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HARMONY BY AGREEMENT

LATEST ISSUE
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The border between Flathead, B.C., and Glacier National Park, Montana.

AGREEMENTS

North America is a natural geographic unit. Canadians and Americans share its skies, its winds and its opportunities. They live in harmony, by agreements.

Many of the most important ones are both protective and economically creative. For example, the Columbia River, the St. Lawrence Seaway and the Alaska Highway have been commercially productive without despoiling the countrysides.

Early this year, President Reagan and Prime Minister Mulroney signed a new one to eliminate tariffs between Canada and the U.S. over a 10-year period. It may be the most important agreement the two countries have ever signed.

It is designed, when implemented, to eliminate tariffs and many non-tariff trade barriers, and in many areas it sets a new standard for international trade agreements.

It is a long step down a familiar road. The two countries have worked in harmony for more than a century to solve common problems and achieve common goals. The cooperation has become proverbial and it is based on a solid reality. Both countries believe in core essentials: in representative government, in the rights of the individual and in the careful and patient administration of justice. Both believe that governments should foster the economic well-being of their peoples.

Both believe that harmony between nations comes from hard work. The results of their common efforts are currently embodied in 227 treaties and other agreements, covering commerce, transportation, fisheries, wildlife, pollution control, defence and a great many other activities.

In this issue *Canada Today d'aujourd'hui* reports on the most recent agreement, on trade, and on a variety of other agreements through which the two countries work together to make life in North America richer, safer, freer and more secure.

Cover: Massena, N.Y., lock of the St. Lawrence Seaway. The Seaway International Bridge between Cornwall, Ont., and Rooseveltown, N.Y., is in the background. This picture and those on pages 2, 4 and 12 are from ***Between Friends/Entre Amis****, a collection of photographs of the boundary between Canada and the U.S. and the people who live alongside it. The book was produced in 1976 as Canada's bicentennial gift to the U.S.*

THE TRADE AGREEMENT OF 1988

The Free Trade Agreement between Canada and the United States, which is now awaiting action in the U.S. Congress and Canada's Parliament, is the broadest trade pact ever negotiated by either country—it covers services as well as goods, and investment, and touches on all major aspects of the enormous exchange. It provides for an open commercial exchange of energy, including oil, gas, electricity and uranium. It enhances the exchange in autos and auto parts initiated by the Auto Pact, while preserving the pact's structure. It also provides for a phased-in elimination of discriminatory practices in the trade of wine and spirits. It liberalizes restrictive procurement practices by both federal governments.

It opens the markets of both countries to each other's exports and assures a predictable flow of trade. It is hoped that innovations—such as the elimination of agricultural export subsidies in bilateral trade and border restrictions—will serve as a signal for members of GATT and other trading partners.

An Historic Sampling of Treaties and Agreements Affecting Trade and Commerce

1854: Reciprocity Agreement establishing free trade between the United Province of Canada and the United States. (Terminated by the U.S. in 1866.)

1923: Halibut Treaty, concerning fishing rights in the Pacific Ocean. (The first treaty independently signed by Canada.)

1947: General Agreement on Tariffs and Trade (GATT), signed by 23 countries, including Canada and the U.S.

1955: Agreement on civil uses of atomic energy.

1965: Auto Pact, establishing conditional free trade in automotive products.

1981: Pacific Coast Tuna Treaty, governing use of port facilities.

1985: Pacific Salmon Treaty.

1988: Agreement on Free Trade (subject to approval).

Susan Biddle, The White House

The primary responsibility for the settling of disputes that may arise will rest with a unique, bilateral commission. Panels of experts may be called upon in cases of unresolved disputes, recommending action in some and rendering binding decisions in trade remedy actions. They may also offer advice to both governments on pending legislation which might impinge on the terms of the agreement.

A special blue-ribbon panel will consider the future of the North American automotive industry. A working group will recommend replacements for existing antidumping and countervailing laws. The two governments are committed to seeking further reductions in technical and other trade barriers and to broaden the provisions governing services and government procurement.

The agreement, which allows for its own elaboration and expansion, is designed to provide a single, fair, coherent system governing all aspects of trade between Canada and the United States.

An Approximate Timetable

The U.S. Congress will consider the trade agreement this year, with 90 legislative days to vote it up or down.

The agreement will also be debated in the Canadian House of Commons, where Prime Minister Mulroney's Progressive Conservative Party enjoys a large majority.

Under the Canadian constitution, only the federal government has the authority to enter into international agreements.

Canapress Photo Service

Upon signing the free trade agreement on January 2, President Reagan said it would save American consumers "hundreds of millions of dollars while also improving our export opportunities." Prime Minister Mulroney said it would send "a powerful signal towards liberalized trade around the world."

