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BACKGROUND DOCUMENTS

THE VISIT TO CANADA
OF THE
PRESIDENT OF THE UNITED STATES OF AMERICA,
RONALD WILSON REAGAN,
AND
MRS. REAGAN

OTTAWA, MARCH 10-11, 1981

PREPARED BY
DEPARTMENT OF EXTERNAL AFFAIRS

External Information Programs Division
Department of External Affairs
Ottawa



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March 10, 1981

GOVERNOR GENERAL SCHREYER'S REMARKS
WELCOMING THE PRESIDENT AND MRS. REAGAN,
OTTAWA AIRPORT

GOVERNOR GENERAL SCHREYER: Mr. President, it is with great pleasure and warmth of feeling that we greet you and Mrs. Reagan on behalf of the people of Canada. You come to us, Mr. President, representing the country that is both our nearest neighbour and also which the history of this 20th century has made our closest ally.

Through the long years of our association, Canada and the United States of America have met and overcome many challenges and problems together. We have, I believe, acted effectively as partners, confident that our differences make our combined efforts that much more effective. Now, in a period of uncertainty in the world, Canada remains committed to working with the United States to further the fundamental ideals and values of freedom and of equality before the law, which we both share.

Mr. President, I am confident that your visit to Canada will serve to strengthen the firm and rational ties of friendship and practical cooperation which exist firmly and historically between our two countries. While here, I hope that beyond the sometimes formal aspects of State occasions, that you will also encounter something of the human kindred dimension which gives relations between Canada and the United States and as between the millions of individual Americans and Canadians their deeper meaning and their unique character.

Monsieur le Président, au nom de tous les Canadiens je vous souhaite la bienvenue dans notre pays, qui, comme le vôtre, compte parmi ses citoyens, des personnes de souches ethniques et linguistiques multiples et variées.

Mr. President, if this is the era of the Global Village, welcome to the house next door. Welcome to Canada.

March 10, 1981

REMARKS OF THE PRESIDENT
UPON HIS ARRIVAL IN CANADA

Canadian Forces Base (South),
Hanger 11,
Ottawa, Canada

9:59 A.M. EST

THE PRESIDENT: Your excellencies, Nancy and I are happy to be here. One can receive no warmer greeting than the heartfelt welcome of a trusted friend. And yes, we, the people of the United States and of Canada are more than good neighbors; we are good friends. As we citizens of North America, while respecting the sovereignty and independence of our respective national identities, are without question friends that can be counted upon. Whether in times of trial and insecurity or in times of peace and commerce, our relationship has never weakened. The faith between us has never wavered.

We each play a separate and important role in international affairs. We have economic interests that bind us in cooperation and, in some cases, put us into competition. But these separate roles are respected by our two peoples and have never diminished the harmony between us.

I hope this visit will make clear my commitment as President of the United States to work in close cooperation with the government of Canada. Whether in trade or defense, or protection of our environment and natural resources, our two nations shall continue the unique relationship that has been the envy of the world, a relationship that has enhanced the standard of living and the freedom of our people.

Let us continue and let us move forward. It is a great pleasure to be here with you. Merci. (Applause.)

10:04 A.M. EST

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81-108

March 10, 1981

EXCHANGE OF REMARKS
BETWEEN THE PRESIDENT AND
PRIME MINISTER TRUDEAU

Parliament Hill,
Ottawa, Canada

11:10 A.M. EST

PRIME MINISTER TRUDEAU: Canadians are simply delighted that you have come to visit us, and we're particularly pleased that in your first visit out of the United States you chose to visit our country.

Like Americans, Canadians are used to welcoming Americans. Last year, Mr. President, some 75 million border crossings were recorded between our two countries. That's about three times, more than three times, the entire population of Canada. So Canadians know Americans and Canadians like Americans. We like you because not only we have shared this continent together with our friends and neighbors, the Americans, with our friends and neighbors, the Mexicans, who have spanned this new world from one ocean to the other. But we also enjoy this neighborhood because we share the same values, individual liberty, justice, democratic values. Mr. President, more than two centuries ago a great band of the brotherhood of man wrote the most revolutionary script since the New Testament. I'm talking of the American Constitution. And not content with that, they went on in the same sweet breath of humanity to write a Bill of Rights.

Mr. President, those two documents, the words in there, the ideas in there, were heard around the world. Indeed, more than the shot fired at Lexington it is these ideas and these values which have made America, the United States of America, the first great modern nation.

And that is why, Mr. President, the winds of freedom which first began to blow in your country and which then spread all over the world make that Canada and Canadians. As you can see from these signs and as you can hear from some of these lonely voices, Canadians expect much of Americans. But more important, Canadians have faith in the Americans. We know that our long relationship has been based on more than neighborhood. It's been based on friendship; and on a sharing of these values. That is why we are happy you have come to visit us to exchange ideas with us and to seek solutions to the problems that often

develop between two great nations and two neighbors.

Mr. President, you are welcome here. Les Canadiens qui comme moi connaissent bien les Etats-Unis parce qu'ils y vont souvent, parce qu'ils y ont passe, comme sur mon cas, plusieurs etes pendant leur enfance, ou qui vont pendant l'hiver pour trouver votre soleil plus chaud en Floride. Ces Canadiens vous connaissent. Ces Canadiens sont contents de vous accueillir.

And this sense of excitement, this sense of expectation that we felt in anticipation of your visit, Mr. President, we owe it to this friendship between our nations. I love hecklers. I don't know about you, Mr. President. This could go on for a long while because to each of these manifestations, to each of these concerns, there are answers. You and I, your government and ours, your people and ours, will find the answers because we have faith in the people of the United States. As you have said Mr. President, the greatest asset of the United States is the freedom of its people. This freedom we enjoy and this freedom you will feel amongst us. Thank you.

THE PRESIDENT: Mr. Prime Minister, Mr. Speaker of the Senate, Madam Speaker of the House, it is a pleasure to be here today not only to hear such warm words of welcome, but also to appreciate through a visitor's eyes these splendid halls of government.

It was said once of this place that it grasps and materializes the beauty of Canada, the vastness of its lands, its loneliness, its youth and its hope. And yet Parliament Hill is more than the imposing symbol of your nation. It is also a landmark of the New World, a monument to the right of self government and the value of human freedom, that even sometimes as you, yourself, have pointed out make raucous behavior permissible.

This belief in self-rule and the rights of the individual springs from a common heritage that forms the back-drop for our discussions in the next two days.

Now, Mr. Prime Minister, there is important work on the agenda before us -- improving our trade, protecting our environment, safeguarding our freedom. But before we begin our public business, I did want to address one other matter between us that should be dealt with early on.

You will remember a little while back when our national troubles were widely known, a journalist penned a testimony to our country that was entitled simply, "Let's hear it for the United States". It spoke with great affection about people of the United States, their generosity, their inner strength. That testimony in our land was reprinted many.

times in magazines and newspapers, played on radio stations and even in nightclubs in my country. It touched the American people deeply that anyone should think so kindly of us. But I don't think it surprised us to learn that the journalist who wrote those very kind words was a Canadian.

And so Mr. Prime Minister, before we discuss the other important matters before us, I want to take this occasion not to talk about the affairs of state but to speak from the heart to the heart to say to the Canadian people, the people of the United States do not merely value your friendship, we cherish it. We are here today not just to seek friendly ties with a neighboring nation and a world power, but to strengthen instead the deep unbending bonds of trust between old and devoted friends. Merci, C'est un plaisir to be here with you today. Thank you. (Applause.)

PRIME MINISTER TRUDEAU: Hey, guys, when I go to the United States, I'm not met with these kinds of signs. You know, the Americans have some beefs against us, too, but they receive them politely. Now, how about a great cheer for President Reagan. (Cheers. Applause.)

11:18 A.M. EST

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81-108

March 10, 1981

EXCHANGE OF REMARKS
BETWEEN THE PRESIDENT AND
GOVERNOR GENERAL SCHREYER

Ballroom, Rideau Hall,
Ottawa, Canada

10:48 P.M. EST

GOVERNOR GENERAL SCHREYER: Mr. President, when such close neighbors as your charming wife and yourself come to visit I've found that the planned protocol gives way, at least in part, to a natural hospitality. Only recently you and I both would probably have used the expression, "good old western hospitality", but in current circumstances for you and me perhaps some other term is to be found. In any case, it is the rapport that exists between the entirety of our two nations that matters and which obviously has motivated you to make such an early visit to Canada. For this we are greatly appreciative in all parts of the country, and that you have chosen to do so within the first two months of your new administration is something which compounds our feeling.

In addition to your discussions on specific items, there is, I suggest, a very powerful and positive symbolic purpose in this visit as well. For the past seven decades or more, which happens to coincide with the creation by your country and ours of the international joint commission, the relationship between our two countries has been a model for others. Despite occasional differences the overwhelming momentum in all this time has been always towards positive, productive friendship.

In the past 60 years or so every president of the United States, with only one or two rather circumstantial exceptions, has visited here, and may I say, obviously and hopefully for the future, with honourable and good mutual result. You are continuing in that tradition which I believe has produced a bond which was unique and still is almost unique among sovereign states everywhere.

We on both sides of the border, I think, often refer to the 4,000 miles and more of virtually unpatrolled border, to the kindred cultures and affinities, to the scientific and technical cooperation, as in the space shuttle, to mention just one example, to our political systems which, despite interesting and intriguing and subtle differences, produce an impressively similar stability for fundamental freedoms and due process and equality before the law. Ironically, visits by their

very nature, often tend to focus greater attention on those far less numerous issues which divide us and on which we have differences. And I suppose this is a normal part of the day-to-day business of bilateral relations in this world of reality. But if that be so, then that is precisely why it is so ultimately important that this visit demonstrate to all so there can be no misreading or misunderstanding, that beneath the complexity of some of the issues and some of them, goodness knows, are complex enough, lies a very firm bond of friendship, proven to be so by history, and based upon constitutional restraint of power and motivated by plain decency and love of freedom.

Given all this, Mr. President, we can surely withstand the differences and, I would suggest, even the occasional ribbing which we know very well goes on, both at the officials' level and among the millions of our respective citizens. I won't try to relate some anecdotes or examples of this ribbing that I refer to. In fact, I don't know if it's wise to relate any of them. But I think I could say as an aside that no one is excluded from this, including some present and former prime ministers and presidents themselves.

Now, as between sisters I'm not so sure. I don't really know. But those of you who have brothers will know very well how imaginative and descriptive some of this language can become in otherwise rather fraternal relations. Maybe it's just as well that I not elaborate further.

Still, I must mention that some Canadians are defensive about our winters, particularly since in very recent years the expression "Canadian snowbirds" became widespread in your country among some of your countrymen. But then our retort could well be to quote from a famous American poet, Walt Whitman. He said, and I quote, "I have often doubted whether there could be a great and sturdy people without the hardy influence of winter in due proportion." I don't know, Mr. President, what your response or sequel to that might be but I don't urge you to come up with it tonight necessarily.

In closing, I should like to say -- and with all the emphasis I can muster -- that a remarkable relationship indeed has been created between our two countries and it has been sustained despite some tangible differences because of human decency and fairplay and by the rational resorting in complex matters and circumstances to procedures and mechanisms that were once and are still today exemplary to the whole world. I have mentioned the IJC. I refer to the scientific and defence research cooperation arrangements, etcetera, etcetera.

Earlier today I tried with words en francais de meme qu'en anglais to express for the Canadian people the kind of welcome that

they would want to extend to you. If, as I said, the planet is becoming a global village, then this is the house next door. You are both, both of you, as plainly and as fully welcome as that, and then to find that hosting you could be enjoyable as well, well, that's a bonus which we shall keep in our memory and treasure. Thank you. (Applause.)

THE PRESIDENT: Your Excellency, I think this matter of humor and laughing or ribbing that may take place, I know that in World War II that Winston Churchill said of your fighting men and ours and his own that we seemed to be the only people in the world that could laugh and fight at the same time. Now, I don't think he had in mind carrying that over into peacetime. So, we won't try to do that. But Nancy and I want to thank you for your warm words and generous welcome to this land of friends.

Friendship is not easily defined, but today I think I gained a better understanding of what our friendship means to each other. As we arrived this morning on Parliament Hill, we crossed Ottawa's Rideau Canal. Now, the old canal now nearly 150 years old winds through Ottawa as a reminder of our relationship. (Laughter.) I learned that it was built by an engineer who planned it as a military defense to protect Canada from the United States. (Laughter.) Once intended to protect your nation from mine in war, it's now a place of serene peace. In the winter it becomes one of the longest skating rinks anywhere. And in the summer it charms visitors, and I've been told with the weeping willows that arch over it -- but I didn't see that portion of it where there were weeping willows, but I trust they are there.

Canada's Gratin O'Leary once noted that this canal "tells the blessed thing that has come between these two countries and which today has roots deeper than before. That's friendship." An historian once described the vast and wealthy continent that we share as "a boundless vision of great forests, silent mountains and wilderness oceans mingling with the sky." Your national motto is "A mare usque ad mar," from sea to sea. And in the United States, we sing of "America the beautiful, from sea to shining sea".

Our people know that our nations were forged in this like heritage. Our people inherited the resilience of those who first opened the mighty waterways which cross and thus give life to our continent, the Mississippi, the Columbia, the Saint Lawrence, the Great Lakes. We've grown up with our own national characters. But we share the independence and self-reliance of courageous pioneers such as Cartier, LaSalle, Lewis and Clarke and McKenzie.

Yet we also share the frontiersman's dependence on his neighbor, a trait that came to us early when settlers turned to each other

to clear a forest, to raise a house, barter their goods. This North American spirit is a bond between our people and we must never take it for granted.

New ways must be found to reinforce our special relationship. We live on the strongest, most prosperous continent on earth. But as we develop our resources, we must protect the environment around us. We will never shirk our responsibility to defend our way of life when it is threatened. Prime Minister Trudeau, while visiting the United States, said that our nation was once the hope of the new world. Well, he's right. And I would like to add that our new world of freedom and democracy is now the hope of the entire world.

Our strong defense is the foundation of freedom, peace, and stability, and our countries must continue to draw close in times of crisis as we always have. Together we'll stand as an example. As we work to keep this spirit of cooperation fresh we will continue to respect each other's sovereignty, recognize our distinct national interests, and maintain our individual commitments to greater self sufficiency. Robert W. Service lived in Canada for many years and wrote about the taming of our continent and about the wild Canadian northlands. The law of the Yukoni road is that only the strong shall thrive, only the fit will survive. This is the challenge to our nations in the world today. Our national characters were forged on such a frontier. I'm confident that Canada and the United States, independent but together, can meet the test. Nancy and I are just delighted to be here and have had a wonderful day and we shall look forward to returning.

Thank you very much. (Applause.)

11:00 P.M. EST

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ADDRESS
of
RONALD WILSON REAGAN
President of the United States of America

to
Both Houses of Parliament
in the
HOUSE OF COMMONS CHAMBER, OTTAWA
on
Wednesday, March 11, 1981

The President was welcomed by the Right Honourable P. E. Trudeau, Prime Minister of Canada, and thanked by the Honourable Jean Marchand, Speaker of the Senate and Honourable Jeanne Sauv , Speaker of the House of Commons.

Hon. Jeanne Sauv  (Speaker of the House of Commons): May I call this meeting to order?

