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USA

# The Relationship

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# Neighbours and Friends

## CANADA

...partner

...ally

...a free and independent country

...sharing with the United States generations of peace, prosperity and cooperation.

What Canada means to the United States:

...a dependable market

...a home for investment

...strategic resources

...a shared environment

...a sophisticated partner in advanced R&D

...the favoured location for international travel

...partners in continental defence

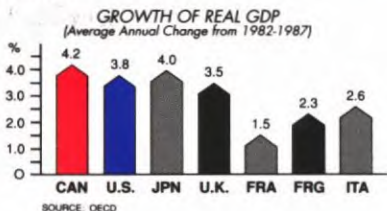
Canadian products...Canadian innovations...help you get on with your business. The things Americans use every day, like newspapers, automobiles and telephones, rely on Canadian exports and ingenuity.

CANADA...a distinctive society...proud of its unique identity...yet conscious of shared attitudes and values that make Canada and the United States partners and friends.

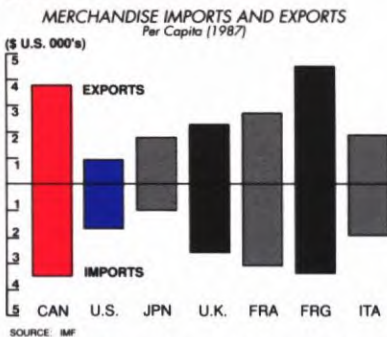
# A Valuable Partner

In area, Canada is the world's second largest country.

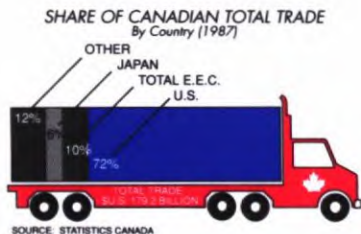
In growth, Canada is one of the most dynamic of the advanced industrial economies.



In commerce, Canada is one of the world's most trade-oriented nations.

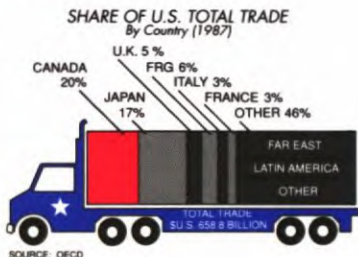


Three-quarters of Canada's trade is with the U.S.

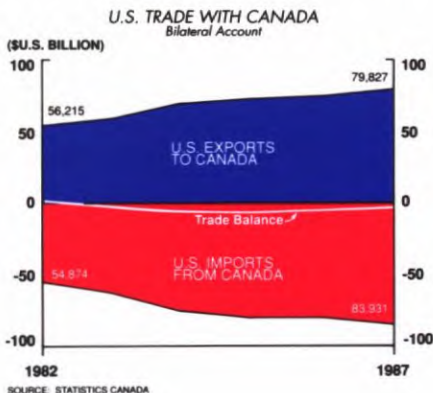


# The World's Largest Trading Relationship

The largest single component of U.S. trade is trade with Canada.



Already growing rapidly, Canada-U.S. trade will increase further under the new Free Trade Agreement.



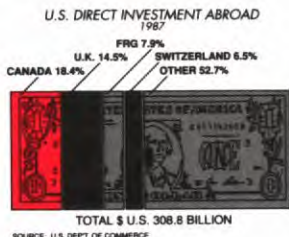
Canada's trade with the U.S.

- fair trade
- mutually beneficial
- in overall balance

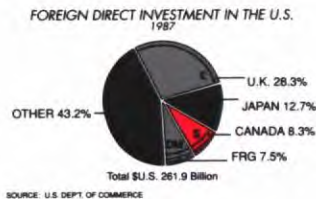
Since 1982 bilateral trade has increased by nearly 50%.

# Investing in Each Other's Prosperity

CANADA - the most important destination for American foreign investment. One-fifth of all U.S. direct investment abroad - the largest single concentration - is located in Canada.



