisheries regulations in the areas of overlapping jurisdiction, complicating boundary negotiations which were already challenging enough. Our objective has been to maintain existing patterns of fisheries without disruptions for the fisheries of either side. With this objective in mind, the Prime Minister and your President, during their meeting in Washington agreed on interim arrangements which would allow further time for these complex negotiations.

We must now move forward in this spirit, take advantage of the time afforded us, and press our efforts to reach a permanent settlement on the boundaries question. If we can work out a mutually satisfactory solution to such a difficult boundary problem, that will surely constitute an historic benchmark for the conduct of our relations in the years ahead.

Similar opportunities occur in the present negotiations toward an increased toll structure for the St. Lawrence Seaway. The Seaway has been a hallmark of Canada/U.S.A. co-operation, and while the concerns each country brings to the negotiations put the emphasis in different places, I am more interested in the opportunities the negotiations present to re-establish the Seaway as an example of the kind of achievement which results from our two countries working together in harmony. It should not be necessary to resort to formal legal options involving the existing Seaway agreement. I would much prefer to see a negotiated settlement which could be considered a success by both countries, and which

would provide another example for the manner in which our relations can and should be handled....

Energy resources

By far one of the most important challenges facing the world today is the management of available energy resources. Despite the growing concern of Canadians about their own declining oil and gas supplies, the Canadian Government has been realistic and forthcoming in dealing with U.S. energy circumstances, as demonstrated by our emergency exports of natural gas during your recent winter shortage situation.

Over the years in our energy relations with you, we have acted as responsible neighbours and we shall continue to do so, although diminishing supplies of oil and gas will reduce our role in that area.

A principal issue now concerns how gas from the north slope of Alaska is to be transported to the continental U.S.A., that is to say, by sea to your West Coast, or overland through Canada. In the latter case, the regulatory and political processes of the two countries must be completed before decisions can be made. We are consulting regularly on the progress of our respective processes. What in effect both governments are doing is keeping their options open, so that a particular transportation option which may ultimately be preferred by both sides on the basis of its merits is not foreclosed by poor co-ordination.

As the time for decision-making draws nearer, however, I foresee the need for even greater care and sensitivity on both our parts to ensure that our governments remain in a position of being able to choose the option which is best on its merits. I would not want to see either government deprived of the full scope of alternatives now open to their careful consideration. Our position is that as a friend and ally of the United States, we would like to be able to assist you in facilitating the supply to your populated centres of this much needed energy resource.

Interests at stake

However, there are also important Canadian interests at stake which must be taken into account: our own future supply situation and our need for the most efficient distribution system to serve

Canadian requirements with Canadian gas; our desire to see native land claims settled in the areas affected; our concern about managing our economy given the large sums of capital which would be required to finance such a mammoth undertaking; and our desire to see carefully weighed the environmental and social implications of pipeline construction in our north-land.

It is the reconciliation of these Canadian interests and the possible American interests in the option of an overland route which is engaging and will be engaging our priority attention over the coming months....

Environment

To turn now to our common environment, one need only picture the extensive border between Canada and the U.S. with its countless shared rivers and lakes, its adjacent farm lands and large cities to appreciate the magnitude of the environmental co-operation which has been the pride of both countries. Federal, state and provincial governments on both sides of the border are placing an ever-increasing priority on the quality of water and air available to their citizens, and where air or water pollution from one side of the border interferes with environmental protection efforts on the other side, the Governments work together to eliminate the problem. Our high success rate cannot be explained without reference to the International Joint Commission, a binational advisory and regulatory body with equal representation of Canadians and Americans. The contribution of the IJC in our environmental relations over the nearly 70 years since it was established by treaty cannot be overestimated. For example, we believe that the Garrison Diversion Project in North Dakota threatened our waters. But assurances have been given by the U.S.A. Government that this would not happen. As you know the President has recommended deletion of those elements of the project which would threaten the Canadian environment....

Nuclear non-proliferation

...As the leading world supplier of uranium, Canada moved decisively in December of last year by setting as a condition of supply adherence to the Non-Proliferation Treaty, or an equi-