Canadian Museum of Contemporary Photography, John de Visser

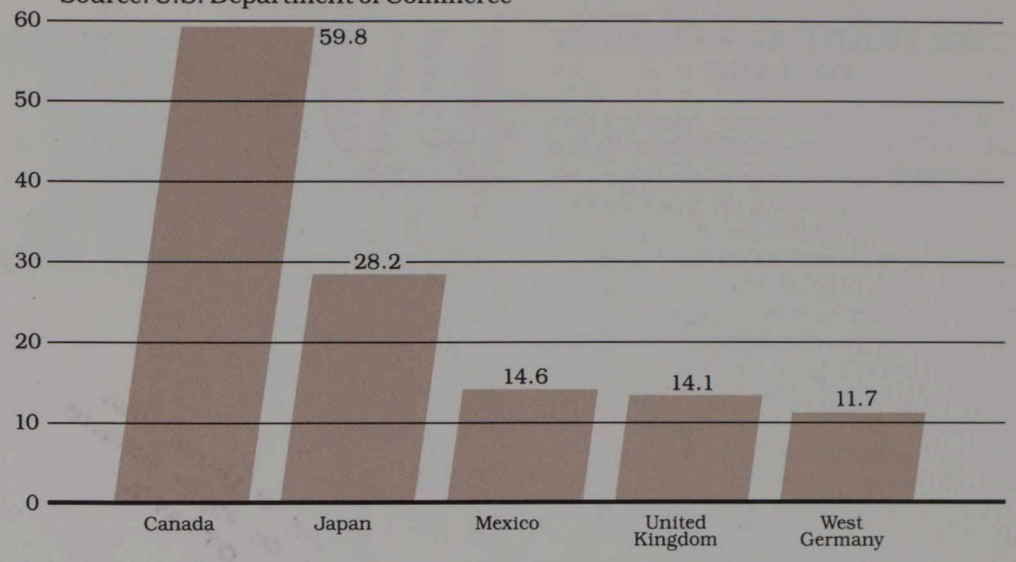
TRADE BACKGROUND

- Canada and the U.S. are the world's two largest trading partners.
- U.S. exports to Canada have grown 57 percent since 1982, while its exports overall were growing by only 19 percent.
- In 1987 the U.S. sold (US) $59.8 billion in goods to Canada. (It sold $28.2 billion to Japan, the next largest customer.)

Efforts to remove trade barriers between the two countries, which began in 1854, have greatly accelerated since the end of World War II. The present enormous scale of the cross-border trade in goods and services reflects a steady reduction. When the recent negotiations began, approximately 70 percent of U.S. exports entering Canada and 85 percent of Canadian exports to the U.S. were already duty-free.

U.S. MERCHANDISE EXPORTS

1987, In Billions of U.S. Dollars
Source: U.S. Department of Commerce



THE AUTO PACT

American auto manufacturers have been building and selling cars in Canada for most of the century.

The trade had become unbalanced, however, by the early 1960s. Canadian plants were smaller than the ones in the U.S. and, consequently, less efficient, and each of the Canadian plants made a range of products, instead of concentrating on the high-volume production of a few models.

A car built in Canada cost more than one built in the U.S., and Canadians were buying a great many more autos than they were producing. Canadian auto workers' wages were 30 percent below those of American workers.

Canada protected its industry with tariffs, which increased the cost of American-built cars and parts.

To resolve the imbalance, the two governments worked out the Automotive Products Trade Agreement, signed in 1965, which provided for the restructuring of the Canadian industry and for free trade in all original equipment, parts and vehicles. The pact has functioned well for over two decades and its worth was recognized in the new trade agreement. It will remain basically intact but expanded. Parts manufacturers will benefit from a new, tighter rule-of-origin which provides that parts and tires will be duty-free if 50 percent of their direct production costs are incurred in North America. Trade in used cars, which was not covered by the Auto Pact, will also be duty-free by 1993.

This bridge over the St. Lawrence River connects Ogdensburg, N.Y., and Johnstown, Ontario.

THE FISHERIES

Many of the earliest treaties between Canada and the United States were concerned with fish. The interest remains. In this section, we report on the state of fisheries on both coasts.

The East Coast

Atlantic Coast fishermen from Canada and the U.S. take millions of tons of cod, herring, haddock and hake, and hundreds of thousands of tons of scallops and lobsters annually from the Atlantic's shallow offshore waters.

The harvests from one prized fishing ground, Georges Bank, off the Massachusetts and Nova Scotia coasts, have been a point of contention in recent years.

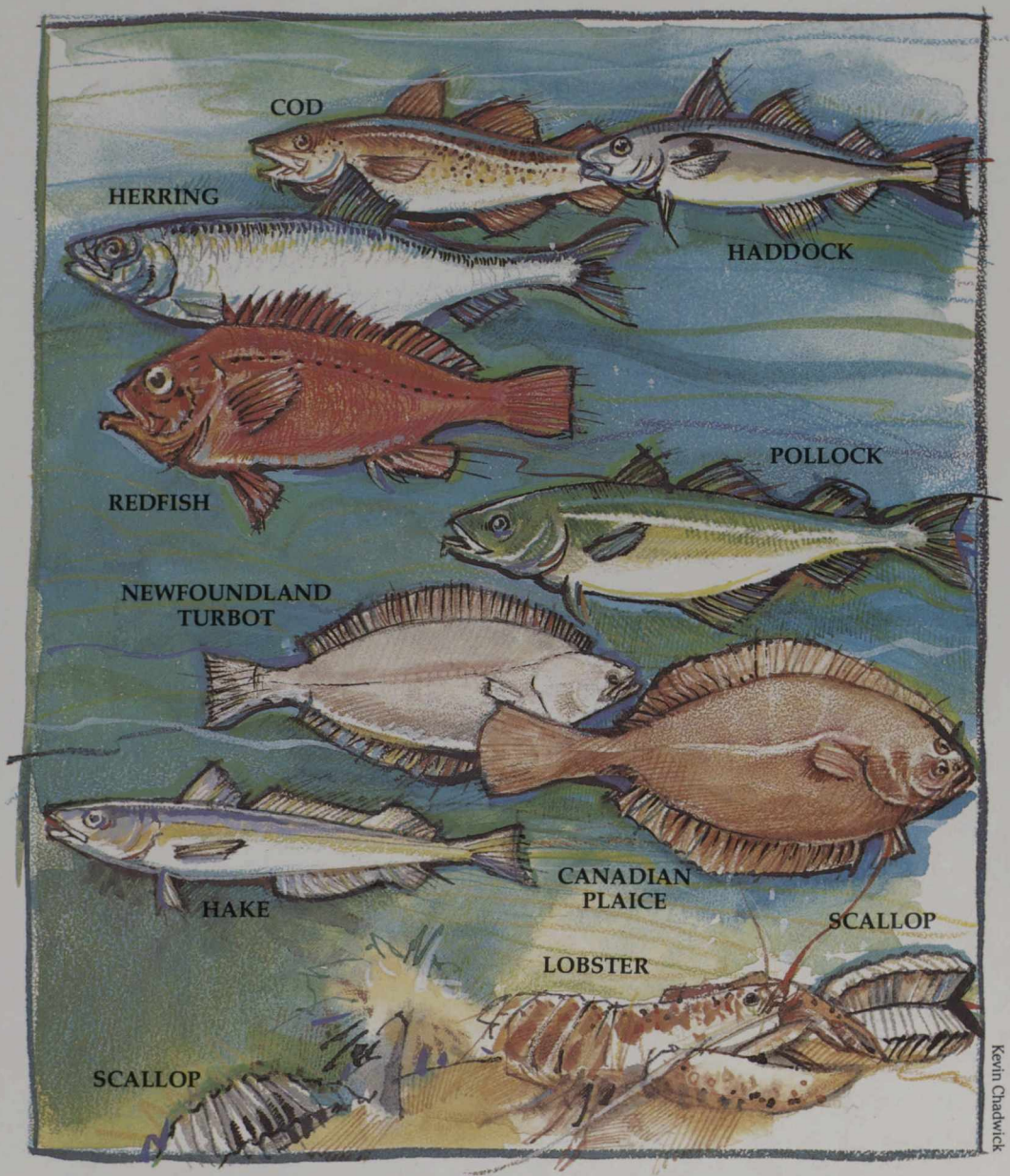
In 1977, Canada and the United States both reacted to the presence of huge factory ships from Europe and Asia in the North Atlantic by extending their economic jurisdictions to include waters within 200 miles of their coasts. Since the Massachusetts and Nova Scotia coasts are highly irregular, the claimed jurisdictions overlapped.

