

sought similar remedies. However the possibility of U.S. domestic content regulation continued to threaten the Autopact. In November, the United States lifted its year-long moratorium against Canadian trucking applications for transborder trucking authority.

The most significant event of the year related to these protectionist pressures was in Canadian lumber exports. Some segments of the American lumber industry had contended that Canadian stumpage rates, that is, the provincial charges for cutting timber on Crown lands, were less than fair value and constituted a subsidy. The American petition based this fair value on U.S. pricing practices. However the U.S. Department of Commerce preliminary decision in March 1983 ruled that Canadian lumber exports to the United States benefited from only minimal subsidies and that stumpage was not a subsidy.

In fishery and maritime boundary matters, the most significant events were the submission of the Canadian and U.S. memorials on the Gulf of Maine dispute to the International Court of Justice and the initialling of a Pacific Coast Salmon Treaty Agreement in February 1983. On both sides of the border, opposition to the draft treaty began to manifest itself almost instantly.

A long-standing cause of irritation between Canada and the United States is the assumption of jurisdiction by U.S. government and regulatory agencies over persons, property and events in Canada. This issue took on increased importance as a result of the extension of U.S. oil and gas industry equipment sanctions imposed against the Soviet Union to foreign subsidiaries of U.S. companies. Canada and the United States agreed to launch bilateral discussions on the underlying conflicts of law and to resuscitate the discussions on an understanding to provide advance notification and consultation on anti-trust issues.

The two countries reached an agreement to allow each other's satellites to provide transborder, point-to-point telecommunications services. The Canadian-built CANADARM successfully proved its capabilities aboard the U.S. space shuttle. The new Canadian National Broadcasting Strategy opened the way for increased commercial opportunities between the two countries in the area of satellite-delivered programming.

In Canada-U.S. defence relations, planning for North American air defence continued and in February 1983, Canada and the United States signed an umbrella agreement on weapons testing and evaluation. A project shared with the U.S. Navy for the development of a Recovery Assist Secure Traverse System (helicopter hauldown) was completed successfully and resulted in a Canadian production contract with the potential for 116 systems at a value of approximately \$400 million. Canada also made a large sale of military vehicles to the U.S. Marine Corps and Army for the Light Armoured Vehicle by General Motors Diesel Division. The initial contract for 60 vehicles is worth about \$30 million, with additional quantities of 969 vehicles over the next five years valued at \$478 million. If all options are exercised, some 1,500 vehicles would be sold for approximately \$1.5 billion.

Increased emphasis on expanding defence business opportunities in the United States led to numerous meetings with American government officials and military personnel and the conduct of seminars, missions and trade fairs in both countries.

In addition to the many ministerial and high-level visits to and from the United States, the Department's Office of Trade Development engaged in a number of activities to increase Canadian industry participation in the U.S. market. It commissioned ten private consultants to study the potential markets for various Canadian products in different regions of the United States. These studies identified high-quality export opportunities and matched them with the specific capabilities of small and medium-sized Canadian firms. Subsequent information sessions briefed industry on opportunities and prepared the groundwork for marketing strategies to pursue these opportunities. Export workshops throughout the year, in co-operation with provincial governments and regional offices of the Department of Industry, Trade and Commerce/Regional Economic Expansion, provided practical information and assistance in the U.S. market for firms with limited or no export experience. Trade commissioners from diplomatic posts in the United States gave firsthand advice on doing business in their territories.

As part of its Trade Fairs and Missions program, the Department organized and managed participation in 30 major trade shows in the United States at a cost of \$2.1 million. Over 500 Canadian firms exhibited their products. They reported on-site sales of \$6.5 million and projected sales estimated at \$270 million. This program also organized 17 missions involving 526 participants to or from the United States at a cost of \$200,000, with a forecast for \$17 million in future sales.

An additional 115 trade promotion events responded to more limited opportunities which could not be accommodated in the fairs and missions program. These were aimed at enabling small and medium-sized firms to take advantage of rapidly emerging market opportunities. Some 800 Canadian firms were involved, with immediate sales of \$5.3 million and related sales of \$20 million anticipated.

The Office of Trade Promotion has an ongoing program to promote understanding of Canadian government policies among senior U.S. decision makers. For American businessmen, seminars in the United States recommended Canada as a safe and profitable place in which to invest. In October, the Department was joint host with the Niagara Institute at a two-day business-government conference. The Prime Minister and Cabinet members met top executives from 25 large and influential American companies to brief them on Canadian government policies, and in return obtain their impressions. The conference was a unique and beneficial experience for both government leaders and businessmen.

The Department's series of guides for Canadian exporters to the United States was revised during the year. These 11 booklets provide market facts about the diverse regions of the United States as well as general information about exporting and the services offered by both the Department and its trade posts in the United States.

Many artists, writers and performers toured and exhibited in the United States as a result of the Department's efforts to promote Canada's cultural achievements. The Vancouver East Cultural Centre production of "Billy Bishop Goes to War" was presented at the Denver International Theatre festival. *Les Grands ballets canadiens* appeared at the New York City Centre and the Moe Koffman Jazz Quintet played at the California Scotscale Festival. Canada's art gallery in New York, The