

RELATIONS IN THIS FIELD AND PROVIDES FOR PERIODIC REVIEW MEETINGS AT A SENIOR LEVEL. SPECIFIC AREAS OF EXISTING AND FUTURE COOPERATION HAVE BEEN IDENTIFIED. IT IS OUR HOPE THAT THIS COOPERATION WILL LEAD TO INDUSTRIAL COLLABORATION.

THIS SORT OF COLLABORATION ALREADY EXISTS IN THE DEFENCE SECTOR. AN ANNUAL STEERING GROUP MEETS TO COOPERATE IN DEFENCE RESEARCH, DEVELOPMENT AND PROCUREMENT. THIS IS SIGNIFICANT AT A TIME WHEN DEVELOPMENT COSTS IN THAT FIELD ARE RISING ALMOST BEYOND THE REACH OF ANY BUT A SUPERPOWER.

CLOSE COOPERATION EXISTS AS WELL IN DEFENCE TRAINING. MILITARY PERSONNEL FROM BOTH COUNTRIES REGULARLY TRAIN IN THE OTHER. THIS LEADS TO INVALUABLE UNDERSTANDING AND IT ENHANCES OUR ABILITY TO WORK TOGETHER IN THE DEFENCE OF EUROPE.

TRADE AND INVESTMENT LINKS BETWEEN THE TWO COUNTRIES ARE ALREADY WELL-DEVELOPED AND EXTENSIVE. WHEN I SAY THAT BRITAIN IS BY FAR OUR SECOND LARGEST SOURCE OF FOREIGN INVESTMENT, I SHOULD ADD THAT BRITISH INVESTMENT IN CANADA, SOME TWO-THIRDS OF WHICH IS CONCENTRATED IN THE MANUFACTURING SECTOR, AMOUNTS TO JUST OVER 5 BILLION DOLLARS OR ABOUT TEN PERCENT OF TOTAL FOREIGN INVESTMENT IN THIS COUNTRY. BRITISH FIRMS IN CANADA RANGE FROM REED PAPER AND RIO ALGOM IN THE RESOURCE SECTOR, THROUGH C.I.L. AND HAWKER SIDDELEY IN MANUFACTURING, TO MARKS AND SPENCER AND BOOTS DRUG STORES IN RETAILING. SOME 3,000 CANADIAN COMPANIES TRACE THEIR OWNERSHIP TO BRITISH COMPANIES.

AGAIN, THIS IS A TWO-WAY STREET. CUMULATIVE CANADIAN INVESTMENT IN BRITAIN AMOUNTS TO ABOUT 2 BILLION DOLLARS. THIS IS ABOUT TEN PERCENT OF OUR TOTAL INVESTMENT ABROAD. THE CANADIAN PRESENCE IN BRITAIN COVERS THE FULL SPECTRUM OF MANUFACTURES, MINES, RETAILING, BANKING AND SERVICE COMPANIES. CANADIAN NAMES LIKE GEORGE WESTON, THOMPSON, MacMILLAN BLOEDEL, McCain, AND NORTHERN TELECOM, TO CITE ONLY A FEW, ARE WELL KNOWN THERE.

HISTORIC TIES HAVE CONTRIBUTED TO THE DEVELOPMENT OF A STRONG TRADING RELATIONSHIP BETWEEN THE TWO COUNTRIES. BRITAIN IS OUR THIRD LARGEST MARKET. IT IS OUR SECOND LARGEST MARKET FOR MANUFACTURED GOODS. IN 1983, SALES TO BRITAIN REPRESENTED ALMOST 40 PERCENT OF OUR SALES TO THE ENTIRE EUROPEAN COMMUNITY.