

CANADA-USA RELATIONS: AN OVERVIEW

President George Bush's February 10th visit to Canada will be his first trip outside the United States since the inauguration. Prime Minister Mulroney's invitation to President Bush and Bush's acceptance demonstrate the importance both leaders place on the positive management of the Canada-USA relationship. This relationship touches on virtually every aspect of economic, political and social life in the two countries. The visit confirms that frequent meetings between the Prime Minister and the President will continue to be the key mechanism for ensuring successful management of the relationship.

This is not the first visit of the President to Canada; he came to Ottawa in 1986 and again in 1987 as Vice-President and is no stranger to the agenda of important bilateral issues.

During the past four years, the Government has attached great importance to the development of relations with the United States in the areas of trade and economic relations, defence, and the environment. Canada and the United States have not always agreed on ways to resolve problem areas. They have not yet reached an agreement on the urgent need for acid rain controls, for example. However, the close historical ties that exist have allowed them to deal positively with many difficulties. The history of the negotiations that led to the signing of the Free Trade Agreement on 2 January 1988 is a case in point.

The Free Trade Agreement is an important step forward in ensuring continued competitive growth in the Canadian and American economies, and encouraging the continued development of the world's largest bilateral trading relationship in a manner that serves the best interest of both countries. The conclusion of the Agreement signals the beginning of a new era of trade relations. Considerable attention must be given to ensuring that the mechanisms put in place to manage the new regime work well.

In the field of environmental relations, while Canada and the United States have overcome the difficult problems of transboundary water pollution and wildlife management, the record to date on transboundary air pollution (acid rain) has been disappointing. Canada wishes to negotiate an accord with the United States that will ensure the scheduled reduction in transboundary flows of the pollutants that cause acid rain. President Bush has publicly indicated the importance he places on environmental issues generally; the new Environmental Protection Agency Administrator, Mr. William Reilly, has indicated that the Administration will act soon to put effective controls on acid