

VI. 1983 Canadian current account with the United States

	\$ million Cdn
Merchandise trade balance	+ 14 064
Service transactions:	
Travel	- 1 239
Interest and dividends	- 5 318
Freight and shipping	- 45
Other service transactions	- 5 595
Balance on service transactions	<u>- 12 195</u>
Balance on goods and services	+ 1 869
Net transfers	<u>+ 103</u>
Total current account balance	<u>+ 1 973</u>

VII. Foreign investment¹

	\$ billion Cdn
US direct investment in Canada	57
US portfolio investment in Canada	45
Canadian direct investment in the United States	25
Canadian portfolio investment in the United States	8

¹ Statistics Canada 1983 cumulative estimates in Canadian dollars.

VIII. Border crossings

	Canada to US	US to Canada
	(millions)	
1979	34.4	31.2
1980	34.7	38.5
1981	33.6	39.8
1982	33.3	32.4
1983	39.0	32.5

IX. Population

	Canada	United States
1983	24.9 million	234.2 million

The European Community and Western Europe

Relations with Western European countries encompassed a wide spectrum of Canadian interests and remained good during the past year. Prime ministerial and ministerial visits in both directions had an important role in the development of initiatives or arrangements intended to intensify bilateral ties, particularly at the political level. In addition, the Prime Minister's peace initiative was well received in capitals throughout Europe. In the economic field, protectionist sentiments led to disputes which are still under discussion. Notwithstanding, commercial ties to Europe were strengthened by several initiatives, such as the establishment of a management committee for France and the joint committee of French and Canadian businessmen. Joint government-business participation at the Davos Symposium provided exposure among European business leaders of opportunities for industrial cooperation in Canada.

Economic conditions and the relative strength of the Canadian dollar were major factors contributing to a decline in exports to Western Europe of 9.4 per cent, to \$7.83 billion. Imports on the other hand were up marginally by 7.1 per cent, to \$7.53 billion, leaving Canada with a positive trade balance. The United Kingdom, West Germany, the Netherlands, Belgium-Luxemburg and France retained their positions as Canada's leading European markets.

Western Europe is an important market for Canadian agricultural commodities such as wheat, for resource-based products such as wood and ores and for fish. Finished products, such as automotive and aircraft parts, telecommunications, office and industrial equipment as well as numerous consumer goods, also constitute a significant share of Canada's exports to the region.

Western Europe is a key locale for world-scale trade fairs. Departmental assistance to Canadian industry to exhibit in European fairs resulted in reported sales to countries throughout the world estimated to be at least \$500 million. In 1983, the Department organized exhibitions in 43 trade fairs in Western Europe, including the Paris International Air Show, at which 31 Canadian aerospace companies participated, and Telecom '83, the world's largest telecommunications exhibition. The latter was particularly significant to Canada's "hi-tech" companies and was directly responsible for sales in countries as diverse as Yemen and Yugoslavia. While some 80 per cent of departmental promotional support in Europe was directed into trade fairs, there was also an active program of some 44 missions in which European buyers were brought to Canada or in which Canadian exporters established contacts in Europe.

European Community

A major event during the year was the settlement of outstanding problems associated with the 1981 Canada-EC Long-Term Agreement on Fisheries. This Agreement provided important new benefits to Canada and notably improved access for Canadian fish to the European market. In return, the European Community gained access to Canadian waters to fish for specific allocations of cod and squid. The removal of outstanding problems should ensure a harmonious implementation of this treaty until its expiry in 1987.