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CANADA - UNITED STATES

Partners in Prosperity

Canada Is the United States' Best Trading Partner

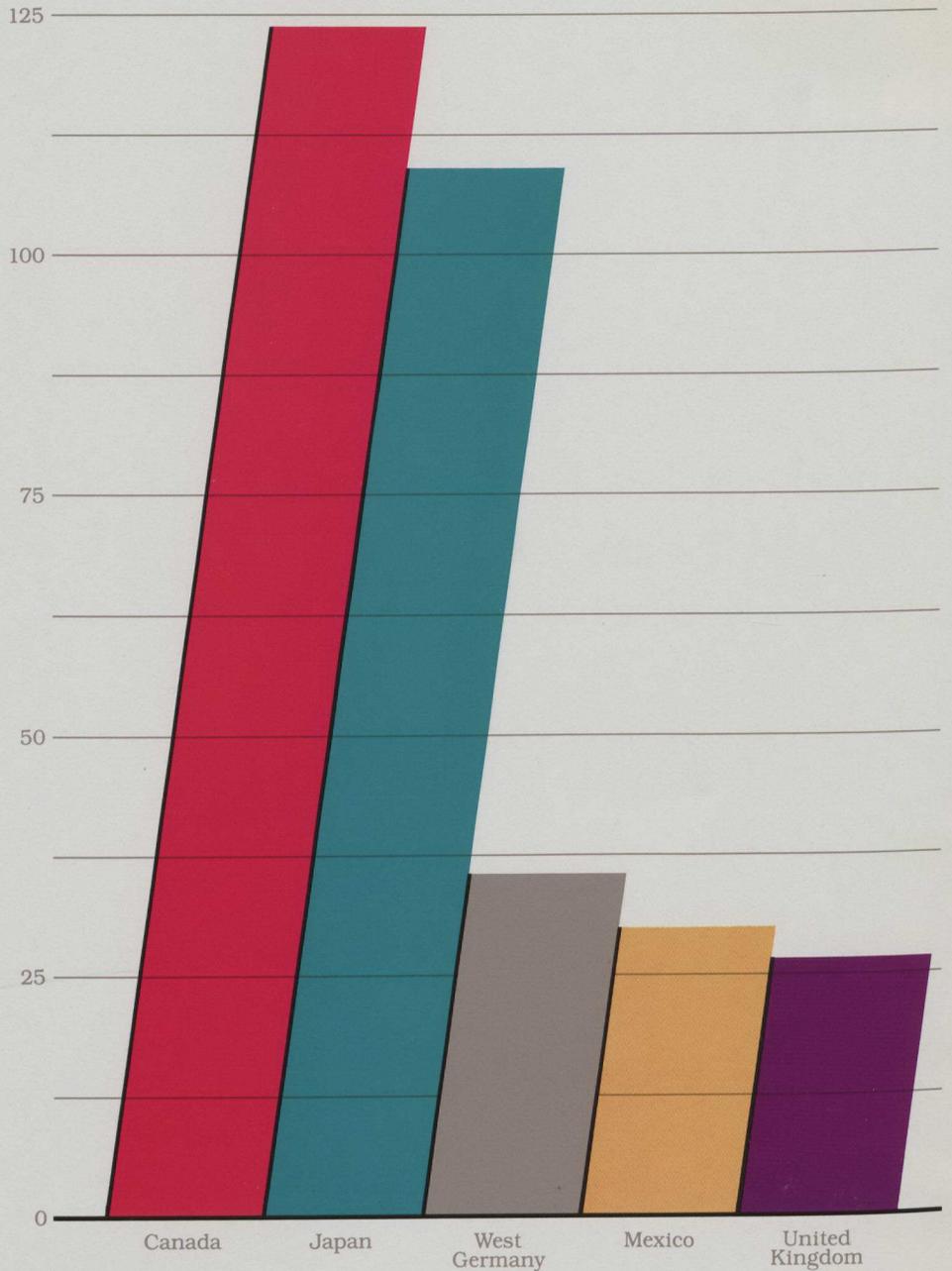
U.S. MERCHANDISE TRADE

1986
Billions of U.S. Dollars

Source: U.S. Department of Commerce

The volume of trade between the United States and Canada is the greatest in the world. In 1986 it totalled more than \$124.5 billion in goods alone.

The final figures for 1986 Canada-U.S. merchandise trade are based on reconciled statistics mutually agreed on. Unless otherwise noted, all figures are from U.S. Department of Commerce and are in U.S. dollars. Figures for U.S. imports are calculated on a customs basis.



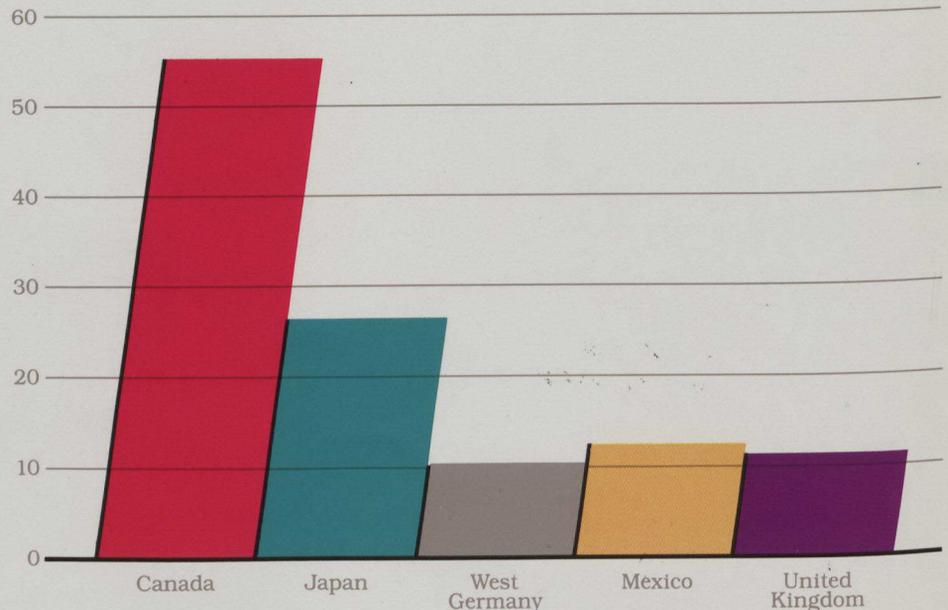
And Its Best Customer

U.S. MERCHANDISE EXPORTS

1986
Billions of U.S. Dollars

Source: U.S. Department of Commerce

Canada buys twice as much in goods from the U.S. as Japan does and more than Mexico, West Germany and the United Kingdom combined.



The United States Buys a Variety of Goods from Canada

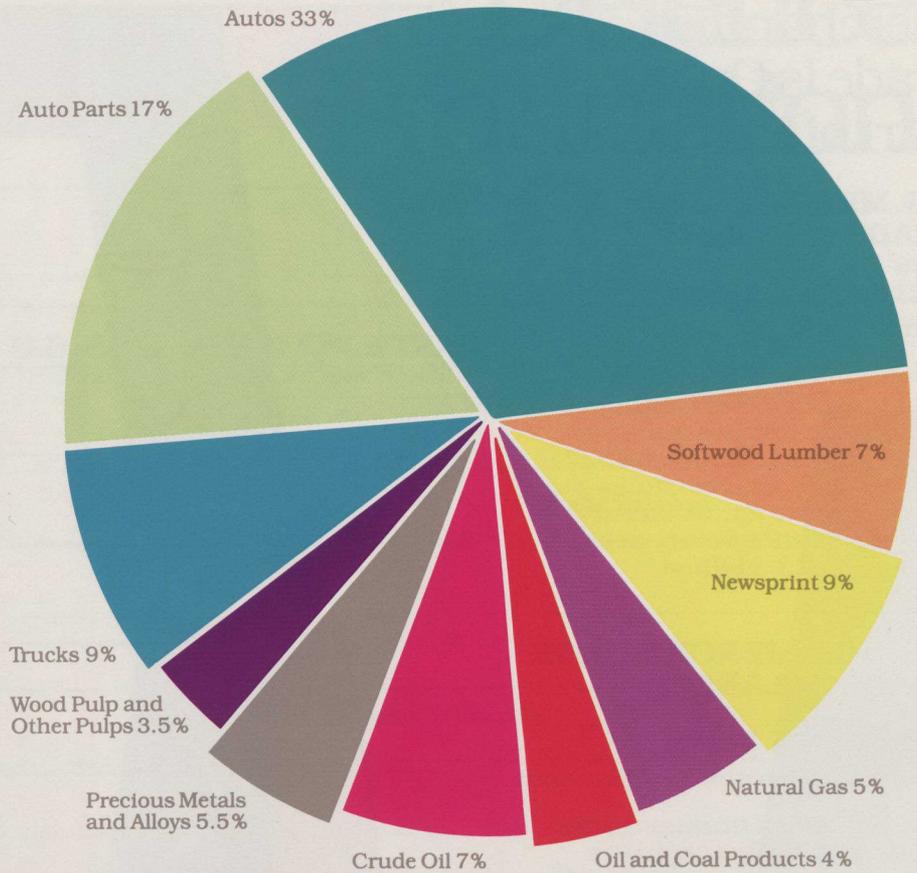
U.S. TOP TEN IMPORTS

1986

By Percentage of Top Ten

Source: Statistics Canada

Most of Canada's manufactured exports to the U.S. have been in autos and auto parts and are part of a two-way, tariff-free exchange that has existed for more than 20 years. Some years Canada has had an advantage, some years the U.S. has had one. Canada's other major exports to the U.S. have been in natural resources such as oil, newsprint and gas.



The United States Sells High-Tech to Canada

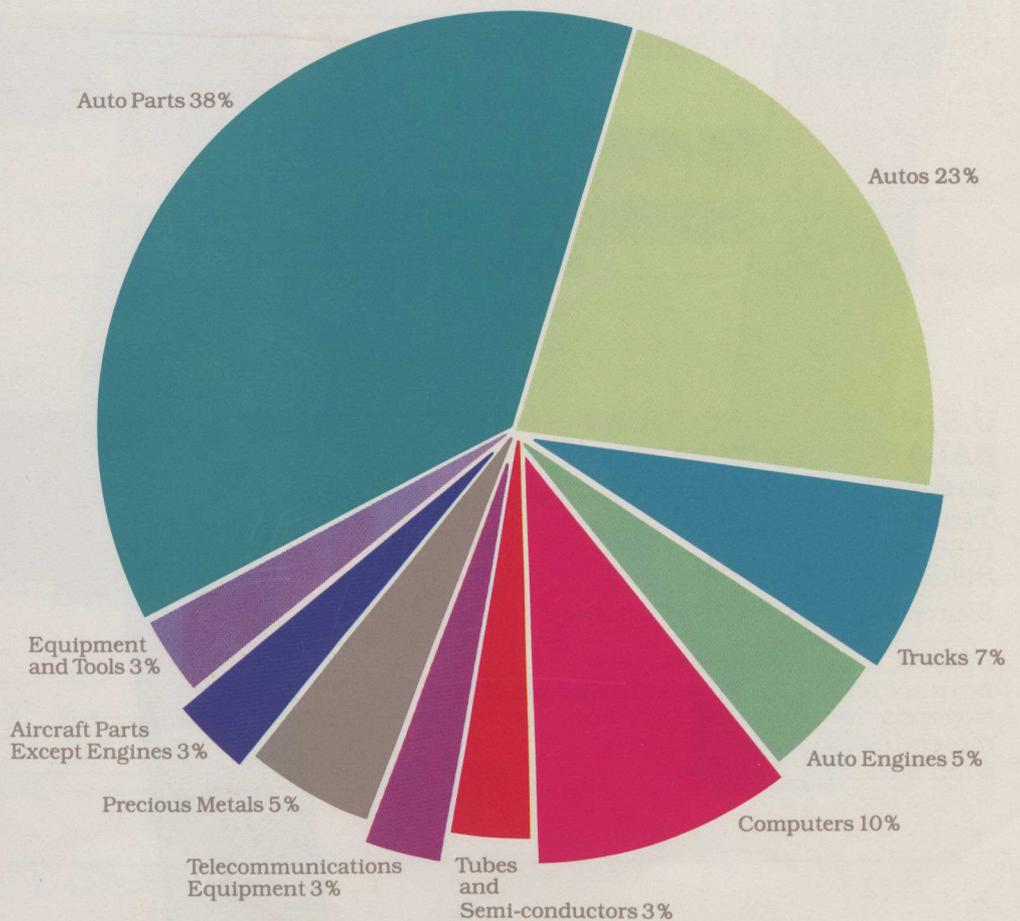
U.S. TOP TEN EXPORTS

1986

By Percentage of Top Ten

Source: Statistics Canada

Seventy-six percent of U.S. exports to Canada are in manufactured goods. Canada bought \$40 billion worth of U.S. end products and the U.S. is the primary source of such imports into Canada. Canada is a major importer of U.S. high-technology products, including computers, semi-conductors and telecommunications equipment.



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Canada Is the United States' Fastest Growing Export Market

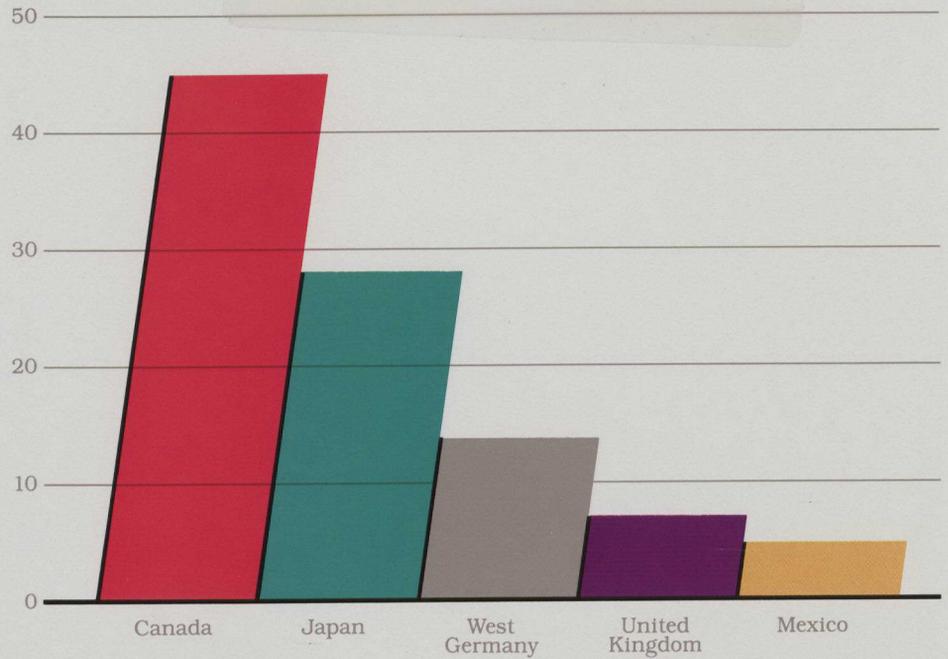
U.S. EXPORTS

1982-1986

By Percentage

Source: U.S. Department of Commerce

Canada buys manufactured goods from all 50 states and the District of Columbia. Between 1982 and 1986, when all U.S. overseas sales grew by less than 2 percent, its Canadian sales grew by 45 percent. The growth is broad and diversified.



Canada Is a Major Importer of U.S. Services

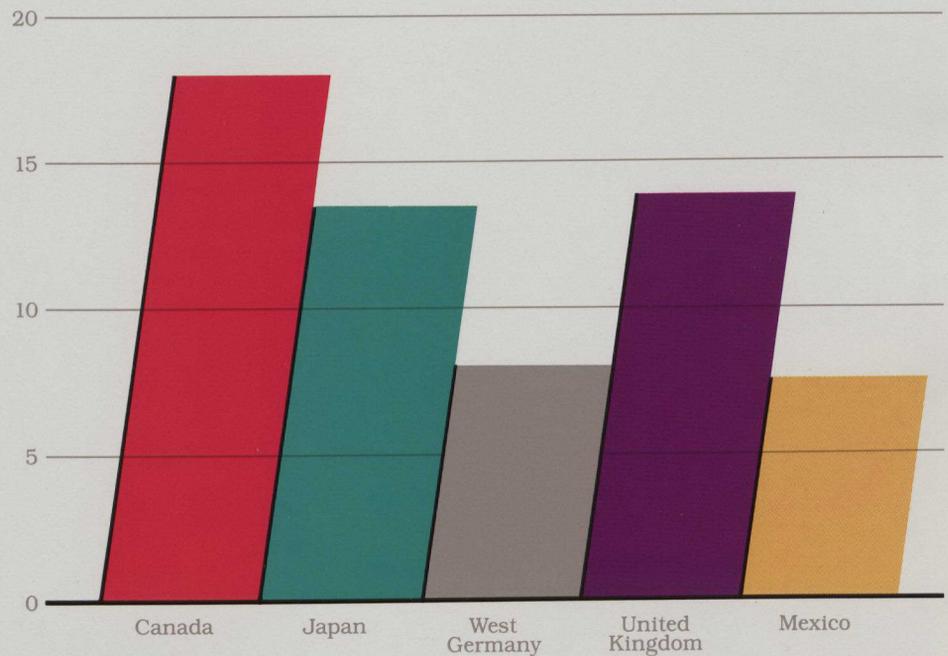
U.S. NON-MERCHANDISE EXPORTS

1986

Billions of U.S. Dollars

Source: U.S. Department of Commerce

Trade figures that report only the exchange of goods (which are the ones most people see), give a distorted picture. U.S. non-merchandise exports to Canada reached \$18 billion in 1986. The U.S. has a world surplus in non-merchandise trade. Last year approximately half that surplus was earned in Canada.



Canada Buys Close to Home

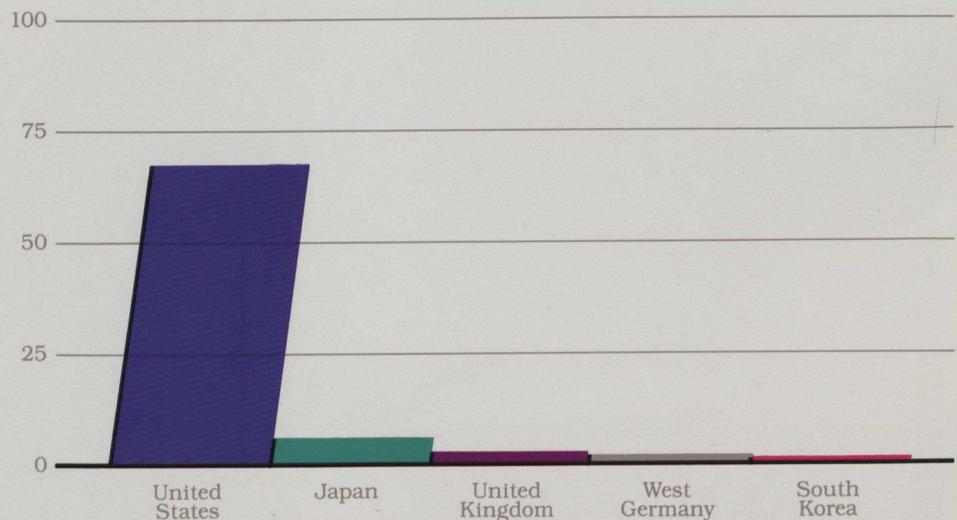
CANADA'S IMPORTS

1986

By Percentage

Source: Statistics Canada

In 1986, almost 69 percent of Canada's imports came from the United States. Less than 7 percent came from Japan and less than 13.5 percent from the twelve countries of the European Economic Community.

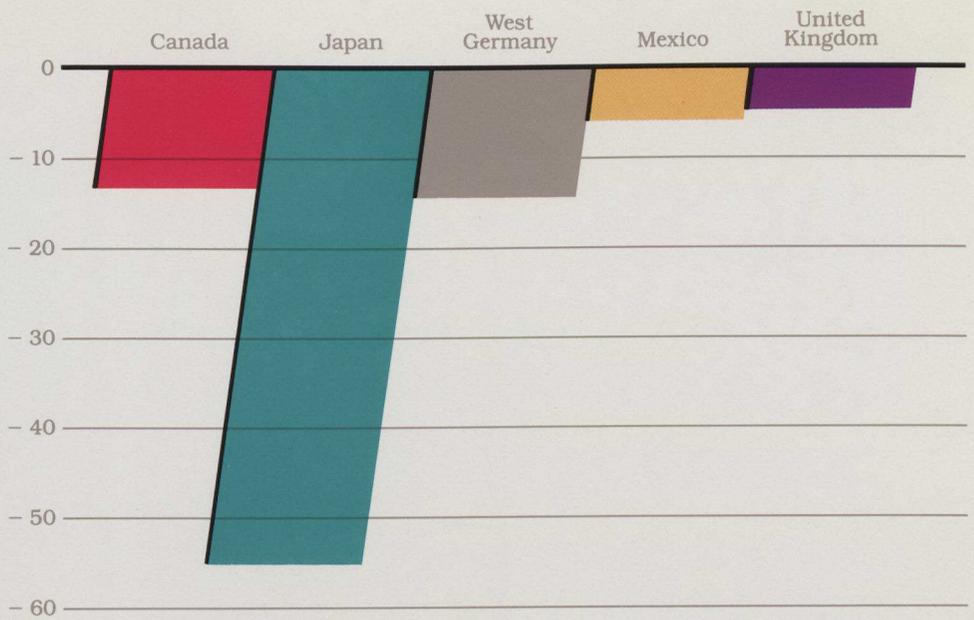


Merchandise Trade Is Only Part of the Story

U.S. MERCHANDISE TRADE BALANCES

1986
Billions of U.S. Dollars
Source: U.S. Department of Commerce

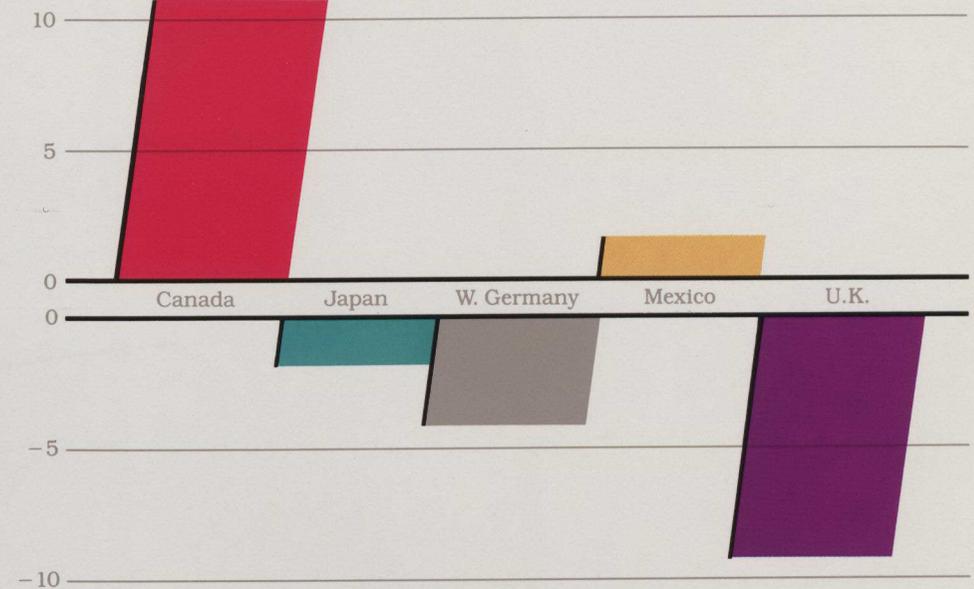
A preliminary U.S. report last year indicated that Canada had a merchandise trade surplus with the U.S. of some \$22.9 billion. It greatly overstated the facts. The true figure, based on import statistics from both countries, was \$13.3 billion.