Mr. President, we are grateful for the great honour you do us in addressing this joint session of the Senate and the House of Commons. I now invite the Right Honourable the Prime Minister to introduce our distinguished guest.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker of the Senate, Madam Speaker of the House of Commons, Mr. President and Mrs. Reagan, distinguished American visitors, honourable members of the Senate, members of the House of Commons, Excellences, Mesdames et Messieurs:

Mr. President, yesterday I welcomed you to Canada. I repeat that welcome now because in this chamber Canada's democracy finds its ultimate expression. Here, in a special way, we speak on behalf of the people of Canada, and here the people of Canada are honoured to receive you, Sir.

Some hon. Members: Hear, hear!

Mr. Trudeau: Nations do not choose their neighbours; geography does that. The sense of neighbourhood, however, is more than a product of geography; it is a creation of people who may live as far apart as California and Quebec. It is what makes neighbours of Canada and Mexico, for instance. Canadians have noted this sense in you, Mr. President, and they know that it gives a particular meaning to your visit to Ottawa.

[*Translation*]

Our being neighbours is not simply a matter of geography, it is a state of mind. Beyond North America lies the New World which we inhabit by your side. We share the dreams which have made this continent a beacon in the night and a haven of hope for mankind. We share the courage and the love for work which have enabled us to build side by side two great federal states stretching from the Atlantic coast to the distant shores of the Pacific. Our accomplishment is dear to us. We are intent on preserving our heritage, but at the same time we gladly agreed to share with others the prosperity and freedom we found in this land.

[*English*]

It is right that we should celebrate what we hold in common. At the same time it is necessary that we remember and respect what makes us different.

More than 200 years ago our paths diverged, although our goals remained the same. You created a great republic with a presidential system. We evolved as a constitutional monarchy, under a parliamentary system. You placed yourselves from the outset under a written constitution that you continue to revere today. We are only now finishing the work of writing ours and bringing it home. You fought a tragic civil war. We have recently undergone the experience of a referendum that involved no violence, but nonetheless touched the very fibre of this country.

The differences of history affect our relations today, because they affect our perceptions, our approaches, our priorities. You, Mr. President, would perhaps agree with Thoreau where he says of the United States government:

This government of itself never furthered any enterprise, but by the alacrity with which it got out of its way. It does not settle the west. It does not educate. The character inherent in the American people has done all that has been accomplished.

The character of the Canadian people, Mr. President, has also made Canada. But here in Canada our own realities have sometimes made it necessary for governments to "further enterprise". Those realities and that necessity are still with us today.

[*Translation*]

Mr. President, you are visiting Canada at a particularly turbulent time in our history. We are in the process of completing the construction of our country. As an American you will appreciate the challenge which we must face. We are attempting to improve our democratic system and to cement our unity. Undoubtedly the din of our labour will reach your ears. However, I can assure you that our stormy but productive discussions will pave the way for a stronger Canada. Indeed, if I may recall a humorist's description of a megalopolis, we have decided that at the close of our current debates we will be "more than a confederation of shopping centres".

In the years to come the United States will be looking at a dynamic neighbour to the North. But putting its own house in order Canada will grow confident in itself. We will establish more clearly where our interests lie and we will pursue them with renewed vigour. One thing will remain unchanged, however: our deep friendship for the United States. In fact, Mr. President, the relations between our two countries will grow at the same time as Canada will grow. Of course, as neighbours we will hold frank discussions. But we have always spoken clearly to each another and our openness was based on mutual respect, as befits two sovereign and equal countries linked by deep friendship.

[English]

Mr. President, you take on your awesome responsibilities at a time of stress and crisis in international affairs. The world badly needs the courage and wisdom of the United States, that courage that it can provide under your leadership, Sir. I speak for all Canadians when I say we are ready to work with you in the cause of stability, security, and humanity.

Your task, our joint task, will not be an easy one. Many people fear that the world has become too complicated, that events have spiralled beyond the control of individuals or governments. They are tempted to give up, to opt out, and to hide from reality and responsibility. That way lies oblivion.

I believe we must neither cower before reality nor oversimplify it. Yet complexity should not obscure plain truth. On this most favoured of continents we cannot simply turn our gaze inwards and ignore poverty, ignorance, and injustice elsewhere.

To the east, Mr. President, we face a system that seems ill-designed to respond to change and growth. Nevertheless, the Soviet Union and the eastern European states may come to accommodate themselves at least to the dynamics of their own region. If, for example, the Polish people are able to work out their own destiny within a framework accepted by their neighbours, then they will have matched revolution with a no less remarkable evolution. Through courage and restraint they will have begun the process of making their reality more Polish and their system more responsive, more adaptable, and ultimately more stable.

In the west, Mr. President, we have a long familiarity with the pressures of change. In the past decade our economies have undergone a severe test as trusted assumptions have been found wanting. In the 1970s we were buffeted by the rule shock of rapid energy price increases. We were forced to recognize that the old monopoly of economic power was coming to an end. And yet, for all the strains upon us, our political and economic framework has survived, survived at least as well as the chicken and the neck to which Winston Churchill once referred to this chamber.

Each of the western countries has met the challenge of change in its own way. Since all of us have our own distinctive economic strengths and weaknesses, our solutions have had to be diverse. We have found no simple answers; we have fashioned no single way. With co-operation and consultation, however, we have been able to complement our various approaches.

At another level, though, we do have a single approach. Let there be no doubt about our unity in the defence of our most precious heritage—that democracy which is envied by those who rightly crave it and feared by those who wrongly deny its force.

As to north and south, we are not dismayed by the complexity of the problems. The poverty of the developing countries does not have to be permanent, nor is it unalloyed. The gap between the two groups is neither racial nor unbridgeable. In the growth of the oil producing states, in the vigour of the

newly industrialized countries, there is convincing evidence of the dynamism and potential of the developing world. In the unity of the "south", there is not so much an identity of circumstances as an idea, a point of view, a shared sense of injustice. The poorer peoples are at the mercy of circumstances that leave them out of balance, often out of hope, and too often vulnerable to opportunities who come poaching in troubled waters. The industrialized democracies have not only a human duty but a strategic obligation to help developing countries in their struggle, their survival, and their success.

Mr. President, humanity will prevail. We in the new world can never be pessimists, for we are in a very real sense the custodians of the future. You have reminded us of this, Sir, on both sides of the 49th parallel. You have done so by evoking a past in which both our peoples have been the architects of change, not its victims.

I wish you well in your task and comfort in your burden. May part of that comfort come from the assurance of Canada's abiding friendship for your country and for your people.

Some hon. Members: Hear, hear!

Mr. Ronald W. Reagan (President of the United States): Mr. Prime Minister, Mr. Speaker of the Senate, Madam Speaker of the House of Commons, honourable Senators, members of the House of Commons, distinguished members of the diplomatic corps, ladies and gentlemen:

I came to this great capital of this great nation by crossing a border not which divides us, but a border which joins us.

[Text]

Nous nous sommes souvent serré la main par-dessus cette frontière et nous le faisons une fois encore aujourd'hui.

Des voix: Bravo!

[English]

For those of my own party who accompanied me, I have said that we have often shaken hands across this border and we are doing it once again today.

Some hon. Members: Hear, hear!

Mr. Reagan: Nancy and I have arrived for this, the first state visit of my Presidency, in the spirit expressed so well by a Calgary writer and publisher some 60 years ago. He said that the difference between a friend and an acquaintance is that a friend helps where an acquaintance merely advises.

We come here not to advise, not to lecture. We are here to listen and to work with you. We are here as friends, not as acquaintances.

Some years ago Nancy and I both belonged to a very honourable profession in California. And as I prepared for these remarks today, I learned that among those in the motion picture industry in Hollywood it has been estimated that perhaps as many as one out of five are of Canadian origin.

Many of those whom I counted as close professional colleagues, indeed close personal friends, did not come from America's heartland as I did, but from the heart of Canada, as did most of you in this historic chamber.

Art Linkletter, Glenn Ford, Raymond Massey, Walter Pidgeon and Raymond Burr are but a few of your countrymen who are celebrated in our entertainment industry.

I believe I know the very special relationship between Canada and the United States. But with all respect to those few I have mentioned, I can do better than that. A young lady once came to Hollywood from Toronto. Before long, little Gladys Smith was embraced by our entire nation. Gladys Smith of Toronto became Mary Pickford. And I know you will forgive us for adopting her so thoroughly that she became known the world over as "America's sweetheart".

Some hon. Members: Hear, hear!

Mr. Reagan: America's sweetheart was Canadian.

Affinity, heritage, common borders, mutual interests—these have all built the foundation for our strong bilateral relationship. This relationship has grown to include some of the strongest economic links among the nations on this earth.

Some 16 per cent of America's total world trade is done with Canada. Our joint trade amounts to about \$90 billion Canadian, annually. This is greater than the gross national product of some 150 countries.

It's estimated that three quarters of a million United States workers are employed in exports to Canada and, in turn, Canadian exports to the United States account for one sixth of your gross national product.

Not only is the vast bulk of this trade conducted between private traders in two free economic systems, but more than half crosses our borders duty free. Our seaways, highways, airways and rails are the arteries of a massive, interconnecting trade network which has been critically important to both of us.

Thus, while America counts many friends across the globe, surely we have no better friend than Canada.

Some hon. Members: Hear, hear!

Mr. Reagan: And though we share bilateral interests with countries throughout the world, none exceeds the economic, cultural and security interests that we share with you.

These strong and significant mutual interests are among the reasons for my visit here. Already I have shared with Prime Minister Trudeau very helpful discussions across a range of issues, to listen and to ensure that these important ties shall not loosen.

I am happy to say that in the recent past we have made progress on matters of great mutual importance. Our governments have already discussed one of the largest joint private projects ever undertaken by two nations—the pipeline to bring Alaskan gas to the continental United States. We strongly favour prompt completion of this project based on private financing.

Some hon. Members: Hear, hear!

Mr. Reagan: We have agreed to an historic liberalization of our trade in the Tokyo Round of the multilateral trade negotiations.

We have continued our efforts, begun with the Great Lakes Water Quality Agreement of 1972, to protect our joint heritage in the Great Lakes. We want to continue to work co-operatively to understand and control the air and water pollution that respects no borders.

Some hon. Members: Hear, hear!

Mr. Reagan: During my visit here, I have had the pleasure of participating in the conclusion of two other important agreements. We are renewing the North American Aerospace Defence Command Agreement for five more years. For more than two decades now, NORAD has bound us together in our common defence with an integrated command structure symbolizing our interdependence. This agreement represents continued progress in our relations and mutual security.

Second, we have concluded an agreement regarding social security benefits for those of our citizens who combine work in both nations. With this new agreement, those people who are employed in both countries can be eligible for the combined benefits, and the workers will be eligible for those benefits in whichever country they choose to live.

Some hon. Members: Hear, hear!

Mr. Reagan: Our deep and long time bilateral economic interests lead me to depart from the norm today and give to you a report on America's progress toward economic recovery.

Five weeks ago, I reported to the American people that the U.S. economy faced the worst economic mess since the great world-wide depression. We are a proud people, but we are also realists. The time has come for us to face up to what I described as a potential economic calamity.

I raise this issue today because America holds a genuine belief in its obligation to consult with its friends and neighbours. The economic actions we take affect not just us alone but the relationships across our borders as well.

As we examined America's economic illness, we isolated a number of contributing factors. Our federal government has grown explosively in a very short period of time. We found that there had grown up a maze of stifling regulations which began to crush initiative and deaden the dynamic industrial innovation which brought us to where we are. We saw unbelievable deficits, this year alone reaching up to nearly \$80 billion, including off budget items.

We found that these deficits got in no one's way because the government found it easy to fuel inflation by printing more money just to make up the difference.

The American taxing structure, the purpose of which was to serve the people, began instead to serve the insatiable appetite of government.

Some hon. Members: Hear, hear!

Mr. Reagan: If you will forgive me, someone has once likened the government to a baby: it is an alimentary canal with an appetite at one end and no sense of responsibility at the other!

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Reagan: Our citizens were being thrown into higher tax brackets for simply trying to keep pace with inflation. In just the last five years, federal personal taxes for the average American household have increased 58 per cent. The results: crippling inflation, interest rates which went above 20 per cent, a national debt approaching a trillion dollars, nearly eight million people out of work, and a steady three-year decline in productivity.

We decided not just to complain but to act. In a series of messages and actions, we have begun the slow process of stopping the assault on the American economy and returning to the strong and steady prosperity that we once enjoyed.

It is very important for us to have our friends and partners know and understand what we are doing. Let me be blunt and honest. The United States in the last few years has not been as solid and stable an ally and trading partner as it should be. How can we expect certain things of our friends if we don't have our own House in order?

Americans are uniting now as they always have in times of adversity. I have found there is a wellspring of spirit and faith in my country which will drive us forward to gain control of our lives and restore strength and vitality to our economic system. But we act not just for ourselves, but to enhance our relationships with those we respect.

First, we are taking near revolutionary steps to cut back the growth in federal spending in the United States. We are proposing that instead of having our national budget grow at the unacceptable rate of 14 per cent per year, it will rise at a more sensible 6 per cent.

Some hon. Members: Hear, hear!

Mr. Reagan: This enables us to maintain the kind of growth we need to protect those in our society who are truly dependent on government services.

Just yesterday, I submitted our proposed budget for the coming year, and then immediately crossed the border.

Some hon. Members: Oh, oh!

Mr. Reagan: With extraordinary effort we have isolated some 83 items for major savings and hundreds more for smaller savings, which together amount to \$48.6 billion in the coming fiscal year.

Our second proposal is a 10 per cent cut across the board every year for three years in the tax rates for all individual income taxpayers, making a total cut in tax rates of 30 per cent. This will leave our taxpayers with \$500 billion more in their pockets over the next five years and create dramatic new incentives to boost productivity and fight inflation. When these

personal cuts are combined with tax cuts to provide our business and industry with new capital for innovation and growth, we will be creating millions of new jobs many of them, ultimately, on your side of the border.

Our third proposal is to eliminate those unproductive and unnecessary regulations which have slowed down our growth and added to our inflationary burdens.

Some hon. Members: Hear, hear!

Mr. Reagan: We shall do this with care, while still safeguarding the health and safety of the American people—and, I might add, while mindful of our responsibility to have equal regard for the health and safety of our neighbours.

Finally, we will be working closely with our federal reserve system to achieve stable and moderate growth patterns in our money supply.

As I said, America's program for economic recovery is designed not merely to solve an internal problem. It is viewed by my administration as part of an essential effort to restore the confidence of our friends and allies in what we are doing.

When we gain control of our inflation, we can once again contribute more helpfully to the health of the world economy. We believe that confidence will rise, interest rates will decline, and investment will increase. As our inflation is reduced, your citizens and other world citizens will have to import less inflation from us.

As we begin to expand our economy once again and as our people begin to keep more control of their own money, we will be better trading partners. Our growth will help fuel the steady prosperity of our friends.

The control we regain over our tax and regulatory structures will have the effect of restoring steady growth in U.S. productivity. Our goods will go into markets not laden down with the drag of regulatory baggage or punitive levies, but with a competitive edge that helps us and those who trade with us.

Such new sustained prosperity, in an era of reduced inflation, will also serve world-wide to help all of us resist protectionist impulses. We want open markets. We want to promote lower costs globally. We want to increase living standards throughout the world. That is why we are working so hard to bring about this economic renewal.

There are, of course, other very important reasons for us to restore our economic vitality. Beyond our shores and across this troubled globe the good word of the United States, and its ability to remain stable and dependable, rely in good part on our having a stable and dependable economy.

Projecting solid internal strengths is essential to the west's ability to maintain peace and security in the world. Thus, our national interests, our bilateral interests and our hemispheric interests are profoundly involved in truly international questions.

