



Ask Questions What would you like to know about the economic relationship between the United States and Canada?

The St. Lawrence Seaway Have you ever heard of someone going over Niagara Falls in a barrel? The barrel would drop about 190 feet (58 m)—a pretty crazy stunt! But suppose you had a cargo of manufactured goods in Cleveland to send to Montreal. You decide to ship by water, because it is the cheapest and most direct means of transportation. Now what do you do? Niagara Falls lies between lakes Erie and Ontario. After that, your cargo would have to travel down a total drop of another 250 feet (76 m) in the St. Lawrence River before it reached Montreal. And once your cargo was unloaded, how would you get the ship back to Cleveland?

To solve this problem, the United States and Canada built the St. Lawrence Seaway. Completed in 1959, it is a system of locks, canals, and dams that allows ships to move from one water level to another. Now, ships can travel from Duluth, Minnesota, on Lake Superior, all the way to the Atlantic Ocean. The St. Lawrence Seaway makes it much easier for the United States and Canada to trade with each other and with Europe.

Trade What country is the biggest trading partner of the United States? It is Canada. And the United States is Canada's largest trading partner, too. About three fourths of all of Canada's foreign trade—both exports and imports—is with the United States. Our economies are **interdependent**. That means that in order to be successful, each country needs to do business with the other.

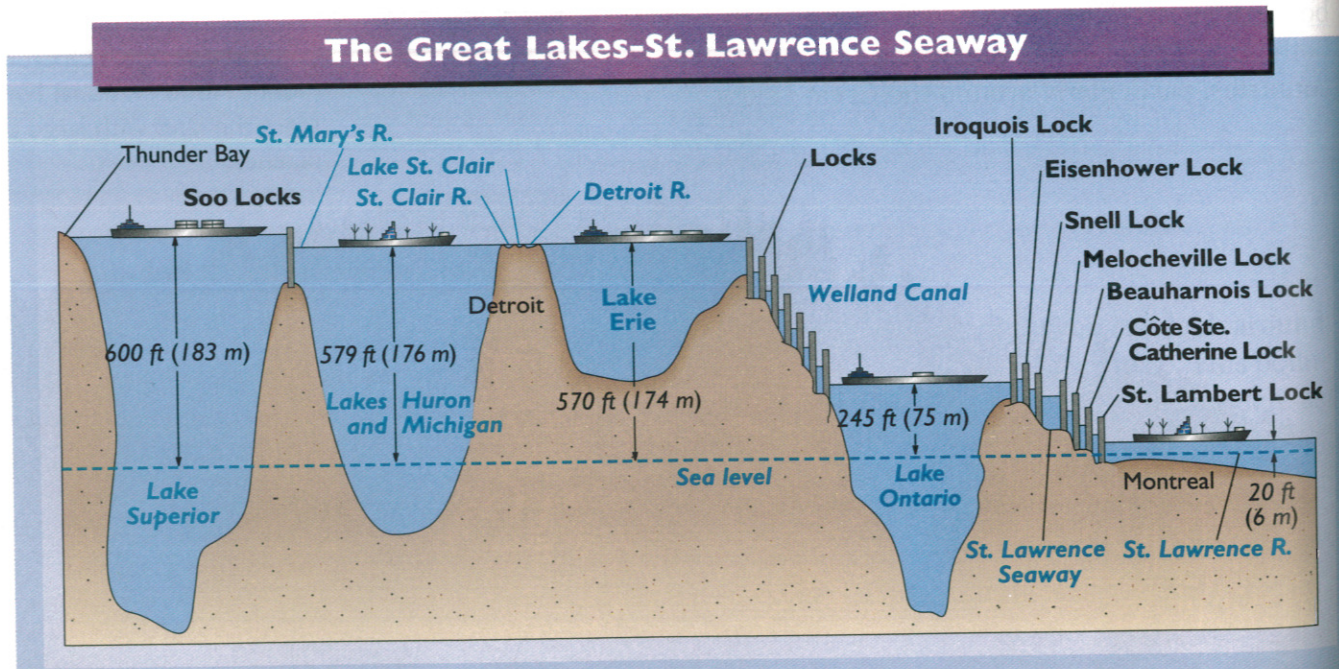


Chart Study Ships traveling from Lake Superior to the Atlantic Ocean must go through a series of locks. A lock is an enclosed part of a canal with a watertight gate at each end. Letting water into the lock raises ships. Letting water out lowers them. This diagram

shows the location of locks along the St. Lawrence Seaway. **Critical Thinking** How do you think building the St. Lawrence Seaway affected the economies of the United States and Canada?

The Grain Industry in Alberta



This train is taking on a load of wheat from the nearby grain elevator. A grain elevator is a tall building where grain is stored. The train takes the wheat west to the Pacific Coast or east to the Great Lakes. The wheat then is loaded on ships for export. Wheat is one of Canada's most important exports. In fact, Canada is the world's second leading grain exporter. The United States leads the world in grain exports.



Before 1989, both countries charged fees called **tariffs** on many things they imported from each other. Tariffs raise the cost of goods, so they can limit the amount of trade. In 1989, Canada and the United States agreed to eliminate tariffs and have **free trade**. And in 1994, Mexico joined the United States and Canada to sign the North American Free Trade Agreement, or **NAFTA**. The goal of this agreement is to encourage trade and economic growth in all three countries. Trade among all three countries has increased since these agreements were made.

SECTION 5 REVIEW

- 1. Define** (a) fossil fuel, (b) acid rain, (c) clear-cut, (d) interdependent, (e) tariff, (f) free trade, (g) NAFTA.
- 2. Identify** (a) Cuyahoga River, (b) Lake Erie, (c) Niagara Falls, (d) St. Lawrence Seaway.

- 3.** Why is there disagreement about logging in some forests?
- 4.** Why is acid rain from the United States a problem in Canada?
- 5.** How has geography contributed to the trade partnership between Canada and the United States?

Critical Thinking

- 6. Expressing Problems Clearly** Explain briefly why the United States and Canada cooperated to build the St. Lawrence Seaway.

Activity

- 7. Writing to Learn** Write a paragraph that explains the main reasons why Canada and the United States are important to each other.