

Relations Branch in co-operation with the Parliamentary Centre for Foreign Affairs and Foreign Trade, over the two weeks preceding the meeting. The delegates had sessions with officials from the Departments of External Affairs; Finance; Energy, Mines and Resources; Industry, Trade and Commerce; and the Environment; as well as from the Working Group on Foreign Investments and the Canadian International Development Agency.

Proceedings

The Fourteenth Meeting was formally opened by the four Co-Chairmen in the Railway Committee Room of the Parliament Buildings on Thursday, February 17th, at 9.45 a.m. The Right Honourable the Prime Minister and Mrs. Pierre Elliott Trudeau came in immediately following the opening plenary session to meet and chat with the United States delegates and their wives.

The proceedings were then adjourned to Friday, February 18, when both Committees met all day in the Parliament Buildings at Ottawa. They concluded their business on Saturday morning, February 19, at Montebello, Quebec.

The Committee on Trade and Economic matters met under the joint chairmanship of Senator Church and Speaker Deschatelets. Representing the United States Congress were Senators Hollings and Stevens, and Representatives Johnson, Kyros, Meeds, Pickle, Harvey, McEwen and Horton. Representing Canada were Senators Beaubien, Connolly, Everett, Hayden and Macnaughton, and from the House of Commons, Messrs. Breau, Burton, Danforth, Fairweather, Francis, Kaplan, Leblanc, Pringle and Trudel.

Report of Committee I: Trade and Economic Matters

"Discussion focussed on two major themes: economic relations between Canada and the United States, and mutual problems and challenges in the field of pollution control and abatement.

"On the first theme, discussion naturally centered initially on recent inconclusive trade negotiations between the two countries. On the Canadian side delegates stressed the importance of adopting a longer perspective, of not giving undue importance to trade figures for only the last two years and the need to take account of the total balance of payment picture. United States delegates placed their main emphasis on the urgent need for the United States Government to take immediate action to overcome the present excessive balance of payments deficit. Delegates on both sides appreciated the opportunity to have a report from the Honourable Jean-Luc Pepin on recent trade talks between Canada and the United States and to question him about future perspectives.

"There was a broad discussion of the energy relationship. United States delegates noted the growing shortage of energy sources in the continental United States, while Canadian representatives observed that under any conceivable Canadian policy existing reserves in Canada would not permit the export to the United States of oil and natural gas in sufficient quantities substantially to satisfy United States future needs.

"In connection with the question of the possible shipment of oil from Alaska, United States representatives described recent United States legislation establishing shipping safety standards, the special

design features being built into the tankers for this route, and the possibility of developing satellite computerized shipping controls analogous to modern airline guidance systems. It was agreed that in situations of this kind, it was essential that the two governments should consult closely and take account of the effect of any proposed actions by one country on the other.

"The foreign ownership question was also briefly considered. Canadian representatives gave their several opinions on the subject. United States delegates expressed the hope that Canadian legislation would not have a discriminatory character which would cause resentment in the United States and affirmed that they respected absolutely the right of the Canadian Government to take any decisions which they wished to affecting the terms and conditions for investment by non-residents in Canada.

"In the course of discussion on pollution control and abatement problems, there was general agreement that the 'in-house' staff of the respective sections of the International Joint Commission should be strengthened. There was also some support for a proposal that a joint regional office of the International Joint Commission should be established with its own staff and with power to report directly to the two governments regarding the effectiveness of pollution abatement programs in the lower Great Lakes."

The Committee on Defence and Security Matters was co-chaired by Representative Gallagher and Speaker Lamoureux. Senators Aiken, Cooper, Cook and Stafford, and Representatives Randall, Stratton, Pepper, Morse and Smith were representing the United States Congress. Sitting on the Canadian side were Senator O'Leary, and from the House of Commons, Messrs. Baldwin, Brewin, Carter, Honey, Nowlan, Stafford, Tétrault and Yewchuk.

Report of Committee II: Defence and Security Matters

"After a brief description of the main features of the Canadian aid program (approximately half a billion dollars for the fiscal year 1972-73 exclusive of any military aid), the Canadian delegation expressed concern over the widening gap between rich and poor countries, and stressed that no durable peace could be expected as long as this gap persists.

"The Canadian delegation also expressed the view that aid could be made more effective by a shift to more labour-intensive projects and by relating the overall terms and amount of aid to the development of balanced trade between all nations.

"The Canadians also saw as important a decrease in the ratio of military to economic aid.

"Both delegations recognized the increasing interest in multi-lateral aid among recipient countries, although it was suggested by some members of the United States delegation that this form of development assistance should be considered more as a type of international banking transaction.

"The United States delegation also noted that the Congress has taken a first effective step towards separating military and economic assistance by authorizing the first for one year and the second for two years.

"The United States delegation informed its Canadian colleagues that considerable disillusionment has manifested itself in both Houses of Congress with regard to aid as a means of winning friends, although