That's why we must act now, why we can no longer be complacent about the consequences of economic deterioration. We have entered an era which commands the alliance to restore its

leadership in the world. And before we can be strong in the world, we must be once again strong at home.

Some hon. Members: Hear, hear!

Mr. Reagan: Our friend, our ally, our partner, and our neighbour, Canada, and the United States have always worked together to build a world with peace and stability, a world of freedom and dignity for all people.

Now, with our other friends, we must embark with great spirit and commitment on the path toward unity and strength.

On this side of the Atlantic, we must stand together for the integrity of our hemisphere, for the inviolability of its nations, for its defence against imported terrorism, and for the rights of all our citizens to be freed from the provocations triggered from outside our sphere for malevolent purposes.

Across the oceans, we stand together against the unacceptable Soviet invasion into Afghanistan and against continued Soviet adventurism across the earth.

And toward the oppressed and dispirited people of all nations, we stand together as friends ready to extend a helping hand.

Some hon. Members: Hear, hear!

Mr. Reagan: I say to you, our Canadian friends—and to all nations who will stand with us for the cause of freedom—our mission is more than simply making do in an untidy world. Our mission is what it has always been—to lift the world's dreams beyond the short limits of our sights and to the far edges of our best hopes.

This will not be an era of losing liberty; it shall be one of gaining it.

This will not be an era of economic pessimism, of restraint and retrenchment; it will be one of restoration, growth, and expanding opportunities for all men and women.

And we will not be here merely to survive; we will be here, in William Faulkner's words, to prevail—to regain our destiny and our mutual honour.

Sometimes it seems that, because of our comfortable relationship, we dwell perhaps a bit too much on our differences. I, too, have referred to the fact that we do not agree on all issues. We share so many things with each other; yet, for good reasons, we insist on being different to retain our separate identities.

This captured the imagination of Ernest Hemingway when he worked as a writer for the *Toronto Star Weekly* in 1922. Hemingway was travelling in Switzerland and he noted that the Swiss made no distinction between Canadians and citizens of the United States. He wondered about this and asked an hotelkeeper if he didn't notice any difference between the people from the two countries.

"Monsieur", he said to Hemingway, "Canadians speak English and always stay two days longer at any place than Americans do." As you know, I shall be returning to Ottawa in July

and, if you don't mind, I'll plan to stay as long as everyone else.

Some hon. Members: Hear, hear!

Mr. Reagan: I am not here today to dwell on our differences. When President Eisenhower spoke from this spot in 1953, he noted his gratitude as Allied Commander in World War II for the Canadian contribution to the liberation of the Mediterranean. This touched my curiosity, and even though I had participated in that war myself, I did a little research.

In the Second World War there was something called the 1st Special Service Force, a unique international undertaking at the time. This force was composed of Canadians and Americans distributed equally throughout its ranks, carrying the flags of both nations. They served under a joint command, were taught a hybrid close-order drill, and trained together as paratroopers, demolition experts, ski troops and, then, as an amphibious unit.

The 1st Special Service Force became famous for its high morale, its rugged abilities, and tough fighting in situations where such reputations were hard-earned. Alerted to their availability, General Eisenhower requested them for special reconnaissance and raiding operations during the winter advance up the Italian peninsula. They were involved in the Anzio beachhead campaign in Italy and were at the spearhead of the forces that captured Rome.

The 1st Special Service Force made no distinctions when it went into battle. Its men had the common cause of freedom at their side and the common denominator of courage in their hearts. They were neither Canadian nor American. They were, in General Eisenhower's term, liberators.

So let's speak no more of differences today. Certainly your Ambassador, Ken Taylor, didn't when he first sheltered, and then spirited, six Americans out of the centre of Tehran and brought them to their freedom.

Some hon. Members: Hear, hear!

Mr. Reagan: Their daring escape worked not because of our differences but because of our shared likenesses.

A final word to the people of Canada.

We are happy to be your neighbour; we want to remain your friend; we are determined to be your partner; and we are intent on working closely with you in a spirit of co-operation. We are much more than an acquaintance.

Merci. Thank you.

Some hon. Members: Hear, hear!

Hon. Jean Marchand (The Speaker of the Senate): Mr. President, Mr. Prime Minister, Madam Speaker of the House of Commons:

To receive you in our capital and our Parliament represents for us, President and Mrs. Reagan, not only a great joy and

singular honour, but also the visible assurance that our traditional ties of friendship hold strong despite international upheavals whose shock waves have not spared our own continent, forced as we are to march more and more in step with even the most far-flung regions of an increasingly interdependent world.

On behalf of the Senate of Canada, I would like to transmit our heartfelt gratitude that you have chosen, at this very earliest stage of your mandate, to reinforce the foundation of a unique relationship based not just on a common interest shared by our two peoples, but also on a common spirit and aspiration. While recognizing our differences and respective sovereignty and in full appreciation of our respective stature and resources, we know that we are natural allies and that only blindness, or at least a lack of vision, can threaten this bond.

[Translation]

By seeking common ground in our national viewpoints, we will not only be doing ourselves a mutual service, but also contributing to the betterment of life among our brothers in other nations. If our roles are sometimes different, they are nonetheless complementary and our goals must be the same. To paraphrase an old maxim: "We who imagine we can do without the world deceive ourselves greatly; but those who fancy that the world cannot do without them deceive themselves even more." Long live the United States of America, long live Canada, long live peace between men and between nations.

[English]

Thank you, Mr. President.

Some hon. Members: Hear, hear!

Madam Speaker: Mr. President, you have accorded Canada the distinction of being the recipient of your first official visit as President of the United States. We are touched by this honour which strengthens our awareness of the long-standing ties which link us to those we call our neighbours to the South.

Our peoples, diverse in their origins, share a history which has brought us together on a vast continent, one which both your people and ours have explored and developed. Our cultural influences derive from the same sources and unite us in a common civilization. We have, since our beginnings, built on the strength inherited from our pioneers, who were led by many different circumstances, political and economic, to the North American continent.

It goes without saying that an unflinching friendship exists between us. We applied ourselves to the task of building a prosperous country, inviting those elsewhere who sought

adventure or aspired to live in freedom to come and settle with us.

From such a sequence of events, varied and often dramatic, the United States and Canada were born. While many similarities unite us, the differences we manifest are the signs of the distinct personalities which finally gave our countries their identity.

[Translation]

When we look to the United States, we see a people that is industrious, dynamic, bold to the point of recklessness and that for a long time has been known for the scope of its discoveries and the uniqueness of its achievements. You explored space, walked on the moon and amazed the world by making dreams come true. This is proof of the spirit, enthusiasm, genius and perennial youth of America. Throughout the world, people look to you not only for inspiration but also for help and advice.

[English]

For our part, we have profited from your energy and dynamism. Our destiny, no matter how we view it, is closely tied to yours in our pursuit of individual freedom and the promotion of the social and economic betterment of our peoples. The contacts between us are many and varied. Both our countries wish to maintain their respective identities while working together, each in a different way, to build a universal civilization. Your culture, your arts, your literature, your science and your technology are marvellously impressive. Our lives have been enriched by them and they have inspired our own efforts. Your example is an encouragement to us, as Canadians, to marshal our physical and intellectual resources towards the creation of a society which reflects our essential Canadian character.

Mr. President, we have listened to you with great interest. We have paid close attention to your comments, mindful of the fact that you mean to lead your country along the paths which appear to you to be the best; and that you will do so with boldness, honesty and sincerity.

As has always been the case in the past, we shall be happy to find ourselves at your side in meeting the challenges which face us all. We shall co-operate with you, and with other countries, whenever the need arises, in promoting universal well-being and protecting the peace of the world.

Mr. President, Mrs. Reagan, in expressing our thanks and appreciation, we ask you also to accept our assurance of the respect and friendship which we feel for you and your country.

I now adjourn this meeting.

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OFFICIAL REPORT

Wednesday, March 11, 1981

Speaker: The Honourable Jeanne Sauvé, P.C.

ORAL QUESTION PERIOD*[English]***PIPELINES****ALASKA GAS PIPELINE—UNITED STATES GOVERNMENT
COMMITMENT**

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, my question is for the Secretary of State for External Affairs and it concerns the Alaska Highway natural gas pipeline. The minister will recall, as we all do, that in 1979 the builders of the American portion of the pipeline said that they would need government guarantees, in all probability, to build the U.S. portion. You will also remember, Madam Speaker, that his colleague, the Minister of Energy, Mines and Resources, told Parliament on July 17, 1980, as reported in *Hansard* at page 3061:

What was important to obtain from the American government was that firm commitment that they would see to it that the pipeline would be built. Whether they do it by financial commitment, legislation, or other means, that is for the American government to decide. What is important is that we have that commitment.

Today in this House, President Reagan specifically referred to "completion of the project based on private money". In other words, no government guarantees.

Would the Secretary of State for External Affairs tell the House whether the Government of Canada has the unqualified commitment of the Government of the United States that the pipeline will be built?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, the Right Hon. Leader of the Opposition is as capable of interpreting the statements of the

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President of the United States as we are. We all heard what he said here this morning. What he told us, in addition to what was said here, is that the United States are just beginning to look at all of these policy problems, and they will be in a position to give fuller expressions of their views in several months.

NATURE OF UNITED STATES GUARANTEE

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, some months ago we had guarantees. A little before that they were ironclad guarantees. Now we have, according to the words of the President of the United States uttered in this chamber not many hours ago, a very clear commitment that the Government of the United States would see this proceeding only by way of private money, in other words—without any question of interpretation—without government guarantee. Nothing could be clearer than that.

I presume the Government of Canada had discussed this matter at some length when it saw that the guarantees which the minister of energy said existed did not exist. I presume the Government of Canada discussed this at some length. Will the Secretary of State for External Affairs answer my question? Does the Government of Canada today have a firm guarantee from the Government of the United States that the pipeline will be built? Yes or no? It is a simple question.

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, my interpretation of the words of the president, which we all heard, is that we do have a firm guarantee. I believe there is no difference in the commitment, as he expressed it, from the commitment we have had. The U.S. administration is only at the beginning of a review of many aspects of its policy, and we will have fuller statements of U.S. policy, and the means which the United States intends to follow to achieve these, in the months to come.

Mr. Clark: Madam Speaker, what is the nature of the firm guarantee?

Mr. Fulton: A handful of jelly beans.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. MacGuigan: Madam Speaker, the other party seems to be having its own private joke over there.

Mr. Baker (Nepean-Carleton): They are a joke.

Mr. MacGuigan: We heard the commitment which was given by the President here today that the United States would proceed with the pipeline, that it was a national objective for the United States.

Mr. Clark: Madam Speaker, what we heard was that the United States would proceed with private money. What the minister of energy has been saying was that the United States

would give government guarantees. What he has been saying has now been denied by the President of the United States.

An hon. Member: Listen to the facts.

Mr. Clark: We would like to know what the position of the Government of Canada is.

* * *

EXTERNAL AFFAIRS

CANADA-UNITED STATES RELATIONS—STEPS TO RESOLVE DISAGREEMENTS

Right Hon. Joe Clark (Leader of the Opposition): Let me ask a more general question then, since the minister seems to have difficulty with a specific question. If we can judge from the remarks of the Secretary of State for External Affairs yesterday and from the tone of the remarks of the President of the United States earlier today, while there remain disagreements on some specific and important questions, there is a general willingness to resolve those disagreements which are outstanding between our two countries. Could the Secretary of State for External Affairs tell us what specific steps have been put in place to ensure that we will be able to resolve the disagreement on the fishery question, to resolve the acid rain problem, the Garrison, the Skagit Valley and auto pact disagreements? What specific steps have been put in place?

An hon. Member: Get it in writing, Joe.

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, it would take me a long time to outline the specific steps in each of these areas because there are different forums of consultation for which provision has been made with respect to many of those problems. In fact we did hear assurances and commitments from the President in a number of areas which have not previously been made by his administration. With respect to environmental problems, he undertook best efforts to clear up the water and air environment to our satisfaction. With respect to Garrison, he gave us a stronger undertaking that they would not proceed in any way which would imperil the quality of our waters.

* * *

• (1420)

FISHERIES

CONSERVATION OF STOCKS ON GEORGES BANK

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, my question is also for the Secretary of State for External Affairs who will recall that in response to a question I put to him on Monday about the cancellation of the east coast fisheries treaty by the United States, he replied:

It seems that American fisheries officials have not shown themselves capable of adequately protecting fish stocks. This is what troubles us more than any other single thing about the American decision.

Given that concern which the minister expressed about the American action, what specific conservation and management arrangements were arrived at during the past two days with the minister's American counterparts to see that the fisheries stocks on Georges Banks are not depleted in the near future? Was the authority of the Secretary of Commerce, for example, guaranteed, seeing that he has the authority to enforce fisheries management?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, I had discussions on that matter of a fairly detailed nature with both Secretary Haig and Secretary Baldrige. I believe my colleague, the Minister of Fisheries and Oceans, also had discussions on the same matter with Secretary Baldrige. What the United States is undertaking at the present time is to place a management plan before the New England Fisheries Council and to use all of their efforts, both themselves and through Congress, to attempt to have that plan satisfactorily implemented on the east coast.

Miss MacDonald: I am sure the minister is aware that the Secretary of Commerce has the authority to enforce fisheries management. I asked whether that guarantee had been given during their discussions.

* * *

LAW OF THE SEA

RECONSIDERATION OF UNITED STATES POSITION

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, I would like to raise another matter which I am sure was discussed during the past two days. It concerns the alarming news out of Washington that the President has dismissed his principal negotiators at the Law of the Sea conference and, indeed, has indicated that the United States wishes to reopen many areas of that very complex negotiation. Since this action by the United States conceivably threatens Canadian interests in its 200-mile economic zone, will the minister tell us what are the specific areas that the United States now wants to renegotiate, and what steps are the various ministers and the Canadian government as a whole taking to protect Canadian interests in this issue and to see that the Law of the Sea conference is brought to a successful conclusion?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, although this is a multilateral and not a bilateral issue, Secretary Haig and I had quite an extensive discussion on it this morning. The American position is that at the present time they are not objecting to any part or any aspect of the proposed Law of the Sea convention nor to any aspects of the negotiations. They are in effect reserving their position on the whole matter to give their administration time to examine it, without any indications at this time what their final conclusion will be. The changeover in personnel which the hon. member referred to is indeed extensive, as often happens with American administrations where the changes go

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far below changes made here when there is a change of government. As a result of that, Secretary Haig will be starting tomorrow with meetings aimed at this very point to try to resolve their policy in the reasonably near future.

* * *

● (1425)

PIPELINES

ALASKA GAS PIPELINE—UNITED STATES POSITION

Mr. Edward Broadbent (Oshawa): Madam Speaker, I have a question for the Secretary of State for External Affairs who has chosen to interpret vague language by the President of the United States to mean that the Alaska gas pipeline is going to be guaranteed. Is the minister aware that just a couple of hours ago, in an interview, the United States Secretary of State said that if private financing for the pipeline were not available that problem would have to be faced at the time? In light of that assertion, will the minister admit that not only is that not a guarantee, it is the opposite of a guarantee? It is no guarantee at all. He said the problem would have to be faced down the road.

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, I was sitting next to Secretary Haig when he was answering those questions. He was being asked about the way in which this commitment was going to be interpreted by the United States. As I understand it, he said he was not going to get into the various hypotheses that could occur as to whether or not private financing would be readily available. He certainly also assured us that the government would take whatever steps were necessary to make sure that any Congressional facilitation was taken, to the extent that that is under the control of the administration generally, to advance the agreement in every way possible.

