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## One Secret to Canada's Success

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The May 17 Outlook graphic "Great Right North" contained fascinating information about Canada's recent economic successes. But it conspicuously omitted two major Canadian achievements that contrast especially strikingly with America's record. The United States has long run enormous international deficits, but since 1976 Canada's trade balance has been in surplus, and since 1996 its current account balance has been in the black for all but two years.

These surpluses explain much of the Canadian fiscal and economic discipline celebrated by the authors. They free government of the need to spend money servicing accumulated debts, and even permit paying them down -- further easing budgetary strains.

Interestingly, the Cato Institute, employer of Chris Edwards, one of this graphic's authors, has long insisted that current account and particularly trade deficits at worst don't matter and at best are signs of national economic strength. The findings of "Great Right North" certainly undermine that conclusion.

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