
CANADA/U.S. TRADE: THE WORLD'S BIGGEST BY FAR

No other country comes close to Canada's level of trade with the U.S. We sell more to the Americans than does Japan or the European Economic Community. (Interestingly, even Americans don't know that. In a recent survey 64% of Americans identified Japan as their major trading partner, while only 16% knew it was Canada.) The truth is, 78% of our exports go to the U.S. and 22% of theirs come to us. Any trade relationship that important deserves special attention.

Special attention will come in the form of the Canada/U.S. Trade Talks. They are, in fact, a logical extension to a pattern that has already been emerging. Successive tariff reductions, in accordance with the GATT, will enable 80% of all Canadian exports to enter the U.S. duty free by 1987. But the remaining 20% would still represent substantial obstacles to many Canadian companies.

Combine these conditions with rising protectionism in the United States and envious eyes being cast by other nations on our share of the U.S. market, and we have a situation that probably doesn't merely suggest talks about enhanced trade and secure access but, rather, demands them.