Preliminary negotiations went smoothly. It was agreed that each country would manage the fish within its own waters and regulate its own vessels in disputed waters. Management of the fish in disputed waters would be negotiated.

In 1977, the two countries began discussing a division of the fish harvests. At the heart of the problem was the scallop catch on Georges Bank. Canadian fishermen had in recent years taken 85.6 percent of the catch. In 1979 the negotiators agreed to allot the Canadians 73.35 percent of the scallop catch and the Americans 83 percent of the cod taken in the disputed area, 90 percent of the silver hake, 90 percent of the red hake, 79 percent of the haddock and 66 percent of the herring.

They also agreed to let the International Court of Justice in The Hague fix the boundary and to allow each country access in perpetuity to the other's waters, regardless of where the boundary was drawn.

The treaty, signed in March 1979, met strong and effective resistance from the U.S. fishing industry and the senators from Massachusetts and Rhode Island, and by 1981 the Reagan Administration decided it would be futile to submit it to the Senate. Both the division of the fish harvest and the boundary question were submitted to the International Court of Justice. Both sides presented extensive arguments and in 1984 the Court ruled, allotting five-sixths of the Bank to the United States, but giving Canada the richer fishing grounds.



Kevin Chadwick

S.S.C. Photo Centre, Bryce Flynn

Canadian Museum of Contemporary Photography, Peter Christopher

S.S.C. Photo Centre, Karl Sommere

The West Coast

The U.S. and Canada have a new salmon conservation treaty, and West Coast catches have stopped declining for the first time in 30 years.

In the 19th century, there was an abundant supply for Indian tribes, the early white settlers and the small offshore fleets.

When the catch began declining in the 20th century, the two countries undertook separate conservation efforts but progress was slow, and by the 1960s, it was clear that the complex problems required a cooperative solution.

Negotiations began and continued for 20 years.

In 1985 the Pacific Salmon Treaty was signed. It established the principle that fishermen in each region should not catch more fish than the region produces, while respecting existing fishing patterns and taking into account natural yearly fluctuations in salmon stocks. It set up a commission to monitor fisheries and to fix catch limits. Governments in both countries, at all levels, are encouraged to spend money to improve and protect spawning grounds and hatcheries. It is hoped that the catch will eventually be fully restored to its previous high.

The two countries are now negotiating a pact on the salmon catch in the Yukon River, which was not covered by the 1985 treaty. The sixth round of talks is set for this spring.

THE TUNA TREATY

West Coast Canadian and American albacore tuna fishermen share offshore fish and on-shore facilities.

In 1981 the governments agreed that each fishing fleet could take tuna in the other's jurisdictional waters beyond the traditional 12-mile baseline.

Canadian vessels may use the services and facilities of ports in Washington State and American vessels may use those in B.C. ports.

Vessels in foreign ports may land catches for duty-free shipment to their own country or sell them locally on payment of customs.

They may obtain fuel, repairs and equipment at the same rates charged the native vessels.

ELECTRIC POWER

The U.S. and Canada have been trading electrical power since the first Niagara treaty was signed in 1909. A second, in 1950, provided for a four-fold increase in production.

Niagara still delivers, but its volume is now overshadowed by a massive flow of energy from huge new hydro plants in Quebec, Ontario and Manitoba. The installations at James Bay in Quebec are the largest and most productive in the world and are still expanding. Hydro-Quebec now supplies New England and New York with much of their electrical power and has signed new, long-term contracts with both recently. The other producing provinces also have American customers and the flow is often two-way. For example, the New York Power Authority, Hydro-Quebec and Ontario Hydro all share power produced by generators on the St. Lawrence River, and Hydro-Quebec and the New York Power Authority exchange electrical energy to meet peak demands.

A four-member operating committee does "all things necessary to ensure delivery and payments."

Seattle City Light

Ross Dam and Lake

International Joint Commission

The Skagit River

Power and Controversy In the West

The swift, beautiful Skagit River rises in the mountains of southwestern British Columbia, cuts through the Cascades and empties into Puget Sound north of Seattle. Plans to flood a section of its valley to provide electric power for Seattle touched off a 14-year dispute between the government of British Columbia and the city. It was finally resolved in 1984 through the good offices of the International Joint Commission.

In the late 1920s, Seattle's municipally-owned power company, City Light, with agreement from British Columbia, built three dams and flooded some 500 acres of land in the province.

In 1942, it received permission from the IJC and British Columbia to raise the Ross Dam on the upper Skagit and flood an additional 4,720 acres in Canada.

After 25 years of negotiation the company and the province agreed on a schedule of annual payments by the company to run for 99 years.