Mr. Broadbent: Madam Speaker, I also listened with care to what he had to say. He was saying that if any government regulation would seem to be interfering with private financing, if that was an inhibiting factor, then the U.S. administration would try to clear it up. That is, and again I repeat, anything but a guarantee of the project. In fact it turns it entirely back to the private sector.

In that connection, since President Carter a year ago refused to give guarantees to U.S. private financing—

An hon. Member: No, he didn't.

Mr. Broadbent: He refused to give public guarantees to private financing because the situation was very precarious at that time, and considering that at this very moment we are exporting less through pipelines in Canada to the U.S. than was the case because the demand has been reduced, is there any reason the minister now has for believing the private sector will be any more interested today in raising the money for that project than it was a year ago?

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Mr. MacGuigan: Madam Speaker, the way in which the money is raised is a matter for the American administration and for U.S. promoters. It is not a matter for us to decide. I understand the American position has always been that they intend to see that the pipeline is built by private funds, so I see no difference in statements now being made and statements which were made formerly.

RESULT OF UNITED STATES STANCE

Mr. Edward Broadbent (Oshawa): Madam Speaker, the minister knows that in a letter produced a year ago President Carter did not in any sense guarantee the project, and the wording was very carefully crafted to avoid that commitment. Considering what the minister has just revealed in his answers to the Leader of the Official Opposition and myself, will he not agree that we will have a western portion of the pre-build completed in two months, a Canadian pipeline produced to export Canadian gas to U.S. markets, without any guarantee that the original purpose of the pipeline is to be implemented, namely, a pipeline designed to carry U.S. gas from the far north to U.S. markets? In short, has the minister not sold out completely on the issue?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, what I am saying is that I do not believe there is any difference in the kind of commitment given today by President Reagan and by Secretary Haig in our discussions and the previous commitment given by the United States administration.

* * *

AUTOMOTIVE INDUSTRY

CANADA-UNITED STATES AUTO PACT—TALKS WITH UNITED STATES PRESIDENT

Mr. Otto Jelinek (Halton): Madam Speaker, my question is directed to the Right Hon. Prime Minister.

Last year the Canadian deficit rose nearly \$4 billion as a result of the obsolete U.S.-Canada Auto Pact. It is quite clear that the government has been totally ineffective since it returned to office over a year ago in its attempt to improve the situation. I would therefore ask the Prime Minister to inform this House what priorities this issue received in talks between himself and President Reagan this week and, more important, what immediate, positive developments in the Canadian auto industry can we expect as a result, keeping in mind the \$4 billion deficit in this country, a deficit which is growing?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, it seems to me that the two questions are linked, and I would answer by saying quite a high priority.

● (1430)

ENCOURAGEMENT OF CANADIAN PRODUCTION

Mr. Otto Jelinek (Halton): Madam Speaker, since the Prime Minister does not want to reveal what his discussions with the President were, I would like to put a question to the Minister of Industry, Trade and Commerce on a related matter.

Last month the sale of imported cars rose by 30.4 per cent, as the minister knows. In 1980 alone the sale of Japanese imports rose by 151.3 per cent. In view of the fact that this party, along with the interest groups, has come up with some positive recommendations and suggestions for the minister to consider over the last year or so, only to have him issue press releases like this one, indicating over and over again, like a parrot, that more discussions and consultations must take place, I would like to ask the minister what immediate and specific action the government intends to take to ensure that Canada gets its fair share of both parts manufacturing and assembly of vehicles in the auto industry. We do not want any more rhetoric about—

Madam Speaker: Order.

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, we have taken concrete action in the past year to assure additional activity in auto parts and auto manufacturing generally in this country, which will mean the preservation and extension of thousands of jobs for workers. My hon. friend is so tied up with his own rhetoric that he keeps forgetting, or does not bother listening to the definite information I've been providing in this regard. We will be continuing our efforts in this manner, and part of those efforts will be working with the United States to take steps which will help bring about the return to health of the North American auto industry, with our particular focus being on the Canadian industry and the workers and communities connected with it.

* * *

THE ECONOMY

QUERY RESPECTING GOVERNMENT'S FISCAL STANCE

Hon. Sinclair Stevens (York-Peel): Madam Speaker, I would like to put my question to the Minister of Finance, whom we all noted in this House following in a very pensive way the speech of the President of the United States. He undoubtedly noticed that the President indicated great alarm at the size of the deficit in the United States and indicated that they were taking serious steps to correct that. Bearing in mind our deficit on a per capita basis is now projected at four times the deficit the Americans anticipate, and as a percentage of spending is five times as high as in the U.S., would the minister indicate whether he has taken any fresh look at his own figures to determine if what he set down last October is now satisfactory, bearing in mind how our continental partner is trying to put its fiscal position in a more responsible stance?

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Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I have listened carefully, perhaps pensively, as the hon. member says, to the words of the President, both in public and private, and I have had discussions with Secretary of the Treasury Regan and, as a result, I have absolutely no intention of changing the fiscal stance of the Canadian government.

Mr. Stevens: Madam Speaker, again I direct a question to the Minister of Finance who has indicated, I think very clearly, which end of the baby he prefers.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Stevens: Perhaps he could indicate to the House why he feels it is satisfactory to have roughly a 14 per cent per year spending increase in Canada, at a time when the United States is attempting to get its spending increases at the federal level down to 6 per cent. Would he at least tell us what significant insight he has that would indicate his 14 per cent is satisfactory, when clearly the Americans have seen the error of their ways and are going to get down to something that is looked upon as a more responsible, or to use the President's word, sensible level of 6 per cent?

Mr. MacEachen: Madam Speaker, the hon. member will realize that the projected rate of growth for government expenditures in Canada for 1981-82 is 12.8 per cent, and the projection is to reduce that rate of growth until it reaches 10 per cent in 1983-84.

I believe that is a responsible and gradualistic approach which I have defended frequently in this House. I believe that if this government projected a rate of increase of expenditures for 1981-82, the results would be extremely disruptive and harmful to large segments of the Canadian population, and that is why I have opted for a gradualist approach in reducing the rate of growth in expenditures, in reducing the deficit and fiscal requirements.

The alternative, it seems to me, is to undertake the kind of disruption that I would not recommend either to my colleagues or to the House of Commons, nor would I attempt to defend it before the Canadian people.

Some hon. Members: Hear, hear!

* * *

[Translation]

ENERGY**REQUEST FOR AGREEMENT WITH QUEBEC RESPECTING
CONVERSION OF THE USE OF ELECTRICITY**

Mr. Jean-Guy Dubois (Lotbinière): Madam Speaker, my question is for the Minister of Energy, Mines and Resources. In a document dated February 11 and entitled "Information, Corporation of Master Electricians of the Province of Que-

bec", mention is made of the proposed grants for converting to electricity, but there is a warning. It states that the practical application of the federal project should of course be compatible with the Quebec government energy policy. Besides that statement it is also reported that according to reliable sources the project will not be implemented before 1982. I would like to ask the minister if indeed that statement is true or, if not, whether he can say when the project will come on stream and what are the terms of the agreement with the Quebec government.

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I must reaffirm to the House and the Quebec public that the program has been in force since October 28 last and that all conversions to natural gas will be eligible for the \$800 grant announced in the budget. As for switching to electricity, I have had very recent discussions with my Quebec colleague and we expect to reach agreement in the coming days. Quebecers converting to electricity would also be eligible for a similar grant of at least \$800 under the agreement, provided that the people who make the switch isolate their homes and also keep their old system, oil heating for instance, so they may in time switch to gas should gas become available. Bearing in mind those two conditions, Quebec government officials told me they would accept conversions to electricity.

* * *

[English]

INTERNATIONAL JOINT COMMISSION**APPOINTMENTS TO FILL VACANCIES**

Mr. Terry Sargeant (Selkirk-Interlake): Madam Speaker, my question is to the Right Hon. Prime Minister. As he well knows, the International Joint Commission has served as a valuable tool for the maintenance of good Canada-U.S. relations in boundary water pollution problems. Indeed, it was the IJC that lent weight to Canada's opposition to the Garrison diversion during the 1970s. Did the Prime Minister learn from his discussions in the last couple of days when the President intends to appoint the three American representatives to the commission, and could he tell us when his government intends to fill the two Canadian vacancies on the Commission? I would remind him that the IJC cannot function until these positions are filled.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the hon. member is correct, the IJC cannot function until it can sit with four members, which means there has to be at least one member on the other side and three on the first side. The prerequisite is failing in the United States, and we still have some vacancies on the Canadian side, too. We did discuss this matter, and we both indicated our intention to fill these positions very soon.

Oral Questions

Mr. Sargeant: Madam Speaker, I would like to thank the Prime Minister for that answer. Could he tell me now if, in his discussion with the President, he received any new assurances concerning future Garrison diversion construction? And further, could he tell us if the President simply reiterated the stand of former President Carter, or whether President Reagan proposes any new initiatives in this matter?

Mr. Trudeau: Madam Speaker, I would repeat what the Secretary of State for External Affairs said in an earlier answer, that the President gave unequivocal assurances that none of the money now allotted to that diversion would be spent in any way which could affect waters flowing into Canada. That is what we requested, and that is the firm commitment we received.

* * *

• (1440)

THE ENVIRONMENT**GARRISON DIVERSION PROJECT—PROTECTION OF CANADIAN INTERESTS**

Mr. Jack Murta (Lisgar): Madam Speaker, my question is directed to the Secretary of State for External Affairs. It is in connection with the Garrison diversion. Since the minister indicated that further construction will not take place, presumably in the foreseeable future, until further negotiations take place between the two countries, can he indicate to the House what the government intends to do at the present time to ensure that Canada's interests in the Garrison question are protected?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, there was a United States note of December 1 which, I believe, is still considered operative by the new administration. Under that we are to have talks beginning later this month as to the details of Garrison. But I would correct the hon. member on one respect. The U.S. administration did not say that no works would take place, but that no works which would have any effect on Canada's interest would take place.

Mr. Murta: Madam Speaker, I suggest to the minister that that has been the position the American government has basically taken all along, that nothing will happen which will affect Canadian waters. Certainly from the point of view of Manitoba that kind of assurance is not good enough, because at some point the linkage will take place and water will flow north into the Manitoba water system.

I thought—and probably I will take this back—that there was some progress with the administration, but there does not seem to be any progress at the present time. Nevertheless, as we all know, Congress plays an important part in the general outcome of the decision. Is the minister now prepared to pick up on what the Prime Minister indicated last week, that he is ready to accept an all-party parliamentary delegation to Washington to lobby Congress on this very question, and to

impress upon members of Congress the importance of this entire question to Manitoba and to Canada?

Mr. MacGuigan: Madam Speaker, I have an open mind on that and will certainly be pleased to conduct investigations into whether it would be a useful step at the present time. It might be useful, first, to begin these detailed discussions with U.S. government officials which I believe will take place this month before we make a final decision on an approach to Congressmen. But at some point that may well be a useful step to take.

ACID RAIN—CHANGES IN UNITED STATES POLLUTION CONTROLS

Mr. Tom McMillan (Hillsborough): Madam Speaker, my question is directed to the Minister of State for Science and Technology and Minister of the Environment. As he will know, on the eve of President Reagan's visit to Ottawa this week the United States Environmental Protection Agency announced plans to weaken substantially pollution control standards for new and expanding industries in that country. Since such sweeping changes to the U.S. clean air act would drastically increase acid rain in Canada, will the minister indicate what steps the Government of Canada plans to take to oppose those changes?

Hon. John Roberts (Minister of State for Science and Technology and Minister of the Environment): Madam Speaker, in a continuing way we are making representations to the United States government in relation to that problem. I will be visiting Washington at the end of this month to continue those representations.

Mr. McMillan: Madam Speaker, my supplementary question is directed to the same minister. The Canada-United States memorandum of intent on acid rain signed last August committed both countries to enforce vigorously existing environmental regulations. Does the minister believe that the plan to weaken the U.S. clean air act signals to Canada that the new Reagan administration does not intend to honour the provisions of the memorandum of intent?

Mr. Roberts: No, Madam Speaker. In the discussions with American officials, and again today in this House as the President spoke to us, the desire of the United States to live by that memorandum was affirmed. We believe—and I was encouraged by his words—that the United States will maintain the progress we made with the previous administration toward an international accord on air quality standards. I have every reason to believe that the schedule which was laid out will be maintained.

NORTH-SOUTH RELATIONS

QUERY RESPECTING UNITED STATES GOVERNMENT
COMMITMENTS

Mr. Douglas Roche (Edmonton South): Madam Speaker, my question is directed to the Secretary of State for External Affairs. The North-South dialogue between the developed and developing nations is deadlocked and needs a political push at the highest level for a breakthrough. This could occur at the anticipated North-South summit in Mexico in June and at the scheduled economic summit in Ottawa in July. Did the government secure a commitment from the American government, during the visit of the past few days, that President Reagan will attend the Mexico North-South summit and that it agrees that the North-South issue will be foremost on the agenda in Ottawa?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, we did not seek commitments as such. We certainly raised all aspects of the North-South question with the United States. The American reaction, especially on participating in the Mexico summit, tends to be rather positive at this stage.

Mr. Clark: Tends to.

Mr. MacGuigan: It would not be appropriate for us to negotiate that with them. Their official will be in Mexico City tomorrow to carry on discussions with the Mexicans on that point. I suspect they will be giving this matter full consideration in the very near future.

Mr. Roche: Madam Speaker, the minister did not make any mention of the importance of this issue in the economic summit which will be held in Ottawa.

WORLD BANK ENERGY PROPOSAL

Mr. Douglas Roche (Edmonton South): In order to maintain our credentials in the advancement the North-South issue, it is imperative that the Canadian government establish a new policy. Since energy is a critical issue for developing countries, is Canada prepared to back the new energy affiliate proposed by the World Bank? Is consideration being given to locating the energy affiliate of the World Bank in Canada, particularly in the province of Alberta?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, we are one of the strongest supporters of the new energy affiliate, so I can assure the hon. member that we are doing everything we can in international discussions to advance the idea. Of course we would like nothing better than to provide Canada as a home for that institution if it gets off the ground. It is somewhat premature at the moment, when there is not widespread commitment to it, to discuss where it will be or what form it will take.

Oral Questions
PIPELINES

ALASKA GAS PIPELINE—UNITED STATES FINANCING

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, my question is directed to the Secretary of State for External Affairs. It follows an answer he gave to the hon. member for Oshawa. I should like to read one line from President Carter's approval of the Alaska pipeline in 1977. He wrote:

The aforesaid producers of Alaska gas may not be equity members of the sponsoring consortium, have any voting power in the project, have any role in the management or operations of the project, have any continuing financial obligation in relation to debt guarantees associated with the project.

Unless this directive is changed, there cannot be any private financing. Would the minister indicate to the House whether he asked President Reagan if he is prepared to change this provision and, if so, when will it happen?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, we did not discuss any documents of that kind with the President of the United States. Indeed, the hon. member, who was well taught in law school several years ago, is as capable of interpreting that document as anyone else.

Some hon. Members: Oh, oh!

Mr. MacGuigan: The discussion in this area was of a more general nature, but we were very heartened by the assurances we received.

Mr. Waddell: Madam Speaker, I was not well taught; the minister was my professor.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Lawrence: The blind leading the blind.

Mr. Nielsen: That explains a lot.

