

Trade & Investment = Jobs & Prosperity

Trade and investment are inter-related ingredients of a country's prosperity. The Canada-U.S. Free Trade Agreement recognizes the connection and includes provisions for a more liberal investment environment between the two countries.

Trade Creates Jobs

Canada-U.S. trade supports an estimated two million jobs on both sides of the border, in most manufacturing, mining, agriculture and service sectors.

Five Canadian provinces and nearly all 50 states have workers whose jobs depend on the automotive trade. In the United States, the export of motor vehicles and parts to Canada supports some 350,000 jobs, 100,000 in the automotive industry and 250,000 in related industries.

Canada buys more American-made electronic products than any other country, and its purchases of computers and related equipment support some 63,000 jobs in the electronics industry, plus almost three times as many spin-off jobs.

Trade with Canada creates jobs all across the U.S.: merchandise exports alone support 100,000 jobs in New England; 165,000 in New York, Connecticut and New Jersey; 130,000 in the mid-Atlantic states; more than 120,000 in California; 87,000 in the other western states; and 280,000 in the South, including 53,000 in Texas.

Tourism, insurance, banking and financial services and other non-merchandise, which made up 18 percent of total Canada-U.S. trade in 1989, support thousands more jobs in both countries.

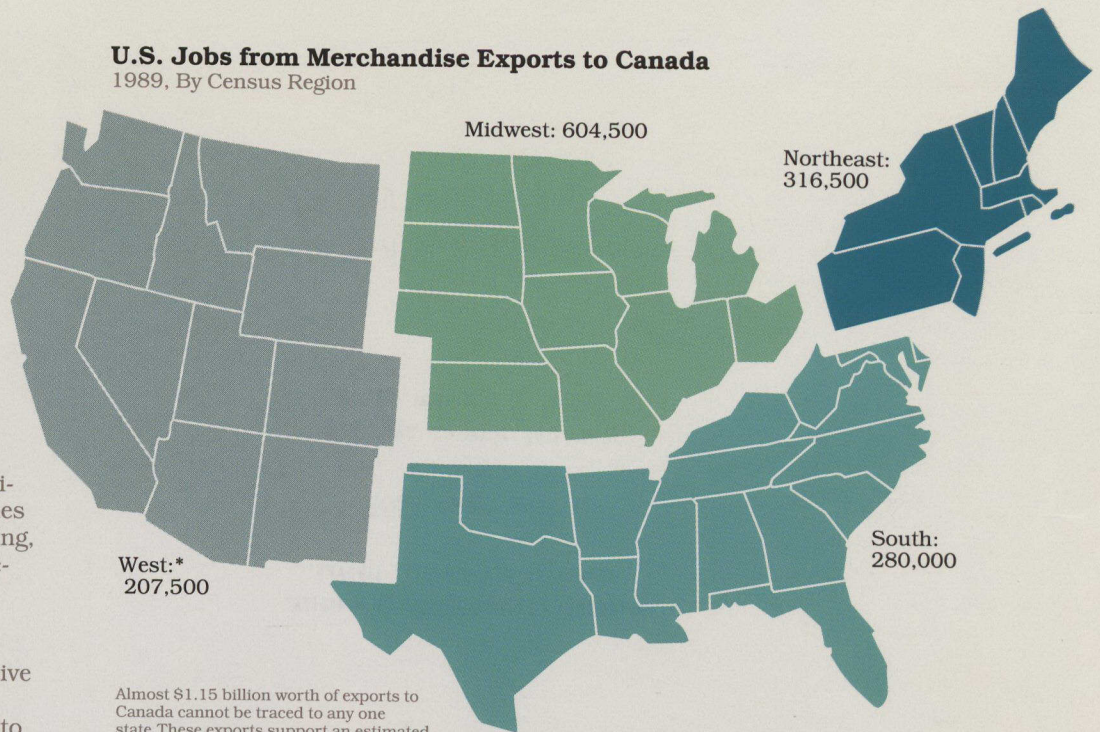
Investing in Each Other's Future

Investment — both inflows and outflows — is the key to job creation and international competitiveness.

