

Agreement for five years. The government concluded that it was in Canada's interest to continue to cooperate with the United States on questions of North American defence, both as a means of dealing with mutual security problems and as a contribution to the general security of the NATO area. It was also concluded that, although it was substantially diminished, there continued to be a bomber threat to North America that required some defence and that this could most efficiently and economically be provided through a continuation of the air-defence arrangement that had been worked out by the two governments through NORAD.

The Canadian and US governments were both developing national civil-military surveillance and control systems of their respective airspaces, and it was concluded that these new arrangements would be enhanced by a continuation of NORAD. To further the effectiveness of the new national systems, the two governments agreed to redefine NORAD's regional boundaries. For Canada this would have the practical effect in future of all operations in Canadian airspace being controlled from centres in Canada by Canadians.

One of the principle consultative mechanisms for Canada-US defence cooperation is the Permanent Joint Board on Defence (PJBD). Through its regular meetings during 1975, the board provided a forum for the discussion of such issues as the dispersal of US aircraft to Canadian bases in times of crisis, the renewal of the NORAD Agreement, the renewal of an agreement to operate jointly a torpedo-testing range at Nanoose Bay, BC, and the possible industrial development of surplus lands at the US-leased naval station at Argentia, Nfld. The board also provided an opportunity to both countries to exchange views on various aspects of their mutual defence policies.

As a continuing function, the department coordinates Canadian cooperation with the US in various research activities.

3.6.2.7 Canada and the United States

There is no more important external relationship for Canada than that with the United States. As a result of geography and economic and social patterns, the two countries frequently meet to discuss various aspects of governmental policies and programs. In addition to informal consultations, there are official and technical committees in which Canadian and US officials discuss bilateral matters ranging from economic questions to defence to transboundary environmental matters. For example, the International Joint Commission, an independent agency, was jointly established by the US and Canada to deal with regulation of flows of boundary waters and the abatement of transboundary air and water pollution. Canada and the US have a long history of defence cooperation through the Permanent Joint Board on Defence and through NATO.

Canada and the US also work together on international questions in multilateral organizations such as the UN, the OECD, GATT, the IMF and others in which both countries are active members.

In trade, each is the other's best customer, and in 1975 two-way trade between the two countries was approximately \$45 billion. Canada sells to the United States about 65% of all exports and buys from the US about 20% of all US exports.

Demographic and economic patterns make for a somewhat asymmetric relationship between Canada and the US that poses a challenge for Canada. In pursuit of Canadian goals, however, it is fundamental to Canadian foreign policy that Canada continue to maintain sound mutually beneficial relations with the US.

3.6.2.8 Canada and the Commonwealth Caribbean

Canada has long enjoyed close relations with the countries of the Commonwealth Caribbean. The current phase began with the Commonwealth Caribbean-Canada Conference of 1966, followed by a special Canadian Mission to the area in 1970. In April 1975 the Prime Minister visited Trinidad and Tobago, Barbados and Guyana, then went to the Commonwealth Heads of Government Meeting in Kingston, Jamaica.