However, environmental groups on both sides of the border launched a campaign against the flooding of the valley, and in 1972 a newly elected B.C. government repudiated the agreement and stopped accepting compensation payments.

The U.S. Federal Power Commission ruled in 1977 that construction of the dam addition could proceed and the U.S. Court of Appeals agreed. British Columbia appealed to the IJC, which dismissed the appeal but ordered Seattle to postpone construction and consider alternative power sources.

In 1984 Canada and the U.S. signed a treaty, which was supplemented by agreements between British Columbia and Seattle, and British Columbia and the Canadian government.

British Columbia agreed to supply Seattle with an average of 37.3 megawatts of electrical power from other sources, with peaks of 150 megawatts from April through October and of 572 megawatts (less the power produced by the Ross Dam) November through March.

Seattle City Light agreed not to add to the dam and to pay British Columbia (US)$21,848,000 annually for 35 years, plus an annual operating fee for 80 years, which would begin at $100,000 and be adjusted yearly.

MARRIAGES OF CONVENIENCE

National governments sign treaties but the states, provinces, cities or towns are often the prime movers.

Some regional arrangements reflect national problems—New York and Quebec, New York and Ontario, and Minnesota and Ontario, have agreements on acid rain—but most are basically practical and economical solutions to the day-to-day problems of modern life.

Here are a few examples:

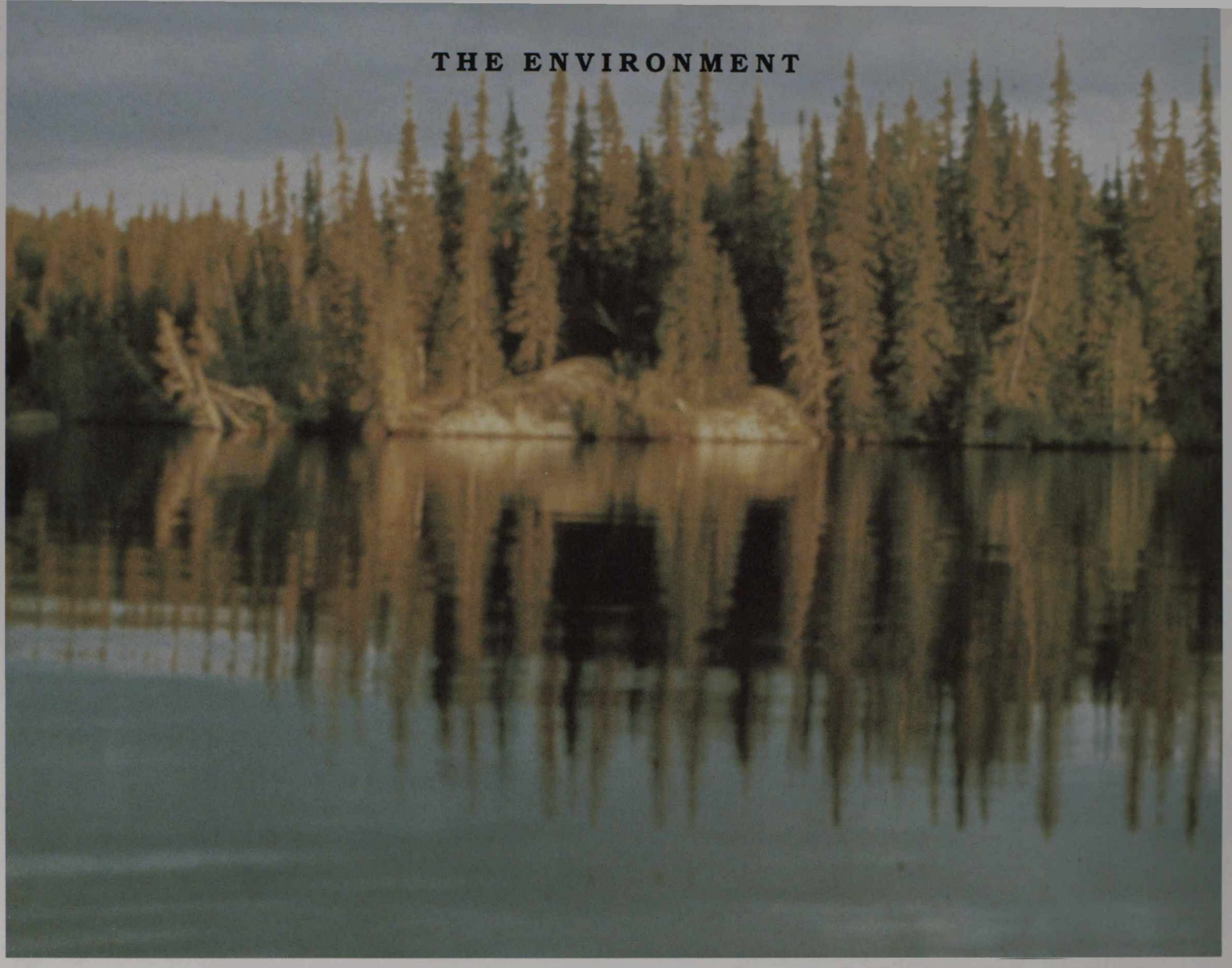
Derby Line, Vermont, and Rock Island, Quebec, share a sewage treatment plant. It is administered by a committee of three Canadians and three Americans and any unresolved disagreements are subject to binding arbitration.

The public health departments of Maine and New Brunswick have coordinated emergency plans should there be an accident at the Point Lepreau nuclear plant in New Brunswick.

New Brunswick, Quebec, Connecticut, Maine, Massachusetts, New Hampshire, New York, Rhode Island and Vermont are members of the Northeastern Forest Fire Protection Commission. The border states and provinces, with the exception of Prince Edward Island, Quebec and Newfoundland, are members of the Canada-United States Reciprocal Forest Fire Fighting Resources.

The Northeast Deer Study Group includes 13 American states and Quebec, Ontario and the Maritime provinces.

Minnesota Department of Economic Development



The lakes in Minnesota's Boundary Waters Canoe Area are under increasing stress from acid rain.