* * *

NATIONAL ENERGY PROGRAM

QUERY RESPECTING UNITED STATES REACTION

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, my supplementary question is directed to another professor, the Minister of Energy, Mines and Resources. On Friday the United States government withdrew a memorandum protesting our energy policies. In his speech this morning, the President eliminated a section of his text dealing with energy. In light of those two puzzling moves, would the minister of energy tell us whether President Reagan or any of his officials expressed reservations about Canadian energy policies and if so, would he tell us what were those reservations?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I noted no expression of reservation at the meetings I attended. Nonetheless, we agreed that in

Oral Questions

matters of mutual interest, including energy, we would carry on our conversations at the official level. Those conversations have been going on for quite a while. They will continue, but I have not noticed any expression of reservation.

* * *

• (1450)

SCIENCE AND TECHNOLOGY**CANADIAN REPRESENTATION AT INTERNATIONAL CONFERENCE**

Hon. Ron Huntington (Capilano): Madam Speaker, my question is for the Minister of State for Science and Technology and Minister of the Environment. It concerns the five-year cyclical meeting to be held in Paris this month by ministers responsible for science and technology in member countries of the Organization for Economic Co-operation and Development. Can the minister explain to the House why it is that Canada's Minister of State for Science and Technology is not planning to attend this conference, particularly since the theme of the conference this year links science and technology to industrial strategy?

Hon. John Roberts (Minister of State for Science and Technology and Minister of the Environment): Madam Speaker, I would very much like to attend the conference. Unfortunately, there is a meeting of the executive committee of the Council of Environment Ministers, of which I am the chairman, being held at the same time in Regina. Therefore I must be at that particular place. My colleague, the Minister of Communications, will be representing the Canadian government at that important conference in Paris.

Mr. Huntington: Madam Speaker, since it is my understanding that communications is not to be a high priority issue at that conference, and in light of the fact that the conference is cyclical and held only once every five years, is the minister saying that his priorities are mixed because the government is not placing a high emphasis on this important area to Canada and Canadian industry? Will the minister advise the House if he will extend an invitation for observer status to a member of the official opposition?

Mr. Roberts: Madam Speaker, I do not agree with the assumptions in the hon. member's question. There will be many representatives from Canada there, including the chairman of the National Research Council, representatives of the National Science and Engineering Research Council and representatives of the Ministry of State for Science and Technology. We will be ably represented, not only at the official level but, as I indicated earlier, by the Minister of Communications.

The involvement of the Ministry of Communications on the scientific side is quite extensive. There is no doubt on my part that this is an important meeting and that we will be ably represented.

EXTERNAL AFFAIRS**CANADA-UNITED STATES RELATIONS—RATIFICATION OF TREATIES BY U.S. SENATE**

Hon. Allan Lawrence (Durham-Northumberland): Madam Speaker, the Prime Minister, President Reagan, and a few others witnessed this morning the signing of two treaties by the Secretary of State for External Affairs and Secretary Haig, on behalf of the United States. My question is for the Secretary of State for External Affairs. Does the minister have any commitment that the U.S. Senate will ratify either one or both of those treaties?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, I think that even if the United States administration were to offer a commitment at this point that the Senate would do something, we would treat that with a certain degree of scepticism. Obviously, we could not have an assurance of that kind. All we have are assurances that the administration will do its best to secure that agreement.

With respect to the boundaries treaty, there have been soundings in the Senate which have indicated approval of that by the senators.

CANADIAN POLICY IN FUTURE NEGOTIATIONS

Hon. Allan Lawrence (Durham-Northumberland): Madam Speaker, my supplementary question relates to a story which appeared in a number of Canadian papers dated February 5, out of New York by Associated Press. In that story the Secretary of State for External Affairs is quoted as indicating that in future negotiations with the United States on any treaties, Canada would first demand that the U.S. Senate adopt a resolution committing itself to ratification of the treaties. Is the minister now swallowing those words, or is he disputing the quotation? Or is the minister changing his policy? Just what is he doing?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, I apologize if I misunderstood the hon. gentleman in the first instance. I guess I did not hear the first part of his question. I take it he was referring to the two treaties which were signed this morning. If that is his concern, our policy did not take effect for those treaties because they were already through the process at that stage.

Some hon. Members: Oh, oh!

Mr. MacGuigan: I want to tell the hon. member, and other hon. members, that with respect to the prospective west coast fisheries treaty concerning tuna, we are seeking and requiring exactly that kind of assurance from the U.S. Senate.

FISHERIES

UNITED STATES POSITION WITH RESPECT TO EAST COAST
SCALLOP FISHERIES MANAGEMENT

Mr. Ted Miller (Nanaimo-Alberni): Madam Speaker, my question is for the Minister of Fisheries and Oceans. On Monday the minister assured the House that he would ask the Secretary of Commerce if he would be prepared to intervene, as he is permitted to do under American law, and put some pressure on the regional councils to restrict the increasing scallop fishery on the east coast. Did the minister raise that issue? Does he have some assurances—not the assurances that the Secretary of State for External Affairs gave us earlier in the day—and some firm commitment from the Secretary of Commerce that there will be a restriction on the scallop fishery to protect those stocks?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): In my conversations with Secretary Baldrige I made it clear that, independently of what had happened in relation to the fisheries treaty, the fact remains that the stocks which could be subject to arbitration are stocks which are not independently and fully in the interests of the United States or fully in the interests of Canada either. For that reason they cannot be considered to be national stocks.

I made the point that the requirements of conservation were overriding in this situation. I asked the Secretary to make sure that the management plan, which was discussed in the President's letter to Senator Percy, I believe it was, be put into effect. The Secretary undertook to have consultations with his own officials and with the regional councils and that our officials and his would be speaking in the days to come. I hope that we are able to effect a conservation plan which has nothing to do with, or is quite independent of, the other issues in this situation.

Mr. Miller: Madam Speaker, I do not think that we can really assure the Nova Scotian fishermen that there are really any guarantees that there will not be a continuing escalation of the fishing effort there.

NEGOTIATION OF WEST COAST TREATY

Mr. Ted Miller (Nanaimo-Alberni): I would now like to ask the minister a question with respect to the west coast. I am not attempting to link one to the other, in terms of negotiations, but I think there is a linkage in terms of the attitude of the U.S. toward both the east coast and the west coast fisheries.

In view of the fact that many of the negotiating teams under the Carter Administration have been dismissed by President Reagan, did the minister raise the issue of the west coast treaty? Dr. Lee Alverson, who is well respected and largely responsible for the progress with respect to that treaty, will be retained as the American negotiator? Did the minister receive assurances that, indeed, those negotiations will lead to a fair and equitable treaty for the Canadian fishermen as well as the American fishermen?

Oral Questions

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Madam Speaker, the issue of Dr. Alverson's mandate was not discussed.

* * *

EXTERNAL AFFAIRS

POLICY RESPECTING SIGNING OF TREATIES WITH UNITED
STATES

Hon. Erik Nielsen (Yukon): Madam Speaker, if I heard the Secretary of State for External Affairs correctly in response to the questions put by the hon. member for Durham-Northumberland, he just made a rather significant statement on policy. In response to the questions put by my colleague with respect to the process to be followed in treaty ratifications, the minister said that in that instance, if it were a new treaty, a guarantee that the U.S. Senate would approve it would be sought beforehand. That was the specific nature of the question and answer. If I heard the minister correctly, my understanding is that the policy of the government now when it enters into treaties of a general nature which require Senate approval, is that it will be requiring specific Senate approval before a treaty is signed. Would that be a correct interpretation of the policy of the government?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, I do not intend to go so far today as to announce a new policy for all treaties with the United States. Certainly, our disposition at this point is that in a case where there is a question, because of the nature of the negotiations, that there might not be subsequent ratification by the Senate, to seek some kind of assurance from the senators in advance either in the form of a resolution, in the form of letters or in the form of direct assurances which are funnelled through the Secretary of State, to seek assurances from the U.S. Senate before the treaty is signed that it will be ratified by the Senate.

Mr. Nielsen: Madam Speaker, that is a very interesting response. The minister uses the term "assurances" and previously he used the term "guarantee".

Where such treaties with countries other than the United States require some form of ratification by legislatures in those other countries, will it be the intention of this government to follow the same kind of policy as it intends to follow with the United States?

Mr. MacGuigan: Madam Speaker, there certainly is no problem of this kind with any other country, and we have no plans to apply such a test to other countries. Our problem is peculiarly with the Senate and, in particular, the foreign relations committee of the United States Senate.

Order Paper Questions

● (1500)

ROUTINE PROCEEDINGS

[English]

PETITIONS

MR. FLIS—PATRIATION OF THE CONSTITUTION

Madam Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the Table the forty-second report of the Clerk of Petitions stating that he has examined the petition presented by the hon. member for Parkdale-High Park (Mr. Flis) and finds that it meets the requirements of the Standing Orders as to form.

* * *

NORTH AMERICAN AIR DEFENCE COMMAND

TABLING OF EXCHANGE OF NOTES BETWEEN CANADA AND UNITED STATES RESPECTING AEROSPACE AGREEMENT

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, in accordance with the provisions of Standing Order 41(2), I wish to table in both official languages an exchange of notes between Canada and the United States constituting an agreement between our two governments to renew the North American Aerospace Defence Command NORAD agreement for a further five years. These notes were signed in Ottawa this morning by the Minister of National Defence (Mr. Lamontagne), myself and Secretary of State Haig.

Some hon. Members: Hear, hear!

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, I wish to draw the attention of the House to the fact that the series of questions which will be answered today are questions put by the hon. member for Leeds-Grenville (Mr. Cossitt) and deal with the so-called Taschereau papers. The numbers are as follows: 29, 49, 50, 161, 163 and 1,498.

[Text]

TASCHEREAU PAPERS

Question No. 29—Mr. Cossitt:

1. What was the highest authority, including his or her job designation, who made the decision or participated therein, that Mr. Michael Pitfield should be ordered to return the Taschereau Papers to the Public Archives with instructions that availability to the public be delayed until 1986?

2. What are the names and job designations of all persons who examined the Taschereau Papers during the period of time they were in the Privy Council Office until they were returned in February 1978?

3. What are the names of all the members of the security committee of the cabinet and which ones participated in any way, directly or indirectly, with the decision in regard to the Taschereau Papers?

4. Will the government review whether or not the Taschereau Papers will be made public at an earlier date and, if not, for what reason?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): 1. The Clerk of the Privy Council and Secretary to the Cabinet, within the terms of his office and after due consultation and reflection, ordered the return of the Taschereau Papers to the Public Archives with instructions that availability to the public be delayed until 1986.

2. Mr. P. A. Lemieux, Senior Secretariat Officer (Security Policy).

3. Not applicable; refer to 1. above.

4. Yes.

Question No. 49—Mr. Cossitt:

Were there any individuals mentioned in the Taschereau file on National Security that were then or thereafter or at any time since, cabinet ministers and, if so, what are their names and in what connection were they mentioned?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): It would be improper to attempt to answer this question until a review of the transcript of the in camera hearings is concluded and a recommendation is made and agreed to by the government to make it public.

Question No. 50—Mr. Cossitt:

1. How many persons named in the Taschereau Papers on National Security were not prosecuted and who were they and what was the reason?

2. In consequence of the revelations made by Mr. Igor Gouzenko (a) how many individuals were prosecuted (b) who were they and what were the charges (c) what was the result in each case (d) to the knowledge of the government, where are these people now?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): 1. Refer to reply to question No. 49 answered today.

2. (a), (b) and (c) Submitted is a copy of a notice which appears in the Gouzenko Commission record and lists those who were prosecuted, convicted, dismissed or had become fugitives.

(d) Whereabouts unknown.

Notice

The following is a list of those persons against whom charges arising out of this report have been laid and a statement showing the status of the proceedings taken as of December 31, 1946:—

Emma Woikin

Found guilty on the 12th day of April 1946, of offences under the Official Secrets Act and sentenced to two years and six months imprisonment.

Kathleen Mary Willsher

Found guilty on the 3rd day of May 1946, of an offence under the Official Secrets Act and sentenced to three years imprisonment.

PROCÉDÉ **Flasidex**® PROCESS
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JOINT PRESS CONFERENCE HELD BY THE SECRETARY OF STATE
FOR EXTERNAL AFFAIRS, MARK MACGUIGAN AND SECRETARY
OF STATE, USA, GENERAL ALEXANDER HAIGG, MARCH 11, 1981 IN
OTTAWA

CONFERENCE DE PRESSE DONNEE PAR LE SECRETAIRE D'ETAT
AUX AFFAIRES EXTERIEURES, MARK MACGUIGAN ET LE SECRETAIRE
D'ETAT AMERICAIN LE GENERAL ALEXANDER HAIGG, LE 11
MARS 1981 à OTTAWA.

Q. I would like to clear up confusion about what Canada has said or has not said about El Salvador. I was wondering if the two ministers could clear it up for me. On one side, we have a version that Canada did not raise its objections to US military aid and military aid of other countries to El Salvador, and on the other side we have that Canada did raise this question. So, my question is: Did Canada raise it? Secondly, to Secretary Haig, after that is cleared up, is this going to influence the US to halt further military aid to El Salvador's military junta?

Mr. McGUIGAN: Perhaps I could begin by saying a word. I think that any confusion results from people reporting on different meetings. In fact, Canada did state our position of opposition to the supply of arms to El Salvador, but we found a lot of common ground with respect to El Salvador on the subject of a political solution. We both agreed that the solution is not a military one, but a political one. That was actually the focal point of our

discussion on that subject.

Q. Could I have a response to the second one?

Mr. HAIG: It wouldn't be appropriate for me to say anything beyond that, because that represents the general flavour. There were expressions of concern about arms shipments from any side, but there was also a recognition that imbalances have developed. I think it is clear that the US side is conscious of concerns here in Canada, and these are not too different from our own concerns. The basic problem is two-fold on El Salvador, and this was clear in the discussions.

The first is the unacceptability of Marxist-Leninist intrusions in the hemisphere sponsored and led by Cuba with the support of the Soviet Union, and that is unacceptable. Secondly, that our objective in El Salvador is a rejection of the extremes of the right or the left, the need to assist where we can in the political evolution and development toward pluralism while rejecting these extremes. I think that is a very strong common purpose and objective between the two governments.

Q. My question, Mr. Haig, and also Mr. McGuigan, when you are talking about a "moderate solution", are both governments talking about the same thing?

Do you mean continued support of the Duarte government?

Mr. HAIG: I will presume to answer, because I think what we are talking about is, yes, we consider that the Duarte government is now the best hope, and has been for this pluralistic process, which we hope will proceed with early elections in El Salvador so that the people of El Salvador, through the traditional expression of self-determination, can decide their own futures, free of external meddling and interventionism. We are talking about proceeding from a current base into an election. I think that coincides with President Duarte's own objective, as recently reiterated this past weekend.

Mr. McGUIGAN: If I may quote from my own speech in the House of Commons on Monday, I said -- if I can remember the exact words -- that the existing government is probably the most feasible channel through which the people of El Salvador can realize democracy. And we are most heartened by the fact that that government has recently committed itself to free elections in 1982 which, I might remark, is two years earlier than Nicaragua is prepared to promise free elections for.

Q. My question is for General Haig.

Sir, the week before the American delegation arrived, the U.S. government made a number of moves that

were puzzling to those of us here in Ottawa. Though I recognize that one of the questions of American diplomacy is the balance between the olive branch in the one claw and the lightning rod and the other, however, is American strategy toward Canada is to talk rather tough and then, in fact, in the hope that it will soften us up or what were the purposes in all those moves?

MR. HAIG: Well, I think this is a question of atmospherics and perception.

First, and I think our two Heads of State and Government outlined very clearly, what was the purpose of this visit. First and foremost, to demonstrate, a demonstration by the United States, if you will, of the seriousness and the priority with which it views U.S. and American relationship.

