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CLINTON AND CHRÉTIEN ANNOUNCE AIR PACT

Canapress Photo/Tom Hanson



Air travel between Canada and the United States will be more convenient and competitive following the signing of the "Open Skies" agreement during President Clinton's first state visit to Canada February 23-24.

Prime Minister Jean Chrétien and President Clinton also announced a border management accord that will make it easier for travellers and cargo to clear customs and immigration.

The two agreements flow from the Canada-U.S. Free Trade Agreement (FTA) and its successor, the North American Free Trade Agreement (NAFTA). They are expected to create thousands of jobs and generate billions of dollars in economic activity on both sides of the border.

The aviation pact will significantly expand the number of flights between the two countries and bring nonstop service to many major cities for the first time. More than 13 million passengers now fly across the border annually, producing some \$2.3 billion in revenue, and these numbers are expected to increase dramatically under the liberalized agreement.

President Clinton said the agreement "will strengthen our partnership....It's consistent with...the larger vision that Prime Minister Chrétien and I have shared and worked for with NAFTA, with the GATT agreement, with the

agreement with the Asian Pacific nations, with the agreement at the Summit of the Americas to open those markets."

The Open Skies accord replaces a highly restrictive arrangement that had been in place for three decades. Under the new agreement, Canadian airlines will have immediate access to all U.S. cities,

subject to availability of landing slots. U.S. airlines may offer flights immediately to all but the three largest Canadian cities, where full service will be phased in, over two years in Montreal and Vancouver, and over three years in Toronto.

Airlines in both countries moved quickly to take advantage of the accord. Air Canada has announced plans to offer 20 new routes into the U.S. over the next 18 months. Canadian Airlines International will begin offering services between Toronto and New York, Toronto and Chicago, and Vancouver and Chicago in June. U.S. airlines have announced more than 35 new routes to Canadian cities.

The border management accord will harmonize and streamline customs and immigration procedures. A joint steering committee will develop an action plan to meet four broad objectives: promoting trade, facilitating the movement of people, strengthening enforcement against smuggling and illegal immigration, and reducing costs for governments, shippers and travellers. The committee will consider such innovations as automated entry devices at selected ports of entry, express lanes for frequent travellers and shippers, electronic clearance of commercial goods, and the sharing of equipment and personnel between the two countries.

During the President's visit, he and

Prime Minister Chrétien held wide-ranging talks on a number of other trade, environment and defence issues. The discussions resulted in pledges to address trade remedy issues within NAFTA, to conclude negotiations on the renewal of the NORAD agreement, to make completion of the Pacific Salmon Treaty a priority, and to establish an Arctic Council to promote regional cooperation and sustainable development.

In a speech to a joint session of the Canadian Parliament, President Clinton said he had come to Ottawa "to reaffirm the ties that bind the United States and Canada...the most successful partnership between any two countries."

He paid tribute in the speech to Canada's long history of accommodation: "In a world darkened by ethnic conflicts that tear nations apart, Canada stands as a model to the entire world of how people of different cultures can live and work together in peace, prosperity and mutual respect."

At a joint news conference, Prime Minister Chrétien emphasized the importance of the United States' leadership role in world affairs. He said that his recent travels had shown him that other leaders "want the United States of America to remain the champion of democracy and human rights and economic and social progress."

Canada Opposes Border Fee

Canada opposes a U.S. budget proposal that would encourage states to impose a fee on travellers crossing the border at U.S. land ports.

Such a fee would disrupt commercial and tourist traffic and run counter to efforts by both Canada and the U.S. to facilitate the movement of people and goods across the border.

After widespread protests, the Clinton Administration dropped its original plan to impose a fee of US\$3.00 per vehicle and \$1.50 per pedestrian on all travellers crossing land border ports. It replaced the mandatory fee with a "local option" initiative that would allow border states to choose whether or not to impose a fee. States that reject the fee would not be guaranteed federal funds for infrastructure improvements at border stations.