

The Canada-United States Current Account Is in Balance

Current account is the most comprehensive way of reporting trade exchanges. It includes trade in goods, service transactions and capital flows.

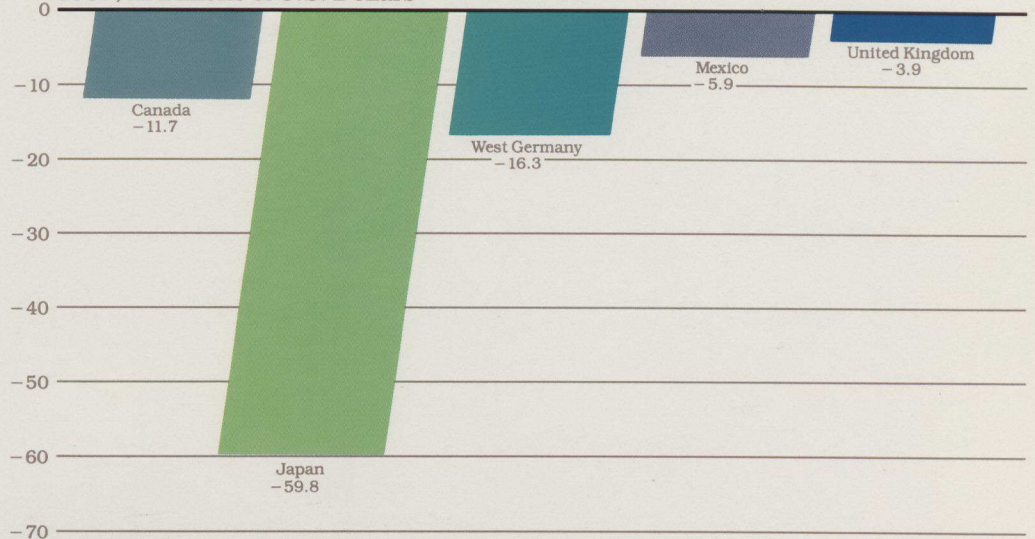
Trade balances are important indicators but in today's complex world economy they can be misleading. Over the decades the balances between the United States and Canada have shifted back and forth, with the United States having a favorable one most often. More important for both partners are the size and growth of the trade, and the United States-Canada exchange is in a period of continued, healthy growth.

Since 1985, the United States' current account deficit with Canada has dropped by 94 percent, to only \$361 million.* While the United States' deficit with the rest of the world went up by 40 percent and with Japan by 29 percent.

**Preliminary figures for 1988 indicate that the exchange remains in balance, with the United States having a slight surplus at the end of three quarters.*

U.S. MERCHANDISE TRADE BALANCES

1987, In Billions of U.S. Dollars

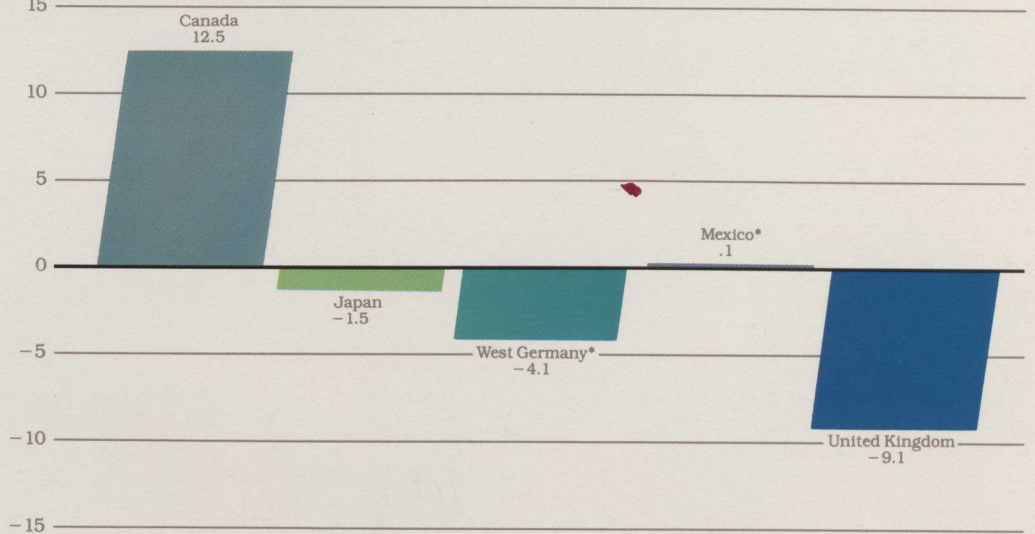


Includes inland freight and insurance.

Source: Bureau of the Census, U.S. Department of Commerce

U.S. NON-MERCHANDISE TRADE BALANCES

1987, In Billions of U.S. Dollars

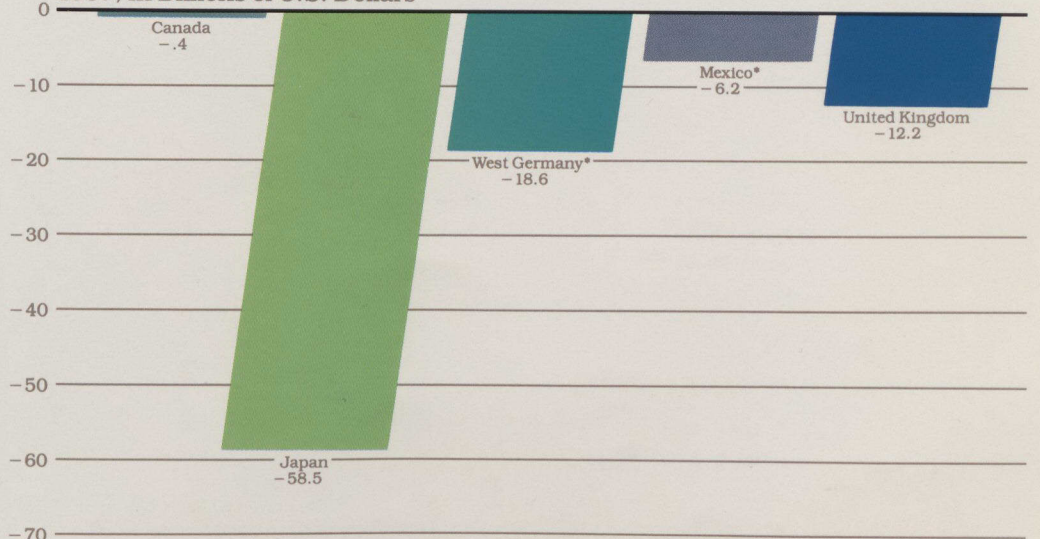


*Preliminary figures.

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

U.S. CURRENT ACCOUNT BALANCES

1987, In Billions of U.S. Dollars



*Preliminary figures.

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