This was, after all, the President's first trip, and we are only a few weeks in office, and there have been a number of ongoing dialogues, some extending as many as sixteen to seventeen years on these vexing interests... issues. Those dialogues take place at staff level continuously, and this is precisely the way we want it. They were not designed to be characterized by the kind of value judgments you suggested, either olive branches or switches or whatever. They are not always caresses.

I think these meetings that we had here have a second objective as well, and that was to establish a

rapport between our respective leaders and understanding and a compatibility of personal demeanor and thought. And, in that sense, I do not know how we could have expected or anticipated a more successful outcome.

Now, another aspect of these meetings, and when Prime Minister Trudeau mentioned the extensive subjects that have been covered in just one day, a little bit this morning between the Foreign minister and myself, it underlines the importance of the kind of preparatory work that preceded this visit, and that was work done here in Canada between our embassies here, our embassies in Washington, work of the State Department, Department of Commerce, Treasury, the National Security Council staff, and a trip of this kind early on with a history of so many bilateral and multilateral issues is no mean task, and I must say I am extremely pleased, indeed I am more than pleased, I am proud of the work that was done to bring about this very, very successful outcome, and I do not accept the thesis of alternate currents designed to achieve a steadier flow of electricity.

Q. I would like to go back to the question of my Canadian colleague in the beginning, and I do not think you answered it and I would like to broaden it a little bit.

He asked you specifically if your discussions with the Canadians had persuaded you that the

United States should cut off further military aid or an increase of military aid to El Salvador. I would like to broaden that, I would like to hear your answer to that and then broaden it to ask you if there are any U.S. policies that you can tell us will change as a result of this visit on any bilateral or international issues.

MR. HAIG: Oh, indeed, yes.

First, with respect to the continuing need to support the government of El Salvador to attempt to rectify the military imbalances that have been the consequence of the massive influx of Cuban and Soviet and Eastern European supply of armaments, yes, that is going to continue at a modest level and I think by any measure of criteria what has been done thus far is extremely modest, and I do not anticipate of going much beyond that.

The government of El Salvador in this past week has stated that it is not interested in American participation in any of the conflicts and we have no intention in any way of getting involved, and I think they are even concerned about too much multilateral involvement from the countries in the region. So, yes, and I do not think there was any attempt at this meeting to affect or change American policy. I think our Canadian friends wanted to be sure and we welcome them, we wanted to verify the concerns that they have, and they were

especially in the area of ensuring a political rather than a military solution, which we all seek.

Now, with respect to what has happened, well, a number of things. I think we heard some discussion from our Heads of State and Government about the possibility of trilateral discussions here in the hemisphere. I think such a thing offers great promise and I think both sides are interested. It sprung from some earlier positions that President Reagan has taken in the past and the Prime minister moved rapidly to constructively advance.

We had discussions, for example, on the North-South Summit pending in Mexico City and I think we can move that a notch forward by suggesting that there was interest expressed by the British, the French, the German foreign ministers in their discussions with me and here by Foreign minister Mark MacGuigan and between the two leaders as well, and we are going to be in discussions with the Mexicans this week with respect to the possibility of American participation in that North-South Mini-Summit.

We have put in place a number of substantive frameworks to permit us, as a result of the meeting of our leaders at the Cabinet and the staff level, to proceed to achieve progress, and that really is what the purpose of this meeting was all about.

We have got the lines of communication open to a new administration in Washington and those lines are vibrant with good will and confidence and a sense of dedication to solving problems, not creating them.

Perhaps you have some other...

MR. MacGUIGAN: I would only add to Secretary Haig that the commitments that we have received on matters such as the environment, defense sharing and the natural gas pipeline have all been the first commitments of these kinds that we have received from this administration. So, this meeting was at least the scene of those assurances and we are very pleased to have received them.

Q. Again on El Salvador.

Mr. MacGuigan, you have expressed your opposition to U.S. shipments of arms to El Salvador. At other times, you and the Prime minister have expressed your opposition to, you have said that the shipment of arms by either side should be condemned.

I would like to ask Mr. MacGuigan whether the Canadian government feels that U.S. shipments of arms to El Salvador should be cut off regardless of what the Communist side does, and also, I would like to ask General Haig whether he is satisfied with the Canadian position on this.

MR. HAIG: You are doing your best to get

a row started, aren't you?

MR. MacGUIGAN: Yes. I thought we had beaten the subject to death already.

But our position which we have enunciated both publicly and privately is that we are opposed to all arm shipments to El Salvador.

What we explored with the American officials and President Reagan during this visit was particularly the intent of the United States and how the United States ~~and how~~ the United States saw events unfolding in that country, and we found that in that respect, there was no difference between the positions of our two governments and, indeed, that there was no emphasis in American thought and planning on a military solution.

So, the arms flow which is occurring, which they apparently intend to balance out the arms that have already been received by the rebels from outside, that this is not the harbinger of a massive U.S. military involvement in El Salvador.

I thought that went without saying but I think it is important that it be said, if it is not understood, that this was an explanation which was most welcome to us and which, I think, helps to put the situation in considerable perspective.

Q. On the question of President Brezhnev's call for a summit meeting, one, did the Canadian government

receive a letter from President Brezhnev? Is it similar to the letter that the President received on March 6th? What is the Canadian view on a meeting between the President and President Brezhnev, an early meeting?

MR. MacGUIGAN: I have to make an admission. The letter has arrived so recently that I have not yet read it. It has arrived, I think, some time yesterday and I have been so busy with our visiting friends that I have not yet read the letter. I can only assume that it is very similar to the one which the Americans received.

Our position is in favour of a summit at the appropriate time but we are happy to let the American administration judge what is the appropriate time.

I think that there are a lot of things to be resolved before a summit takes place and certainly the situation in Poland is one of those. I think that it would not serve the cause of world peace to rush into a summit in which there was an unstated or unsettled situation with respect to Poland that might explode after a summit should take place. So, it is only ^{the part of} common sense, it seems to me, that there should be a planned build-up to any such meeting, and a part of the build-up should include a clarification of Soviet intentions with respect to Poland.

Q. Mr. Secretary, while we have got you here in Ottawa, what was contained in the letter that President Brezhnev sent to President Reagan?

MR. HAIG: Well, let me just give you a broad observation on it.

It did not contain any substantial departures in any way from the speech that Mr. Brezhnev gave to the Party Congress. It was very closely aligned to that and it is my understanding thus far, we remain to complete our consultations with other recipients that that is in general their observations as well in Western Europe, those who have had an opportunity to assess these letters.

Q. Can you comment on the Summit, Mr. Secretary?

MR. HAIG: Yes. I think again that the Foreign minister's observations parallel our own. We have stated and President Reagan has reiterated repeatedly that he does not seek summitry for summitry's sake but rather to bring a process of international stability and a search for world peace forward, and that this requires careful preparation so that we know when we are going to come out before such meeting as much like this recent visit here yesterday and today. If they are prepared well, they come out well. If one expects miracles a sudden head of state or head of government

confrontation across the table, they are going to be sadly disappointed. We have had some of those in past history and I won't label them but...

Q. But you do agree specifically there should be no Summit while a threat hangs over Poland?

MR. HAIG: Well, I would like to broaden that, that summitry observation, to suggest that there are a number, from the United States' point of view, a number of Soviet activities worldwide to give us pause that we feel have to be talked about at lower levels and that some meeting of the minds has to be arrived at, and that is in the area of the general level of Soviet international conduct in recent months and years, illegal interventions in the Third World, the problems in Afghanistan, potential difficulties in Poland. All of these are factors.

Q. Secretary Haig, on the subject of Canada's national energy policy, a letter was sent by a subordinate official of the State Department, the U.S. State Department to Canadian officials on the subject of the national energy policy.

MR. HAIG: I heard about that.

Q. Could you tell us, Mr. Secretary, what the contents of that letter were, if, in fact, it reflects the administration's view of Canada's energy

policy and if, in fact, a similar letter will be written to the Canadian government again once you people have returned to Washington?

MR. HAIG: You obviously know more about it than I do and that is my handicap. I heard about this letter yesterday. It was a letter that flowed out of the continuing give and take at lower levels in our respective departments and it did not represent the opinion of myself or, I think, the administration. It was mostly an atmospheric and tonal problem.

I think both of our leaders have commented at length about the issue of the national energy programme and I am not going to add any more fuel to that fire because we are going to proceed in a way that it is not going to be a fire and we are going to establish a framework for continuous dialogue between the United States and Canada, and that was one of the things we discussed this morning and it is in train.

I do not want to suggest to you that every piece of paper that comes from south of the border necessarily represents -- hopefully, we are going to get it as close to that as we can but...

Q. The fact that this letter was withdrawn by the State Department, that indicates a change in

plans, a change in policy, a change in attitude toward the Canadian people?

MR. HAIG: Well, it suggests that it was not something that took full cognizance of the dialogue that has taken place here and of the preparatory steps that preceded our visit here.

Q. There will be no similar letter then sent to Ottawa.

MR. HAIG: Oh, I do not anticipate one.

Q. Minister MacGuigan, when you were last in Washington after your meeting with Secretary Haig, you expressed disappointment at the Secretary's position on the Automobile Pact.

If that disappointment has changed, what have the Americans done to change it?

MR. MacGUIGAN: Well, that was, as you may recall, the one point the last time on which I said that the U.S. position had been less than satisfactory but it would not be quite right to call Secretary Haig's position has been the traditional position of the United States in all the dialogues on the Automobile Pact where they favour free trade between the two countries without limitations, that they interpret the Auto Pact that way. We interpret the Auto Pact as requiring free trade on certain conditions which protect our minority position.

So, each of us was reiterating our

country's traditional positions and it is in that context that we had our last dialogue. We were not, in our discussions this time, that specific but Secretary Baldrige and Mr. Gray were meeting on that subject among others this morning, they had quite a full discussion of the Automotive Pact.

I must say I have the impression that the U.S. administration, perhaps rightly, is at the moment so concerned about the overall problem in the automotive industry, the lack of sales and the competition from abroad, that they are not quite ready yet to look at the Auto Pact with us in a detailed way and they have to get hold of the whole area, and they are in the process of doing that.

MR. HAIG: I think that is right and when this discussion came up yesterday, President Reagan recalled a little vignette that he experienced some time ago when he was riding down one of our highways and the car in front of him had a bumper sticker that said "Buy America", which impressed him, but, as he checked the automobile, he found it was a Toyota.

Q. Secretary Haig, could you tell us specifically what commitment your government has given Canada on the building of the Northern Natural Gas Pipeline, keeping in mind the fact that it was the difficulty of

developing private financing for this pipeline that gave rise to the need for government guarantees?

MR. HAIG: Well, I... Where is the questioner, I am sorry.

Q. Right here.

MR. HAIG: I am sorry. About government guarantees? I don't know the term.

Q. I am asking what commitment your government made to Canada about the building of the Northern Natural Gas Pipeline, keeping in mind the fact that it was the difficulty of developing private financing for this line that gave rise to the need for government guarantees to begin with?

MR. HAIG: I think the President addressed that issue in his speech in the Parliament this morning.

What we reiterated was the American assurance that we are going to seek as soon as possible the completion of the U.S. segment of this through private financing, and that is a reassurance and a restatement of our earlier assurances in this area.

Q. Do you assume that private financing will be available?

MR. HAIG: Well...

Q. And if not, what will you do?

MR. HAIG: Well, that is a question to be faced. It is not one that I am going to break new

grounds on. We are going to do all within our power to see that it is available.

Q. But you cannot be specific about what you might do?

MR. HAIG: Well, no, I do not think so at this juncture. I think it would be premature to be.

Q. May I ask you, please, regarding the intentions by the United States to reduce its spending in many areas including environmental control what prospect is there that the problems that the Canadians have on such things as cleaning up the lakes or stopping the pollution from coal burning would find more than an otherwise normal proportion of the available, limited available money, available, indeed, to be used for some of their projects?

MR. HAIG: Well, you do not have the expert on that subject because I have been anguishing over my own reductions in the Department of State in foreign aid and other areas to be sure that we are going to be able to maintain our interests and meet our commitments, but in the preparatory work done here before this trip, it was very clear interdepartmentally that those responsible officials in the American administration feel that within the austerity that has been applied here, that they are going to be able to continue to do and achieve progress in this area because, after all, we are

as concerned about it. This is a common concern between Americans and Canadians. I am optimistic that we will be able to go.

You never satisfy any particular interest group. There just is not that much available for all, but I am very optimistic and I know we are going into it dedicated to the proposition we are going to succeed.

Q. Secretary Haig, I would like to know if the question of raising Canada's defense budget has been dealt with and if there has been any change in the defense production agreement.

MR. HAIG: No, there have been no changes in the defense production agreements, just a reiteration and a reassurance that we are going to continue with them in the mutual benefit of both countries.

Now, we have your distinguished Defense minister here and he is anticipating a visit from Secretary of Defense Weinberger, I think, in the very near future, and I do not want to pre-empt the outcome of those discussions other than underline that we have been, as the United States, an advocate for increased defense contributions not only by the United States first and foremost but also by our other NATO partners, and I think in that context I have had some recent experience and have been able to witness improvements in Canadian defense and plans for future improvements which are both welcome and, I hope, will continue.

Q. I would like to ask a quick follow-up to the pipeline question and I will address it to either side.

I am just wondering if there was any concern expressed that decontrol of natural gas in the United States might affect the viability of the gas that is going to come down through that pipeline.

MR. MacGUIGAN: At our discussions, the ones that the two of us were at, there was no such concern expressed, but since there were a number of side meetings going on, we could not really speak for those.

MR. HAIG: I think we must be drawing close to flight time.

MS. BRIGAIN: We have got one more question on each side.

MR. HAIG: All right.

MR. MacGUIGAN: Fine.

Q. Monsieur MacGuigan, est-ce qu'on pourrait avoir un peu plus de détails sur les ententes qui sont intervenues quant au traité des pêcheries? Vous avez dit que vous avez exprimé votre profond désappointement, mais est-ce que vous pouvez nous donner plus de détails? Où est-ce qu'on s'en va à compter de maintenant? Est-ce que vous reprenez les négociations et quelle est la suite des événements?

M. MacGUIGAN: Certainement. Le problème qui reste est le problème de la conservation.

Le gouvernement des Etats-Unis nous a assurés de leur intention de proposer un plan de conservation aux pêcheurs et de travailler très étroitement pour légiférer et établir un tel programme.

Q. Une supplémentaire.

Est-ce que vous pouvez affirmer qu'il n'y aura pas d'autre guerre du poisson comme c'est arrivé il y a deux ans, avant la signature du traité? Est-ce que vous pouvez affirmer qu'il n'y aura pas d'autres affrontements, comme en 1979 et 1978, avant la signature du traité?

M. MacGUIGAN: Je ne suis pas dans une position de donner des garanties mais la /du ^{décision} gouvernement des Etats-Unis nous a promis de ne pas arrêter nos bateaux et pour nous, c'est un accord d'importance parce que cela évite la possibilité d'une guerre des pêcheries.

Q. General Haig, just a clarification.

On the North-South summit conference in Mexico in July, there are approximately 20 governments to be there, including us and Canada, and you referred to this as a 'mini-summit'.

Did you mean to put it just that way?

MR. HAIG: Well, I guess it has been referred to that way in the family as people have discussed it. That does not mean to suggest it is necessarily

diminutive because of participation, but rather a mini-summit simply has become part of the jargon.

MR. MacGUIGAN: I can confirm that. That is the term which is very frequently used.

