

# ★ ★ ★ ★ ★ ★ ★ THE UNITED STATES ★ ★ ★ ★ ★ ★ ★

*(Excerpt from the Green Paper "Competitiveness and Security: Directions for Canada's International Relations". Department of External Affairs 1985).*

— The United States is the world's foremost power. Its presence is global, its international influence is enormous and its views are a factor in the political and economic calculations of countries everywhere.

— The United States is also the principal member of the NATO Alliance and, ultimately, the guarantor of the security of the Western democracies.

— U.S. military power has been increasing and the U.S. economy is expanding and being restructured. Economic activity is shifting markedly from traditional industrial sectors and regions to new areas of high technology. Considerable effort is being expended to ensure the U.S. retains its pre-eminent position at the leading edge of many new technologies. The emphasis is on meeting foreign competition head-on in the market place.

— Economic optimism is tempered by a large budget deficit and a growing merchandise trade deficit, raising the prospect that protectionist sentiment in Congress will remain strong for some time.

## CANADIAN DIMENSIONS

— There is scarcely an area of Canadian national life not affected by our relations with the United States.

- Canadian fiscal and monetary policies, especially interest rates and exchange rates, are heavily influenced by developments in the U.S.

- About three-quarters of Canadian exports go to the U.S. market, while Canada is the largest market for U.S. exports. Two-way trade approached \$154 billion in 1984. Just the increase in Canadian exports to the United States last year exceeded the total of our exports to Europe and Japan.

- 80% of all foreign investment in Canada is American; 15% of all foreign investment in the U.S. is Canadian.

- U.S. companies control 58% of the Canadian oil and gas industry; Canada is the United States' largest foreign source of natural gas.

- Canadians are more heavily influenced by American social and cultural values than by those of any other foreign group; transborder travel is extensive.

- The physical environment of each country is affected by developments in the other.

- The two countries share responsibility for the defence of North America, and are the only two non-European members of NATO.

— Trends suggest these connections will continue to intensify. The challenge is to try to harness them to serve Canadian interests.

— A basic factor in the management of relations is the asymmetry between the two countries.

— Americans see bilateral issues predominantly in economic terms; Canadians see them in political or cultural terms as well as economic.

— The extent and complexity of the relationship defies traditional categorization. While both governments use many of the classic diplomatic techniques in their attempts to manage the relationship, large dimensions of the relationship are in practice beyond the reach of the governments.

— In part for this reason, and because Canadian and American interests are not always the same, it is unavoidable that there will be disputes and disagreements from time to time, despite the enormous goodwill which exists on both sides of the border. In the past decade, new areas of disagreement have arisen on the protection of the environment, particularly acid rain, and on the threat to water quality posed by chemical pollutants. There have also been occasions when Canadian views on foreign policy issues have not coincided with those of the U.S. government.

— In recent years, a particular Canadian concern has been the efforts by U.S. pressure groups to protect their domestic markets against foreign, including Canadian, imports. For Canada, secure and enhanced access to the U.S. market is vital to our economic prosperity.

— Effective management of relations has been complicated recently by the increasingly segmented nature of the U.S. governmental system. Congress, the courts, regulatory agencies, state governments, and lobbies and political action committees all play strong, independent roles. Canadian participation in the U.S. domestic arena has become necessary for the effective defence of our interests.

— It is the policy of the Canadian Government to develop a new, constructive relationship with the United States. There is a large measure of agreement on broad objectives and policy approaches; when we disagree, we express our views clearly but in a civil manner.

— The Prime Minister and the President have agreed to meet annually; the two foreign ministers are to continue to meet quarterly. Consultations take place between defence ministers on both the security and economic aspects of defence relations. Other ministers are also engaged in extensive contacts. The Prime Minister and the President have named Special Envoys to examine the problem of acid rain. The private sector has a role to play in advising on the conduct of the relationship.

— We have 14 diplomatic, consular and trade offices in the United States.

They are:

- Washington
- Atlanta
- Boston
- Buffalo
- Chicago
- Cleveland
- Dallas
- Detroit
- Los Angeles
- Minneapolis
- New York
- Philadelphia
- San Francisco
- Seattle

