

of known reserves, Canada could experience shortages in the near future unless other sources can be brought into production. The National Energy Board is studying this and will be reporting to the Government.

This whole situation shows how complex and, at times, difficult our bilateral relations have become. In these circumstances, it is all the more important that both sides strive to maintain what is fundamentally a healthy, friendly and mutually-beneficial relationship. It is essential that, as appropriate, prior notification, discussion, consultation and negotiation play a central role in the management of relations between the United States and Canada. To this end, it is vital that each country have an accurate understanding of what the other is trying to accomplish, and that each have the opportunity to put forward its own concerns for consideration by the other. That is why I have sought to explain to you Canadian policies on foreign investment and energy, two areas of vital interest to Canada and the United States.

S/C