Several other factors are likely to influence future prospects for bilateral cooperation.

The environment for doing business will be improved by the implementation of the results of the multilateral trade negotiations. The resultant reduction of tariff and non-tariff barriers will open up increased trading opportunities between Canada and the EEC, offer greater access to other markets, and provide an impetus to greater industrial specialization.

Demographic factors could also prove significant as they affect the labour force and employment directly, and income, capital investment and market growth indirectly. Demographic trends within the Community and Canada appear to be moving along somewhat different lines.

The Community labour force of just over 100 million persons has grown by only .2% per annum since 1960. However, a period of expansion has now begun which will carry through at least the next five years, with annual labour force growth rates forecast in the order of 1% and more with all of the macro-economic implications this shift will have.

After 1985, an almost stable situation is predicted within the Community of Nine, though in the "candidate" countries it is at this point in time that sharp labour force increases will begin.

By contrast, in Canada, as the "baby boom" generation emerged from the education system and sought jobs, labour force growth was phenomenal — averaging 3.4% a year during the 1965-75 period. Now, however, Canada faces significantly declining labour force growth. It has been estimated that in the 1980s the Canadian economy will have to provide only 75 percent of the employment created in the 1970s to absorb entrants to the labour market. This basic demographic trend will similarly have implications for economic policy, investment patterns, supply/demand trends and Canada's future trade profile. For example, preliminary analysis foresees continued employment creation within the services sub-sector of the economy relative to resources and manufacturing, albeit at a reduced pace. The outlook within manufacturing is mixed although in terms of both employment creation and export performance continued buoyancy is forecast for the chemical, iron and steel and related sectors.

Longer-term trends are more difficult to quantify. There have been many projections as to the evaluation of the world economy. One of these, the recent U.N. study entitled "The Future of the World Economy", offers a number of possibilities with respect to the year 2,000 compared to 1970. Among many forecasts in that study, the following are illustrative:

agricultural and mineral production, in relation to total domestic output, is currently more important in Western Europe than in North America. This situation is expected to be progressively reversed;

manufacturing production in Western Europe is currently about one-quarter of total world manufacturing output and that of North America about one-third; although both would decline in relative global significance, they would tend to equalize at about one-fifth of world output;