U.S. NON-MERCHANDISE TRADE BALANCES

1986
Billions of U.S. Dollars
Source: U.S. Department of Commerce

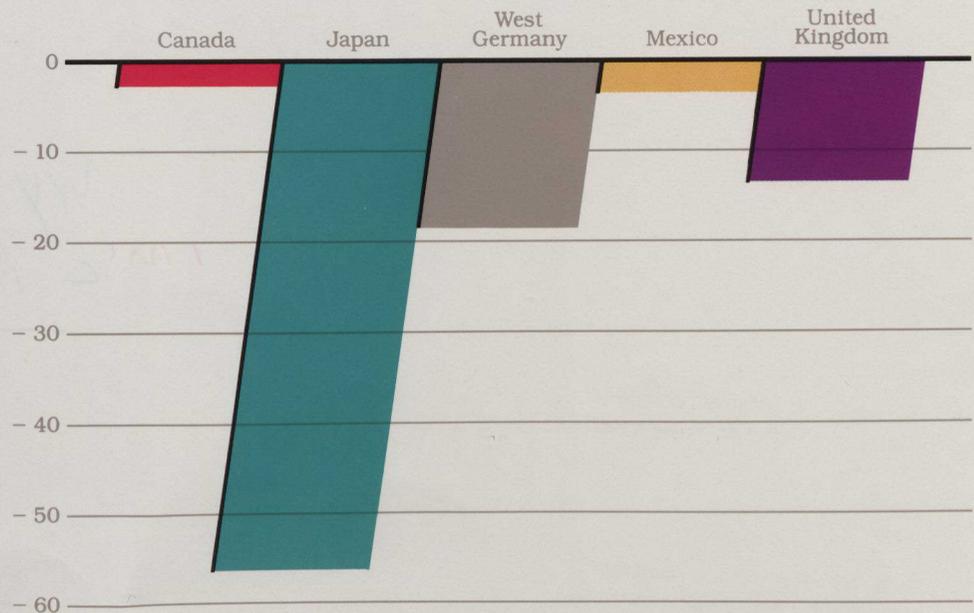
Most published trade statistics do not include figures for the non-merchandise trade. In 1986 the United States had a surplus of \$10.9 billion in its non-merchandise trade with Canada.

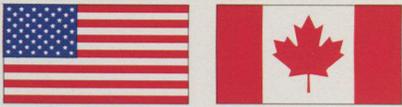


U.S. CURRENT ACCOUNT BALANCES (Merchandise and Non-merchandise Trade)

1986
Billions of U.S. Dollars
Source: U.S. Department of Commerce

In 1986, Canada had a positive balance of \$2.4 billion in a total two-way merchandise and non-merchandise exchange worth \$150 billion.





UNITED STATES - CANADA

Partners in Prosperity

Defence Production

Canada and the United States have a common commitment to the defence of North America, and they share in the production of the necessary equipment and matériel.

Since 1959, the two-way defence trade has totalled some (C) \$26.9 billion.

The U.S.-Canada Defence Production Sharing Arrangement, negotiated in 1959 and since expanded to include defence development sharing projects, is designed to encourage weapons development in both countries and to give each a fair share of the market.

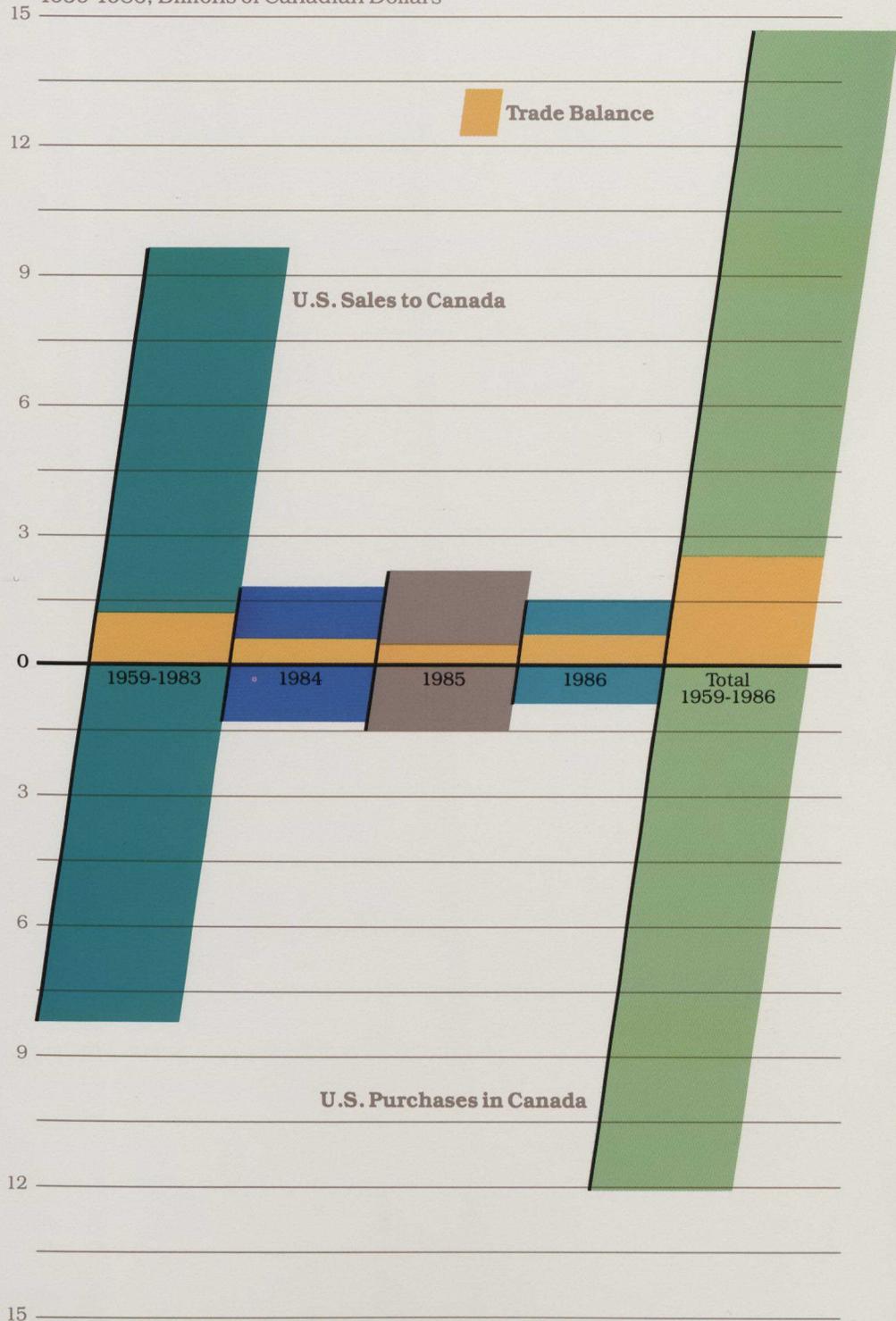
It works well. The U.S. has always had a favourable balance in the trade (totalling (C) \$2.4 billion in seventeen years) but Canada has been able to maintain its own high-tech production. Canada is a world-leading producer of small gas turbine aircraft engines, field radios, flight simulators, inertial navigation systems, light armoured vehicles and reconnaissance drones. It is among the best customers of the United States' defence industries.

In recent years, for example, Canada has bought from the United States eighteen Lockheed Long Range Aurora Patrol aircraft for (U.S.) \$1 billion and 138 F-18 fighter aircraft from McDonnell Douglas for \$3.2 billion. In 1985 it sold light armoured vehicles (LAV-25) from General Motors Canada to the U.S. Marine Corps for (U.S.) \$700 million and AN/GRC radio systems from Canadian Marconi to the U.S. Army for \$500 million. Canada's new \$1-billion low-level air defence system (ADATS) was developed by Martin Marietta Aerospace.

Canada's six new anti-submarine patrol frigates will be built in Canadian shipyards at a total cost of (C) \$3.85 billion. Canadian and American subcontractors and suppliers, as well as Canadian branches of international companies headquartered

U.S.-CANADA DEFENCE TRADE

1959-1986, Billions of Canadian Dollars



in the U.S. will equip the ships with the propulsion systems and combat systems. The (C)\$1.25-billion combat systems, for example, will be built by Paramax Electronics, a Canadian subsidiary of the Sperry Corporation.

Canada's commitment to the common defence of North America is a practical matter. Defence in the late 20th century demands high technology and industrial development that is broadly based, fair and competitive.

U.S. DEFENCE PURCHASES IN CANADA, BY INDUSTRY

1959-1986, Billions of Canadian Dollars



Source: Department of Supply and Services, Canada

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UNITED STATES - CANADA

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Energy

Canada and the United States share the largest energy trade in the world.

Canada is the U.S.'s largest non-domestic source of petroleum, almost 800,000 barrels a day in 1986, equal to 13 percent of U.S. oil imports.

It also provides large amounts of natural gas and electricity to U.S. markets, particularly on the West Coast and in the Northeast. Last year Canada exported some 720 billion cubic feet of natural gas to the United States, about 4 percent of U.S. demand, and Canadian electricity exports in 1986 were close to 40,000 GWH or about 1.8 percent of U.S. demand.

The United States, in turn, supplies all of Canada's imported high-quality thermal and metallurgical coal. The U.S. exports 15 million tonnes (valued at close to \$1 billion) annually, more than 30 percent of Canadian domestic coal requirements. Ontario steel mills and coal-fired generation facilities depend on the coal fields of the eastern United States.

Canadian and American companies have cooperated in the design, construction and funding of major energy transportation links.

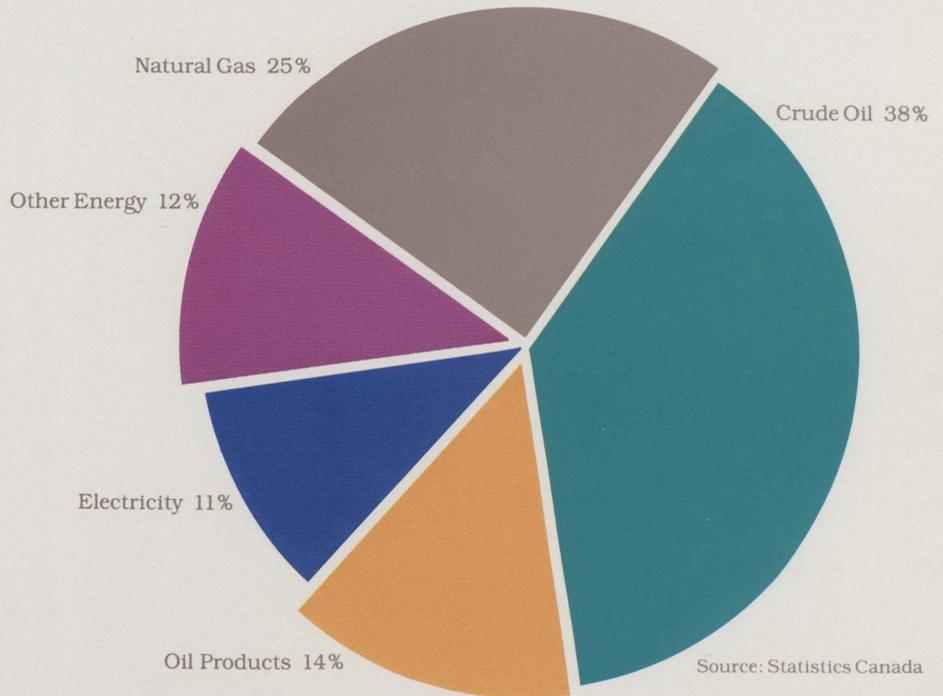
The governments of both countries are being called upon to provide protection from low oil prices and other market factors.

Canada has made a choice. It is not in the country's long-term interest to protect its energy-producing industries by artificially high, subsidized prices which would render its energy-consuming industries uncompetitive.

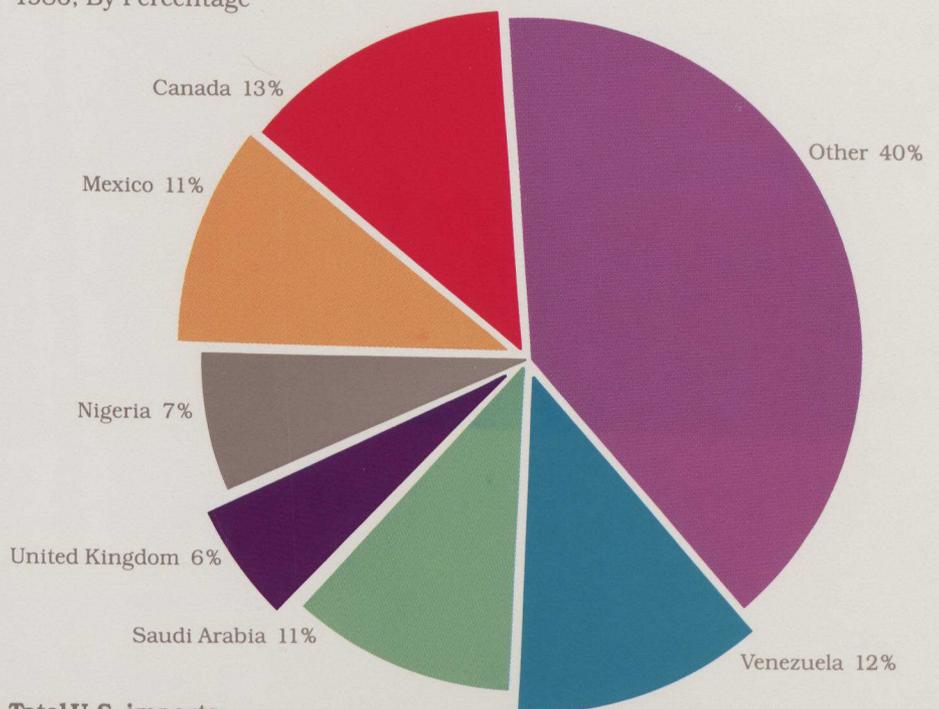
The Canadian-American energy trading relationship is one part of a broader interdependence. It requires that both countries recognize that actions harmful to one are also harmful to the other. If we approach our energy relations with maturity, self-confidence and goodwill, we can benefit mutually from this historic symbiotic relationship.

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U.S. ENERGY IMPORTS FROM CANADA 1986, By Percentage



U.S. IMPORTS OF CRUDE OIL AND OIL PRODUCTS 1986, By Percentage



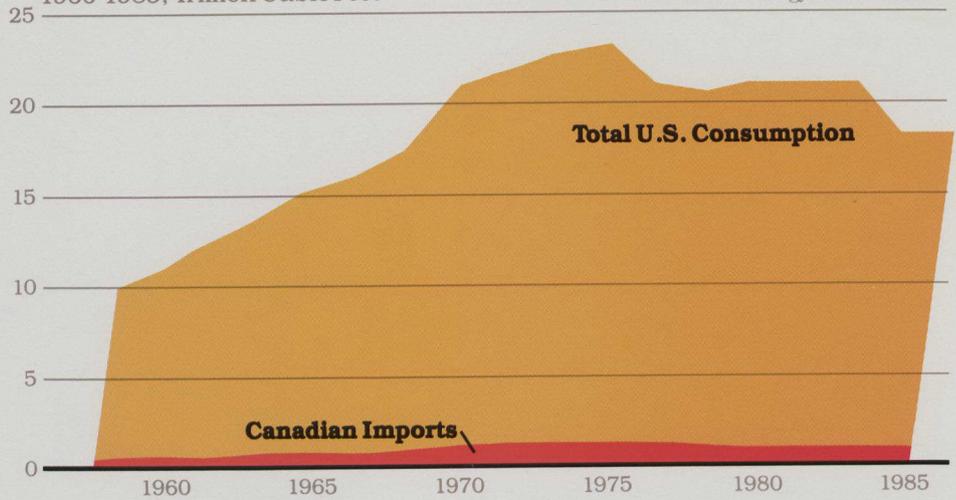
**Total U.S. imports:
6 million barrels per day**

Source: U.S. Energy Information Administration

U.S. NATURAL GAS CONSUMPTION AND CANADIAN IMPORTS

1960-1985, Trillion Cubic Feet

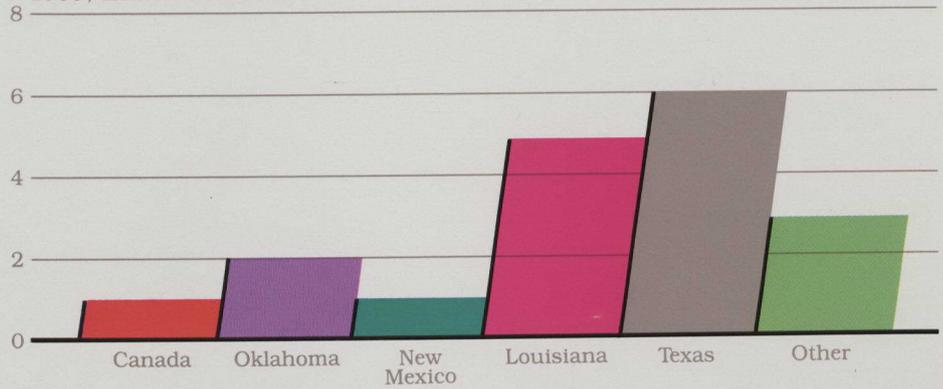
Source: National Energy Board, Canada



U.S. NATURAL GAS SOURCES

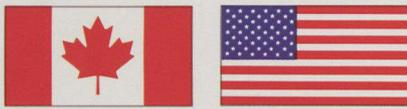
1985, Trillion Cubic Feet

Source: National Energy Board, Canada



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CANADA - UNITED STATES

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Canadians and Americans have been doing business together for decades. The ease and success of this relationship are envied world-wide. Some of the reasons for this success include:

- ease in financing;
- efficiency of production;
- access to lucrative markets;
- open-minded attitudes in developing a healthy business climate.

Canada's Commitment

Canada has accorded priority to encouraging investment. The Canadian Government facilitates private sector initiatives in all regions of the country.

The Partnership

Investment from the U.S. is warmly welcomed and has grown by almost 115 percent in the last ten years—from \$29.5 billion in 1978 to just over \$63 billion in 1985. In the 1980s, direct investment in Canada has grown at an annual average rate of greater than 7 percent.

The U.S. is the largest single source of foreign investment in Canada, with 76 percent of the stock of direct foreign investment in 1985 and 45 percent of foreign portfolio investment. At the end of 1986, Americans held an estimated (C)\$60.3 billion in portfolio investment in Canada.

Canadian investment in the U.S. has also grown substantially. The stock of direct investment owned by Canadians reached \$18.3 billion in 1986, making Canada the fourth largest source.

At the end of 1986, Canadians also held \$8.6 billion in portfolio investment in the U.S., making Canada the sixth largest source.

Prosperity

In both countries, cross-border investments have created new wealth and new jobs.

The per capita incomes of both countries have grown steadily over the last decade and a half.

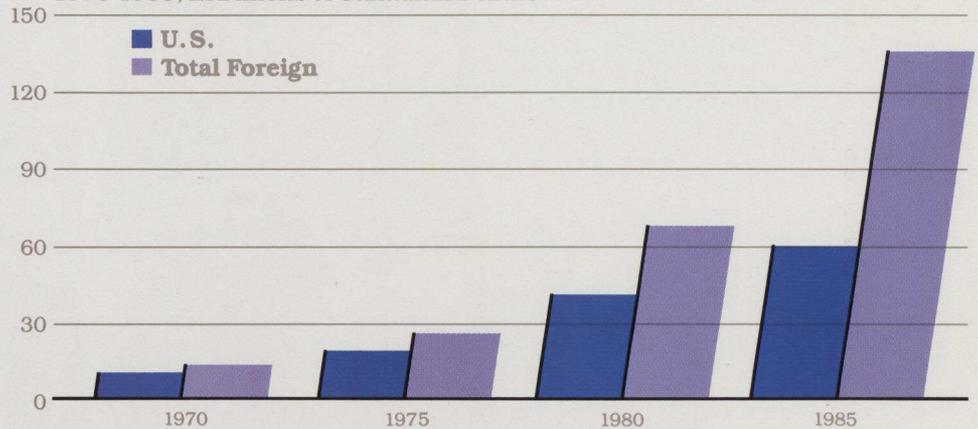
Canada's economic outlook is strong. In 1986, its economy grew 3.1 percent, outpacing all other major industrial countries. Short-term interest rates are at their lowest levels

Unless otherwise noted, all figures are in U.S. dollars.

Investment

FOREIGN PORTFOLIO INVESTMENT IN CANADA

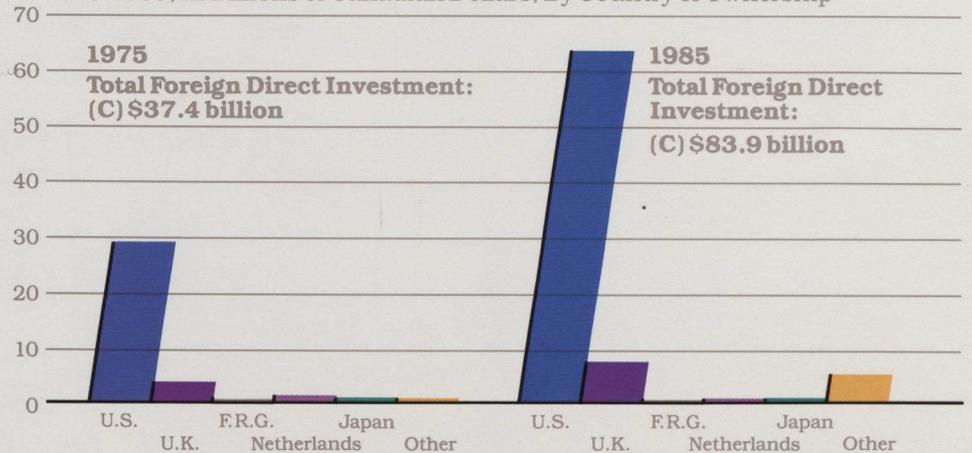
1970-1985, In Billions of Canadian Dollars



Source: Statistics Canada

FOREIGN DIRECT INVESTMENT IN CANADA

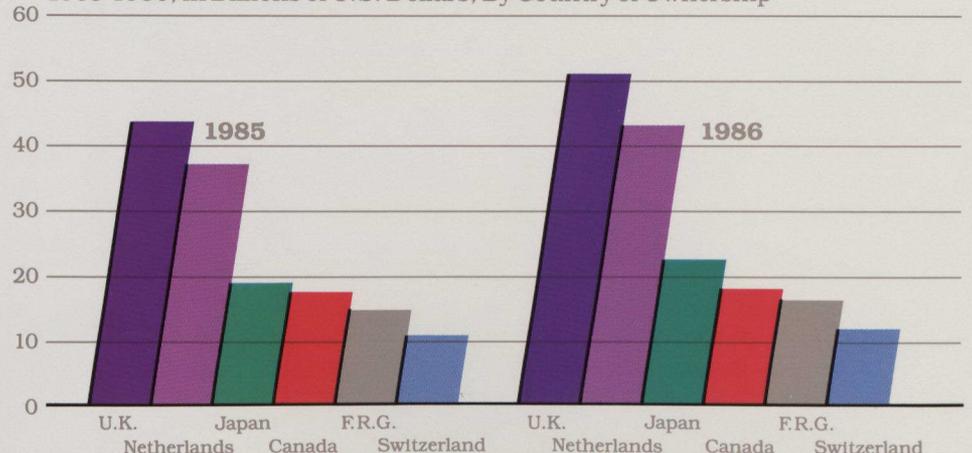
1975-1985, In Billions of Canadian Dollars, By Country of Ownership



Source: Statistics Canada

FOREIGN DIRECT INVESTMENT IN THE U.S.

