

CANADA-USA RELATIONS: AN OVERVIEW

Canada-USA relations touch upon virtually all aspects of the economic, political, social and cultural life of the two countries. The significance of relations with the United States to Canada's goals of economic renewal and the creation of employment has led the Canadian government, since 1984, to devote major efforts to refurbishing relations between the two countries. The primary mechanism for ensuring the successful management of this process has been the institution of annual bilateral summits.

The April 27-28 visit to Washington by the Prime Minister is the fourth annual summit between President Reagan and Prime Minister Mulroney. It is an occasion to take stock of achievements and to look forward to the challenges that will be faced together in the years ahead.

The goals the Canadian government set for the Canada-US relationship were aimed at securing several key benefits -- providing enhanced and more secure access to markets, encouraging new investment to stimulate growth and create jobs, and seeking increased cooperation in common problems such as the protection of the environment and the defence of North America.

The record of the past three-and-a-half years is one of which both countries can be proud. They have not always agreed -- most evidently on the urgent need for acid rain controls -- but 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 on January 2, 1988 by Prime Minister Mulroney and President Reagan of the Canada-United States Free Trade Agreement (FTA) is a case in point. The FTA is an important step forward in assuring a foundation for continued competitive growth in the Canadian and American economies and ensuring that the world's largest bilateral trading relationship (C\$175.6 billion in 1987) continues to develop in a manner that serves the best interests of both countries.

In the field of environmental relations, they have overcome and resolved difficult problems of transboundary water pollution and wildlife management. As noted though, the record on transboundary air pollution (acid rain) is highly disappointing. We have failed, to date, to reach an agreement on targeted, scheduled reductions in transborder flows of pollutants causing acid rain. The Prime Minister reaffirmed on March 28 Canada's commitment to securing such an agreement. Canada will continue to press the United States to achieve this end. If these efforts are not successful this year, the issue will be