

UNITED STATES

President George Bush

George Herbert Walker Bush was born on 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 and was a 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 service 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 Peking 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 November 1980 presidential election, George Bush served two terms as Vice-President of the United States. On January 20, 1989, he was sworn in as 41st President of the United States.

The Summit of the Arch will be President Bush's first 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 United States have a complex and extensive relationship. They are partners in the largest bilateral trading relationship in the world. They are allies in the defence of North America and Europe. They share a common responsibility for the preservation of the environmental quality of the continent.

Canada and the United States are each other's most important customer. In 1988, Canada exported goods worth C\$101.6 billion to the United States, a 5.2 per cent increase over 1987, and imported U.S. merchandise worth C\$88 billion, 11.2 per cent more than in 1987. The

resulting merchandise trade surplus of C\$13.6 billion in Canada's favour was the smallest since 1982.

Non-merchandise trade, including tourism, services, investment income and transfers, is a growing element of the full bilateral economic relationship. In 1988, Canadian non-merchandise payments of C\$32.9 billion and receipts worth C\$18.4 billion were registered, giving the United States a surplus on non-merchandise transactions with Canada of C\$14.5 billion. Therefore, the 1988 current account balance is, for the first time in seven years, in favour of the United States by C\$952 million.

The United States absorbed 74.1 per cent of Canadian exports in 1988 and about 69 per cent of Canadian imports came from the American market. In terms of American trade volumes for 1988, the value of goods traded with Canada represented 22 per cent of all U.S. exports and almost 18 per cent of all U.S. imports. The U.S. Commerce Department has concluded that Canada is the most important single-country market for generating U.S. export-related jobs, supporting 1.2 million of them in 1987.

Canada and the United States are also major investors in each other's economy. At the end of 1988, the United States had an estimated C\$76.3 billion in direct investment in Canada compared to an estimated C\$42.5 billion in direct Canadian investment in the United States. In 1988, Canadians invested US\$10.4 billion in the United States, making Canada the third largest foreign investor after the United Kingdom and Japan.

The conclusion of the Canada-U.S. Free Trade Agreement (FTA), which came into force on January 1, 1989, was the most important bilateral achievement of recent years. It provides for the elimination of all bilateral tariffs and other border restrictions within 10 years; special measures to enhance market access for each other's exporters in the areas of agriculture, energy, automotive products and wine and distilled spirits; liberalization of the regulatory framework surrounding government procurement, investment and financial services; a precedent-setting code providing for national treatment in future legislation in a broad range of service sectors; and institutional provisions for the impartial resolution of disputes.

The implementation of the FTA is supervised by the Canada-U.S.A. Trade Commission, headed on the Canadian side by John Crosbie,