The flow of trade, the harvesting of fish and the sale of electric power are essentially positive. Some products shared by the two countries are essentially negative. In this section we consider problems caused by air and water pollution.

ACID RAIN— A TRANSBOUNDARY PROBLEM

Two airborne pollutants—sulphur dioxide (SO_2) and nitrogen oxides (NO_x) do great damage to lakes, forests and the world's economy.

In North America the greatest damage has been done in the northeastern U.S. and the central provinces of Canada.

The pollutants, which come almost entirely from industrial smokestacks and the exhausts of motor vehicles, cause the phenomenon which is commonly called acid rain, though it may come down as rain, snow or in dry particles.

In 1978 Canada and the United States formed the Bilateral Research and Consultative Group on Acid Rain. Since then scientists from both countries have come to common conclusions.

Acid rain has destroyed aquatic life in tens of thousands of lakes and endangered it in hundreds of thousands of others. There is strong evidence that it damages forests and arable land and may be related to high incidences of respiratory illnesses. There has been severe damage to tourism, sports fishing and other industries.

The polluted air can travel thousands of miles before coming to earth.

The principal sources have been identified. Most of the SO_2 pollution that originates in the U.S. is caused by emissions from coal-fired electric utilities in the Midwest. Most of the pollution that originates in Canada comes from non-ferrous smelters in Ontario and Quebec.

Both the U.S. and Canada have committed themselves to Principle 21 of the United Nations Conference on the Human Environment in Stockholm in 1972, which says that each country must ensure that activities within its jurisdiction do not cause damage to the environment of another country.

In 1985 two special envoys appointed by President Reagan and Prime Minister Mulroney reached the unqualified conclusion that acid rain is a serious, transboundary problem which, by its nature, requires a vigorous transboundary solution.

The President and the Prime Minister endorsed the envoys' report. There are, however, clear economic, scientific and political reasons why each country must devise its own solutions.

In the U.S., the federal government has the controlling responsibility for providing all its citizens with clean air. In Canada this responsibility lies primarily with the provincial governments.

In the U.S., most of the pollutants originate in one group of states—the Midwest—and do the most damage in others—New York and New England. In Canada, Ontario and Quebec are both the principal sources and the principal victims.

In the U.S. hundreds of separate coal-burning utilities in several states produce significant sources of SO_2. In Canada the sources, including smelters as well as utilities, are relatively few and concentrated in the two central provinces.

Both the U.S. and Canada passed clean air legislation in the 1970s, which had significant impact. A recent study on be-

half of the U.S. Environmental Protection Agency shows that SO_2 emissions have been cut by 24 percent in the U.S. and by 44 percent in Canada.

Unfortunately, these initial efforts did not address the problem of the long-range transportation of pollutants.

Canada has responded to the problem with a specific program which will reduce SO_2 emissions east of the Saskatchewan/Manitoba border by 50 percent of allowable 1980 levels by 1994, and NO_x emissions from vehicles by 45 percent by the year 2000. The overall goal is to reduce acid deposition to less than 18 pounds per acre, per year—the level that halts the acidification of additional lakes and permits the gradual recovery of those already acidified. This goal cannot be achieved, however, without similar reductions in the United States.

Canada has suggested that since the solution to the transboundary problem of acid rain must involve both the U.S. and Canada, they sign an accord which would permit concerted actions to achieve agreed-upon goals within a specific timetable.

International Joint Commission

THE GREAT LAKES

The Great Lakes are North America's largest concentration of richly productive commercial and recreational waters.

For some 70 years Canada and the U.S. have worked together to keep the lakes and their tributaries clean and productive.

Erie, the shallowest lake, has had the greatest pollution problems; Superior, which is the deepest, is relatively pollution-free.

The joint management venture began with the Boundary Waters Treaty of 1909, which created the Canada/U.S. International Joint Commission, to settle disputes.*

*The commission has offices and staffs in Ottawa and Washington, Windsor and Detroit. It has separate boards for each of the Great Lakes and associated lakes and each of the tributary rivers. Additional boards monitor water quality and air pollution.

A Sampling of Treaties and Other Agreements Concerned with the Environment

1909: Boundary Waters Treaty, creating the International Joint Commission.

1916: Convention on migratory birds.

1972: Agreement on Great Lakes Water Quality. Renewed and expanded in 1978 and 1987.

1980: Memorandum of intent concerning transboundary air pollution.

1982: Agreement on management of radioactive waste.

1986: North American Waterfowl Management Agreement.

S.S.C. Photo Centre, John Parr Telfer

International Joint Commission

The two countries signed the Great Lakes Water Quality Agreement in 1972 and renewed and expanded it in 1978, as the lakes were facing their greatest challenge. Phosphorous from detergents was flowing into sewers and then into the lakes, feeding algae and choking out fish. Erie and Ontario were threatened with the destruction of all fish life. Huron and Michigan were also seriously affected.

Richard Vollenweider, senior scientist at Environment Canada's National Water Research Institute in Burlington, Ontario, built a detailed mathematical model that provided the basis for an $8-billion solution, and he won the $75,000 Tyler Prize awarded by the University of Southern California.

In the next decade, hundreds of municipal sewage plants were replaced or upgraded in the U.S. and nitrates were removed from detergents in Canada. The phosphorous flow was cut from 19,300 tons a year to less than 3,000.

Trout are now spawning in Lake Ontario and walleyed pike are back in Erie. All but a few of Erie's beaches are open to the public.

Other problems remain. Some 2,800 chemical pollutants as well as asbestos and iron-ore waste and tritium from nuclear plants are still in the lakes.

Last November, Canadian Environment Minister Tom McMillan and U.S. Environmental Protection Agency Administrator Lee Thomas signed a renewal of the Water Quality Agreement, setting specific timetables to control these and other pollutants entering the lakes.

It targets 42 heavily polluted sites around the lakes for specific action and addresses the problem of air toxics; pollution caused by pesticides, leaking dumps and storage tanks; and contamination of sediments.

