



1. Canada—The Country and The Economy

Introduction

Canada is the second largest country in the world. Its boundaries are three of the world's great oceans: the Atlantic, the Pacific, and the Arctic. The fourth border is the 6,500-kilometre land frontier with the United States. Canada's total land area is almost 10 million square kilometres.

Canada is the ninth largest trading nation in the world by dollar value, a considerable achievement for a country with a population of 25 million. The size and potential of the land, agriculture, forestry and fisheries are the original reasons for the growth of Canada. These reasons all remain. To them have been added a substantial manufacturing base, rapidly expanding mineral and energy resource development, and an enterprising and highly skilled workforce. These factors all combine to present the investor with many opportunities to expand in Canada.

Political System

The Canadian political system is a democratic federal system with federal and provincial legislatures. Jurisdiction is divided between both authorities. Canada has two official languages, English and French. Ottawa is the capital of Canada. There are 10 provinces and two territories.

The Provinces

Newfoundland and Labrador, Prince Edward Island, Nova Scotia, and New Brunswick are Canada's Atlantic Provinces. The economy in the Atlantic Provinces is based on fishing, forestry and agriculture together with a certain amount of manufacturing and mining. These provinces will be radically changed by the discovery and development of offshore oil and gas resources which will generate new investment and industrial development. There are several modern seaports located in the Atlantic Provinces.

Quebec is the largest province in terms of area with the second largest population. The economy is based on agriculture, forestry, mining, hydroelectricity, and manufacturing. Montréal is the second largest French-speaking city in the world and a major financial and industrial centre as well as the largest inland deep water port in North America. Eighty per cent of Quebec's population is French-speaking.

Ontario is the most populous province and second largest in area. It is rich in minerals and productive timber. Agriculture and manufacturing are important elements in Ontario's economy and contribute more than half of Canada's total manufacturing capacity and almost one third of the country's agricultural earnings. Toronto, a banking and financial centre, is Canada's largest city.

The Prairie Provinces are Manitoba, Saskatchewan, and Alberta. Agriculture is vitally important in all three provinces. In addition, there is extensive oil, natural gas, and mineral production. Winnipeg is the provincial capital of Manitoba, the centre of Canadian grain and oil-seed trading, and an important manufacturing city. Regina, a major prairie city, is the capital of Saskatchewan. Calgary, in Alberta, is a rapidly expanding city and the home of most of the major Canadian energy companies. It is also the centre of the western livestock industry; while the capital, Edmonton, is an important service and supply centre for the oil and gas industries.

British Columbia is the third largest province in area, and is rich in timber, minerals, and fishing. Vancouver is the third largest city in Canada and a growing manufacturing centre. The port of Vancouver handles the largest tonnage of any Canadian port and is a centre for expanding export activities.

Table 1
Canadian Exports and Imports by Country of Origin and Destination — 1982

	Percentage of Exports by Country of Destination	Percentage of Imports by Country of Origin
United States	68.2	70.5
United Kingdom	3.2	2.8
Other EEC	5.8	5.6
Other OECD	2.6	2.8
Japan	5.4	5.2
Other America	4.0	6.4
All Others	10.8	6.7
Total	100.0	100.0