

## EXPORT TRADE RELATIONS

The Department spends approximately 37 percent of its trade development budget on trade promotion in the U.S. Canadian exports to that country represent one-quarter of Canada's gross domestic product and some two million jobs.

In the year under review, the Department spent \$16 million on trade promotion, which involved over 360 events and over 4 500 companies. Approximately 65 percent of these companies were small to medium-sized exporters.

The Department's Export Development Program for the United States involved the implementation of a sectorally focused trade development program. Specific highlights included the New Exporters to the Border States (NEBS) and New Exporters to the United States South (NEXUS) Programs. Initiatives attracted participants from over 70 different industry sectors and subsectors, from commodities to services. The areas of United States federal government procurement, environmental equipment, information technologies, and consulting services were featured. Twelve Canadian consulates and 15 satellite offices supported this effort. The NEBS program introduced over 1 000 potential exporters from every province in Canada to new regional markets in the northern border states through 53 missions. Seventeen NEXUS missions were organized in 1990/91, involving 209 companies.

It is estimated that the 1990/91 NEBS program may return up to \$30 million to the Canadian economy over the next year.

## DEFENCE

Canada and the United States are dedicated to their role in the North Atlantic Treaty Organization (NATO) and, bilaterally, to cooperation in the defence of North America. Our joint command of the North American Aerospace Defence (NORAD) is the most visible symbol of the latter. In August 1990, Canada and the U.S. celebrated the 50th anniversary of the Permanent Joint Board of Defence.

Prime Minister Mulroney and President Bush have met 11 times since January 1989. At their meeting in Ottawa on March 13, 1991, their discussions focused primarily on the post-hostilities issues in the Middle East.

## CANADA-UNITED STATES FISHERIES RELATIONS

Geography, the migratory habits of fish, the commercial value of seafood, and the size of the United States market create a situation in which both cooperation and tension inevitably drive Canada-United States fisheries relations.

On September 26, 1990, the Canada-United States Fisheries Enforcement Agreement was signed representing a significant bilateral step toward the reduction of incidents arising from illegal fishing in boundary areas off the east and west coasts. Diplomatic and communications efforts are aimed at persuading the United States to adopt measures to reduce the unacceptably high levels of Pacific halibut bycatches by its groundfish fleets in Alaskan waters.

## ENVIRONMENTAL AND OTHER TRANSBOUNDARY ISSUES

Prime Minister Mulroney and President Bush closed the chapter on the acid rain issue when they signed the Air Quality Agreement on March 13, 1991, in Ottawa. Halving the transboundary flow of pollutants which cause acid rain will, in concert with the 1985 acid rain control program, stop damaging levels of acidic deposits in Eastern Canada by the year 2000. The permanent caps on sulphur dioxide emissions in both countries will ensure that acid rain never reaches damaging levels in Western Canada. The fulfilment of commitments will be monitored publicly under the auspices of the International Joint Commission. The agreement also provides a framework for new commitments to control other pollution problems in the future.

On March 5, 1991 Canada's Environment Minister, the Honourable Robert de Cotret, announced a new \$25 million Pollution Prevention Initiative for the Great Lakes and St. Lawrence River basins.

Canada is seeking a wilderness designation for the coastal plain of the Arctic National Wildlife Refuge in Alaska, the calving area of the Porcupine Caribou Herd. The economic livelihood and traditional culture of thousands of native Canadians depend on the herd which would be at risk if oil production were allowed in the Refuge.