

project for Canada to obtain access to its own Arctic natural gas resources. Two important agreements, the Transit Pipeline Treaty and the Northern Gas Pipeline Agreement, were signed in 1977 to enable the Alaska Natural Gas Pipeline Project to become a reality.

Construction has now begun on the southern segments of the project. After receiving strong assurances from the U.S. Government that steps necessary for timely completion of the full project would be taken by the Administration and Congress, the Canadian Government gave the go-ahead in the summer of 1980 for construction of the southern segments to allow the export through 1987 of surplus Alberta gas until the full project is completed and Alaska gas is flowing.

Other examples of bilateral cooperation abound. Canadian and U.S. utilities are members of the same regional electric reliability councils. The development of the Columbia and St. Lawrence/Niagara River systems involved joint undertakings. Canadian oil and gas pipelines have been built across U.S. territory in Maine and the U.S. Midwest. Electricity and natural gas are frequently supplied across the border to meet emergency situations in one country or the other. Both countries, together with the provinces of Alberta and Saskatchewan, have joined in a memorandum of understanding on research and development on tar sands and heavy oil, and a similar arrangement is being negotiated for coal research and development. Two years ago, the possibility of locating a U.S. strategic petroleum storage facility in eastern Canada was being actively considered by the governments of both countries until changes in the program put back prospects, but the Canadian Government remains interested in cooperation in this area. In refining, too, there has been cooperative activity, with Canada making available its excess eastern Canadian refining capacity to meet U.S. demand on the east coast, where deepwater harbours are few.

THE FUTURE OF CANADA/UNITED STATES ENERGY RELATIONS

There is no doubt that Canada and the United States will continue to cooperate closely, as they have in the past, in the energy field. This will occur even as circumstances change rapidly, as Canada develops its energy sector through implementation of the National Energy Program and provincial energy policies, and as Canada's energy focus shifts away from depleting conventional oil resources toward electricity (generated from hydro, coal and nuclear resources), natural gas, the tar sands and frontier oil. New circumstances make new opportunities.