



Canadian Web Site Proves Valuable — On Both Sides Of The Border

Thanks to Al Brosseau, MANA's District 10 (International) Director, our Canadian members — as well as Canadians living in the United States — have been alerted to a valuable new communication tool from the Canadian government. In a note to Brosseau, Frank McKenna, Canada's new Ambassador to the United States, announced the launch of www.Connect2Canada.com.

According to the ambassador, this communication network came about because "I believe that you, as a Canadian businessperson in the United States, or in Canada and exporting to the United States, will benefit from this network and that it will add value to your operations." He continued, "It provides a ready resource for facts on the major issues in the United States and Canada today, including a special page for business, as well as information on how to connect with other Canadians and friends of Canada in the United States."

A recent visit to that site proved McKenna's words true as it contained the text of a presentation that he made to the Canadian Chamber of Commerce. In the text were a number of facts

that described the relationship that Canada and the United States enjoy with each other.

According to McKenna, "We have an extraordinarily asymmetrical relationship with the United States of America. It starts with population. They have something like 300 million people, we have something like 30 million people, a ten-to-one ratio.

"But then it extends beyond that and it really shows up when it comes to trade statistics. Because in Canada we export somewhere between 35 percent and 40 percent of our GDP, our national wealth goes to the United States of America. The percentage of their GDP that comes to Canada is somewhere between 3½–4 percent. In other words, about 10 times more of Canadian wealth goes to the United States than

their GDP comes to Canada.

"Now, if you have one customer, I repeat, one customer who consumed almost 40 percent of your production, you're going to look after that customer. And as the saying goes, there's nothing wrong with having all your eggs in one basket as we do, as long as you watch the basket. And my job in Washington is to watch the basket...."

After making several points concerning the U.S. political process, including the impact that lobbyists have on the U.S. scene, McKenna addressed a point of importance — one that has been mentioned previously by Canadian MANA members on this page.

"We've got an issue coming up that I want to warn the Chamber about. It's the passport issue, or [in other words] that some means of identification will be required

at the border. That's a big sleeper issue. It has been estimated that it could result in a reduction of 7.7-million visits to Canada, with a loss of almost \$2 billion in revenue, a lot of it tourism revenue from people who won't be coming across the borders because they can't return home without some kind of identification passport, or something similar.

"So we've got an interest, but the Americans have an interest as well. Altogether there's something like 15 million visits on each side of the border, which represents a lot of economic activity. And so we need to get the Northern Border Caucus, northern legislators and, in fact, legislators on the southern borders as excited as we are about the issue, because if they talk, Washington is much more likely to listen. I would exhort your Chamber and all of its local Chambers to become involved in this very important issue, which we're working very, very hard on and need a lot of pressure to get a better result."

Major Energy Provider

After discussing the subject of identification, the ambassador went on to cover another matter of great interest to people on both sides of the border — energy.

According to McKenna, it is a little known fact that Canada has replaced Saudi Arabia as the United States' largest supplier of oil. He added that Canada also is the number-one supplier to the United States of crude, natural gas, uranium and electricity. "We are the largest energy provider in the world.

"Who are some of our competitors? Venezuela, Bolivia in a state of revolution, Nigeria, Iran, Iraq. Do you get the picture? Not only are we the largest energy provider, we are the most secure energy provider to the United States in the world. We are a healthy democracy, a stable country, a secure source of energy, all governed by the NAFTA relationship going into a country that is something like 60 percent reliant on external sources for its energy."

He continued that if that's the case, it is incumbent upon the United States "to try and protect the integrity of that institutionalized trading relationship."

Asia's Worldwide Impact

And finally, on a topic that appears to be on the tip of everyone's tongues these days — the impact of Asia on the economies of the world — McKenna offered the following: "There's another self-interest that we have in common with the United States that makes us blood brothers with respect to a lot of issues. That is a concern about the increasingly challenging role that Asia, namely China and India, are playing in the world economy. In

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other words, we have a common interest in being the North American entrants in the global sweepstakes, and that can only be done if we look at the United States, Canada and Mexico as a North American marketplace.

"In other words, the United States recognizes that we all have the same job in this fight, and that brings us closer together automatically. Americans are obsessed with China and with good reason. I know that you've spoken a lot about China. Ever since Premier Xiaoping in 1977 said to 'get rich and glorious,' China has been a shooting star in the world economy. The numbers are mind-boggling; largest market in the world for steel, meat, coal, grain, the list goes on. They've doubled their number of PCs every 28 months. They're the biggest manufacturer in the world of PCs,

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of DVDs, 60 percent of global DVDs in fact. The World Bank reports that the number of people in China living in extreme poverty will drop from 375 million in 1990 all the way down to 16 million by 2015.

“It’s dramatic what is happening there in terms of wealth creation and capitalism, that everybody outside of China and Asia has to look at it with a great deal of interest. Here are the statistics that I think should give all of us who need to compete with this monster shivers. Last year there were 367,000 engineers graduated in China. In the United States, which is usually the leading entrant for the rest of the world, there were 50,000 engineers who graduated. So at the top of the food chain, China is producing an extraordinary amount of new resources, and China is not alone. Don’t forget India with its billion people and 38-percent growth rate in information technology.

“So on this, the United States and Canada have a common interest, and that is to deal with this challenge. To truly represent a North American fortress, Canada has to get its productivity up. I know you’ve heard a lot about that, and we’ve said a lot about it. But you can’t talk about it too much. Our productivity is close to 20 percent less than that of the United States. And here’s a ‘factoid’ that I want to give you, because I think it changes the whole nature of the debate: If we had the same productivity as the United States, that would result in an additional \$75 billion accruing to the coffers of government — \$75 billion. So this is not a productivity issue, this is a quality of life issue.” □

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