THE UNITED STATES - the most important destination for Canadian foreign investment. Now the fourth largest investor in the U.S., Canada is increasingly a source of capital and expertise for American partners.



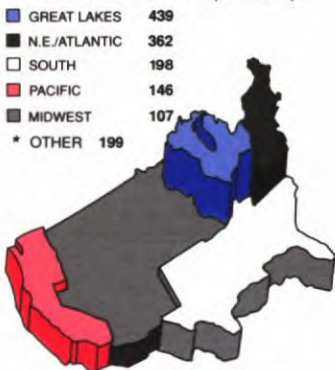
The Free Trade Agreement will create an even more open environment for investment in both directions.

## Working Together

As trade and investment increase there will be more jobs on both sides of the border.

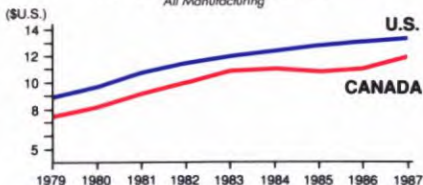
Our expanding trading relationship creates and sustains jobs in both countries. Some 1.5 million American jobs are supported by trade with Canada.

**U.S. JOBS SUPPORTED BY EXPORTS  
TO CANADA BY REGION**  
DIRECT AND INDIRECT 1987 (In Thousands)



(\*) NOTE: DENOTES JOBS OF UNKNOWN ORIGIN  
SOURCE: U.S. BUREAU OF LABOR

**HOURLY COMPENSATION COST  
FOR PRODUCTION WORKERS**  
All Manufacturing

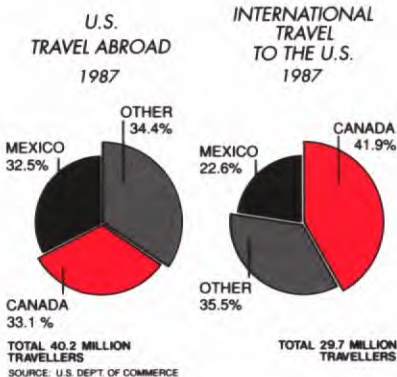


SOURCE: U.S. BUREAU OF LABOR

Investment in Canada provides access to a competitive work force ...educated, skilled, affordable.

## A Preferred Place to Visit

Every day thousands of Americans and Canadians cross our common border for business and pleasure. We are each other's favourite tourist destination and best source of tourist income.



Canada offers:

- exciting cities...theatres, galleries, restaurants  
...in a safe, clean environment.
- spectacular scenery...sightseeing, recreation,  
tranquility...it's all in Canada.
- modern convention centres...convenient,  
cost-effective...available across the country,

**REASONS FOR U.S.  
VISITS TO CANADA  
1986**



Total 13.6 Million Person Trips  
SOURCE: STATISTICS CANADA

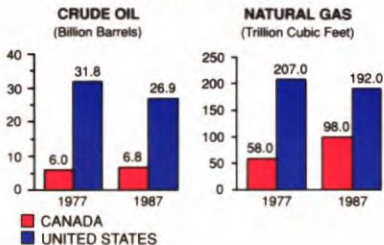
**GROWTH IN CONVENTION  
AND BUSINESS VISITS  
BY U.S. RESIDENTS  
TO CANADA**



# A Reliable Energy Supplier

Canada is, and will remain, a reliable source of energy.

## CANADA - U.S. OIL AND GAS PROVEN RESERVES

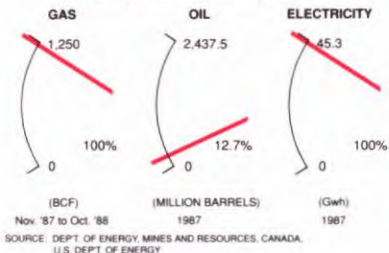


SOURCE: U.S. DEPT. OF ENERGY

While Canada is the largest single foreign supplier of energy in the U.S., it accounts for less than 4% of total U.S. energy use.

