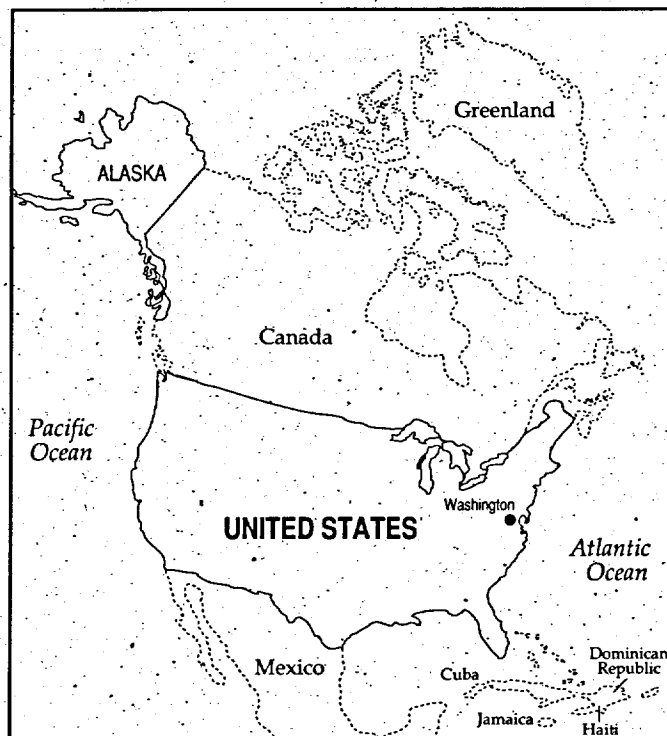


UNITED STATES

HEAD OF STATE & HEAD OF GOVERNMENT : President William J. Clinton (Democratic Party)
POPULATION: 258 104 000

GROSS DOMESTIC PRODUCT (GDP): \$8.13 trillion (1993)
GDP GROWTH: 4.0% (1994)
PER CAPITA GDP 1993: \$31 663

UNEMPLOYMENT RATE: 6.1% (1994)
INFLATION RATE: 2.6% (1994)
EXPORTS AS A PERCENTAGE OF GDP: 10.4% (1993)



TRADE AND INVESTMENT

Canada and the United States maintain one of the closest and most productive trading relationships of any two countries in the world. We are each other's single most important trading partners, with two-way trade valued at some \$313 billion in 1993. The U.S. buys 80 per cent of Canada's exports, and trade between the two countries supports an estimated 1.5 million jobs in Canada. Just over 20 per cent of Canada's GDP is generated directly by merchandise exports to the U.S. The automotive, forestry, and energy sectors dominate the trade, accounting for about half of all domestic exports to the United States. In 1993, Canada enjoyed a favourable merchandise trade balance with the U.S. of almost \$20 billion.

BILATERAL RELATIONS

There are more joint initiatives between the governments and peoples of Canada and the United States than between any two nations in the world. In 1909, the Boundary Waters Treaty set up the International Joint Commission (IJC), the first permanent joint organization between Canada and the U.S. The IJC has supervised dozens of decisions and helped draw up agreements. Joint peace and security issues are dealt with through the North American Aerospace Defence Agreement (NORAD) and other organizations. There are international trade unions that represent workers on both sides of the border, while business associations do the same thing for companies. Cultural, political, and academic exchanges are constant.

CURRENT ISSUES

On January 1, 1989, the Free Trade Agreement (FTA) between Canada and the United States came into effect. It was to remove all tariff barriers between the two countries over a 10-year period. On January 1, 1994, the agreement was extended to include Mexico to become the North American Free Trade Agreement (NAFTA). Now, the name will have to change again. At the Summit of the Americas in Miami, Florida in December 1994, Chile began negotiations to become the fourth nation to join the trade pact. The ultimate goal, as expressed by Prime Minister Jean Chrétien and U.S. President Bill Clinton at the Miami Summit, is to create a hemisphere-wide free trade zone by 2005.

According to the
1990 U.S. Census,
745 000
Canadian-born
people were living
in the United States
More than half
of these Canadians
had become
naturalized
U.S. citizens.