
CANADA-UNITED STATES RELATIONS

Canada and the United States are partners in the world's largest trading relationship and are allies in the defence of North America and Europe. We also share responsibility for preserving the environment. Trade, defence and environment are the three traditional pillars of the relationship.

Canada and the United States are each other's most important trading partners. In fact, more than 15 per cent of Canada's gross domestic product is generated directly by exports to the United States. The Canada-U.S. Free Trade Agreement (FTA), currently in its fifth year, has contributed significantly to the economic growth of both countries.

In 1992, Canada exported a record \$122.3 billion worth of goods to the United States, an increase of \$14.7 billion from 1991. Two-way merchandise trade was valued at \$226.9 billion. There have been five rounds of tariff elimination talks between the two countries, and a number of important trade disputes have been resolved under the FTA dispute settlement mechanism.

Ratification of the North American Free Trade Agreement (NAFTA) is a priority for Canada. Signed on December 17, 1992, NAFTA is scheduled to come into force on January 1, 1994, following ratification by Canada, the United States and Mexico.

Canada and the United States also co-operate on peace and security issues through a number of multilateral fora, as well as through the North American Aerospace Defence Command. The NORAD agreement, renewed every five years, has been modified to permit surveillance and tracking of aircraft suspected of carrying drugs illegally into North American airspace.

Since the signing of the 1909 Boundary Waters Treaty, Canada and the United States have co-operated to protect the environment they share. Issues include transboundary air and water quality, wildlife management, and the cleanup of the Great Lakes.