1985-1986, In Billions of U.S. Dollars, By Country of Ownership



Source: OECD

in nearly a decade and consumer confidence is high.

In Canada, Investment Means Prosperity.

Investment Canada facilitates foreign investments which create jobs, which introduce innovative ideas and technologies, and which expand Canada's industrial and economic base.

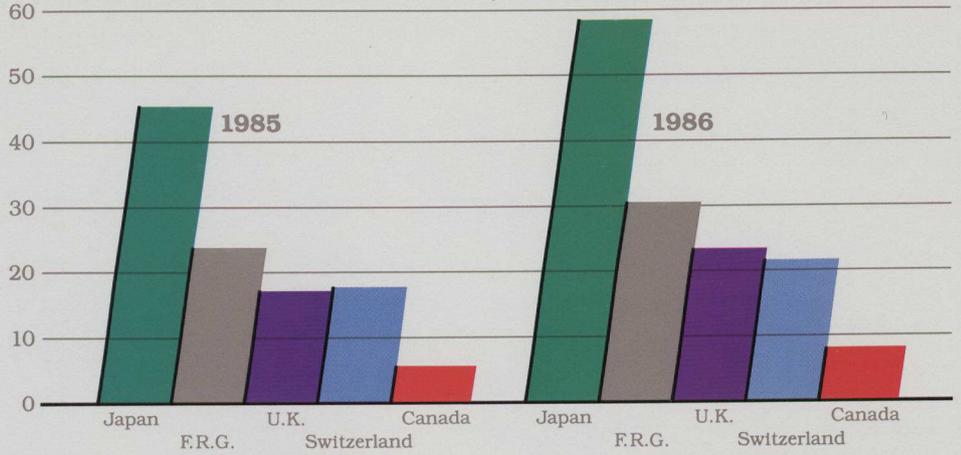
Canada is a technologically advanced country and its future prosperity requires companies committed to research and development as well as competitive worldwide marketing.

A variety of federal and provincial programs give positive support to new and expanding businesses.

Americans considering investing in Canada will find much that is familiar, little that is surprising, and a great deal that is encouraging.

FOREIGN PORTFOLIO INVESTMENT IN THE U.S.

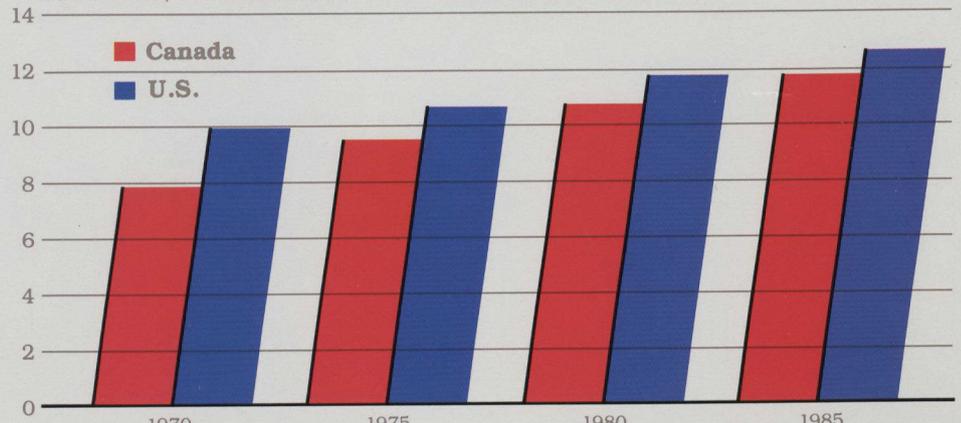
1985-1986, In Billions of U.S. Dollars, By Source Country



Source: U.S. Department of Treasury

REAL GDP PER CAPITA, CANADA & THE U.S.

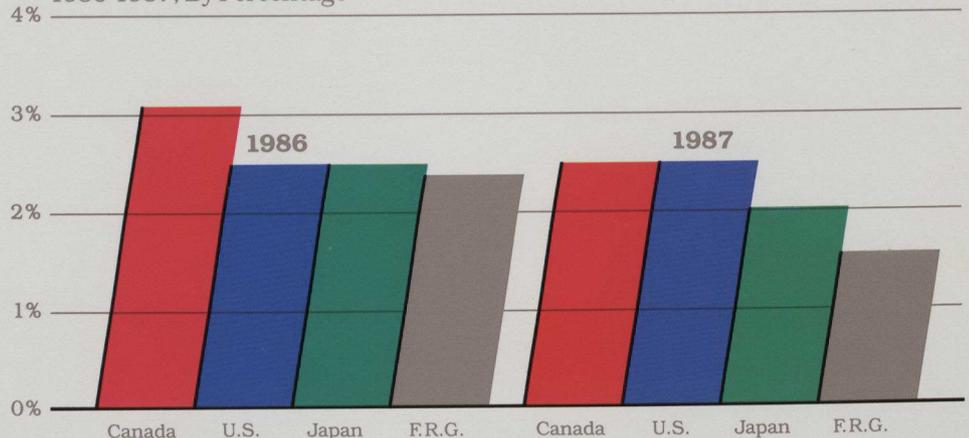
1970-1985, In Thousands of U.S. Dollars, Index: 1980 = 100



Source: OECD

ESTIMATED REAL GROWTH IN GDP IN MAJOR OECD COUNTRIES

1986-1987, By Percentage



Source: OECD

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UNITED STATES - CANADA

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Some trade products—like oranges—move north and some—like natural gas—move south. Others, like steel, move both ways.

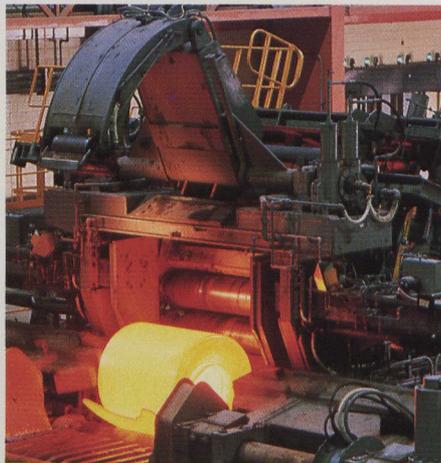
Each country is the other's best steel customer, by a wide margin.

The two-way flow reflects a number of factors. Steel is not a single product—it includes steel for construction, for oil fields, for autos and for letter openers. It is produced by many plants, some very modern, some less so and some obsolete.

The American and Canadian industries work together. A fifth of Canada's shipments south go from mill to mill. An American mill with an unusually large order, one beyond its capacity, may buy Canadian steel to help meet the demand. It is simply a matter of efficiency.

The fact is that the Canadian and American industries are natural allies. Canadian steel mills buy over 95 per cent of their coal and one-third of their iron ore from the U.S. The Canadian steel industry buys about \$1.25 worth of goods and services originating in the U.S. for every \$1 worth of steel they send south.

All North American producers face similar problems: of increased world capacity and of subsidization by some countries. The world market has diminished—autos, for example, use far less steel than in the past. Some mills in both countries are old, inefficient



Stelco



Stelco

and labour-intensive and cannot compete with new plants that use the latest technology.

In recent years the United States has moved to control the increasing invasion of the U.S. steel market. In 1984 imports from a number of countries were limited under voluntary restraint agreements but Canada, in recognition of its status as a free trader, was not one of them. The U.S. did want to be assured that Canadian producers would not exploit the situation and the two countries meet quarterly to consult on increases in the Canadian share of specific steel markets.

In 1986 Canada's market share grew from 3 to 3.6 per cent, which touched off new pressures in the U.S. The expansion was not due to market raiding or other unfair tactics. A major factor was the six-month strike of USX, the

largest American producer, which has about 17 per cent of U.S. capacity. Demand overtook domestic supply and Canadian, as well as American producers, moved to fill the gap. It was a familiar, indeed a traditional situation. In 1981, when Canadian mills were struck, the U.S. share of the Canadian market nearly doubled.

It is expected that Canada's market share will decline as USX returns to full production. If an adjustment is made for the strike, the Canadian market share has hardly changed in recent years. During this strike a number of Canadian producers turned down many U.S. orders and the government continues to counsel the Canadian industry to be prudent regarding exports to the U.S.

U.S. and Canadian producers can resolve their common problems by facing facts and working together to their common benefit.

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CANADA - UNITED STATES

Partners in Prosperity



Canada did \$5.4 billion worth of business with California in 1986.

They sold each other everything from avocados to nuts and aircraft to office equipment.

Canada is California's largest foreign customer.

It bought \$3.2 billion worth of merchandise from California.

Canada is California's largest foreign supplier.

It sold \$2.2 billion worth of goods to Californians.

Two-way trade benefits both partners.

California and Canada exchange high technology.

Canada and California are both high-tech places and each sells the other high-tech products.

California's leading export to Canada last year was computers. Six of its first ten exports were high-tech products.

Canada's leading exports to California included aircraft and telecommunications equipment. Four of its first ten exports were high-tech.

High-tech sales mean high-tech jobs.

All exports mean jobs at home.

Sales to Canada in 1986 supported 93,000 jobs in California. Seventy-four percent of them were in sophisticated manufacturing industries.

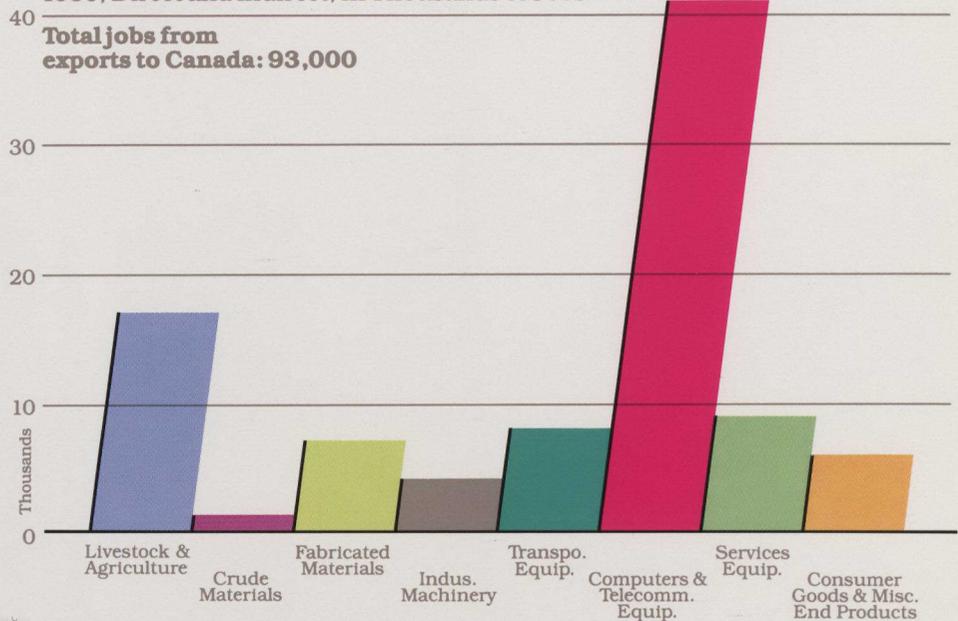
All figures are in U.S. dollars.

California

CALIFORNIA JOBS SUPPORTED BY EXPORTS TO CANADA

1986, Direct and Indirect, In Thousands of Jobs

Total jobs from exports to Canada: 93,000



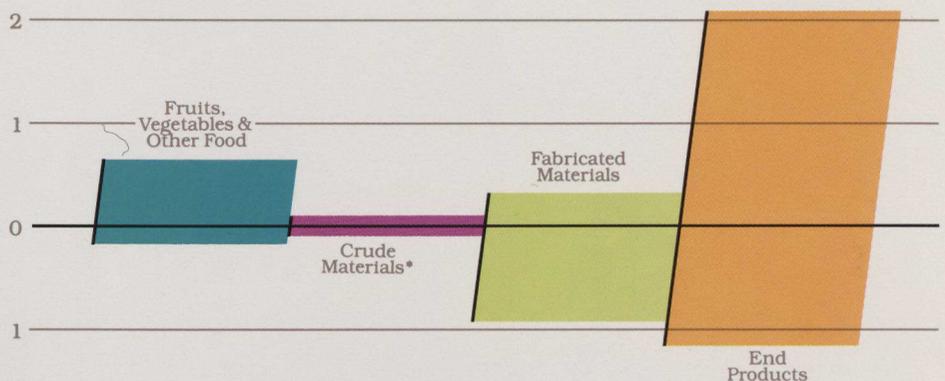
Source: Exports to jobs ratio derived from U.S. Bureau of Labor Statistics Employment Requirements Table. Export values from Statistics Canada.

CALIFORNIA'S MERCHANDISE TRADE WITH CANADA

1986, In Billions of U.S. Dollars

California to Canada

Total California-Canada Trade: \$3.2 billion



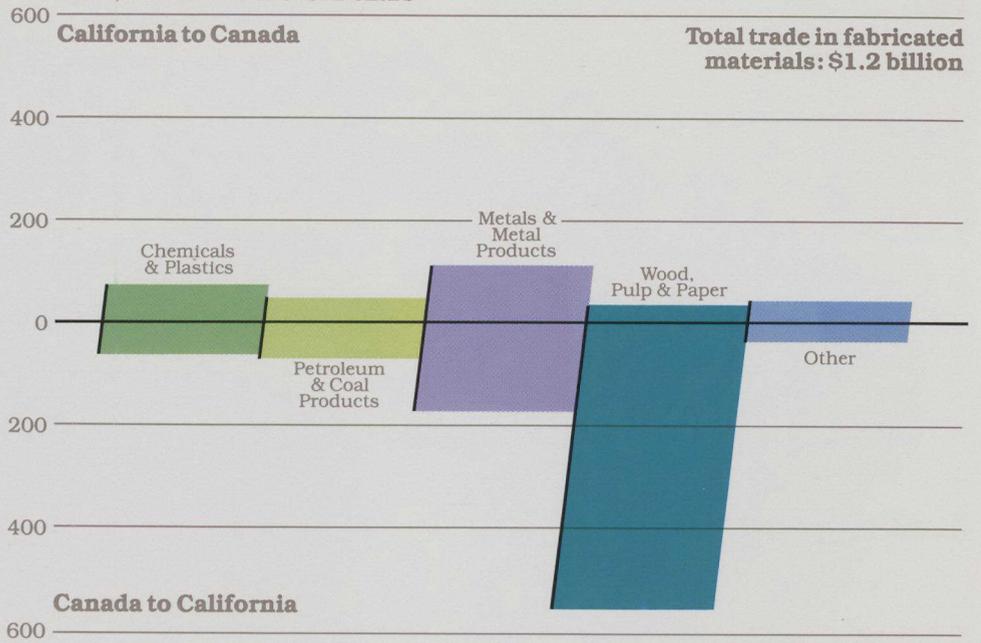
Canada to California

*California also imported natural gas from Canada transshipped through Washington and Oregon, which totalled almost a billion dollars.

Source: Statistics Canada

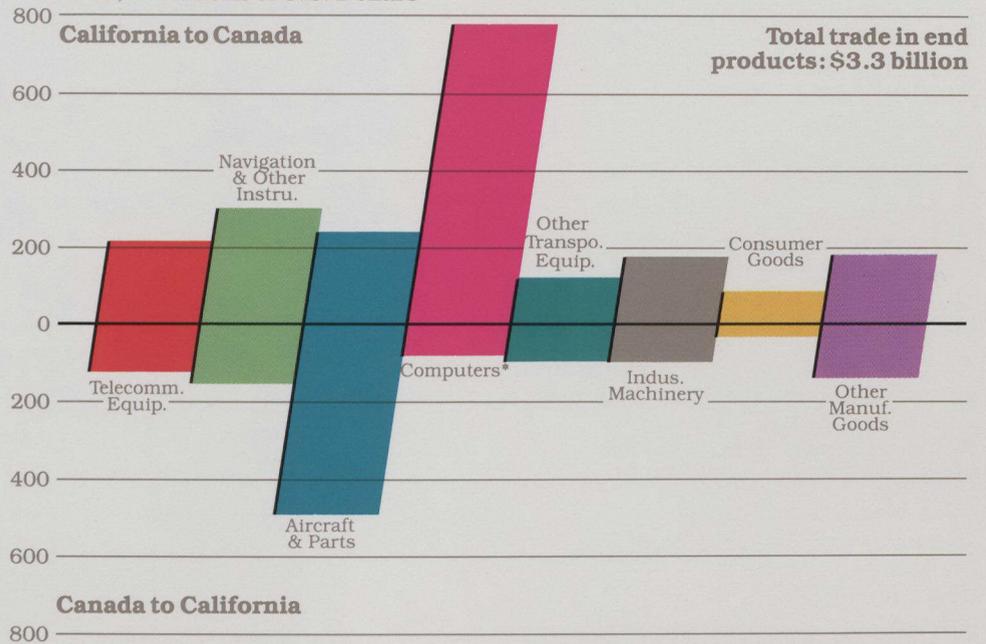
CALIFORNIA-CANADA TRADE IN FABRICATED MATERIALS

1986, In Millions of U.S. Dollars



CALIFORNIA-CANADA TRADE IN END PRODUCTS

1986, In Millions of U.S. Dollars



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The Great Lakes States



Wisconsin, Ohio, Michigan, Illinois and Indiana

America's Midwest is Canada's favorite place to buy.

The United States and Canada have the greatest two-way trade in the world.

Its core is centered around the Great Lakes.

Canada did \$45 billion worth of business with Michigan, Indiana, Ohio, Wisconsin and Illinois in 1986.

That's more than its trade with any country in Europe, Asia, Africa or South America.

Canada is the Midwest's best foreign customer.

It bought almost \$20 billion worth of goods from the five states, twice as much as from any other regional group. It bought \$8.2 billion worth from Michigan alone, more than it bought from Japan.

Canada needs what the Midwest makes.

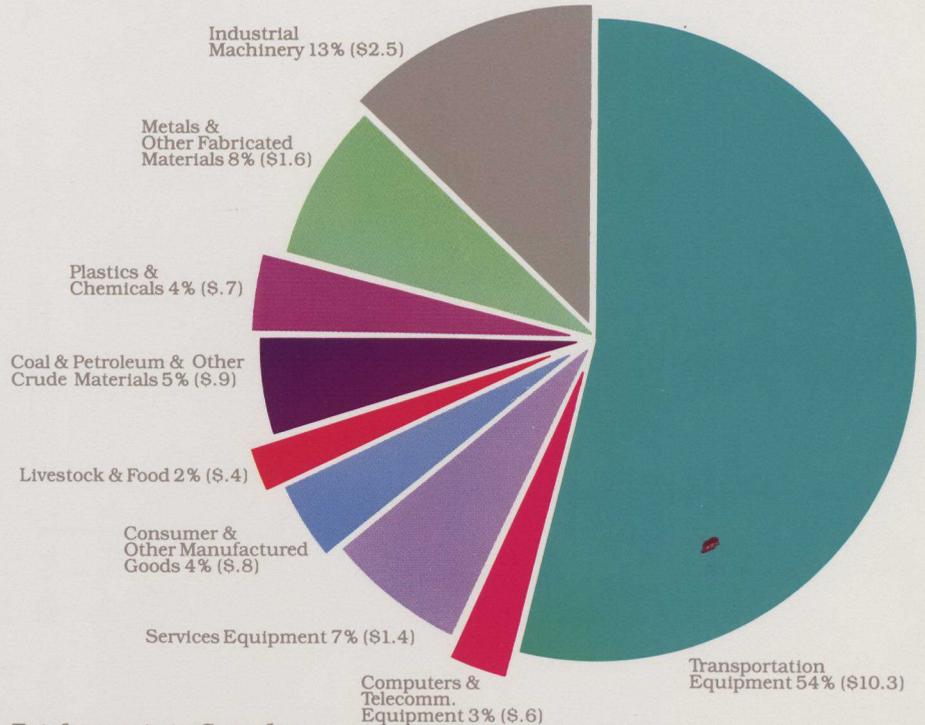
The five Great Lakes states sell Canada a range of products, from cattle to calculators and popcorn to farm machinery.

Eighty percent of the exports are in labor-intensive manufactured goods.

Exports to Canada translate into 431,000 jobs in Michigan, Indiana, Illinois, Ohio and Wisconsin. Eighty-four percent are in skilled manufacturing.

GREAT LAKES STATES' MERCHANDISE EXPORTS TO CANADA

1986, By Percentage, In Billions of U.S. Dollars

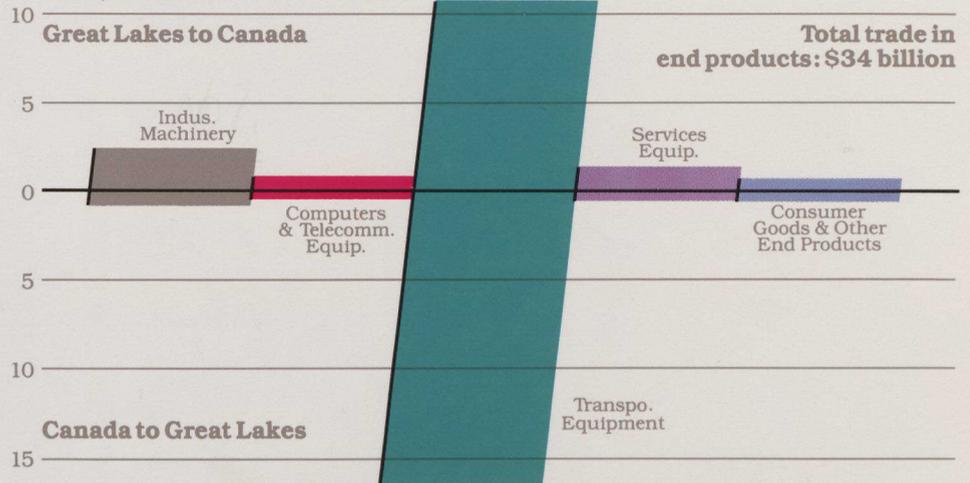


Total exports to Canada: \$19.2 billion

Source: Statistics Canada

GREAT LAKES STATES' TRADE WITH CANADA IN END PRODUCTS

1986, In Billions of U.S. Dollars



¹For imports only, includes other office machines.

²Includes special transactions (packaging, returned goods).

Source: Statistics Canada

All figures are in U.S. dollars.

Production lines

The Great Lakes region puts the world on wheels.

It still has the greatest concentration of automobile manufacturers in the world.

For Canada and the United States the automotive trade is of overwhelming importance. By virtue of the Auto Pact between the two countries, tariffs on automotive products have been declining steadily since 1965. Canada and the United States share production and profits.

Each of the five states sells automotive products to Canadian customers in truly impressive numbers.