S.S.C. Photo Centre, Brian Nickle

Three Tributaries and Another Lake

Canadian and American scientists are making a multimillion-dollar study of the St. Clair, St. Marys and Detroit rivers and of Lake St. Clair. It is the most extensive such study in history.

It began in 1984 and will include 150 separate surveys of the effects of toxic chemicals on ducks, fish and clams. It is sponsored jointly by the federal governments, and the governments of Ontario, Michigan and Detroit.

International Joint Commission

A victim of toxic pollution, this baby gull was born with a crossed beak.

Some Solutions Are Difficult

The Niagara River flows from Lake Erie into Lake Ontario. The famous falls are more or less midway. The river is a major source of drinking water for both Canadians and Americans.

The shores are heavily industrialized, particularly on the American side, and more than 3,000 pounds of toxic chemicals enter the river each day from industries, municipalities and leaking hazardous waste dump sites, such as the notorious Love Canal.

Last year officials from the two federal governments and New York and Ontario agreed on a 10-year program to cut the amount of chemicals in half by 1997. The program will complement work already underway through the Great Lakes Water Quality Agreement to restore water quality of the river.

THE GREAT DIVERSION

In 1965 the U.S. Congress approved the diversion of the waters of the Missouri River, which flows south, into the Hudson Bay drainage basin, whose waters flow north.

A reservoir, Lake Audubon, would be created to irrigate 250,000 acres of farmland and provide water for 14 communities.

The lake waters would flow through the McClusky Canal, across the continental divide, into the Lonetree Reservoir and then into the Souris, Red and James rivers and the Devil's Lake basin.

Construction began in 1968.

The province of Manitoba and the Canadian government soon realized that the inflow could introduce trash fish and fish parasites and diseases into the Souris, Assiniboine and Red rivers and Lakes Manitoba and Winnipeg, a group containing Manitoba's most heavily fished sports waterway, huge commercial fisheries and an abundance of northern pike, walleye and sauger.

Some trash fish have high rates of reproduction and would probably overwhelm species already in the Hudson Bay basin.

Canada asked for a moratorium on construction and discussions began.

The IJC concluded in 1975 that the project would cause serious harm, and in 1984 the U.S. Congress put the construction money in escrow and appointed a commission to suggest alternative construction plans.

A compromise in 1985 produced a new design which will supply drinking water to 130 municipalities, instead of the original 14, and irrigate 130,940 acres.

The end of the process seems to be approaching, though environmentalists and the governments of Canada and Manitoba are concerned that under the plan undesirable fish may still be introduced into Canadian waters.

International Joint Commission

THE UPBEAT SIDE

Not all environmental agreements evolve through controversy. Some, such as the two that follow, are bred in harmony.

Waterfowl

The Canadian and U.S. governments have agreed to protect 37 species of waterfowl. The North American Waterfowl Management Plan, which both countries signed in 1986, sets guidelines for preserving waterfowl habitats and limiting hunting. The plan calls for an increase in breeding ducks from 31 million to 62 million and of migrating birds from 62 million to 100 million. To accomplish these goals the program hopes to raise $1.5 billion in public and private funds over 15 years for purchase or other protection of wetlands.

Gordon Smith, B.C. Ministry of Environment

Sea Mammals

The sea otter has returned to the British Columbia coast after an absence of 200 years.

The otter, which has the finest fur known, was hunted almost to extinction in the 18th century. In 1911, Canada, Russia, Japan and the United States agreed to protect it but only a few remained, in the Aleutian Islands and in Russia.

The protected herds gradually increased and by 1965 the world population had grown to some 26,000 in the Aleutians, about 5,000 in Russian waters and some 600 off the California coast near Monterey. The U.S. Bureau of Sports Fisheries and Wildlife transplanted hundreds to the Pribilof Islands and in 1966 Canada and the United States arranged to move 40 from Alaska to Checleset Bay on the northwest coast of Vancouver Island.

More were moved in 1970 and 1972 and the herds are now flourishing in the Bay and at Bajo Reef some 45 miles away.

The Ambassador Bridge links the city of Detroit with Windsor, Ontario.

Canadian Forces

A CF-18 fighter based at CFB Bagotville, Quebec, intercepts a Soviet Bear bomber off Canada's East Coast.

The United States and Canada are partners in the defence of North America and of the western world. Their mutual commitments are based on shared values and on realities. This partnership gives North America the most advanced warning system in the world. The sophisticated relationship is a triumph of delicate balance, maintaining the political independence of each partner while providing an active cooperation of the most intricate type.

Last June the Canadian government issued a White Paper on Defence, which calls for the restructuring of the Canadian Forces. Key elements of the program will be the acquisition of 10 to 12 nuclear-propelled submarines and 12 anti-submarine patrol frigates, consolidation of the NATO commitment in Europe and expansion of the reserves and militia.

The restructuring will put Canada's obligations to its own citizens and to its traditional allies in the context of current international realities.

Success in building a more peaceful world will lead, in time, to a reduction in world armaments. In the meantime, Canada will ensure its own security by making its full contribution to collective security and, in particular, to its share in the defence of North America.

NORAD

The joint North American Aerospace Defence Command was established in 1957. Its purpose, in the words of retired Canadian diplomat John Holmes, was "to rationalize the collective defence efforts." The strategy was simple—long-range bombers had made the continent vulnerable. Radar lines and American and Canadian fighter planes would provide a defence.

The tactics were complex and based on sophisticated technologies. NORAD headquarters were established in Cheyenne Mountain, Colorado, under a joint command. When the Commander-in-Chief, an American, was absent, the Deputy Commander, a Canadian, took

over. The Canadian headquarters were set up in North Bay, Ontario.

The technology and deployment strategems have evolved over the years. In 1985 President Reagan and Prime Minister Mulroney announced a new master defence plan, with the Distant Early Warning Line—the DEW line—being phased out and replaced with the North Warning System, backed up by AWACS—Airborne Warning and Control System Planes—and over-the-horizon backscatter radars. The system will provide protection from air attacks and cruise missiles launched from land, sea or air. NORAD now has three U.S. Air Force interceptor squadrons and two Canadian squadrons made up of new F-18s. It also has 11 U.S. National Guard squadrons. Canada will upgrade five airfields in the North as forward operating bases.

