

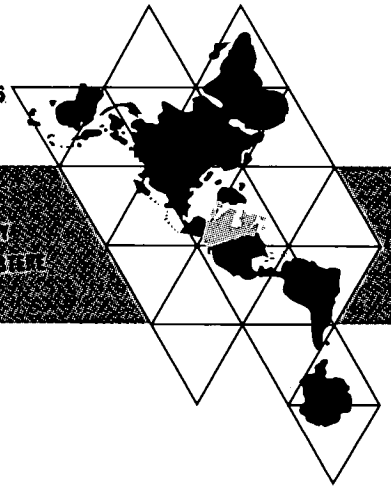
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Dept. of External Affairs  
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# Canada and the United Kingdom

The United Kingdom (U.K.) is an industrialized Western European country made up of England, Scotland, Wales and Northern Ireland. It is a parliamentary democracy with a constitutional monarch as the head of state.

The United Kingdom's connection with Canada is as old as the colonies of the New World. It is a relationship based on many common values and traditions. When Canada became a dominion in 1867, it chose to model its government after the British parliamentary system. The first Canadian high commission opened in London in 1880. During the First and Second World wars, both countries fought for the Allied cause.

Over the years Canada has matured and taken its place alongside Britain as one of the major industrial powers. Today, though the relationship has altered, it remains strong, characterized by vigorous trade and close cultural ties.

Besides having a high commission in London, Canada is also represented in Glasgow by an honorary consul. The United Kingdom is represented in Canada by a high commission in Ottawa, four consulates general (in Edmonton, Vancouver, Toronto and Montreal) and three honorary consuls (in Halifax, St. John's and Winnipeg).

## POLITICAL RELATIONS

The governments of the United Kingdom and Canada have membership in many of the same international organizations such as the Commonwealth, the United Nations, the North Atlantic Treaty Organization (NATO), the Organization for Economic Co-operation and Development (OECD), the General Agreement on Tariffs and Trade (GATT), the G-7 group of finance ministers and the economic summits. Also, the current governments of the two countries have similar priorities such as reducing national debt, privatizing some government-owned corporations, protecting the envi-

ronment and working through the GATT to remove trade barriers worldwide.

Consultations on political and economic matters take place regularly, both at the ministerial and senior official levels. The United Kingdom and Canada also have a system of interparliamentary exchanges.

To foster contacts and broaden relations between public and private sectors of both countries, Canada supports colloquiums held alternately in each country every year.

## ECONOMIC RELATIONS

The United Kingdom is Canada's largest European export market. In 1987, exports to the U.K. totalled \$2.85 billion. Principal commodities exported were lumber and softwood, wood pulp, nickel, iron, newsprint, fish, copper, telecommunications equipment, various manufactured goods, chemicals, foodstuffs and agricultural products. Imports from the U.K. were even greater at \$4.34 billion. The largest portion of these imports came in the form of crude oil. The U.K. is Canada's largest foreign supplier of oil with sales for 1987 of \$1.7 billion. Other major items imported included machinery, transport equipment, chemicals, whiskey, gin, kitchen utensils and cutlery, leather and fabricated materials.

The increased direct investment in the Canadian economy by British firms brought the U.K.'s total direct investment in the Canadian economy to \$11.2 billion in 1987, second only to the United States. Canadian direct investment in the U.K. totals a substantial \$4.3 billion. Among the larger investors is Toronto-based Olympia & York, which is constructing the massive Canary Wharf office complex in East London. Another Canadian, Conrad Black, has purchased several British newspapers. Many Canadian cable-television firms are exploring the U.K. for expan-

sion opportunities. Other firms, such as Northern Telecom, have already established a presence in the U.K.'s hi-tech industry.

The U.K. is part of the European Community (EC). Therefore, some trade disputes outstanding between Canada and the EC (e.g., countervailing duties on beef and veal exports to Canada) indirectly affect trade relations between the two countries.

Canada has an ally in Britain in the fight to reduce EC agricultural subsidies. These subsidies have forced other major food producing countries such as Canada to subsidize their farmers to remain competitive.

## CULTURAL RELATIONS

Most English-speaking Canadians can trace their roots back to the United Kingdom. Indeed, some have very recently emigrated from the U.K.: in 1987, Britain was the third-largest source of immigrants to Canada (9 434), after Hong Kong and India. This common heritage with the people of the U.K. may explain in part the very active artistic exchange in the performing and visual arts. Book publishers have also been the source of literary exchanges between the two countries for many years.

The government actively supports Canada's cultural presence in the U.K. in many ways, including the financial support for touring activities that range from those of symphony orchestras and dance companies to individual artists, and for visual arts exhibitions and visits by writers and publishers. The Canadian High Commission's Cultural Centre is located at Canada House in the heart of London. The centre advises

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