Virtually all U.S. imports of electricity and natural gas come from Canada. Much of the bilateral trade in energy is carried out through long-term contracts which assure Americans of energy supplies until well in the next century.

## CANADIAN ENERGY EXPORTS TO THE UNITED STATES *As a Percent of Total U.S. Imports*





## A World Leader in Technology

Working alone, or with associates in the U.S. and around the world, Canadian scientists have made valuable contributions to crucial technologies.

In **space**, Canada is working with the United States to expand the world's horizons. Canada will provide a mobile servicing system for the space station.

Canada's leading expertise in remote sensing will be shared with the United States through Radarsat, Canada's first earth observation satellite.

In **telecommunications**, Canada, a world leader in the digital revolution, is creating advanced telephone systems with increased capacity, superior signal quality, more functions and automated service.

In **transportation and aviation**, Canada is the world's largest supplier of commercial flight simulators, a leader in short take-off and landing (STOL) aircraft and in mass urban transportation technologies.

In **mining technologies**, Canadian expertise - especially in extracting, drilling and processing - helps develop new sources of energy and raw materials in North America and around the world.

Canada's innovations in medical technologies, bio-engineering, fiber optics and computer software are creating new markets and new opportunities throughout North America.



## An Ally and Partner

Canada is the U.S.A.'s closest ally. It is a founding member of NATO and has recently increased its forces in Europe. Canada's strategic location gives it a significant role in the shared defence of North America.

NORTH AMERICAN AIR DEFENCE



Canada is increasing spending to modernise its defence capabilities by 2% per year over the next 15 years. As part of NORAD, Canada's North Warning System is being modernised with sophisticated radar systems and upgraded airfields.

The North American Defence Industrial Base Organization Agreement of 1987 strengthens our common defence industrial base by reducing trade barriers and increasing trade in defence goods.

**U.S.-CANADA DEFENCE TRADE**  
(In \$U.S. Millions)

	1981	1982	1983	1984	1985	1986	1987
<b>U.S. TO CANADA</b>	863	1185	1183	1343	1457	1028	1339
<b>CANADA TO U.S.</b>	689	833	979	1050	1205	681	965
<b>U.S. SURPLUS</b>	174	352	204	293	252	347	374

SOURCE: DEPT. OF NATIONAL DEFENCE, CANADA

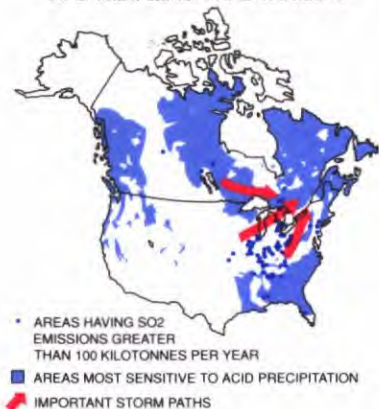
The U.S. has consistently maintained a defence trade surplus with Canada.

## The Environment: A Shared Responsibility

CANADA and THE UNITED STATES share a common environment and the responsibility to protect it.

Together, we have already made significant progress in cleaning up the Great Lakes. Now, our challenge is acid rain, a major pollutant in both countries.

LOCATION OF MAJOR SOURCES OF SO<sub>2</sub> EMISSIONS IN NORTH AMERICA AND PREVAILING WIND PATTERNS



### In Canada alone:

15,000 lakes are dead  
150,000 lakes are damaged  
150,000 more are threatened

### Sources of Acid Deposits:

In Canada: 50% from U.S.  
In the U.S.: 10-25% from Canada

Acid rain is created by emissions from coal-burning utilities and automobile exhausts. It is carried long distances by prevailing winds and returns to earth as acidic rain, snow, fog or dust.

By 1994, Canada will cut acid emissions in half, but a comprehensive solution requires U.S. cooperation. A Canada-U.S. agreement containing effective targets and schedules is urgently needed. Canada and the U.S. must act now to stop further damage to both countries.

# Canadian Government Offices in the USA

We welcome expanded cooperation with the United States. For more information contact a Canadian consular office near you.



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