

United States

President George Bush

George Herbert Walker Bush was born June 12, 1924 in Milton, Massachusetts.

Following World War II, in which he fought as a Navy pilot in the Pacific, he entered Yale University, completing his degree in Economics in 1948. After graduation, he moved to Texas where he joined the oil industry. A successful businessman, he was co-founder of three firms, Bush-Overbey Oil in 1951, Zapata Petroleum Corporation in 1953, and Zapata Offshore Company in 1954.

George Bush began his public career in 1966 when he was elected from the Texas 7th District to the U.S. House of Representatives. In December 1970, he was appointed Ambassador to the United Nations, a position he held for two years. From January 1973 to September 1974, he was Chairman of the Republican National Committee. In October 1974, he went to Beijing to serve as Chief of the U.S. Liaison Office in the People's Republic of China. From 1976 to 1977, he was Director of the Central Intelligence Agency.

Selected as Ronald Reagan's running mate in the 1980 presidential election, George Bush served two terms as U.S. Vice-President. On January 20, 1989, he was sworn in as 41st President.

As host in Houston, President Bush will be attending his second Economic Summit. He will be accompanied by Secretary of State James Baker, and Treasury Secretary Nicholas Brady. President Bush's personal representative is Richard McCormack, Under-Secretary of State for Economic Affairs.

Canada-U.S. Relations

Canada and the U.S. are partners in the largest bilateral trading relationship in the world, allies in the defence of North America and Europe, and they share a common responsibility for the preservation of the environment of the continent.

Canada and the U.S. are each other's most important customer. In 1989, Canada exported goods worth C\$97.9 billion (customs basis) to the U.S. and imported U.S. merchandise worth C\$93.3 billion. Overall, the U.S. absorbs 75 percent of Canadian exports. About 65 percent of Canadian imports come from the U.S. market.

Non-merchandise trade, including tourism, services, investment income and transfers, is a significant element of the full bilateral economic

relationship. In 1989, Canada had non-merchandise payments of C\$32 billion and receipts of C\$17.3 billion, giving the U.S. a surplus on non-merchandise transactions with Canada of C\$14.7 billion. Canada's current account balance with the U.S. last year showed a deficit of C\$10.1 billion.

Canada is by far the largest single customer for U.S. sales abroad, taking 21 percent of all U.S. exports. Canada buys more U.S. products than the F.R.G., The U.K., France and Italy combined. Ontario buys more U.S. goods than all of Japan. According to the U.S. Department of Commerce, Canadian imports maintain over two million manufacturing jobs in the U.S.

Canada and the U.S. are also major investors in each other's economy. According to the U.S. Department of Commerce, the cumulative book value of Canadian direct investment in the U.S. was recorded at US\$27.4 billion at the end of 1988, with investments mainly in retail trade and manufacturing. The U.S. on the other hand is Canada's top investor, having invested some US\$61 billion at the end of 1988.

The Canada-U.S. Free Trade Agreement has been in effect since January 1989. A 10-year phase-in will eventually eliminate bilateral tariffs and most other border restrictions. During the first year, the FTA legislation, institutions and procedures have been implemented: tariff cuts have been made on schedule; temporary entry provisions for business persons are being expanded; and binational working groups have been set up to further eliminate trade barriers in the areas of agriculture and fishery products, customs matters, tourism and services.

The implementation of the FTA is supervised by the Canada-U.S. Trade Commission, headed on the Canadian side by John Crosbie, Minister for International Trade, and on the U.S. side by Trade Representative Carla Hills. One of the Commission's responsibilities is to attempt to resolve disputes at an early stage.

Co-operation for the defence and security of North America, which will be highlighted in August 1990 by the 50th anniversary of the creation of the Permanent Joint Board on Defence, is a priority in Canada-U.S. relations. Preparations to renew the NORAD agreement, which expires in May 1991, are under way. Canada is also committed to the modernization of the North American Air Defence System and to European defence with the continued presence of Canadian troops in Europe. In both countries, however, the need to deal effectively with large budgetary deficits has led to slower increases in defence spending.