

upon which we still seek agreement could therefore proceed down the same path of co-operation, negotiation and mutual understanding.”

Largest suppliers and customers

Two-way trade in 1980 between Canada and the United States was approximately \$94 billion (Cdn.); both countries are each other's largest supplier and customer. Canada and the U.S. also co-operate to ensure the security of the North American continent and through the North Atlantic Treaty Organization (NATO), Western Europe as well. The two countries are each other's largest source and destination of tourists with over 30 million border crossings each way annually.

In 1980, the value of Canadian exports to the United States was more than \$46 million (Cdn.), over two-thirds of total Canadian exports. Canadian imports from the United States exceeded \$48 billion or about 20 per cent of all American exports. The United States sells as much to Canada as to the entire European community and about twice as much as to its next largest single trading partner, Japan.

The two countries are also among each other's largest sources of foreign investment. The United States has more than \$53 billion in direct and portfolio investments in Canada, and Canada has an estimated \$9 billion (Cdn.) in direct and portfolio investment in the United States. As a result of the importance of the two-

way trade and the economic relationship, commercial and financial policies in one country can have a strong effect on the other.

Issues discussed

Prime Minister Trudeau's and President Reagan's talks centred on a number of international and bilateral issues.

In a statement to the press at the end of the visit, Mr. Trudeau said he was "surprised and delighted" that at the beginning of a new administration "so much ground could be covered in such a positive way".

The two leaders discussed international affairs such as the situation in Afghanistan, Poland, the Near East, the Caribbean, Central America and El Salvador. Mr. Trudeau said there was agreement that there should be a political solution to the problems in El Salvador. Prime Minister Trudeau and President Reagan also spoke about the problems of relations between rich and poor nations, and the North-South Summit to be held later this year in Mexico City. The possibility of future meetings between Mr. Trudeau, Mr. Reagan and Mexican President José Lopez Portillo was also discussed.

The Prime Minister also said that Canada was "disappointed" the East Coast fisheries resources agreement had been withdrawn from the United States Senate where it had been awaiting ratification since March 1979. However, the Prime



President Reagan reviews the guards of the 22nd Regiment upon his arrival in Ottawa.

Minister said he was "happy that the United States administration had undertaken to assure fish conservation measures in that area" and was "hopeful" that the problem would be settled in that way.

On the subject of cross-boundary pollution either by acid precipitation, Great Lakes water pollution or the Garrison diversion project, Mr. Trudeau said he had been given assurances that the United States would co-operate to preserve the environment.

The Prime Minister also said that the two leaders had agreed that talks on the Auto Pact should be pursued and that in the area of mass transit transportation the United States should consider ways in which buy-American provisions could be made more beneficial to Canadian companies.

The two leaders also said that they would like to see successful completion of a Northern Gas Pipeline and that they would proceed with undertakings agreed on by the previous U.S. administration.

"We think that there can be beneficiaries on both sides in all these areas whether it be from the environment or trade," said the Prime Minister, "we do not see these negotiations as terminating in a victory for one and some losses for the other. The spirit and reality of these discussions...will be that both sides can come out the gainers if we solve problems of the environment, problems of boundaries or of fisheries, problems of trade, problems of social security, and that both

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U.S. Secretary of State Alexander Haig (left) and Secretary of State for External Affairs Mark MacGuigan (right) sign the Social Security Agreement in the presence of Prime Minister Trudeau and President Reagan.