Q. Mr. MacGuigan, this is just... We are well aware of what Canada lost in advance of these set of talks in relation to the fisheries and so forth, and you and Mr. Trudeau have both cited strongly the pipeline, paraphrasing Mr. Reagan's speech in the Garrison and some other subjects like that. But I am not sure if I can see exactly what has changed, what we have actually gained here. For example, the key sentence says that we strongly favour prompt completion of this project based on private financing.

What is different between that and previous positions of the American government?

MR. MacGUIGAN: The difference is that, to the best of my knowledge, this is the first statement of any kind by the U.S. government about the gas pipeline. It is the first assurance that we have received and it is, therefore, a very important one.

That is also true with respect to environmental problems and defense sharing.

We are dealing with a new administration and even if this administration is merely affirming what

the previous administration committed itself to, that, in itself, is an important achievement, it is an important thing for us to hear because there is a much more radical change in the United States when there is a new administration than there is with changes of governments in Canada. Therefore, that is a very important development.

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STATEMENT TO THE PRESS BY PRIME MINISTER TRUDEAU

AT THE END OF THE VISIT OF

PRESIDENT RONALD WILSON REAGAN AND MRS. REAGAN,

MARCH 11, 1981

Ladies and gentlemen of the press, the point has been made many times that we are happy to have received President Reagan and his ministers and officials.

We want to report briefly this morning on the conversations and discussions which took place between us. I would merely preface them by saying that at the beginning of a new administration, we were surprised and delighted that so much ground could be covered in such a positive way.

There is no subject and no grievance, if I could use the word, which the United States was not prepared to discuss and indicate a will to settle.

We discussed yesterday morning mainly the area of international affairs, and we had a very wide-ranging 'tour d'horizon'. Nous avons parlé de l'Afghanistan, de la Pologne, du Proche-Orient. We talked a fair amount of the Caribbean and Central America, and on El Salvador in particular there was agreement, as I could sense it, that the solution there should be a political solution and that we would work in whatever way we could to ensure that the moderates were those who took over and not the extremists of the right or of the left.

We, as you know, reached an agreement on NORAD which will be signed imminently. We have reached an agreement on social security also; much of the work in these two areas had been done before we even sat down to talk because you realize, as we do, that every day of the week there are contacts between officials of both governments on a multitude of subjects, and what we concentrated on in our brief meetings was mainly in the area of disagreement or a need to clarify our respective positions. And I would say that on the two main areas of bilateral concern, we were very pleased with the ultimate response of the President of the United States.

It began, of course, with an expression of our deep disappointment at the fact that the fisheries treaty had been withdrawn from the United States from ratification because from the outset we had argued, when these discussions began several years ago, that linkage between the boundaries settlement on the fisheries was not only necessary but

it was obvious from the very nature of the two agreements. And we are disappointed at the delinkage, and that has been expressed very clearly to the United States. As I said in the House of Commons a few days ago, I think it is fair to put the best possible light on this and that is certainly in keeping with the attitude that the discussions assumed.

The fisheries treaty was bogged down for a couple of years in the Senate and we view the United States gesture withdrawing that treaty as an indication of the determination to solve the problem in other ways because we made it quite clear that the two problems have to be solved. It is not just a matter of having the Courts determine the boundaries, it is a matter of making sure that though there will be no fish war, we gave each other the assurance of that, and we will take measures to make sure it does not happen.

No one would benefit if the fish ultimately were fished out by the extraordinary capacities of the Canadian fishermen to go ahead and fish if they see that there are no limits and that the Americans are not respecting them. So, in this sense, we are very happy that the United States administration has undertaken to assure fish conservation measures in that area and we are hopeful that the problem will be settled in that way. Indeed, we are more than hopeful, we are confident that it will.

The other area, of course, of great concern to Canada was cross-boundary pollution either through acid rain, Great Lakes water pollution or the particular case of the Garrison diversion. On all these matters, I think it is fair to say that--as the President had occasion to repeat in the House of Commons a few moments ago--we have the assurances that the United States has the will and the determination to cooperate with us in preserving the environment for ourselves and for posterity.

We talked about the pipeline, the Northern Gas Pipeline, and you have heard the President of the United States give us the assurance that they were determined to see it to its successful completion and, therefore, to carry on the undertakings we had had from the previous administration.

We talked about many other bilateral subjects in the area of trade. We said that the Auto Pact discussions should be pursued and continued. In the area of mass transit transportation, the United States has agreed to consider ways in which agreement and the Buy-American provisions can be made to operate in a fair way to Canada.

We discussed other economic subjects, but I think it is important, in conclusion, to remind you that the impression that I got from our discussions with the American President and ministers was that we were doing this in the best possible of spirits and attitudes. We did not approach this as a zero sum game. We think that there can be beneficiaries on both sides in all these areas whether it be from the

environment or trade, we do not see these negotiations as terminating in a victory for one and some losses for the other. On the contrary. The spirit and reality of these discussions and, I am convinced, of the future of our relations with President Reagan and his administration will be that both sides can come out the gainers if we solve problems of the environment, problems of boundaries or of fisheries, problems of trade, problems of social security, and that both sides have it to their advantage to look at international problems in that same light too because we share the main objectives of liberty and justice.

I expressed, for my part, that there might be some future meetings between the President of the United States, the President of Mexico and the Prime Minister of Canada. If we could have such meetings to try and share common views of people who inhabit a world, particularly as we regard international developments. We will be meeting again, the President and I and the other summitters in July, and I think that we have shown, at least by our meeting in this past day and a half, that we intend to continue our consultations. I did make the point, and I think the President agreed, that our reaction to tensions in Poland, as different from our reaction to events in Afghanistan more than a year ago, showed that we had learned from the lesson of Afghanistan and that we understood that one of the most important things we could achieve, as like-minded countries, was to consult in order that we not react in disarray to crisis or possible tensions in other parts of the world but that we act, in fact, as we are in spirit, with unison and with dedication to the spirit of freedom.

That is about all I think that I have to say, Mr. President, and it is up to you now to try and satisfy those who were not satisfied by me!

STATEMENT TO THE PRESS BY PRESIDENT RONALD WILSON REAGAN

MARCH 11, 1981

Well, Mr. Prime Minister, I'm sure they are. You gave certainly a very thorough summing-up of the wonderful meetings we've held.

I would like first, however, to remark on the kind of welcome that I have received here. That welcome went beyond careful planning and beyond a sincere and warm reception by the Governor General and the Prime Minister. It was truly a welcome, a meeting between neighbour and neighbour. Our discussion showed that the United States and Canada stand together on many world issues. Understandably, on some issues, we see things differently. Each country has its own national interests and objectives. Each country brings to international issues a distinct point of view. But what has impressed me is the degree to which we are in agreement. And where we have differed that we have discussed our differences with the kind of openness and understanding that exists between neighbours.

We've discussed the major areas of instability in the world as the Prime Minister told you including Eastern Europe, the Middle East, Latin America. We considered carefully the Ottawa Summit which will be held here in July. That meeting will be a very useful opportunity to share views on relationships between the industrialized democracies and the Soviet Union on energy cooperation, not economic relations within the developing nations.

In addition to discussing these world issues, we carefully considered the bilateral U.S.-Canadian relationship.

We agreed wholeheartedly that consultation is vitally important to our close and cooperative relationship and we agreed to foster frank and informal consultation at all levels and at all times. Our bilateral discussions took us into the areas where our two nations are closest. We discussed matters affecting the environment, fisheries, as you've been told, energy, trade, and defense. In each of these areas we were, I believe, able to deal with the issue squarely in an atmosphere of frankness and understanding, and we did, yes, discuss the pipeline and the Canadian national energy program, took up the continuing problems the Prime Minister told you of the East Coast Boundary and Fisheries Treaties.

On the environment we addressed the garrison project and continued joint efforts to deal with both trans-boundary air pollution and the clean-up of the Great Lakes.

We agreed to continue consultations on the auto industry and on reciprocal opportunities for urban mass transit trade. We discussed our defense production sharing agreements. We've had, in short, a busy time. I look forward to continued contacts between us at the Prime Minister-President level, at the level of Cabinet officers and at all levels below. To sum it up, our meetings have been, as he said, "frank and constructive", and I intend to do all in my power to see that we continue to deal with each other in the same way in the years ahead, and I would like to close by expressing my thanks to Governor-General Schreyer, to Prime Minister Trudeau, and through them to the people of Canada for the warm welcome that I and my associates have received here this week. I can assure you we will not forget it. We will remember it with great warmth and pleasure.

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TRANSCRIPT OF THE PRIME MINISTER'S NEWS CONFERENCE AT THE
NATIONAL PRESS THEATRE, OTTAWA, MARCH 12, 1981

TRANSCRIPTION DE LA CONFERENCE DE PRESSE DU PREMIER MINISTRE
AU THEATRE NATIONAL DE LA PRESSE, A OTTAWA, LE 12 MARS 1981

DAVID HALTON (CBC-TV): Prime Minister, the President and General Haig seemed to be telling us yesterday that the U.S. will only back the Alaska Pipeline if it is entirely privately financed. Since U.S. industry seems to be turning rather luke warm about the cost and viability of the project, I am wondering if you are worried that the prospects for the pipeline are receding and that the American Government commitment is weakening.

A. I certainly wouldn't agree that it is weakening. This is the position the Americans have taken with us from the beginning -- that this pipeline should be privately financed. It has certainly been our position as regards Canada, and I understand that it was, and remains, their position as the United States.

Because, I guess we all know a bit about private enterprise. If they think they can get some money from the government, they are not going to put it up themselves. So, I think it is beneficial in the short and medium term that the United States have repeated their position from the beginning that it was to be privately financed, because any hint to the contrary or any hope to the contrary would only have the result of delaying all of this because then the private sector would be waiting for some public help, which is not certainly to our advantage that the thing be delayed.

MR. HALTON: A supplementary, sir. Did the Carter letter of last year not talk about the possibility of U.S. Government intervention to make that commitment -- a commitment that doesn't seem to have been apparent yesterday?

A. The only action by the U.S. Government that I can recall was to perhaps suggest to Congress that they facilitate an amendment -- I believe it is to the anti trust law -- to permit the producers to also finance the transmission, and to my understanding, this administration would take the same -- I am not of course speaking for them, but when General Haig said that they would facilitate in any way they could, by government action, the private financing, I understand him to mean the same thing as the Carter administration.

ROBERT DOUGLAS (Canadian Press): Prime Minister, last year, when you were meeting with President Lopez Portillo, you came out with an agreement that having a trilateral meeting with the Mexican and American leaders was not in the best interests of either of your countries, and this week, yesterday, you were saying that you proposed such an idea in discussions with President Reagan.

What has changed your mind?

A. I haven't changed my mind. I think there is perhaps a misunderstanding on what I proposed and what some people think ^{that} President Reagan was saying during his campaign. He was talking about what is known in Canada as continentalism, and we saw that as perhaps a dangerous policy as regards the management of our resources, and probably the Mexicans the same thing. And certainly when I met President Portillo last spring,

it was in this context that, to the then merely candidate Reagan, we made it clear that he shouldn't think in those terms.

But insofar as meetings between the three leaders, it is something which I believe is good and which I was very happy to promote yesterday -- not for the first time. Or maybe the day before yesterday. But, I mean, it is something that I have been saying for quite a while now. The European heads of government meet periodically, sometimes just to shoot the breeze, because they feel it important that they know each other in terms of, you know, why do you say that and where did you get this, and what are your reactions to the next? And that on this continent the American President, the Mexican President and the Canadian Prime Minister, whoever he is, get together (a) to know each other better and perhaps de-escalate some of the suspicions and hostilities in every direction, and (b) to see if we can develop some common philosophy as regards at least areas close to us, like the Caribbean, Central America, South America, I think it is all to the good.

ROBERT DOUGLAS: As a supplementary, would you rule out any discussion of resources and energy in such a trilateral meeting?

A. If I didn't, I am sure the Mexicans would. But I think we made clear -- last May, was it? -- when the Mexican President and I issued that statement that we wouldn't be meeting for that purpose. We not only wouldn't be meeting, but we didn't want the Americans to think that this could be approached in that way. But the other, once again, is so obvious from the

various summits and meetings and I say, the Europeans exemplify that by their frequent meetings. We do that in the Commonwealth. And for Heaven's sakes, if some 35 to 40 nations from remote parts of the Pacific and Africa and elsewhere find it important to get together from time to time, I think it is high time that the three political leaders of the three countries of this North American continent consider doing the same thing. So, I think that is a superb idea, particularly because it's mine.

MICHEL GALAN, Agence France Presse: Q. Monsieur le Premier ministre, les officiels canadiens insistent sur l'excellent rapport que vous avez développé avec le Président Reagan mais, d'autre part, alors que, par exemple, vous improvisiez votre compte-rendu des rencontres hier, le Président lisait tardivement un compte-rendu qui avait sans doute été préparé par son équipe.

Expliquez-moi l'utilité d'un excellent rapport personnel avec quelqu'un qui ne semble être que la façade d'une équipe avec laquelle vous n'entretenez pas le même rapport.

R. Avec une équipe avec laquelle vous n'entretenez pas le même rapport personnel.

R. Mon Dieu! il se peut bien que si vous me regardiez, à l'issue d'une rencontre il y a dix... douze ans, quand j'étais nouveau Premier ministre, peut-être que je lisais les documents préparés par mes fonctionnaires. L'important c'est qu'ils portent mon sceau et mon seing et qu'ils correspondent à mes idées. Je présume que c'était le cas pour le Président Reagan.

On a vu l'exemple dont on parlait tout à l'heure, d'un document émanant d'un

fonctionnaire, la semaine dernière, sur la question énergétique qui a été désavouée par le ministre Haig, c'est dire que les fonctionnaires ne dictent pas la politique à l'administration, mais heureusement que c'est le contraire.

Alors, je vois un peu cette attitude du Président dans ce contexte-là. Il savait, bien sûr, quels étaient les dossiers contentieux, ses fonctionnaires l'en avaient informé et lui avaient suggéré les réponses avec lesquelles il semblait d'accord. Alors, qu'il les lise ou qu'il les mémorise, comme c'était mon cas, ça prouve que j'ai peut-être une meilleure mémoire que lui!

GILBERT LAVOIE, La Presse:

Q. Monsieur le Premier ministre, vous avez passé les cinq dernières années à combattre ou, du moins, à faire face à un gouvernement, dans votre province d'origine, avec lequel vous ne vous êtes pas toujours bien entendu. Alors, vous allez être appelé aux urnes d'ici un mois, en tant que contribuable québécois pour voter sur le sort de ce gouvernement-là.

Est-ce que vous allez voter pour les politiques de ce gouvernement-là - on a prétendu que c'était un bon gouvernement - ou si vous allez voter à ce moment-là, pour la position constitutionnelle?

R. Question

un peu malicieuse!

Je pense qu'il n'est pas habituel dans notre pays de demander aux gens quels qu'ils soient, et certainement pas aux chefs de gouvernement, comment ils vont voter aux urnes.

La réponse la plus simple et probablement la plus exacte c'est que je compte voter libéral.

Q. Une autre question rapidement.

Les députés libéraux du Québec, est-ce qu'on leur a fait savoir qu'ils seraient malvenus de se mêler de cette élection-là ou s'ils ont carte blanche?

R. Je crois que monsieur Ryan a déclaré publiquement, il y a quelque temps, peut-être un mois ou deux, qu'il voulait faire ses élections sans l'aide de la députation fédérale. Ce serait parfaitement normal parce que vous savez, comme moi, quelle est l'arme la plus souvent utilisée par le Parti péquiste ou, par l'Union nationale dans le temps. C'était de dire que le parti provincial avait, comme grand frère, celui d'Ottawa. C'est une attaque qui n'a pas de fondement, comme tout le monde sait.