High-tech exports

Automobiles are not the Great Lakes states' only high-tech product.

Last year Michigan, Indiana, Wisconsin, Illinois and Ohio sold \$2.5 billion worth of sophisticated industrial and agricultural machinery to Canada.

They sold \$1.4 billion worth of electric and other high-tech equipment.

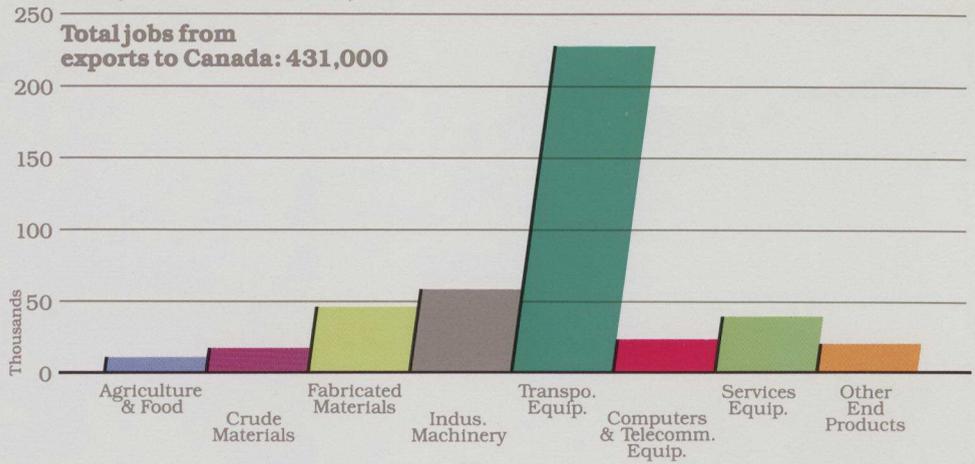
They sold \$552 million worth of computers and telecommunications equipment.

They sold \$214 million worth of aircraft and aircraft parts.

Canada sells a great deal of high-tech products to the five states too, including \$636 million worth of industrial machinery, \$156 million worth of telecommunications equipment and \$462 million worth of other sophisticated equipment.

GREAT LAKES STATES JOBS SUPPORTED BY MERCHANDISE EXPORTS

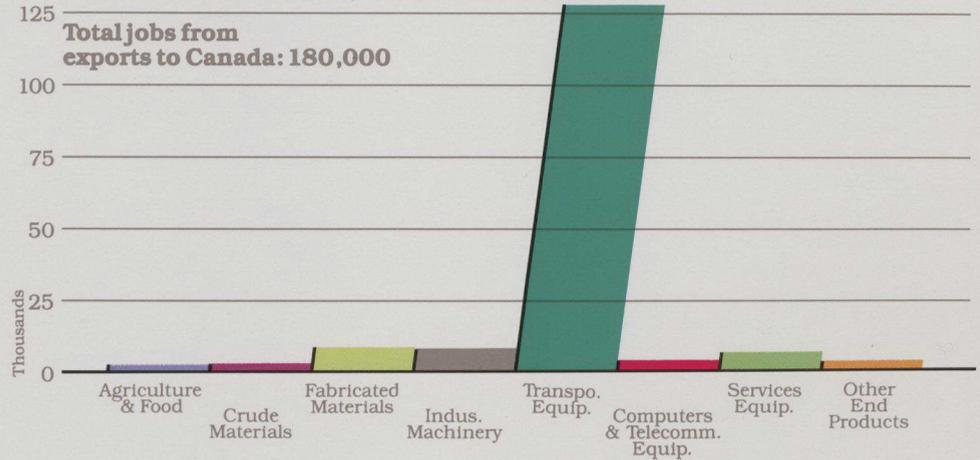
1986, Direct and Indirect, In Thousands of Jobs



Source: Jobs to exports ratio derived from U.S. Bureau of Labor Statistics Employment Requirements Table. Export values from Statistics Canada.

MICHIGAN JOBS SUPPORTED BY MERCHANDISE EXPORTS

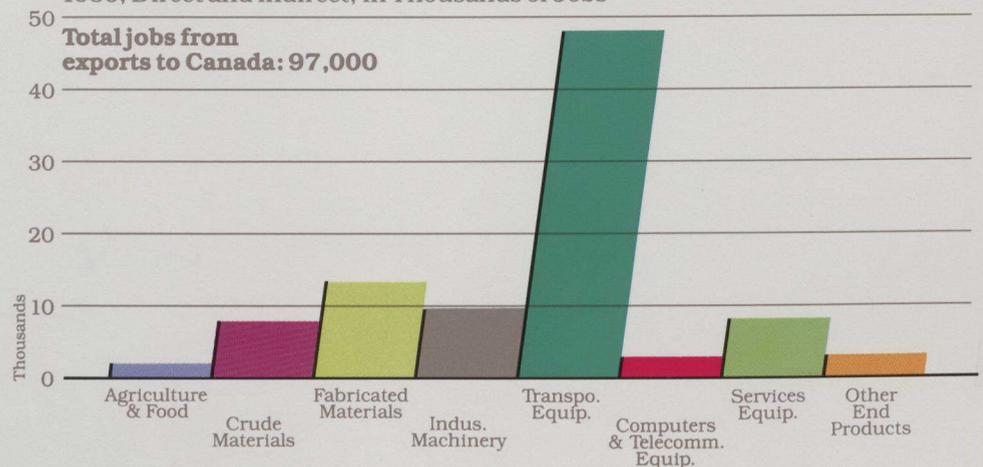
1986, Direct and Indirect, In Thousands of Jobs



Source: Same as above

OHIO JOBS SUPPORTED BY MERCHANDISE EXPORTS

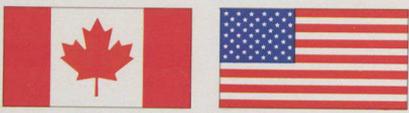
1986, Direct and Indirect, In Thousands of Jobs



Source: Same as above

Canada

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CANADA - UNITED STATES

Partners in Prosperity



Canada did \$2.4 billion worth of business with Kansas and Missouri in 1986.

It was their best customer—it bought goods worth \$1.1 billion, 79 percent of it manufactured.

It was their best supplier—it sold goods worth \$1.3 billion, 76 percent of it manufactured.

A strong two-way trade benefits both partners.

Canada doesn't buy just pork and beans.

In 1986 Canada bought \$22 million worth of meat and \$1 million worth of vegetables from Missouri and Kansas.

It also bought \$76 million worth of chemicals and plastics, \$148 million worth of industrial and agricultural machinery and \$128 million worth of computers and other high-tech equipment.

It sold the two states \$19 million worth of telecommunications equipment, \$21 million worth of plastics and synthetic rubber, \$53 million worth of industrial and agricultural machinery and \$681 million worth of autos and auto parts.

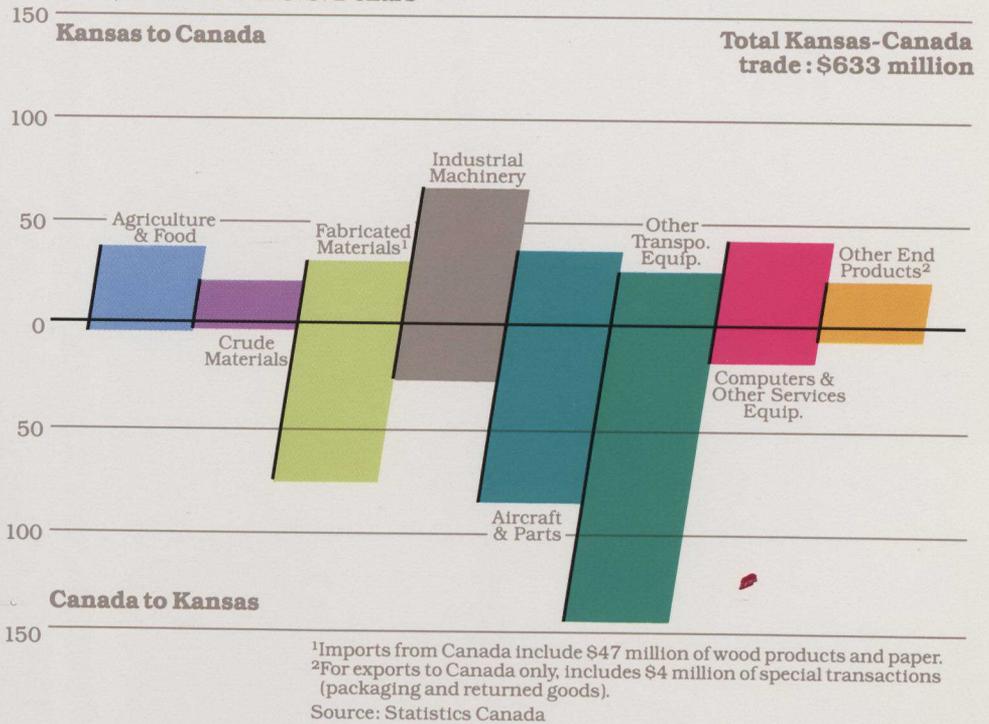
Exports to Canada mean jobs at home.

Sales to Canada in 1986 meant 25,000 jobs in Missouri and Kansas.

Kansas & Missouri

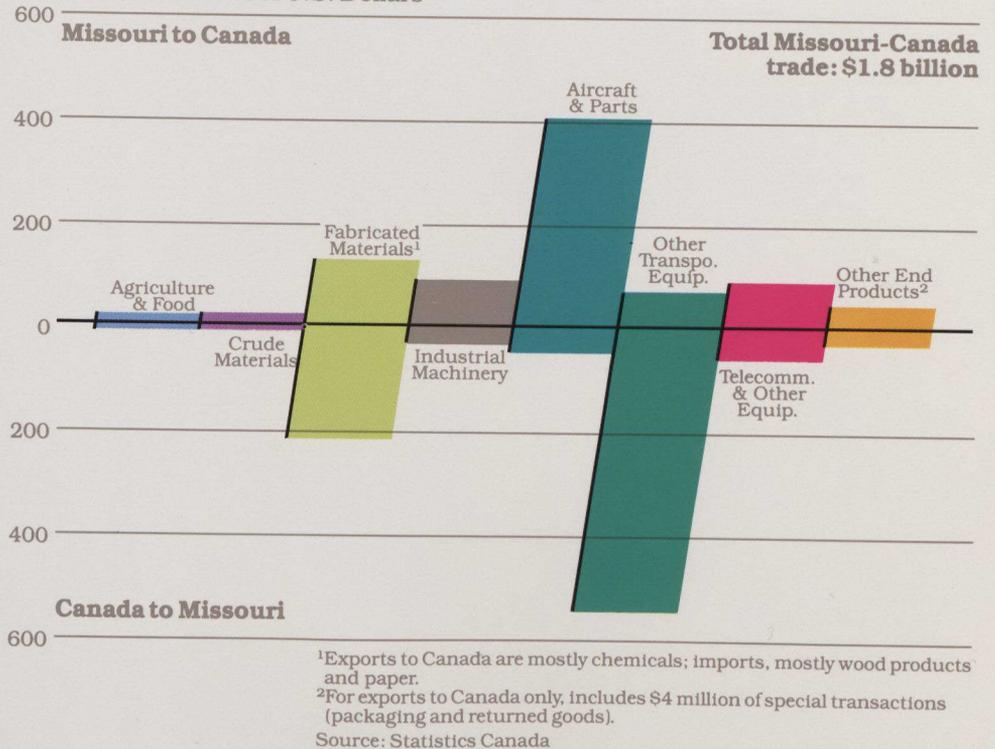
KANSAS' MERCHANDISE TRADE WITH CANADA

1986, In Millions of U.S. Dollars



MISSOURI'S MERCHANDISE TRADE WITH CANADA

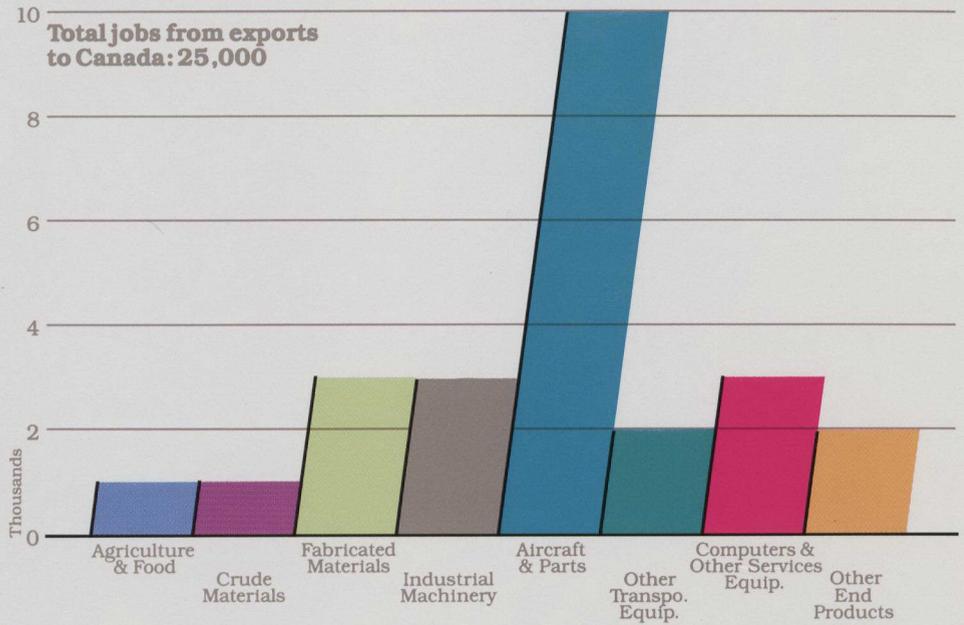
1986, In Millions of U.S. Dollars



All figures are in U.S. dollars

KANSAS & MISSOURI JOBS SUPPORTED BY EXPORTS TO CANADA

1986, In Thousands of Jobs



Source: Exports to jobs ratio derived from U.S. Bureau of Labor Statistics Employment Requirements Table. Export values from Statistics Canada.

Canada

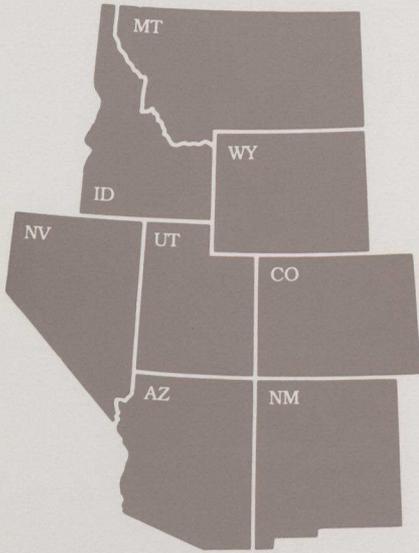
Canadian Embassy/Ambassade du Canada



CANADA - UNITED STATES

Partners in Prosperity

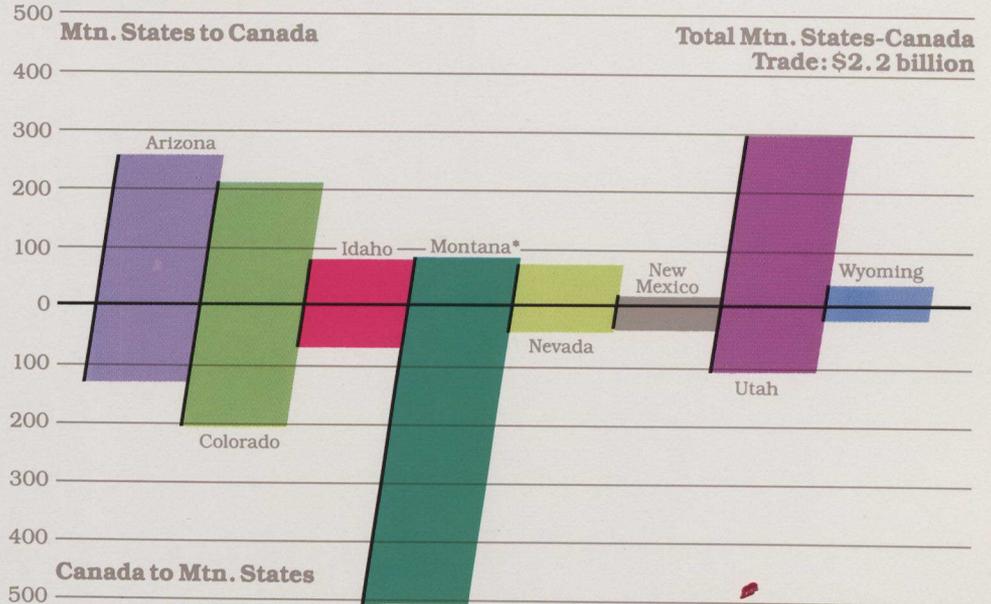
The Mountain States



Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah and Wyoming

MOUNTAIN STATES' MERCHANDISE TRADE WITH CANADA

1986, In Millions of U.S. Dollars



*\$303 million of Montana's imports from Canada are crude petroleum.
Source: Statistics Canada

Canada has a place in the mountains.

It has a vigorous, balanced trade with the eight Mountain states. In 1986, it did \$2.2 billion worth of business with them. It is their best foreign customer—it bought over \$1 billion worth of products from them—and their largest foreign supplier—it sold them another \$1.1 billion.

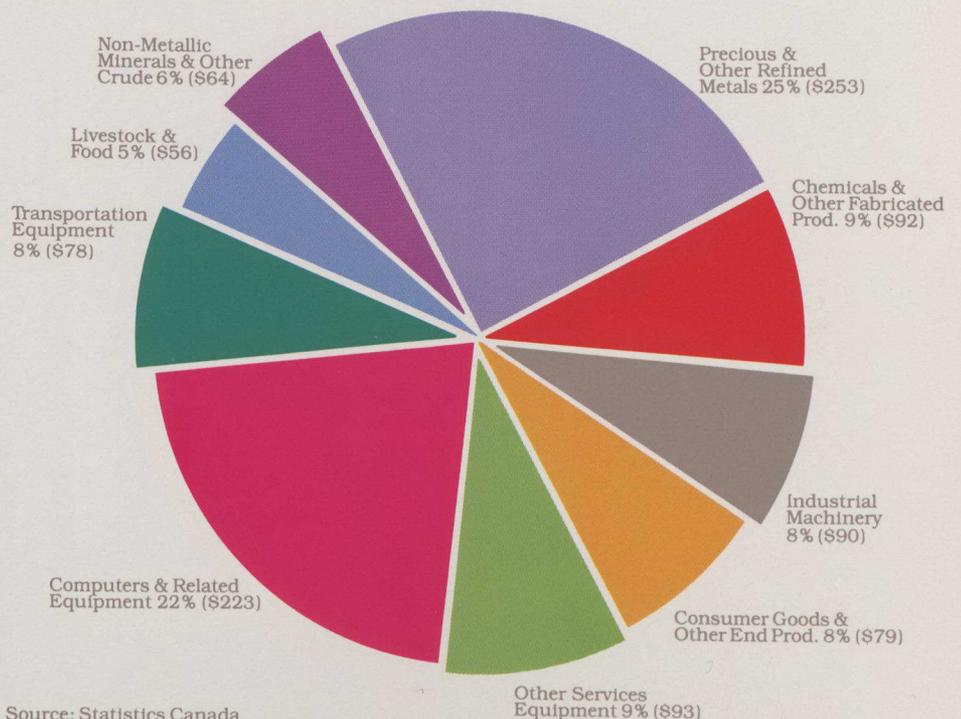
Canada buys and sells a rich variety of products.

There's gold in those hills and Canada bought \$185 million worth of refined precious metals from Utah alone in 1986—but 53 percent of its purchases from the region are the products of manufacturing skill.

Canada bought \$346 million worth of paper, plastics, refined metals, chemicals and other fabricated materials from the eight states. It bought \$92 million worth of industrial and agricultural machinery; \$78 million worth of land and air transportation equipment; \$313 million worth of electronic, telecommunications and other high-tech equipment.

MOUNTAIN STATES' MERCHANDISE EXPORTS TO CANADA

1986, By Percentage, In Millions of U.S. Dollars



Source: Statistics Canada

All figures are in U.S. dollars.

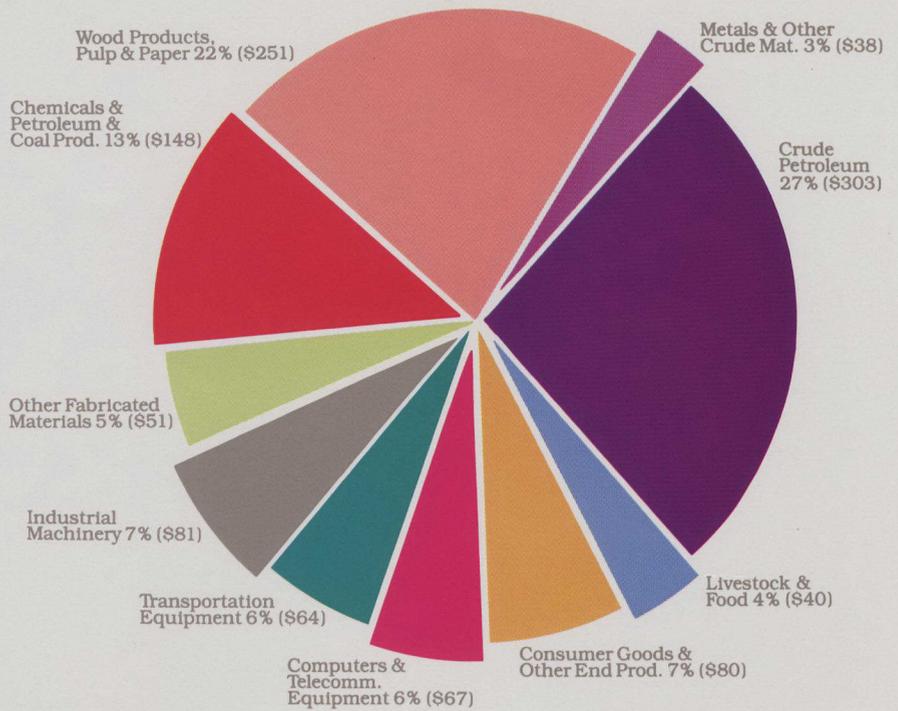
Canada sold the eight states \$303 million worth of crude petroleum; \$118 million worth of fabricated wooden materials; \$124 million worth of paper and paperboard; \$81 million worth of machinery; and \$28 million worth of autos and auto parts.

Sales to Canada mean jobs at home.

Sales to Canada in 1986 supported 18,000 manufacturing jobs in Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah and Wyoming.

