
INTERNATIONAL RELATIONS

THE UNITED STATES

Canada-United States relations focused on a number of key issues including trade, defence, scientific cooperation and the environment. Prime Minister Mulroney and President Bush have met 11 times since January 1989. After several years of negotiation, on March 13, 1991, the Air Quality Agreement was signed which should reduce by half the cross boundary flow of pollution in the form of acid rain.

As Canada's largest foreign investor, the U.S. accounts for almost 70 percent of foreign direct investment in Canada. Total two-way merchandise trade amounted to \$203.4 billion. New Exporters Programs, NEBS and NEXUS, supported by 12 Canadian consulates and 15 satellite offices, attracted participants in the areas of federal government procurement, environmental equipment, information technologies and consulting services.

Public affairs programs reinforce the image of Canada as a responsible partner on the continent in trade, defence and the environment.

LATIN AMERICA AND THE CARIBBEAN

This was the second year of the government's Strategy on Latin America, and the Department's activity in the area has intensified. In June 1990, the Minister for External Relations and International Development, the Honourable Monique Landry, attended the Organization of American States (OAS) General Assembly in Paraguay where a Canadian initiative to establish a Unit for the Promotion of Democracy was unanimously adopted. Other OAS activities in which Canada was involved included a commission on women and a forum on drug abuse.

Canada focused on consolidating and strengthening democratic institutions, especially with regard to the elections in Haiti where Canada provided \$1 million and observer support.

Economic relations have improved throughout Latin America. Exports and investment have risen, specifically \$490 million to Brazil; \$230 million to Venezuela.

In spring 1990, Les Grands Ballets Canadiens, financially assisted by the Department, successfully toured Mexico, Venezuela and Brazil.

AFRICA

Many African countries have taken steps towards democratization in the past year. Canada is encouraging economic and social reforms, and has provided humanitarian assistance to Liberia, Somalia, the Sudan and Ethiopia.

In September, President Mugabe of Zimbabwe visited Canada in recognition of the role Canada has played in the economic development of Zimbabwe and other southern African countries.

The issue of apartheid continued to dominate relations with South Africa. Although most of the pillars of apartheid have been removed, Canada maintained trade restrictions to ensure that the South African government honoured the promises it has been making to the international community to end racial segregation. They include the return of exiles, the release of political prisoners, and the review of repressive legislation.

In June, Nelson Mandela, Vice-President of the African National Congress (ANC) visited Canada shortly after the South African government released him from detention. At that time, Prime Minister Mulroney pledged \$5.85 million to assist returning exiles and former political prisoners.

ASIA AND THE PACIFIC

Eleven of the world's fastest growing economies are in Asia and the Pacific, and by the year 2000, the area is expected to contain 70 percent of the world's population. Japan is second only to the U.S. in trade with Canada. In Japan, Mr. Clark met with then Japanese Foreign Minister Taro Nakayama, and launched the North Pacific Cooperative Security Dialogue. Trade with China is increasing.

Canada's involvement in the Association of Southeast Asian Nations (ASEAN) is the cornerstone of relations with Southeast Asia. Business, academic and cultural contacts are rapidly developing, and bilateral trade reached \$3.4 billion in 1990.

Canada resumed official development assistance to Vietnam, Cambodia and Laos. Canada has now committed more than US\$112 million to projects in Vietnam.