Alors, monsieur

Ryan a parfaitement raison de rendre cela évident.

Ca n'empêchera pas, dans des situations locales, un groupe de militants libéraux provinciaux qui, au fond, sont à peu près les mêmes qu'au fédéral, s'ils demandent de l'aide à un député fédéral et que celui-ci peut les aider par ses conseils ou ses avis, qu'il le fasse sûrement, mais parce qu'il y a une distinction nette dans les deux juridictions, je ne pense pas que le cas se présente où la députation fédérale puisse aider dans l'élaboration des programmes.

Que nous puissions aider dans l'établissement de bureaux politiques, je n'y vois pas d'inconvénients et je ne pense pas que monsieur Ryan exprimait son opposition à cela. C'est certainement à tous les niveaux des militants libéraux dans la province; s'ils veulent de l'aide, ils peuvent le demander, mais je pense que nous ferons attention, pour les raisons que monsieur Ryan a parfaitement bien comprises et exprimées, de rendre parfaitement claire, parfaitement évidente cette vérité que le Parti libéral provincial est fort indépendant du nôtre.

J. NEUBACHER (Detroit Free Press, Canadian Bureau):

Pardon me for not standing up, sir. In the week before Mr. Reagan's visit to Canada, there were a number of actions taken by the U.S. administration that aroused a lot of concern in Ottawa, in the House of Commons, and in the press. After talking to Mr. Reagan on Tuesday, is it your feeling that that was a conscious negotiating tactic by the American team, or a series of maybe insensitive coincidences?

A. I don't know. If it was the former, I would say they are pretty smart; and if it was the latter, I would say they are not very smart. But I am not quite sure which of the two it is.

I think it is an interesting question, and it can be examined. Certainly, there are some decisions which, quite frankly, if they were going to be unpopular with the Canadian government, it was better to get them out before coming, as in the case of delinkage with the Fisheries Agreement, than to come here and be all sweetness and light and then go home and two weeks later say, "We didn't mean it; we are going to now delink, which we know you don't like."

So, I think that was smart, if that is why they did it. But, you know, I cannot speculate with any more information than you can on whether it was intentional or not.

SUSAN HELWIG, (CBC Radio News): Mr. Prime Minister, Alexander Haig indicated yesterday that there were two areas in which the visit could be said to have influenced American policy. The first of these was the possibility of trilateral discussions and the second was the possible American participation

in the North-South Summit in Mexico. I am wondering, in your discussions, were these dealt with in tandem, and how did you attempt to influence the President on the question of his attending the North-South Summit?

A. Well, we did discuss the Mexican Summit at some length. The President -- one of the first things he told me was that he was planning to meet the President of Mexico in a month, a month and a half or something in Tijuana on the border, and therefore we discussed that summit.

I guess the President knew that I attached great importance to North-South questions, and he was making that point, and he made the point -- which I think now is public enough for me to repeat it -- that he would be very interested in attending that summit under certain conditions. So, we discussed -- I mean attending the North-South, the Cancun Summit. And since our own Minister was going to Vienna -- he left last night -- to attend meetings today and tomorrow, I went out of my way to argue for the importance of that meeting, and the President obviously went out of his way to indicate that he understood that and that is why he was indicating a positive disposition to attend in certain conditions.

Does that answer both the aspects of what Secretary Haig raised?

MS. HELWIG: I was really wondering whether they were discussed together and whether, in a sense, you were trying to persuade the President to take part in the North-South discussions, in return for which you would be more interested in trilateral discussions between Mexico, Canada and the United States.

A. Honestly not. There was certainly no

quid pro quo there. If you are talking about the trilateral meetings that I was answering about a moment ago, no. I was anxious to tell the President that I thought it was a good idea, and if this is what he meant or this could be some avenue which he would be interested in exploring in line with his interest in his neighbours that he expressed during the election and since, that was fine with me.

I don't want to claim any originality for it, but my recollection is that I probably raised that with the President of Mexico when I saw him last January. And quite honestly, I phoned him yesterday after the President had left to tell him what I had said, if for the only reason that I had mentioned it publicly at the press conference yesterday, at the statements yesterday. But there was no linkage in my mind, and I doubt whether there was any in the President's mind.

It is something that I think would be to our advantage as North Americans. Therefore, I don't consider it as paying a price when I say that I would be happy to do that.

DOUGLAS SMALL (Global TV): Back to the Quebec election for just a minute, sir, would you care to hazard a guess, either reasoned or emotional, on the outcome of the election, and what kind of support and advice are you prepared to give Ryan's Liberals in the campaign, if they ask you for it?

A. No, I am notoriously bad at predicting the result of elections. I naturally hope the Liberals would win. They haven't ^{been} announced yet, ^{I take it?} have they, / Until they announce it, I suppose I am not intervening in an election campaign, so I can

express my view that, to me, the Parti-Quebecois is a separatist party. And it, / ^{maybe} for tactical reasons, as it did on the referendum and the form of the question on the referendum, try to pretend that it is not, but I think some considerable number of years living in the Province of Quebec and acquaintance with many of the eminent leaders of the party make it obvious to me that the aim of that party is to take Quebec out of confederation, and I do not see why it should be rewarded at the polls by those who don't believe that Quebec should be taken out of ^{the} confederation.

As far as good government is concerned, I am every bit as convinced as Mr. Ryan is that he can provide better government than the Levesque-Pariseau team.

JOHN MACLEAN (Freelance): Prime Minister, my question has to do with the appointment of the next Justice of the Supreme Court. Since Mr. Justice Ronald Martland turned 74 a month ago, ~~is there~~ some speculation not only about whom you might appoint, but whether you might appoint a woman for the first time.

Do you have any views today on the desirability of that kind of appointment?

A. I do have views, because I remember before I made the last appointment I sought quite earnestly to get names of women who could -- and this was a Quebec appointment, and it is a province I know well -- who would be ready and qualified and able and willing to sit in the Supreme Court.

Some effort was made by Mr. Chretien, the Minister of Justice, and myself to find a positive answer to that. We failed. That is not saying we were right or that there weren't women who would have done it, but our judgement was

that we made the best possible appointment at the time. But any position for which I can find an equally qualified and willing female appointment, I would favour. That applies to the Supreme Court.

ANDREW SZENDE (Toronto Star): Prime Minister, during the discussions you had with President Reagan and Alexander Haig, you seemed to abandon all criticism of the American policy on El Salvador. I am ^{wondering} / what new information did they make available to you that persuaded you that their policy is now correct.

A. They didn't give me any information. I don't know if they gave any to Mr. MacGuigan. But whatever position I took, I find consistent with the position I had before the visit and which I had even in the House of Commons.

We told the Americans we think that the solution should be political, not military, and in that sense we condemn the supply of arms to the area. But I never said I only condemn supply from one side. On the contrary, I made it quite clear in the House of Commons that we were as concerned with the supply of arms that were coming to the insurgents as that to the government side. ^{And} / my position from the beginning in El Salvador, as it has been in Tehran and in every other area -- Poland, if you want -- is that we hope that the moderates will prevail -- and that means, ^{not} / in the case of El Salvador, ^{and} / not a Marxist party and not a Fascist party. And that has been our position and remains our position.

I am not sure to what extent the Americans believe it, but I think Mr. MacGuigan made it even more clear

now
than I have that Duarte/seems the best chance for a moderate solution. Whether that chance will be fulfilled, I don't know. I wouldn't like to be in his shoes.

I hope some day an election will be held in that country and that the people will decide. That is a difficult election to hold, but certainly that is the best solution, rather than outside intervention.

And that is the position we took on Poland that --
And
let the Poles settle the problem themselves. /if there had been a civil war there, I think it would have been disastrous for everybody, because both sides would have been sending in arms -- and the Poles probably sensed that. And my guess would be that the Salvadorian people would sense that, too. They would rather have no war and a peaceful political solution than the triumph of the military rightists at one end or the insurgent revolutionaries on the other.

MR. SZENDE: I wonder if there could be any relationship between our agreement with the American policy now and the withholding of any criticism of our National Energy Program by the Americans?

A. Honestly, on that I am not quite sure what the Americans expected of us, and I am not even sure if, in your sense, that we delivered if they expected something -- you say our agreement now with the Americans.

Maybe I would understand better if you could briefly elaborate in what sense you think my policies have changed as a result of the American visit.

MR. SZENDE: It seems to me, sir, that a week

or so ago, or ten days ago, you used the expression that it was an error for the Americans to send arms ---

A. No, no. I said it was a mistake to try ^{and} find a military solution -- and that didn't apply only to the Americans. I made it quite clear in my answer to Broadbent -- or was it Pauline Jewett, I forget -- that this applied to both sides. But, you know, that can be washing your hands of it. We know that arms are coming in from the other side. So what do you do about it? -- fall on your knees and pray that they will stop sending them, or do you try to express views, as I did, that there should be no outside intervention.

Quite frankly, if one side is going to send in arms, I can't get overly incensed that the other side is going to say, "Well, please help. Give us some arms, too."

Do you find that offensive?

MR. SZENDE: The only point that the Americans seemed to be making before they got here was an interview that Mr. Allan gave just before they got here -- was that once they made their information available to you, it would be pretty clear to the Canadian government why the Americans are doing what they are doing, and that is why I asked the original question.

A. I think what they had in mind was that they were going to prove to us, black and white, that arms were coming in from Cuba, or from Viet Nam, or -- you know, from the "other side" as we like to say.

Frankly, I didn't have to have that explained to me. If they had that proof and if they gave it to MacGuigan, I don't know. You could ask him. But anybody who looks at it -- and it is not easy to understand what is going on there, but it is

obvious that the insurgents are getting arms from somewhere, and it is probably not Santa Claus. So, why do I have to have General Haig explain to me that it -- whether it is from Cuba or Viet Nam or Czechoslovakia, to me, is quite secondary. The other guy's got guns. / And Duarte, who was elected by the people in '72 and who was the closest thing we have to a democratically chosen leader, and who went into exile for it, is now trying to form a coalition of the centre, and I say the least we can do is wish him good luck. And I said that before the Americans came, and I am saying it now. So, there again, I don't think I have done a favour to the Americans.

GAYLE MORRIS (CFCF-TV): Mr. Prime Minister, I was wondering if you could give us a few specifics. Yesterday both President Ronald Reagan and yourself gave us general statements about your discussions, and two of the areas we haven't touched so far today are acid rain and the fisheries.

On the fisheries, you did say you thought the President had something else in mind. In fact, you were confident that the "something else" could be beneficial to both sides.

Could you give us more specifics on both those areas?

A. Well, I thought I was specific on that. If I wasn't, I apologize. It was that the President said, quite clearly -- and so did General Haig -- that they were going to negotiate scallop management, or come up with a scallop management treaty for Georges Bank. And we said, "Well, you had better check it with us, because if it just manages scallops for your people, we won't be very happy. We are not happy anyhow, because

we thought that that was the name of the game four and five years ago when we were negotiating this whole matter, and we thought that that was what in fact the treaty in front of the Senate, which is now withdrawn, was saying -- here is a way to manage that resource." And I cannot hide our disappointment, as MacGuigan said -- or our bitter disappointment, as LeBlanc that they would say/ --not so much that the treaty is withdrawn but that it wasn't passed by the Senate. But now they have to deliver in some other way, and if we don't think that they are going to deliver in some other way, there won't be any peace on that front. That is quite clear. And we haven't accepted the delinkage yet, either. We want to see what their intentions are in that particular -- you know from

the outset we've said that the boundaries are one thing, the management of the fisheries is another, but they have to go together. It doesn't make sense to have a boundary in fisheries if, when it comes to managing the stock, you don't agree. So, the two go together, in our spirit, and if the Americans want to delink them, this goes against our whole approach to that. But if they are telling us, as they did, "Well, don't worry, though we are delinking it, it is in order to come up with a management program which would give you the same satisfaction, and especially will preserve the species for the present and future generation of fishermen." Well, we will have to wait and see. But, as I say, we haven't accepted the delinkage. We haven't said that we would accept one treaty and not the other. It will depend on what they come up with.

So, that is peace for now, but I think that is the attitude we adopted, and have to adopt. It is a new

administration. They have inherited a lot of problems which had not been resolved, and I think the least we could do is give them time to sort it out and come back with answers -- in, hopefully in a short while. But look, we've already lost two years when the fish was being overfished, and before that the whole time of negotiation we lost time, too, when the fish was being overfished, and much more delay would be irresponsible.

JAMES WALKER, (ABC News): Prime Minister ---

MS. MORRIS: Sir, the other question was on acid rain. Can you give us ^{a few} / more specifics on what you and the President discussed on acid rain?

A. They indicated to us -- and I rather think the President said it in his statement to the House -- but anyhow that the Memorandum of Agreement that we negotiated last summer and the -- didn't he say quite clearly that it was their intention to make progress on, where is it? --

The President read, in the House of Commons:

" We have continued our effort begun with the Great Lakes Water Quality Agreement ---"

Oh, that's water.

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

"Work co-operatively to understand and control the air and water pollution". ^{Now that} / is what they want to do. That is what we want to do, too.

Will they deliver or not? --- Let's give them

a few weeks to see if they will.

JAMES WALKER (ABC News): A follow-up question, if I may, about the fisheries matter.

How long will you give the Reagan administration to come up with a scallop management program? And two: Sir, in talking with some of your scallopers from Lunenburg, they would like to see the federal government, in absence of the Fisheries Treaty, remove the scallop restriction in order to even the odds in terms of American fishermen.

A. Well, if you knew our Minister of Fisheries, Mr. LeBlanc, you would be gambling that he won't wait very long to remove those restrictions. How long is very long, I don't know; but, as I said yesterday at the press conference, we are gambling that our scallop fishermen are every bit as good and probably better than the New England ones. / if we start fishing in those contested areas over Georges Banks, scallops won't last as long, hopefully, as even my government would last.

So, it is urgent. But we have waited for what, four years, five years now. I am saying that we are certainly prepared to wait a little while until the new administration catches its breath. But you are quite right, and the Lunenburg fisherman is taking a perfectly realistic idea. Why should Canadians, if the stock is going to be depleted and made extinct courtesy of the American fishermen, why shouldn't we grab as much as we can while there is still some around?

I am really talking to the American people and some of the Senators more than I am taking to President Reagan,

because our difficulty wasn't with President Carter; it was with the New England senators and the people down there, and American public opinion, for gosh sake. You know, when I went to Berkeley a few years ago, I had all these guys with signs about saving the seals. Well, they are destroying a species right off their shores. I admit that a scallop doesn't look as enticing as a seal and as cuddly. It depends how much of an environmentalist you are.

MICHAEL VALPY (Vancouver Sun): Perhaps a small point, Prime Minister, but I am fascinated by the subject of this withdrawn State Department letter. I want to ask you, did the Americans withdraw it after we said to them, you know, "Hey guys, this language is really intemperate between friends." And if that is the correct assumption, what was in the letter that was so steamy?

A. I didn't read the letter. I was given a copy of it. I am sure it is "precious" in our files somewhere. So, I can't answer the last part of the question. But the first part of the question has as its answer "Yes." Somebody got a hold of it here, and I think somebody in the Financial Times got a hold of it, or something.

Didn't it come out in part in the United States?

MICHEL GALAN: The Wall Street Journal.

A. C'est pareil. So, you can look at it -- what was steam in it? I know that our people who saw it said, "My gosh, you really didn't mean to send this, did you?" And they said, "No, we really did not." That it was some middle level guys

who got worked up and didn't check with the Minister,
and that's what happened.





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