MOUNTAIN STATES' MERCHANDISE IMPORTS FROM CANADA

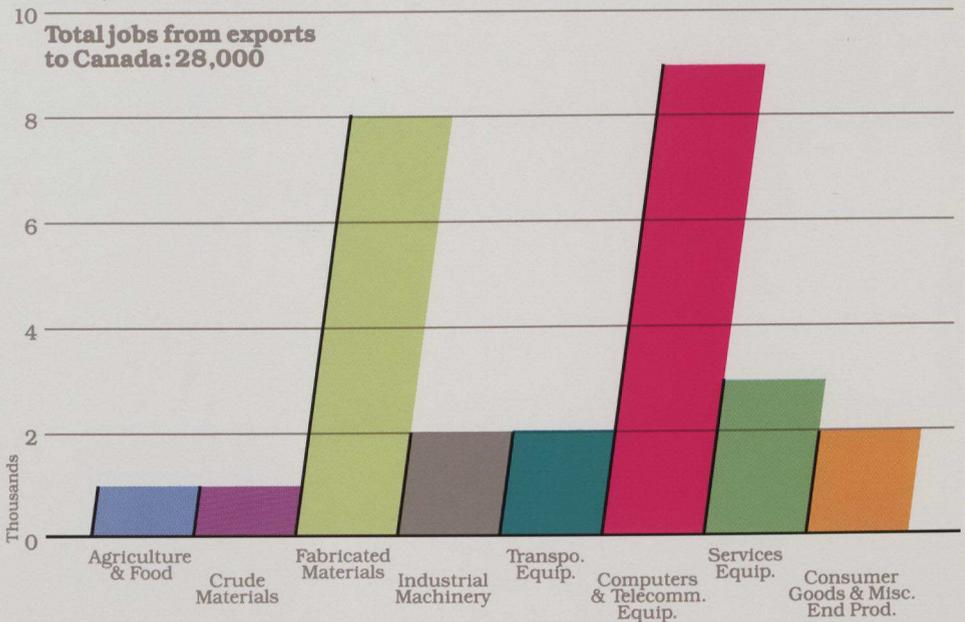
1986, By Percentage, In Millions of U.S. Dollars



Source: Statistics Canada

MOUNTAIN STATES JOBS SUPPORTED BY EXPORTS TO CANADA

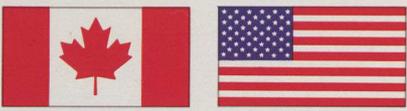
1986, Direct and Indirect, In Thousands of Jobs



Source: Exports to jobs ratio derived from U.S. Bureau of Labor Statistics Employment Requirements Table. Export values from Statistics Canada.

Canada

Canadian Embassy/Ambassade du Canada



New England

CANADA - UNITED STATES

Partners in Prosperity



Maine, Massachusetts, New Hampshire, Rhode Island and Vermont

Canada did \$6.9 billion worth of business with five New England states in 1986.

It was the region's best foreign customer—it bought \$2.2 billion worth of goods, 67 percent of it manufactured. It was its largest supplier—it sold \$4.7 billion worth, 26 percent of it manufactured.

Canada bought and sold sophisticated materials.

Its trade with New England is complex and complementary. It bought \$1.5 billion worth of manufactured materials from Maine, Massachusetts, New Hampshire, Vermont and Rhode Island, including \$189 million worth of industrial and agricultural machinery and almost \$1 billion worth of computers, telecommunications and other high-tech equipment. It sold \$1.2 billion worth, including \$102 million worth of industrial and agricultural machinery and \$397 million worth of telecommunications and other sophisticated equipment.

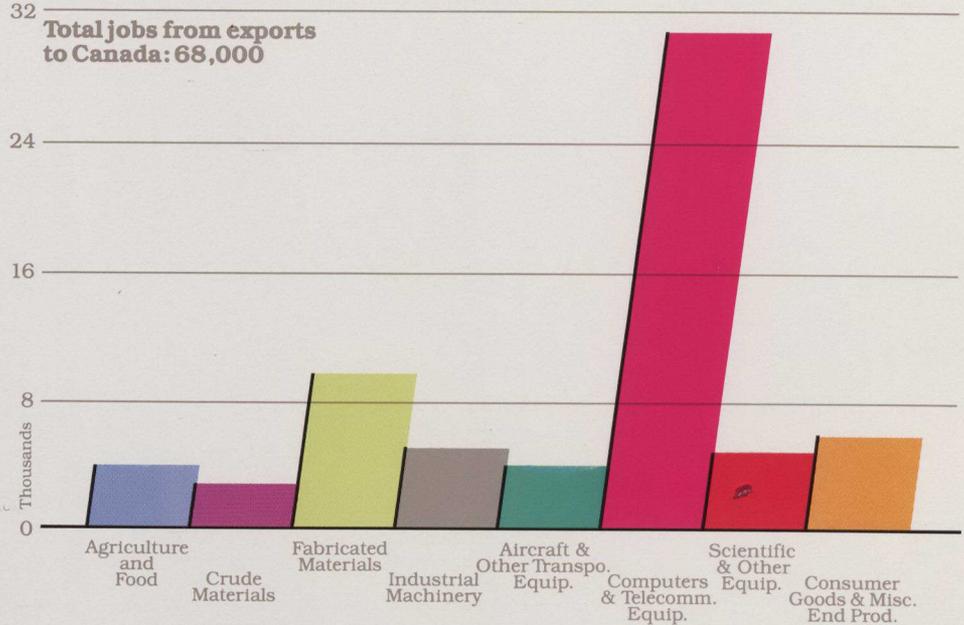
Sales to Canada mean jobs at home.

The region's exports to Canada supported 68,000 jobs in the five states in 1986, 31,000 of them in the computer and allied industries.

All figures are in U.S. dollars.

NEW ENGLAND JOBS SUPPORTED BY EXPORTS TO CANADA

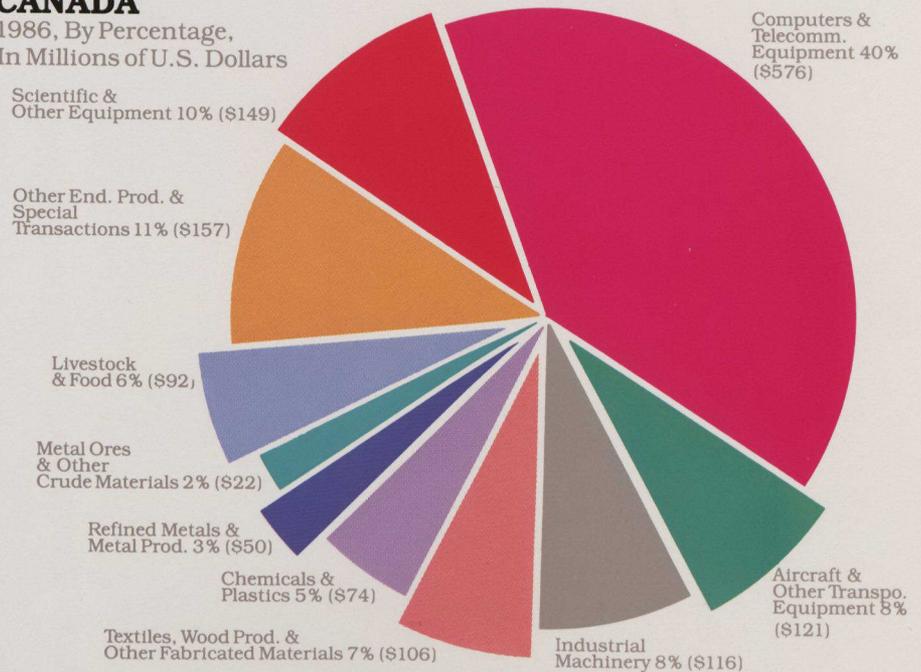
1986, Direct and Indirect, In Thousands of Jobs



Source: Jobs to exports ratio derived from U.S. Bureau of Labor Statistics Employment Requirements Table. Export values from Statistics Canada.

MASSACHUSETTS' MERCHANDISE EXPORTS TO CANADA

1986, By Percentage, In Millions of U.S. Dollars

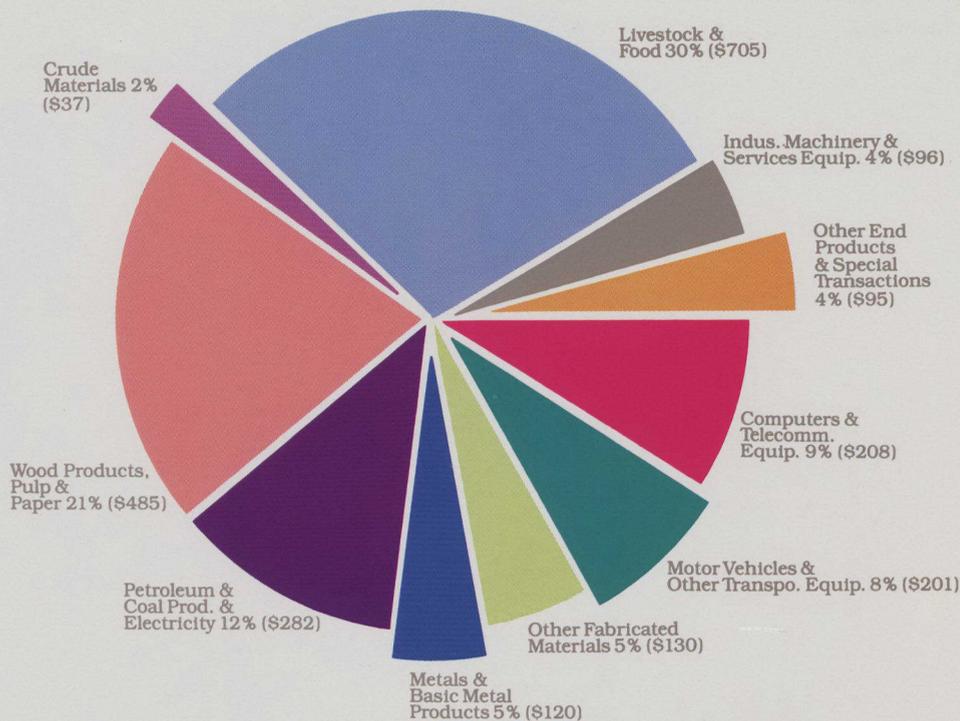


Total exports to Canada: \$1.46 billion

Source: Statistics Canada

MASSACHUSETTS' MERCHANDISE IMPORTS FROM CANADA

1986, By Percentage, In Millions of U.S. Dollars



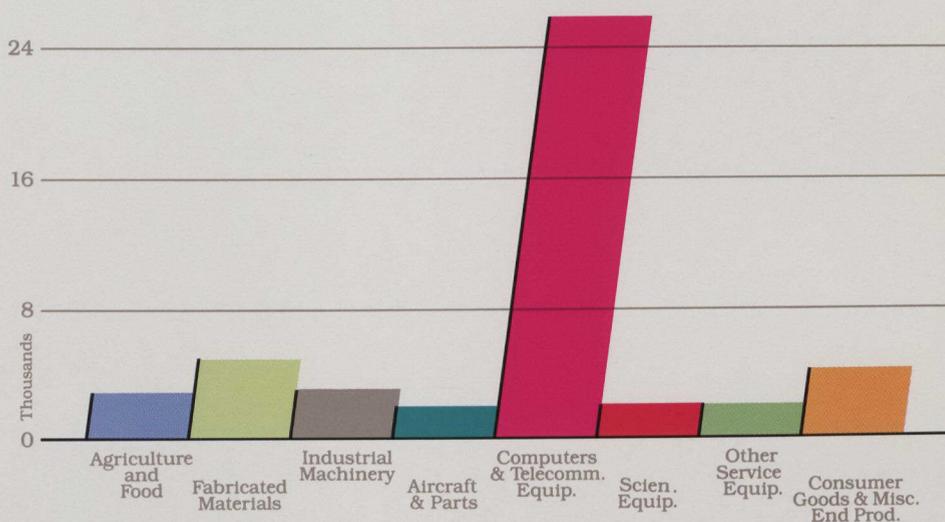
Total imports from Canada: \$2.36 billion

Source: Statistics Canada

MASSACHUSETTS JOBS SUPPORTED BY EXPORTS TO CANADA

1986, Direct and Indirect, In Thousands of Jobs

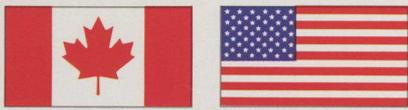
Total jobs from exports to Canada: 47,000



Source: Jobs to exports ratio derived from U.S. Bureau of Labor Statistics Employment Requirements Table. Export values from Statistics Canada.

Canada

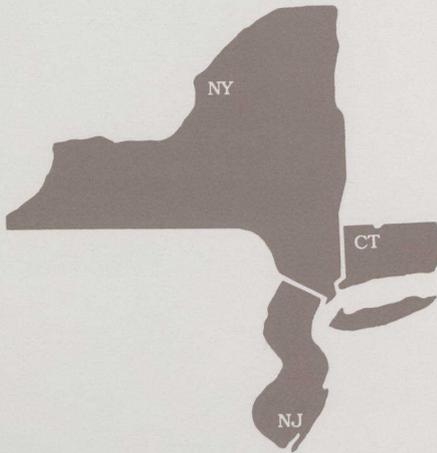
Canadian Embassy/Ambassade du Canada



CANADA - UNITED STATES

Partners in Prosperity

New York, Connecticut & New Jersey



Canada loves New York (and Connecticut and New Jersey).

It did \$21 billion worth of business with the three states in 1986. It is their largest foreign customer—it bought over \$7.7 billion worth of goods from them.

It is their largest foreign supplier—it sold them \$13.5 billion worth. (Canada's edge in the exchange of goods was offset by substantial sales of services and investment income flows to the Tri-State Area.)

Free-flowing exchanges benefit both partners.

One country's finished product is another's raw material.

Exports and imports are part of the same picture.

Canada bought \$4.2 billion worth of manufactured products from New York, Connecticut and New Jersey in 1986, including:

- \$486 million worth of industrial and agricultural machinery.
- \$1.2 billion worth of transportation equipment.
- \$906 million worth of computers and electronic and telecommunications equipment.

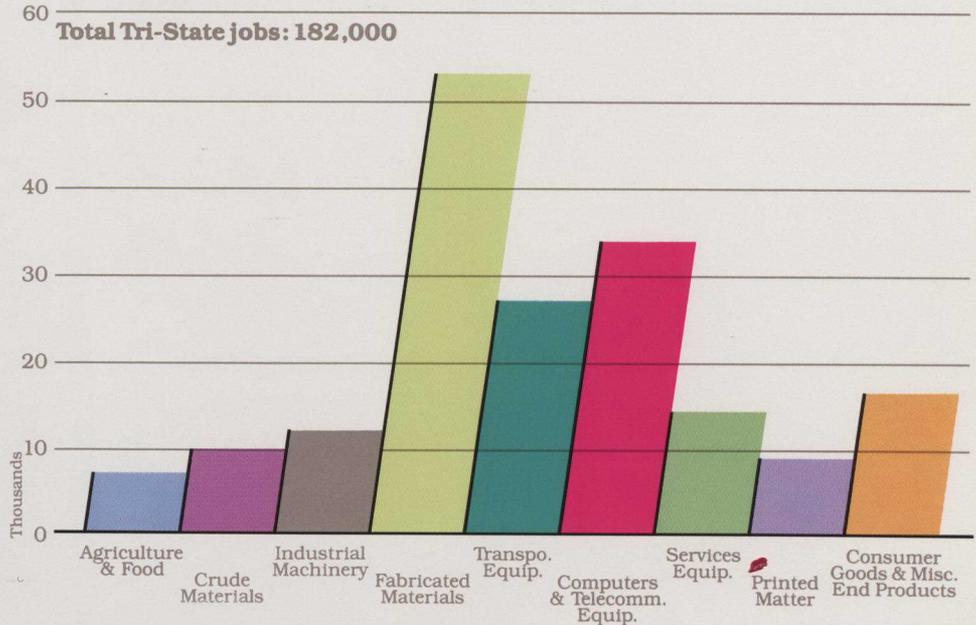
It sold them \$6.7 billion worth, including:

- \$4.5 billion worth of autos and auto parts.
- \$131 million worth of office machinery.

TRI-STATE JOBS SUPPORTED BY EXPORTS TO CANADA

1986, Direct and Indirect, In Thousands of Jobs

Total Tri-State jobs: 182,000

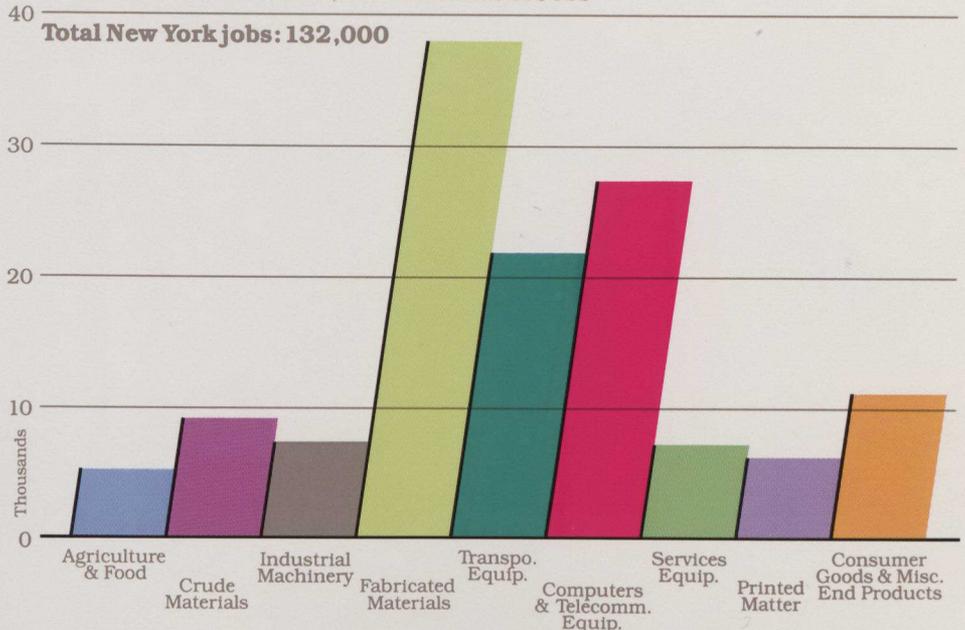


Source: Exports to jobs ratio derived from U.S. Bureau of Labor Statistics Employment Requirements Table. Export values from Statistics Canada.

NEW YORK JOBS SUPPORTED BY EXPORTS TO CANADA

1986, Direct and Indirect, In Thousands of Jobs

Total New York jobs: 132,000



Source: Exports to jobs ratio derived from U.S. Bureau of Labor Statistics Employment Requirements Table. Export values from Statistics Canada.

All figures are in U.S. dollars.

Trade with Canada means jobs at home.

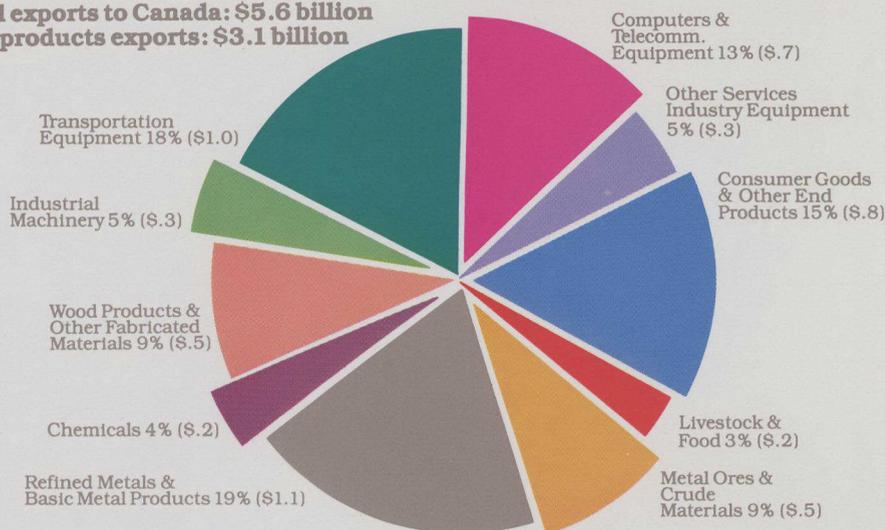
Sales to Canada meant over 182,000 jobs in New York, Connecticut and New Jersey in 1986.

NEW YORK'S MERCHANDISE EXPORTS TO CANADA

1986, By Percentage, In Billions of U.S. Dollars

Source: Statistics Canada

Total exports to Canada: \$5.6 billion
End products exports: \$3.1 billion

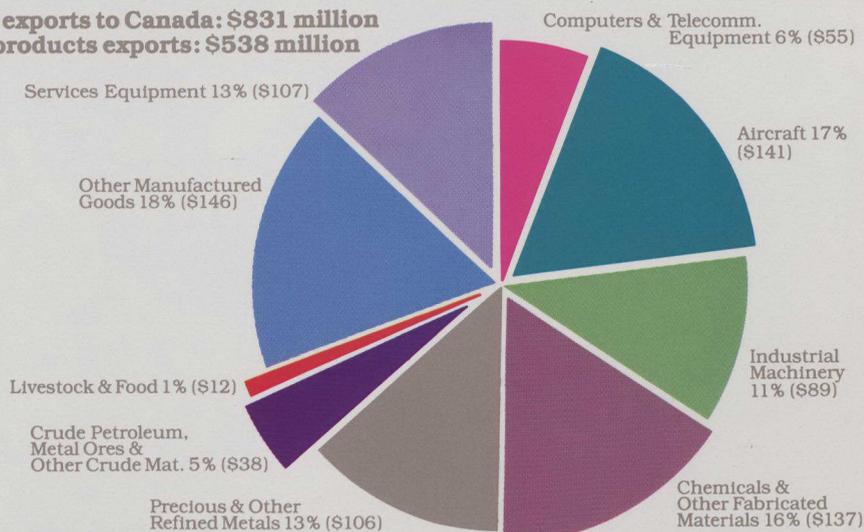


CONNECTICUT'S MERCHANDISE EXPORTS TO CANADA

1986, By Percentage, In Millions of U.S. Dollars

Source: Statistics Canada

Total exports to Canada: \$831 million
End products exports: \$538 million

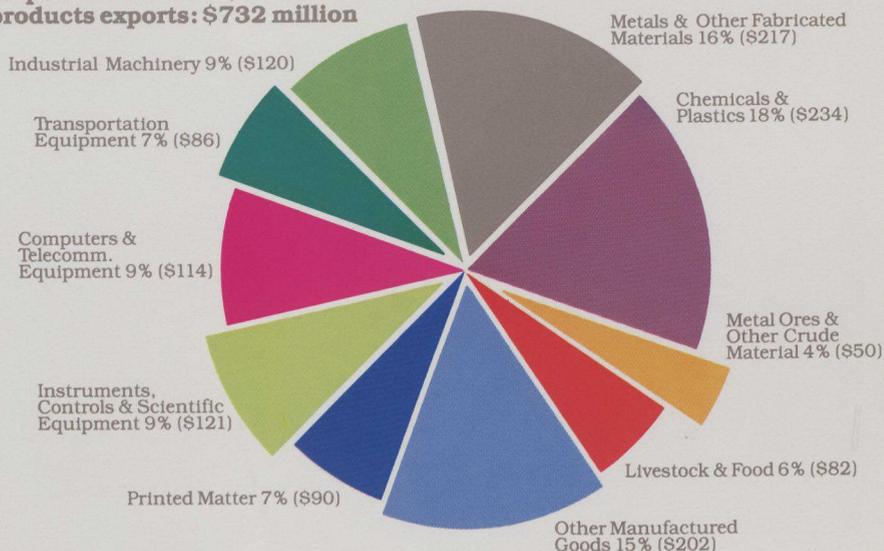


NEW JERSEY'S MERCHANDISE EXPORTS TO CANADA

1986, By Percentage, In Millions of U.S. Dollars

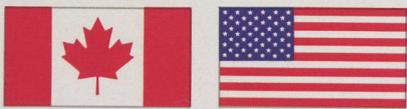
Source: Statistics Canada

Total exports to Canada: \$1.3 billion
End products exports: \$732 million



Canada

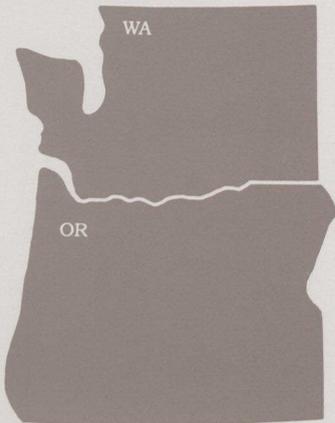
Canadian Embassy/Ambassade du Canada



CANADA - UNITED STATES

Partners in Prosperity

The Pacific States



Oregon and Washington

Canada did \$4.1 billion worth of business with Oregon and Washington in 1986.