Defence Production Sharing

The Defence Production Sharing Arrangement negotiated in 1959 gave each country access to the other's market for military equipment. The agreement includes the sharing of weapons development and maintains a rough balance in defence industrial trade. Canada is considered part of the American domestic industrial base.

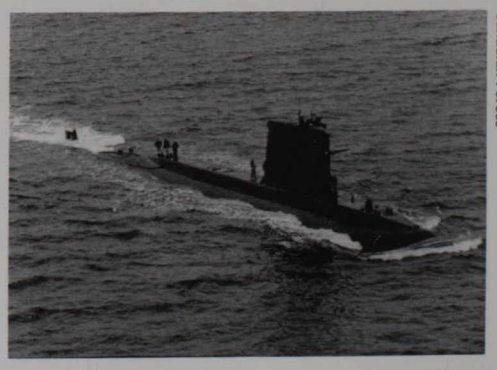
The arrangement works well. In FY1986, Canada bought U.S. $1.2 billion worth of defence products from the U.S. and sold $810 million worth.

The U.S. has always had a favourable balance in the trade but Canada has developed expertise in production of high-tech defence products, including small gas turbine aircraft engines, flight simulators, inertial navigation systems, light armoured vehicles and reconnaissance drones.

The defence industries of the two countries often work closely together. For example, to provide protection for its airfields in Europe, the Canadian Forces have bought the low-level Air Defence Antitank System (ADATS), a combination of guns and missiles developed by Oerlikon Aerospace of Canada and Martin Marietta. Canada's new patrol frigates will use combat systems built in the U.S.

Martin Marietta Corp.

Antitank missiles for Canada's low-level air defence system.



Canadian Forces

Canadian Forces

Canada's nuclear submarines will be of either French Rubis-Amethyste (top) or British Trafalgar design.

Landmark Agreements on North American Defence

In 1938 President Franklin Delano Roosevelt told William Lyon Mackenzie King that if Canada were attacked the United States would "not stand idly by." Since 1940 Canada and the U.S. have signed 72 agreements, exchanges of notes and memorandums of understanding on North American defence.

1940: The United States and Canada establish a Permanent Joint Board as a basis for extended military cooperation.

1941: President Roosevelt and Prime Minister Mackenzie King issue the Hyde Park Declaration establishing cooperation in defence production.

1946: The two countries form the Canada-United States Military Cooperation Committee.

1949: The two countries are charter members of the North Atlantic Treaty Organization.

1957: The North American Air Defence Agreement (NORAD) is signed.

1959: The Canada-U.S. Defence Production Sharing Arrangement is signed.

1963: Memorandum of understanding on Canada-U.S. cooperative defence development is signed.

1981: NORAD is renamed the North American Aerospace Defence Command.

1985: The two countries agree to strengthen the continental defence system and to enhance the North American industrial base.

Arctic Pact

On January 11, the United States formally agreed to seek Canadian consent before sending an icebreaker through Arctic waters claimed by Canada.

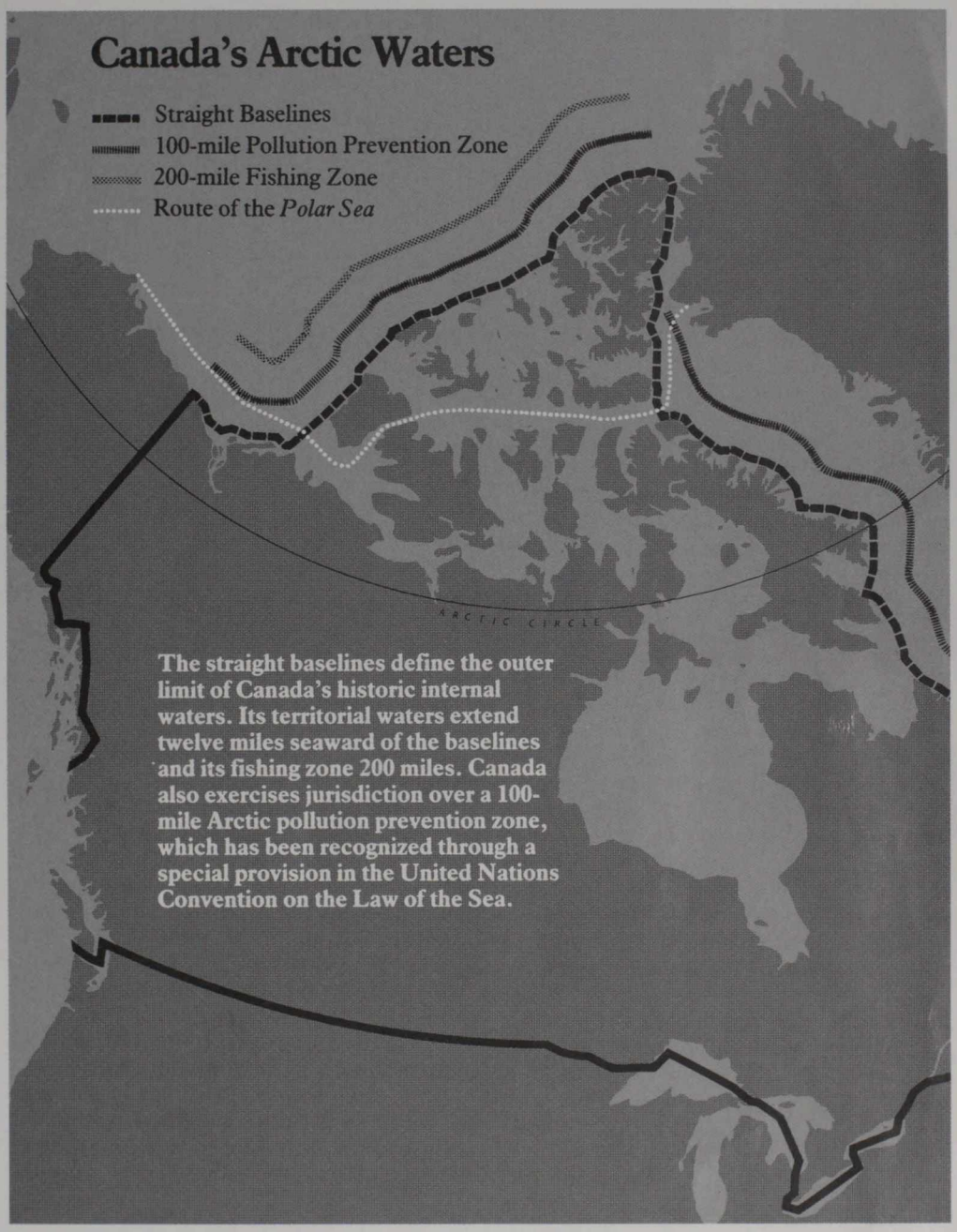
The pact, signed by Secretary of State for External Affairs Joe Clark and Secretary of State George Shultz, resolved a longstanding dispute over rights of passage, which came to a head when the U.S. Coast Guard icebreaker *Polar Sea* sailed the Northwest Passage in the summer of 1985. The U.S. had informed Canada of the voyage but had not asked Canada's permission, since it contends that the waters are international. Canada contends that the waters of the Arctic archipelago, which are frozen much of the year, are in effect an extension of Canada's land mass.