The largest concentration of U.S. direct investment abroad, almost 18 percent of the total, is located in Canada. At the end of 1989, the stock of U.S. direct investment there was \$66.9 billion. The U.S. is by far Canada's most important foreign source of direct investment, with 67 percent of the total stock.

Canada had \$31.5 billion invested in the U.S. at the end of 1989, making it the fourth largest source with 7.9 percent of the total.

U.S. Jobs from Merchandise Exports to Canada 1989, By Census Region

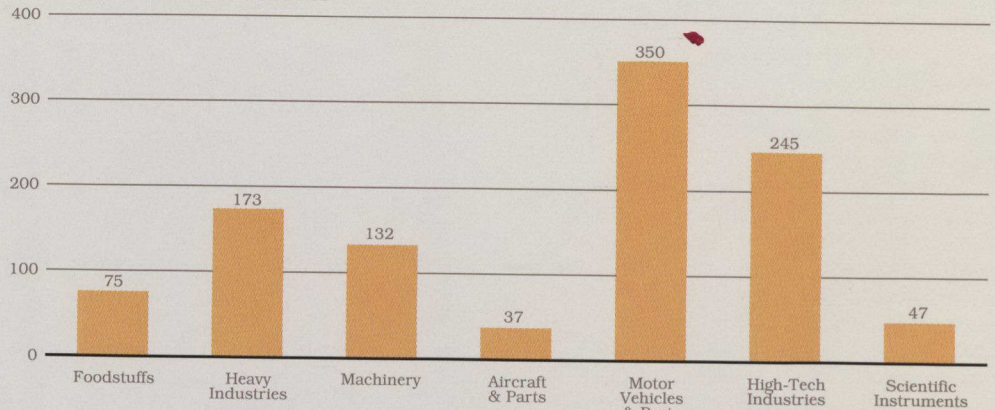


Almost \$1.15 billion worth of exports to Canada cannot be traced to any one state. These exports support an estimated 8,500 jobs.

*Alaska and Hawaii are included in the West.

Source: Jobs to exports ratios are derived from U.S. Bureau of Labor Statistics input-output tables, and have been adjusted for inflation. Export values are from Statistics Canada.

U.S. Jobs Supported by Selected Exports to Canada 1989, In Thousands of Jobs*

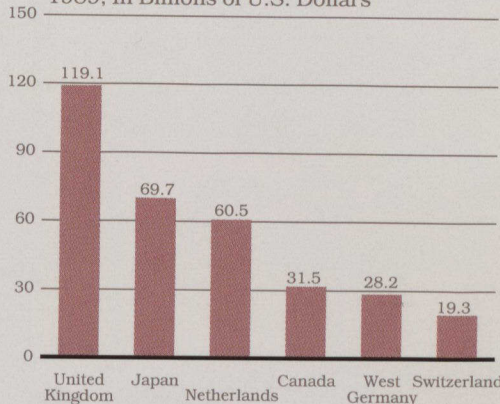


*Includes both jobs in the industry of manufacture and spin-off jobs in related industries.

Source: Jobs to exports ratios are derived from U.S. Bureau of Labor Statistics input-output tables, and have been adjusted for inflation. Export values are from Statistics Canada.

Foreign Direct Investment Position in the U.S.

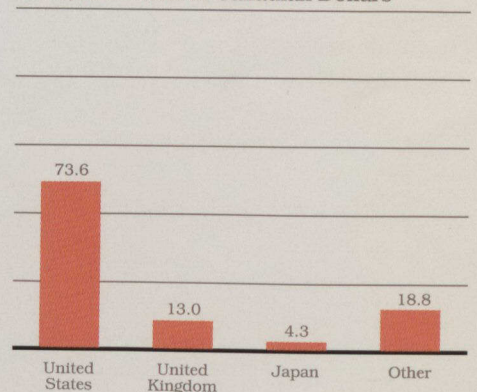
1989, In Billions of U.S. Dollars



Source: Bureau of Economic Analysis, U.S. Department of Commerce

Stock of Foreign Direct Investment in Canada

1989, In Billions of Canadian Dollars



Source: Statistics Canada