It is their best foreign customer and their largest supplier.

It bought \$1.3 billion worth of goods and sold \$2.8 billion worth. (Sales included \$986 million worth of natural gas, most of which was shipped to Washington and then transshipped to other states.)

Canada doesn't buy just berries and beef.

It bought \$42 million worth of fruits and \$15 million worth of meat from Oregon and Washington in 1986.

It also bought \$57 million worth of seafood; 136 million worth of industrial and agricultural machinery; \$145 million worth of aircraft and aircraft parts; and \$160 million worth of computers, telecommunications gear and other high-tech equipment.

It sold \$54 million worth of livestock, \$245 million worth of crude and refined petroleum and coal products and \$395 million worth of autos and aircraft and associated parts.

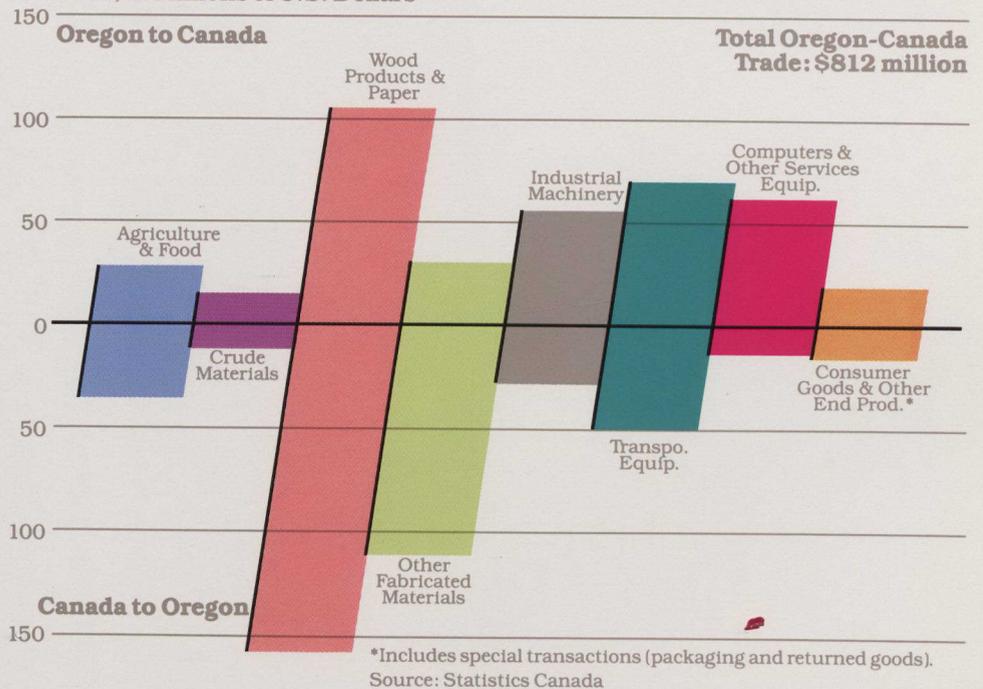
A healthy trade exchange benefits both partners.

Exports to Canada mean jobs at home.

They supported 32,000 jobs in Oregon and Washington in 1986.

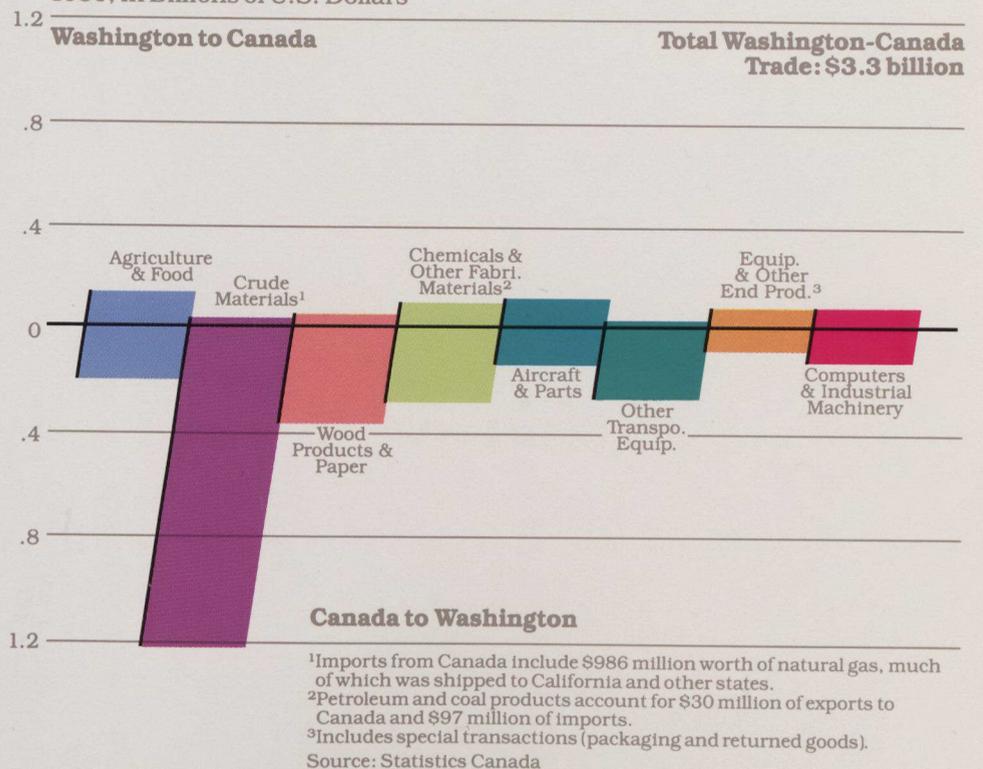
OREGON'S MERCHANDISE TRADE WITH CANADA

1986, In Millions of U.S. Dollars



WASHINGTON'S MERCHANDISE TRADE WITH CANADA

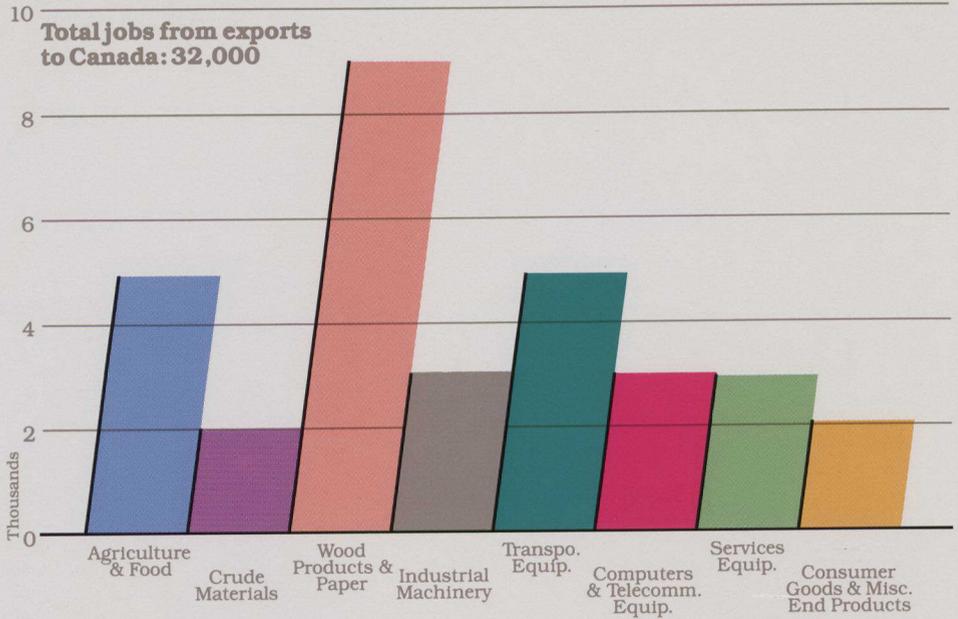
1986, In Billions of U.S. Dollars



All figures are in U.S. dollars.

WASHINGTON & OREGON JOBS SUPPORTED BY EXPORTS TO CANADA

1986, Direct and Indirect, In Thousands of Jobs



Source: Jobs to exports ratio derived from U.S. Bureau of Labor Statistics Employment Requirements Table. Export values from Statistics Canada.

Canada

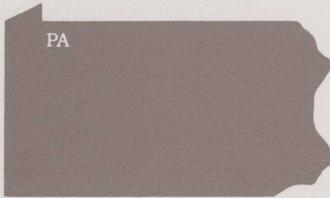
Canadian Embassy/Ambassade du Canada



CANADA - UNITED STATES

Pennsylvania

Partners in Prosperity



Canada and Pennsylvania did \$4.2 billion worth of business in 1986.

Canada has a rich, varied and growing trade with Pennsylvania.

Canada is Pennsylvania's best foreign customer.

It bought \$2.1 billion worth of merchandise from Pennsylvania.

Canada is Pennsylvania's best foreign supplier.

It sold \$2.1 billion worth of merchandise to Pennsylvania.

Two-way trade benefits both traders.

Pennsylvania exports high-tech.

Canada and Pennsylvania are high-tech places.

Canada bought \$1.3 billion worth of manufactured products from Pennsylvania—62 percent of the total.

It bought \$306 million worth of industrial and agricultural machinery.

It bought \$408 million worth of transportation equipment.

It bought \$146 million worth of computers and related products.

Canada sold \$574 million worth of manufactured products to Pennsylvania—27 percent of its total. It sold \$73 million worth of machinery, \$267 million worth of transportation equipment and \$45 million worth of office machinery.

Exports to Canada mean jobs at home.

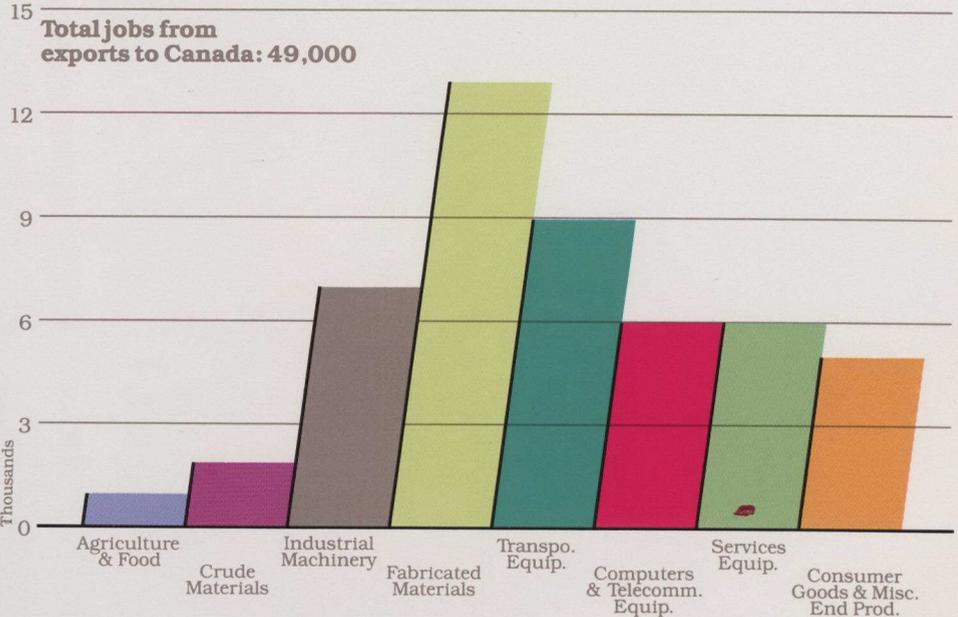
All exports mean jobs.

Sophisticated exports mean many jobs.

Sales to Canada in 1986 produced 49,000 jobs in Pennsylvania, 67 percent of them in manufacturing.

PENNSYLVANIA JOBS SUPPORTED BY EXPORTS TO CANADA

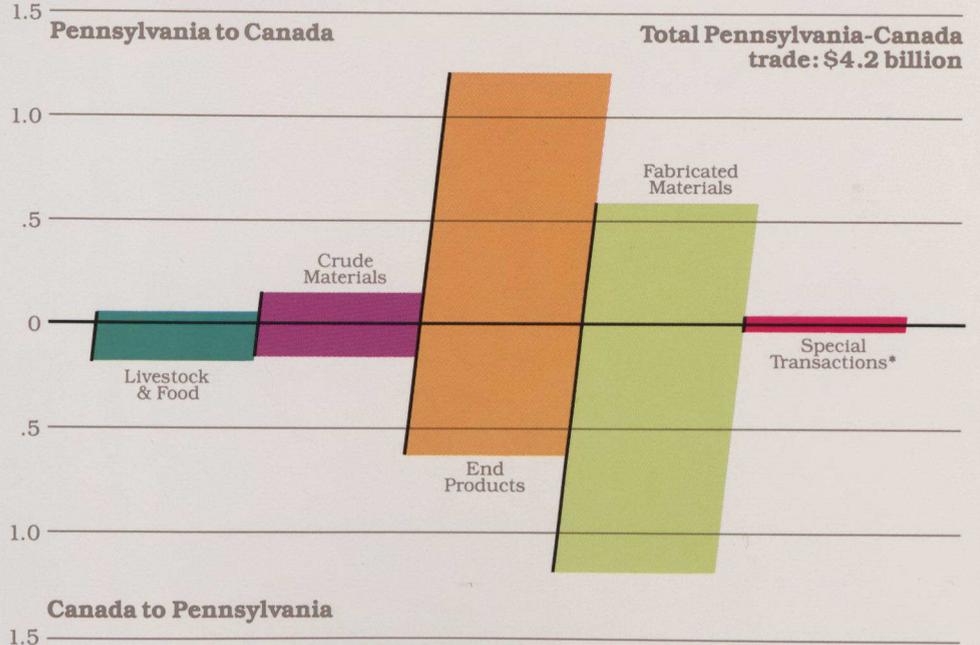
1986, Direct and Indirect, In Thousands of Jobs



Source: Jobs to exports ratio derived from U.S. Bureau of Labor Statistics Employment Requirements Table. Export values from Statistics Canada.

PENNSYLVANIA'S MERCHANDISE TRADE WITH CANADA

1986, In Billions of U.S. Dollars



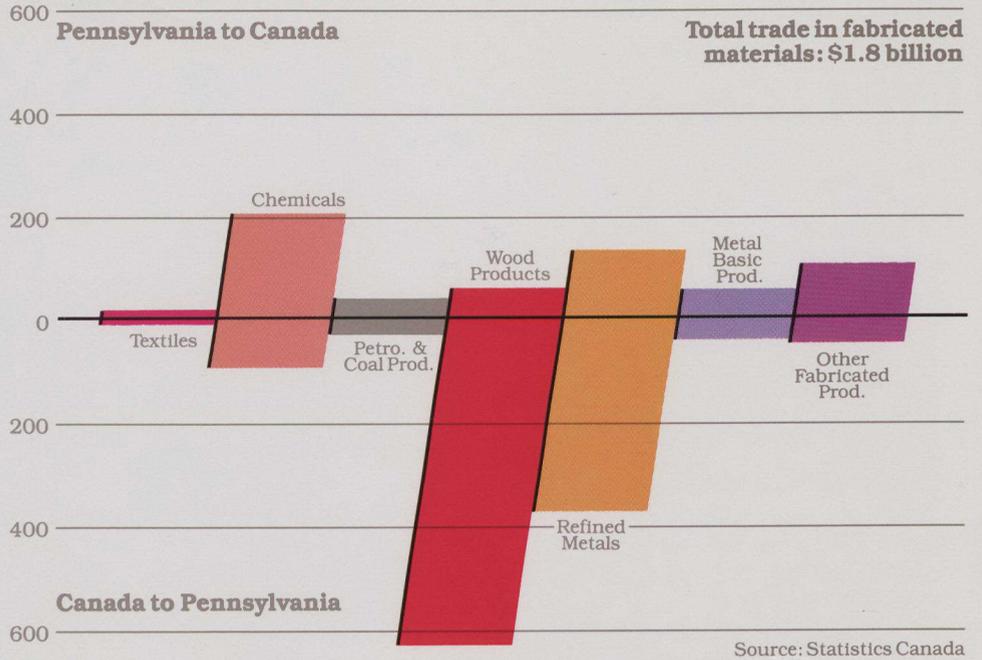
*Includes packaging and returned goods.

Source: Statistics Canada

All figures are in U.S. dollars.

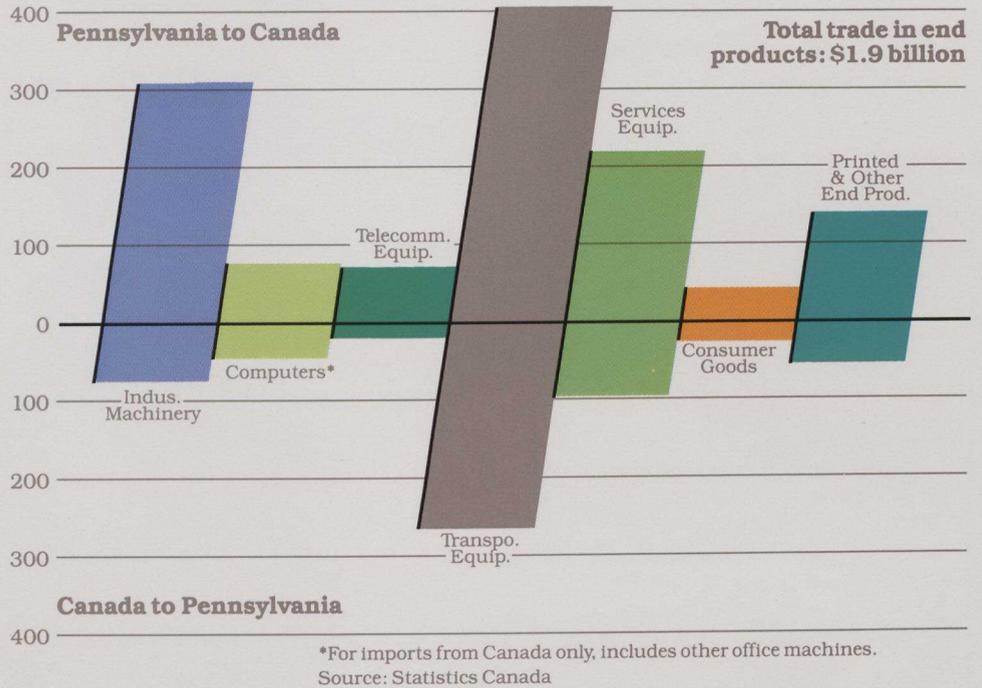
PENNSYLVANIA-CANADA TRADE IN FABRICATED MATERIALS

1986, In Millions of U.S. Dollars



PENNSYLVANIA-CANADA TRADE IN END PRODUCTS

1986, In Millions of U.S. Dollars



Canada

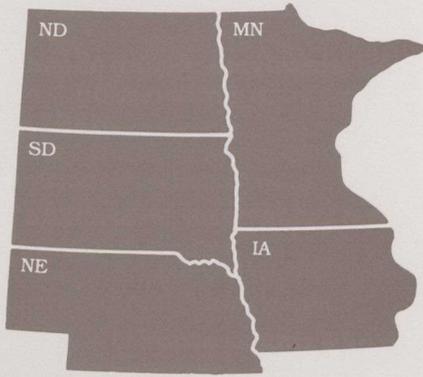
Canadian Embassy/Ambassade du Canada



CANADA - UNITED STATES

Partners in Prosperity

The Plains States



Minnesota, Iowa, Nebraska, North Dakota and South Dakota

Canada buys a variety of products from the Plains.

It did \$4.2 billion worth of business with the five Plains states in 1986.

It was their largest foreign customer. It bought \$1.6 billion worth of goods, 69 percent of it in manufactured products.

It was also their largest foreign supplier. It sold \$2.6 billion worth to them, 15 percent of it in manufactured goods.

Two-way trade brings two-way prosperity.

Canada bought \$1.1 billion worth of manufactured goods from the five states, including \$517 million worth from Minnesota alone. It bought \$405 million worth of industrial and agricultural machinery and \$347 million worth of computers and other high-tech equipment.

It sold the five states \$423 million worth of manufactured goods, including \$218 million worth to Minnesota. It sold them \$30 million worth of telecommunications equipment, \$85 million worth of other high-tech equipment, \$120 million worth of industrial and agricultural machinery and \$128 million worth of autos and auto parts.

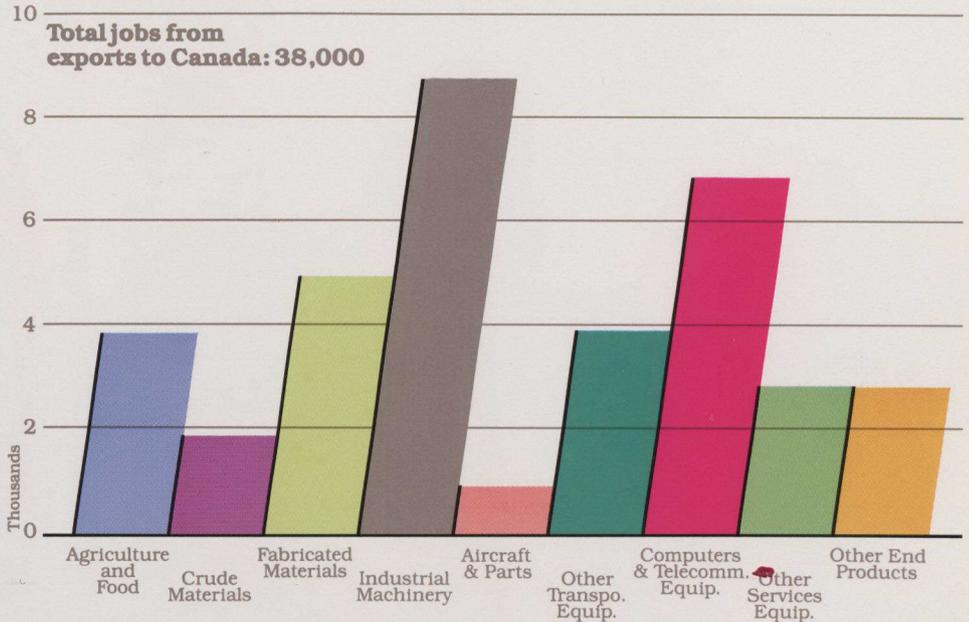
Trade means jobs.

Sales above the border meant 38,000 manufacturing jobs in Minnesota, Iowa, Nebraska, North Dakota and South Dakota in 1986.

All figures are in U.S. dollars.