Subsequently, Canada identified the areas claimed precisely by releasing maps showing the waters enclosed in straight baselines, and formally extended Canadian laws to them and other offshore waters. It also increased civil and military patrols in the High Arctic and announced it would build the world's largest icebreaker to facilitate its access to remote areas. (See *Canada Today/d'aujourd'hui*, "Frozen Assets," Vol. 18, No. 1, 1987.)

The new agreement sets no precedents and is without prejudice to the legal position of either side. Prime Minister Mulroney said that Canada and the U.S. "have come to a practical agreement that is fully consistent with the requirements of Canadian sovereignty in the Arctic." President Reagan said it is "a pragmatic solution based on our special bilateral relationship, our common interest in cooperation in Arctic matters, and the nature of the area."

Mr. Shultz and Mr. Clark also signed a protocol broadening the 1971 U.S.-Canada extradition treaty covering persons charged with certain felonies, including tax evasion, white-collar crimes, parental kidnapping and escape from prison, which were not covered in the earlier treaty.

They also formalized arrangements for a bilateral consultative group on terrorism, which will make recommendations on border control, crisis management and information-sharing.



Canada's Expanding Economy

Canada had the fastest growing economy among the seven leading industrial countries of the free world last year.

Finance Minister Michael Wilson said Canada, which also led in 1986, should continue to grow at a substantial rate at least through the early 1990s.

Canada's Gross National Product increased 3.8 percent last year, is expected to drop a percentage point this year because of a slowdown in housing construction, start back up in 1989 and then level off at 3.2 percent through 1993. Wilson said that Canada is in its sixth year of economic expansion and that the economic indicators remain positive.

Radio Canada International

Voices from Canada

Radio Canada International, a service of the Canadian Broadcasting Company, broadcasts over shortwave in 12 languages to 16 million people a week. Seventy-one percent of the listeners are in Central and Eastern Europe.

In the U.S., three-and-a-half hours of English programming are beamed daily, two on Saturday and five on Sunday, including the popular CBC programs "As It Happens" and "Sunday Morning" and news and information programming produced by RCI. There are also daily programs in French, including "Radiojournal."

The following is a schedule of broadcasts in the U.S. for winter and spring 1988. All times are Universal Coordinated Time (UTC), which is the same as Greenwich Mean Time. To convert to local time, use this table:

	Standard Time	Daylight Savings Time
New York	UTC-5	UTC-4
Chicago	UTC-6	UTC-5
Denver	UTC-7	UTC-6
Los Angeles	UTC-8	UTC-7

For more information, write:
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P.O. Box/C.P. 6000
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Canada Today/d'aujourd'hui
The views expressed are not necessarily those of the Canadian Government. Written by Tom Kelly, edited by Judith Webster, designed by Sharon Musikar.
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English

	UTC*	Frequencies (kHz) Nov. 1-Mar. 26		Mar. 27-Apr. 30	
Monday-Friday					
World Report, North Country: sports, weather, stockmarket	1300-1400	9625	11855	9625	11855
As It Happens	0030-0130	5960	9755	5960	9755
World at Six†	0200-0230	5960	9755	5960	9755
Saturday					
News, sports, weather, Innovation Canada‡	0000-0100	5960	9755	5960	9755
News, sports, weather, SWL Digest, Canada Rocks, Spotlight on Science	0100-0200	5960	9755	5960	9755
Sunday					
News, Sunday Morning	1400-1700	11955	15440	11955	15440
News, The House‡‡‡	0000-0100	5960	9755	5960	9755
News, sports, weather, Listeners' Corner	0100-0200	5960	9755	5960	9755

Subject to change
* Effective April 3, 1988 programs to the United States will be one hour earlier UTC.
† This broadcast will cease on April 1, 1988.
‡ Effective April 9, 1988 these broadcasts will start at 2200 UTC.

en français

	UTC	Fréquences (kHz) 1er nov.-26 mars		27 mars-30 avr.	
Du lundi au vendredi					
Radiojournal, Le matin des Canadiens: sports, météo, la Bourse Actualités canadiennes	1300-1400	9650		9650	
Nouvelles, sports, météo, Présent	0130-0200	5960	9755	5960	9755
Le samedi					
Nouvelles, sports, météo, Innovation Canada, Canada à la carte	0200-0300	5960	9755	5960	9755
Le dimanche					
Nouvelles, sports, météo, Au fil de l'heure: courier, chansons, Allô DX	0200-0300	5960	9755	5960	9755

Cet horaire peut être modifié sans préavis.

Canada Today/d'aujourd'hui

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