PLAINS STATES JOBS SUPPORTED BY EXPORTS TO CANADA

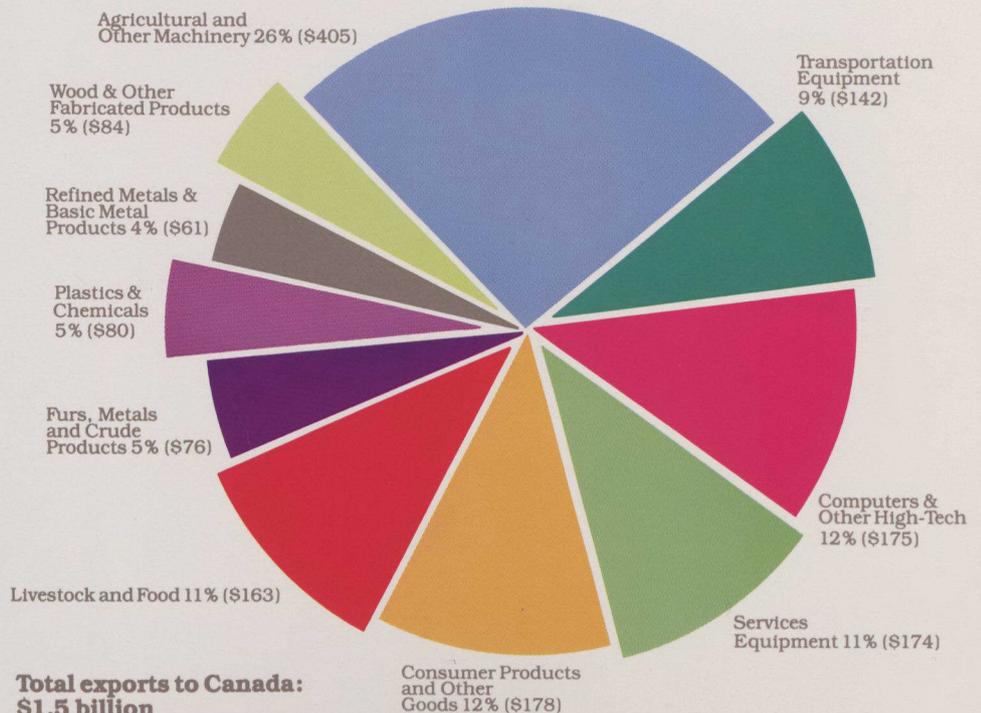
1986, Direct and Indirect, In Thousands of Jobs



Source: Jobs to exports ratio derived from U.S. Bureau of Labor Statistics Employment Requirements Table. Export values from Statistics Canada.

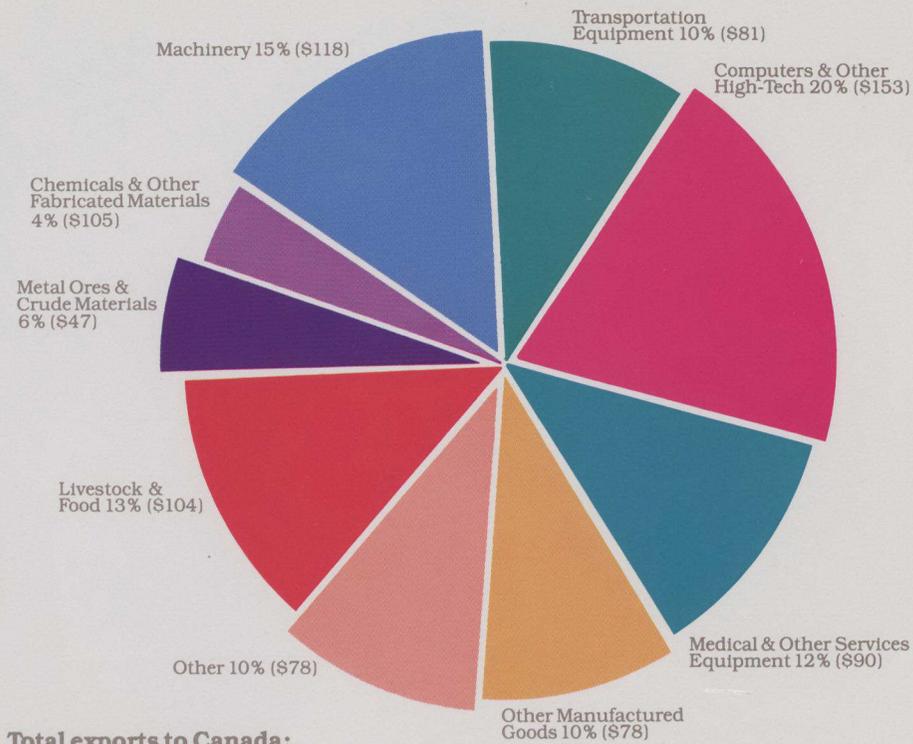
PLAINS STATES' MERCHANDISE EXPORTS TO CANADA

1986, By Percentage, In Millions of U.S. Dollars



MINNESOTA'S MERCHANDISE EXPORTS TO CANADA

1986, By Percentage, In Millions of U.S. Dollars



Total exports to Canada:
\$783 million

Source: Statistics Canada

Canada

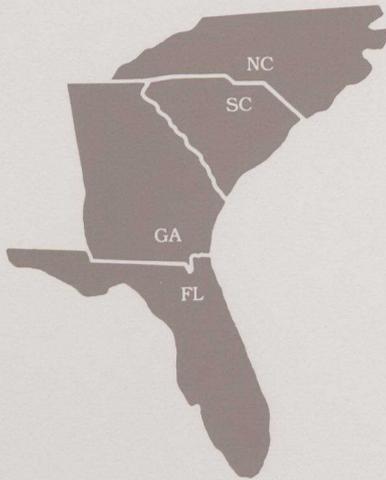
Canadian Embassy/Ambassade du Canada



CANADA - UNITED STATES

Partners in Prosperity

The South Atlantic States



Florida, Georgia, North Carolina and South Carolina

Canada did \$5.5 billion worth of business with Florida, Georgia, North Carolina and South Carolina.

It is the South Atlantic states' largest customer—it bought \$2.7 billion worth of goods from the four states, 56 percent of it in manufactured products.

It is their largest supplier—it sold \$2.9 billion to them, 51 percent manufactured.

Canada and the South Atlantic states have a thriving, sophisticated exchange.

Two-way trade benefits both trading partners.

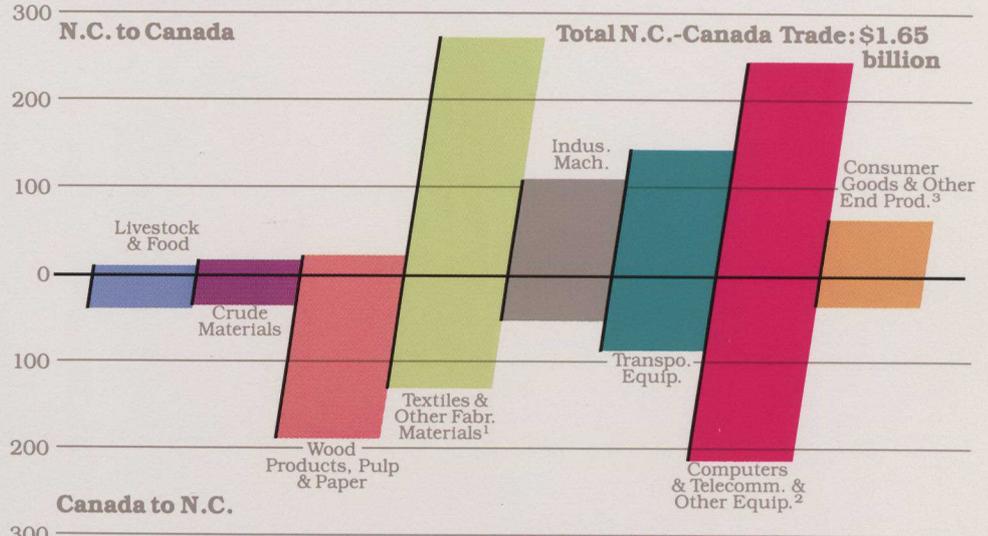
Canada and the South Atlantic states exchange manufactured products.

Canada bought \$248 million worth of industrial and agricultural machinery, \$398 million worth of transportation equipment and \$652 million worth of computers and other electronic, telecommunications and scientific equipment from the four states.

It sold them \$152 million worth of machinery, \$336 million worth of

NORTH CAROLINA'S MERCHANDISE TRADE WITH CANADA

1986, In Millions of U.S. Dollars



¹Textiles account for \$120 million of exports to Canada, chemicals, \$70 million. Imports from Canada include \$25 million of textiles, \$35 million of chemicals and \$56 million of refined metals and basic metal products.

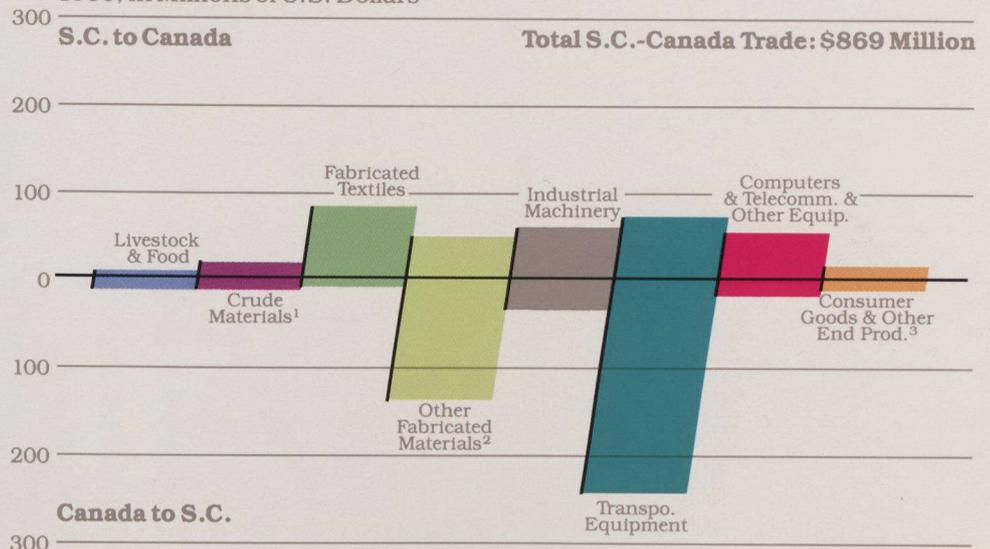
²Computers account for \$137 million of exports to Canada. Computers and other office machines account for \$73 million of imports from Canada, telecommunications equipment, \$99 million.

³Special transactions (packaging and returned goods) account for \$8 million of exports to Canada and \$1 million of imports.

Source: Statistics Canada

SOUTH CAROLINA'S MERCHANDISE TRADE WITH CANADA

1986, In Millions of U.S. Dollars



¹Exports to Canada include \$11 million of crude textiles; imports from Canada, \$6 million.

²Exports to Canada include \$34 million of chemicals and \$8 million of wood products. Imports from Canada include \$36 million of chemicals and \$68 million of wood products.

³Exports to Canada include \$2 million of special transactions (packaging and returned goods).

Source: Statistics Canada

All figures are in U.S. dollars

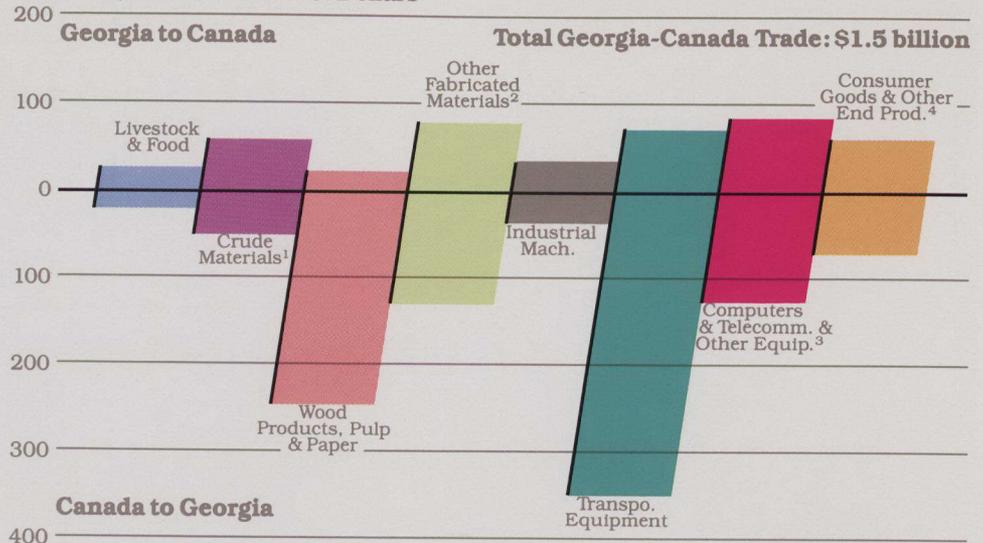
autos and auto parts and \$454 million worth of telecommunications and other high-tech equipment.

Sales to Canada mean jobs at home.

Exports to Canada supported 72,000 jobs in Florida, Georgia, North Carolina and South Carolina in 1986.

GEORGIA'S MERCHANDISE TRADE WITH CANADA

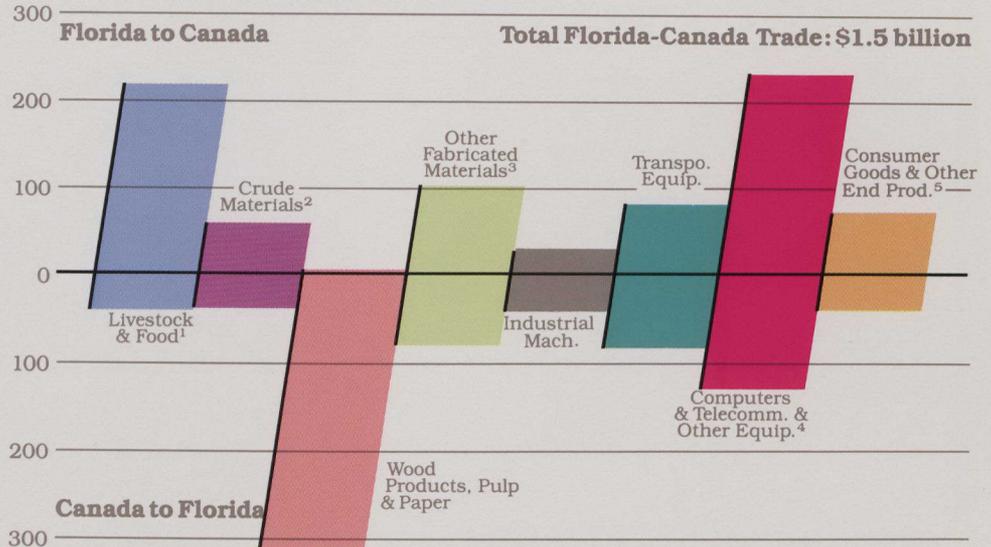
1986, In Millions of U.S. Dollars



¹Exports to Canada include \$32 million of crude animal and vegetable products and \$27 million of non-metallic minerals. Imports from Canada include \$31 million of non-metallic minerals.
²Exports to Canada include \$33 million of textiles and \$32 million of chemicals. Imports from Canada include \$46 million of chemicals and \$43 million of refined metals and basic metal products.
³Computers account for \$24 million and telecommunications equipment for \$24 million of exports to Canada. For imports, telecommunications equipment accounts for \$70 million and office machines, including computers, for \$17 million.
⁴Exports to Canada include \$11 million of special transactions (packaging and returned goods); imports include \$1 million.
 Source: Statistics Canada

FLORIDA'S MERCHANDISE TRADE WITH CANADA

1986, In Millions of U.S. Dollars



¹Exports to Canada include \$92 million of oranges, other fruits and juices, and \$96 million of tomatoes and other fresh vegetables.
²Non-metallic minerals account for \$31 million of exports to Canada and \$22 million of imports from Canada.
³Exports to Canada include \$47 million of refined metals and basic metal products and \$33 million of chemicals. Imports include \$24 million of refined metals and basic metal products and \$24 million of chemicals.
⁴Computers account for \$137 million of exports to Canada; for imports, telecommunications equipment accounts for \$38 million and office machines, including computers, for \$40 million.
⁵Special transactions (packaging and returned goods) account for \$13 million of exports to Canada and \$1 million of imports.
 Source: Statistics Canada

Canada

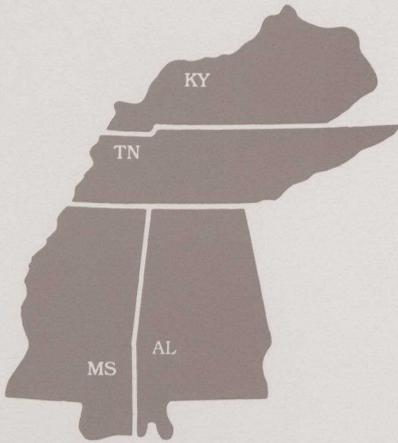
Canadian Embassy/Ambassade du Canada



CANADA - UNITED STATES

Partners in Prosperity

The South Central States



Alabama, Kentucky, Mississippi and Tennessee

Canada did \$3.5 billion worth of business with Alabama, Kentucky, Mississippi and Tennessee in 1986.

It was their largest foreign customer—it bought \$1.7 billion worth of goods, 70 percent of it in manufactured products.

It was also their largest foreign supplier—it sold them \$1.8 billion worth, 31 percent of it in manufactured goods.

A healthy trade exchange benefits both parties.

Canada bought and sold a rich variety of goods.

It bought \$1.2 billion worth of manufactured products, including \$555 million worth of transportation equipment, \$330 million worth of electronic and other high-tech equipment and \$149 million worth of industrial and agricultural machinery.

Canada sold the four states \$566 million worth of manufactured goods, including \$110 million worth of industrial and agricultural machinery, \$255 million worth of autos and auto parts and \$121 million worth of telecommunications and other high-tech equipment.

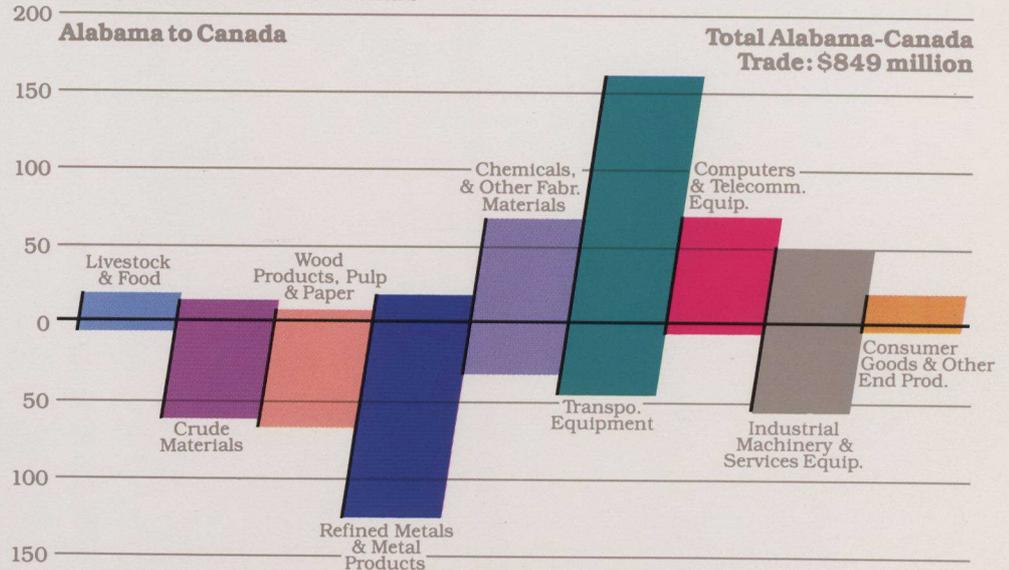
Trade means jobs.

Sales to Canada supported 41,000 jobs in Alabama, Kentucky, Mississippi and Tennessee in 1986.

All figures are in U.S. dollars.

ALABAMA'S MERCHANDISE TRADE WITH CANADA

1986, In Millions of U.S. Dollars

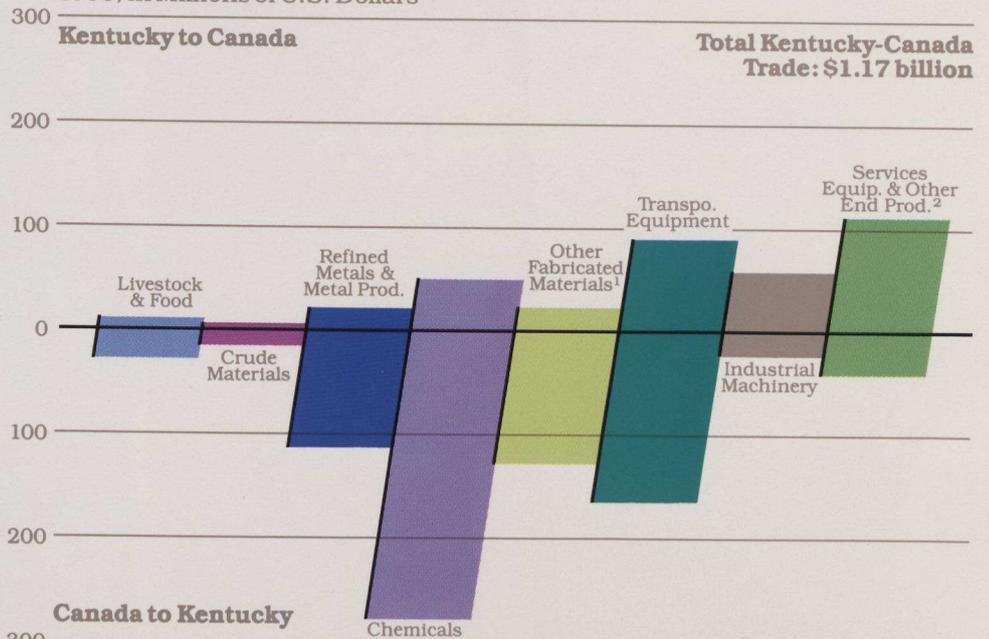


Canada to Alabama

Source: Statistics Canada

KENTUCKY'S MERCHANDISE TRADE WITH CANADA

1986, In Millions of U.S. Dollars



Canada to Kentucky

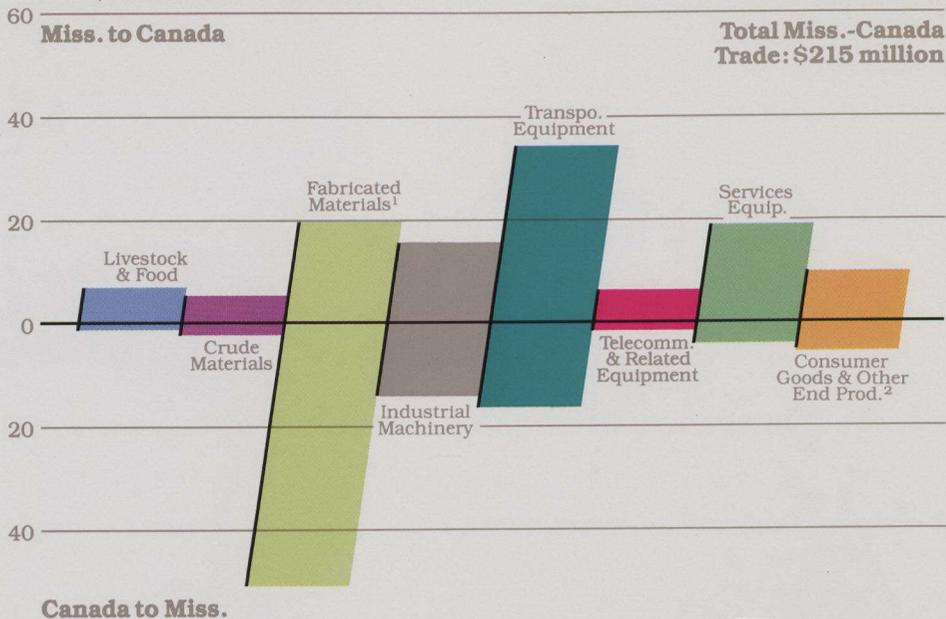
¹Exports to Canada include \$5 million of textiles and \$4 million of wood products. Imports from Canada include \$95 million of wood products and paper and \$26 million of petroleum and coal products.

²Exports to Canada include \$16 million of computers and telecommunications equipment.

Source: Statistics Canada

MISSISSIPPI'S MERCHANDISE TRADE WITH CANADA

1986, In Millions of U.S. Dollars



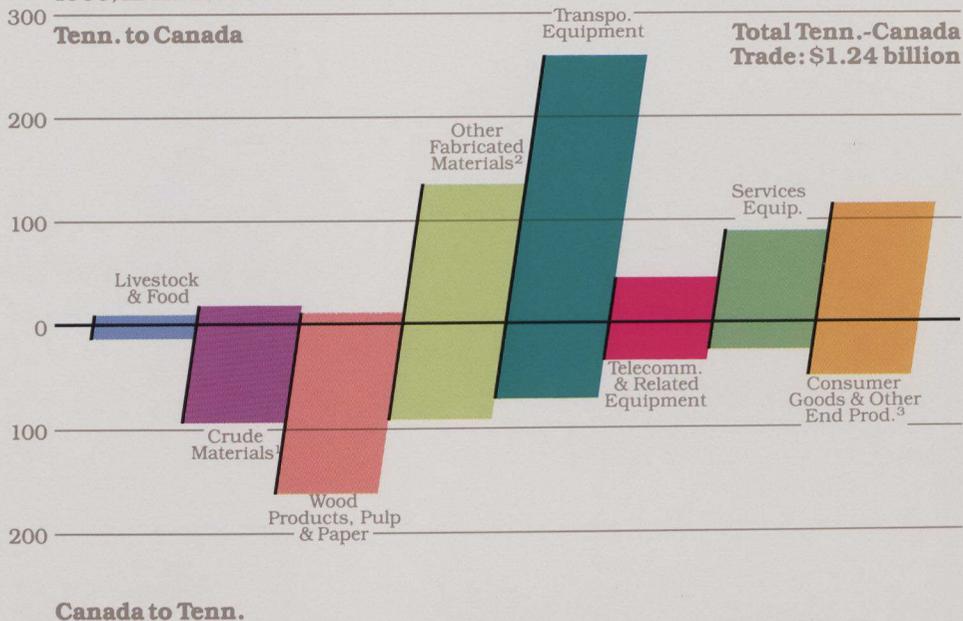
¹Exports to Canada include \$6 million of chemical products. Imports from Canada include \$34 million of wood products, pulp and paper.

²Exports to Canada include \$1 million of special transactions (packaging and returned goods).

Source: Statistics Canada

TENNESSEE'S MERCHANDISE TRADE WITH CANADA

1986, In Millions of U.S. Dollars



¹Exports to Canada include \$15 million of crude textiles. Imports from Canada include \$90 million of natural gas.

²Exports to Canada include \$88 million of chemicals. Imports from Canada include \$30 million of chemicals and \$49 million of refined metals and basic metal products.

³Exports to Canada include \$5 million of special transactions (packaging and returned goods).

Source: Statistics Canada

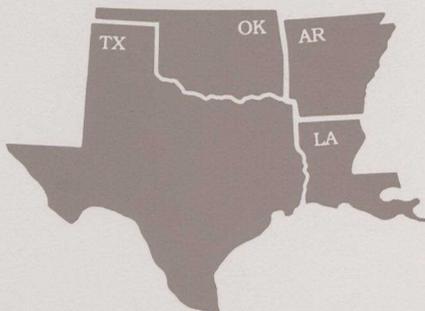
Canada

Canadian Embassy/Ambassade du Canada



CANADA - UNITED STATES

Partners in Prosperity



Texas, Louisiana and Oklahoma

Canada has a fine southwestern exposure.

It did \$3.9 billion worth of business with the four central southern states in 1986.

It was their largest foreign customer—it bought more than \$2 billion worth of goods from them—and their largest foreign supplier—it sold them \$1.7 billion worth.

Everyone benefited from the exchange—each bought what it needed and sold what it had in surplus.

Canada buys across the board.

It has a lot in common with the four-state region. Each has uncluttered space. Each produces petroleum and chemicals. Both have skilled people that manufacture high-tech products. Canada bought \$201 million worth of computers and electronic equipment from the four states. It bought \$253 million worth of ground and air transportation equipment and \$277 million worth of industrial and agricultural machinery.

It sold the four states \$17 million worth of crude petroleum, \$104 million worth of paper and paperboard, \$378 million worth of autos and auto parts and \$98 million worth of telecommunications equipment.

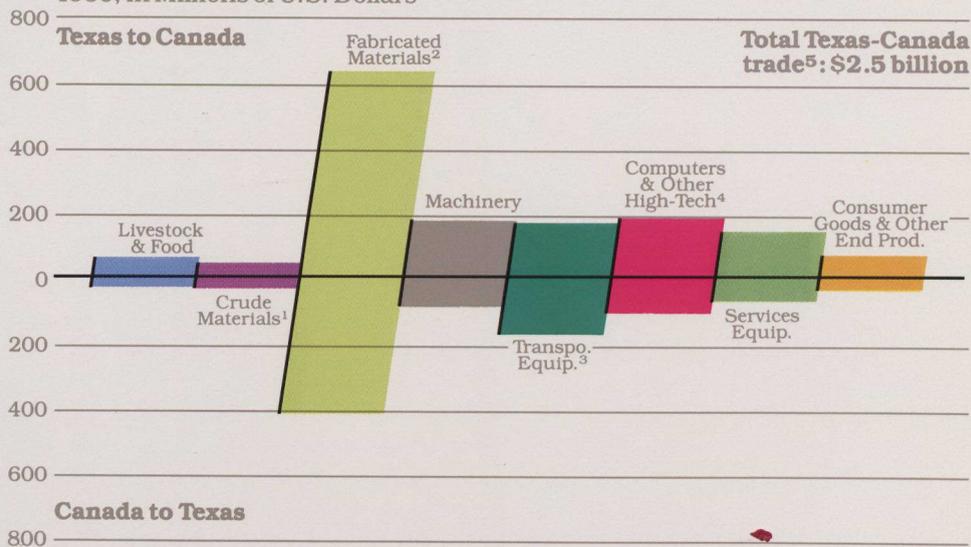
Trade with Canada means jobs at home.

Sales to Canada generated 49,000 jobs in Texas, Louisiana, Arkansas and Oklahoma in 1986, fifty-eight percent of them in manufacturing.

The Southwest

TEXAS' MERCHANDISE TRADE WITH CANADA

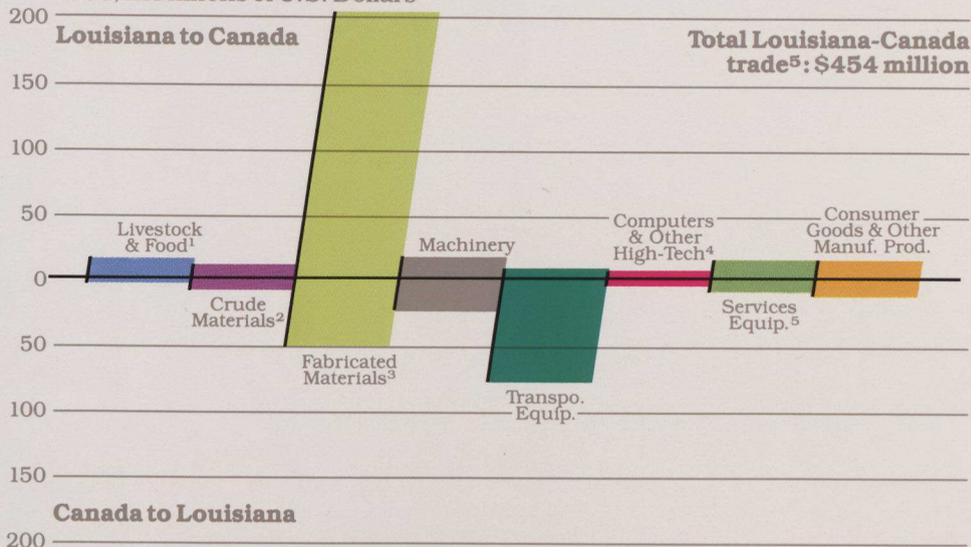
1986, In Millions of U.S. Dollars



¹Exports to Canada are mostly metal ores; imports, mostly petroleum.
²Exports to Canada are mostly chemicals; imports, mostly wood products.
³Exports to Canada are mostly aircraft; imports, mostly motor vehicles.
⁴For imports from Canada only, includes other office machines.
⁵Includes special transactions (packaging, returned goods).
 Source: Statistics Canada

LOUISIANA'S MERCHANDISE TRADE WITH CANADA

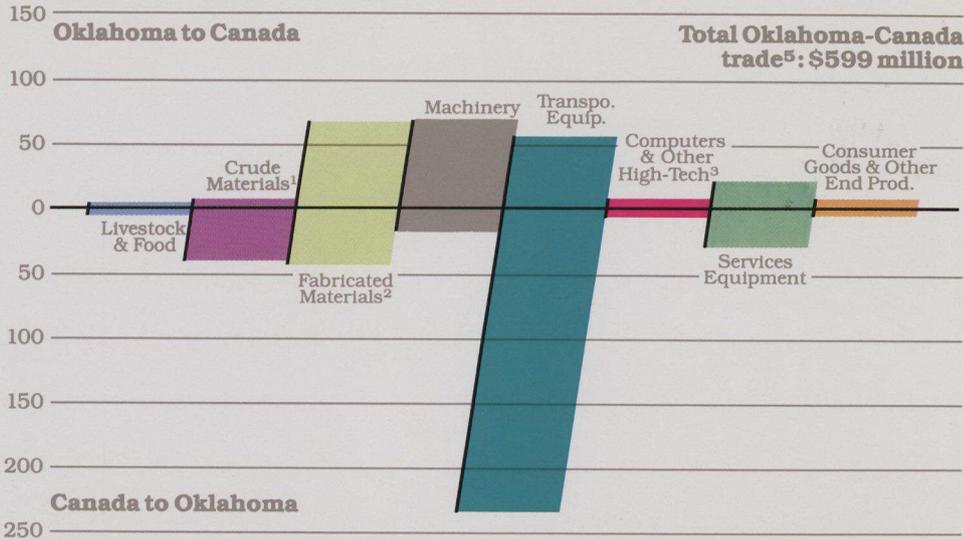
1986, In Millions of U.S. Dollars



¹Exports to Canada are mostly seafood.
²Exports to Canada are mostly metal ores.
³Exports to Canada are mostly chemicals; imports, paper and chemicals.
⁴For imports from Canada only, includes other office machines.
⁵Includes special transactions (packaging, returned goods).
 Source: Statistics Canada

OKLAHOMA'S MERCHANDISE TRADE WITH CANADA

1986, In Millions of U.S. Dollars



¹Imports are mostly radioactive ores.

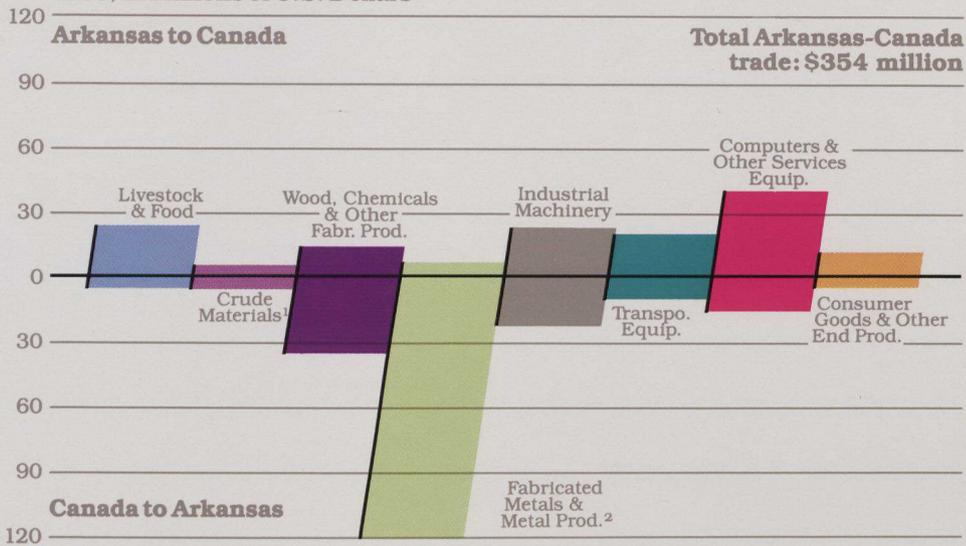
²Exports are mostly chemicals; imports, wood products, chemicals and petroleum products.

³For imports only, includes other office machines.

Source: Statistics Canada

ARKANSAS' MERCHANDISE TRADE WITH CANADA

1986, In Millions of U.S. Dollars



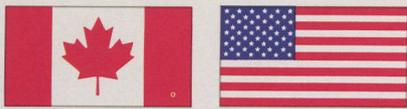
¹Exports to Canada are mostly aluminum ore.

²Imports from Canada are almost entirely fabricated aluminum.

Source: Statistics Canada

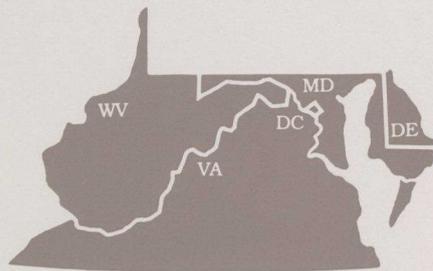
Canada

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CANADA - UNITED STATES

Partners in Prosperity



Delaware, Maryland, Virginia, West Virginia and the District of Columbia

Canada did \$3.3 billion worth of business with the Upper Southeast in 1986.

It was the region's best foreign customer—Canada bought \$1.5 billion worth of goods. It was its largest foreign supplier—it sold it \$1.8 billion worth.

Canada bought a rich variety of goods from Delaware, Maryland, Virginia, West Virginia and the District of Columbia.

It bought \$627 million worth of paper, paperboard, plastics and refined metals and chemicals.

It bought \$658 million worth of manufactured products, including \$93 million worth of industrial and agricultural machinery; \$244 million worth of autos and aircraft and parts; and \$204 million worth of computers and electronic, telecommunications and other high-tech equipment.

It was a vigorous, growing, two-way trade.

Canada sold the region \$83 million worth of industrial and agricultural machinery, \$250 million worth of telecommunications and other electronic and high-tech equipment, and \$263 million worth of autos and auto parts.

Exports to Canada mean jobs at home.

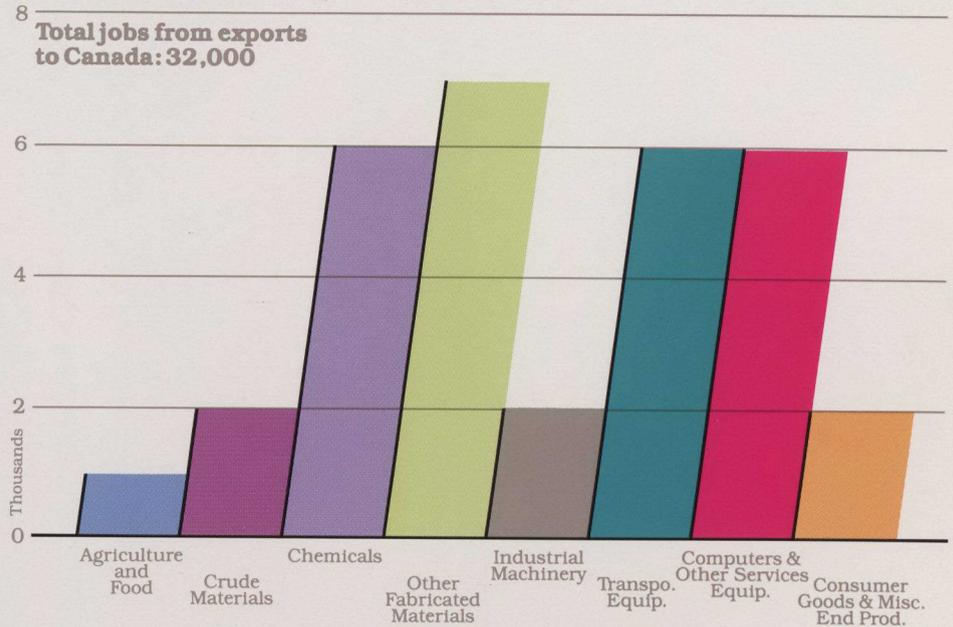
Sales to Canada in 1986 supported over 32,000 jobs in Delaware, Maryland, Virginia, West Virginia and the District of Columbia.

All figures are in U.S. dollars.

The Upper Southeast

UPPER SOUTHEAST JOBS SUPPORTED BY EXPORTS TO CANADA

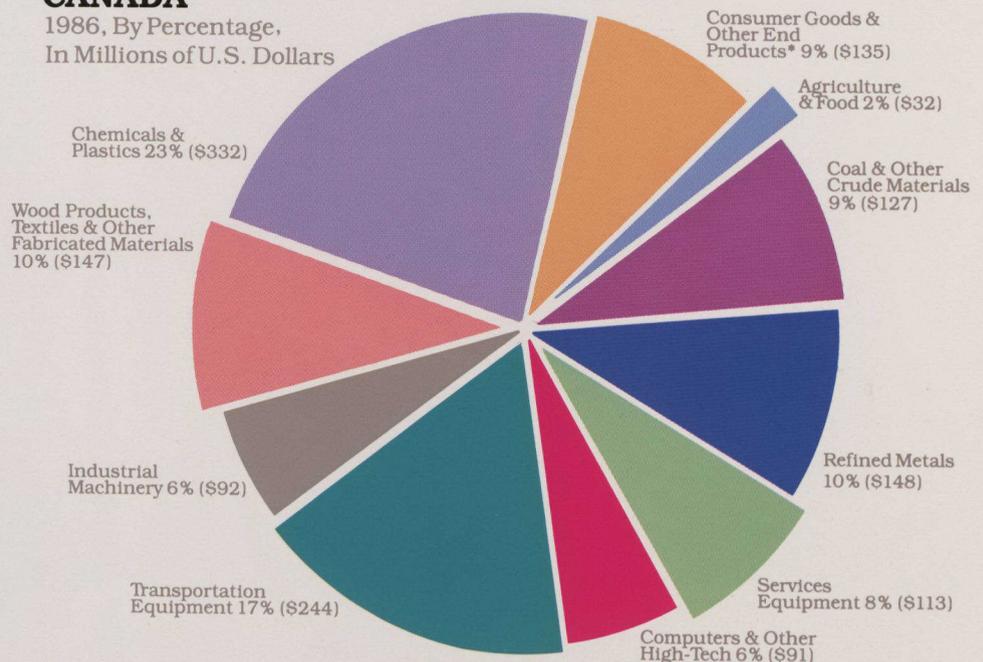
1986, Direct and Indirect, In Thousands of Jobs



Source: Exports to jobs ratio derived from U.S. Bureau of Labor Statistics Employment Requirements Table. Export values from Statistics Canada.

UPPER SOUTHEAST'S MERCHANDISE EXPORTS TO CANADA

1986, By Percentage, In Millions of U.S. Dollars

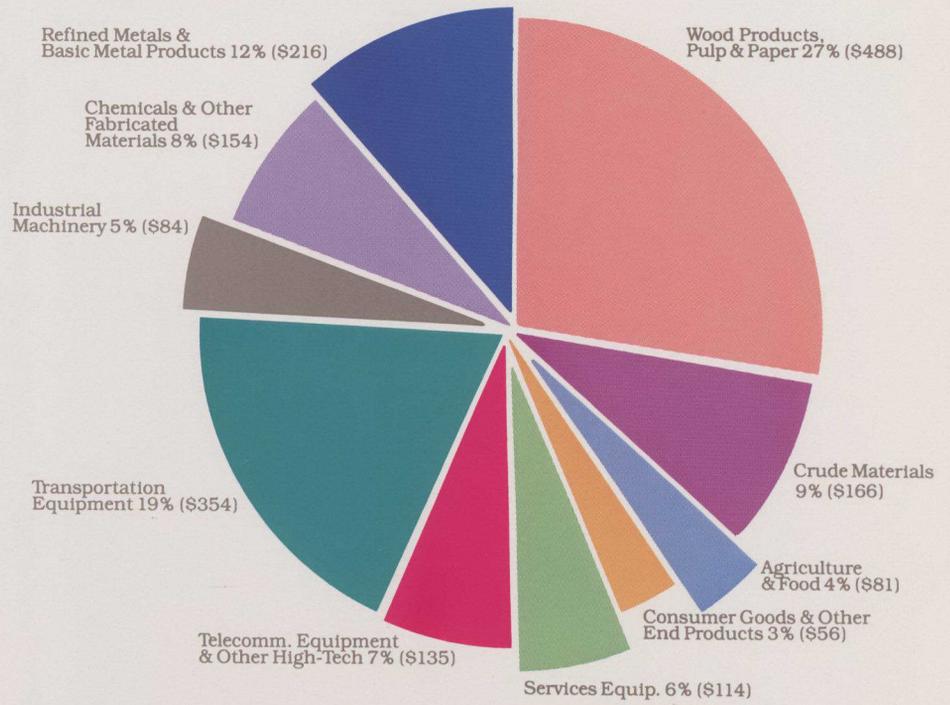


*Includes \$18 million of special transactions (packaging and returned goods).
Source: Statistics Canada

Total exports to Canada: \$1.5 billion

UPPER SOUTHEAST'S MERCHANDISE IMPORTS FROM CANADA

1986, By Percentage, In Millions of U.S. Dollars



Total imports from Canada: \$1.8 billion

Source: Statistics Canada

Canada

Canadian Embassy/Ambassade du Canada



A Rewarding Exchange

Canada and the United States exchanged over (U.S.) \$150 billion in goods and services in 1986—the largest and most complex two-way trade in the world. It is also among the most open—four-fifths of the goods move across the border tariff-free.

The freedom of movement is essential.

The barriers, which were relatively high in 1960, began to crumble with the historic Kennedy Round of trade negotiations, which began in 1964, and as they faded the trade grew. It has grown enormously in the last twenty years.

Both countries are committed to the reduction of the barriers that remain and, working together, they can do much to prevent the development of new moves toward protectionism that threaten international trade.

There is other work to be done.

Both countries hope to persuade their partners in GATT (General Agreement on Tariffs and Trade) to include trade in services in the current round of multi-lateral negotiations.

Trade is often reported as if it were a contest—something like a World Series, in which one side wins each year and the other loses.

It isn't. Trade benefits both traders, and the trade between Canada and the United States is a prime example of a large-scale, mutually beneficial exchange of goods and services that enriches both. It makes a vital contribution to North American prosperity.

Canada

Canadian Embassy/Ambassade du Canada

