

this sector. Software production is important to the Quebec economy, with more than 200 companies generating revenues estimated at more than \$130 million annually.

The summit concluded with agreement on 28 items of co-operation and a decision to hold the second summit in Quebec City within two years. It will be organized and presided over by the federal government in collaboration with the Quebec provincial government.

Canada-France trade

Following the summit, Mr. Mulroney remained in France two days for his first official visit. He met with President François Mitterrand and former Premier Laurent Fabius to discuss bilateral issues.

A series of initiatives to increase Canadian-European co-operation in high technology and to stimulate trade between France and Canada was announced. The largest involves \$25 million to support Canadian companies planning to take part in Eureka, the European space program.

At a luncheon attended by leading French businessmen at the *Chambre de commerce et d'industrie de Paris*, Mr. Mulroney spoke about increasing trade and investment between the two countries. He said it was essential for businesses in both countries to establish contact and work in partnership with each other. "France and Canada must build another bridge between America and Europe," he said.

Trade between Canada and France is only about \$2 billion annually. France is the sixth largest foreign investor in Canada while Canadian investment in France has multiplied more than ten times in recent years to 156 million (FF) in 1984.

Mr. Mulroney also stressed that negotiations for new trading relationships between Canada and the US "will ensure our access to external markets and an increase in our international competitiveness".

On a visit to the *Académie française*, the 350-year-old institution responsible for preserving the French language, Mr. Mulroney became the eleventh head of state to be honoured by its members. Currently preparing the ninth edition of the official French dictionary, they accepted *la foresterie*, the science of forestry, into the French vocabulary with a definition acknowledging its Canadian roots. At the *Académie*, Mr. Mulroney also announced a \$400 000 grant for an annual grand prize in literature to be awarded to an author from a francophone country.

President Mitterrand will make an official visit to Canada within the next two years and an invitation was extended by Mr. Mitterrand for Governor General Jeanne Sauvée to visit France.

Canada-US trade grows in 1985

Preliminary 1985 estimates from Statistics Canada show that 1985 trade with the United States rose significantly in 1985 from 1984.

Of the \$120-billion worth of goods sold internationally in 1985, 78.8 per cent or \$94.7 billion went to the US while US companies supplied 72 per cent or \$74 billion of the \$103.3-billion worth of the goods imported into Canada. This represents a 10.8 per cent increase in exports to, and a 12.7 increase in imports from the US over 1984 figures. The resulting merchandise trade surplus with the US amounted to \$20.5 billion.

In total international trade, exports rose 7.1 per cent and imports increased 12.9 per cent over 1984 figures. The resulting merchandise trade surplus for 1985 was \$16.8 billion, down \$3.9 billion from the record 1984 level.

Commodities

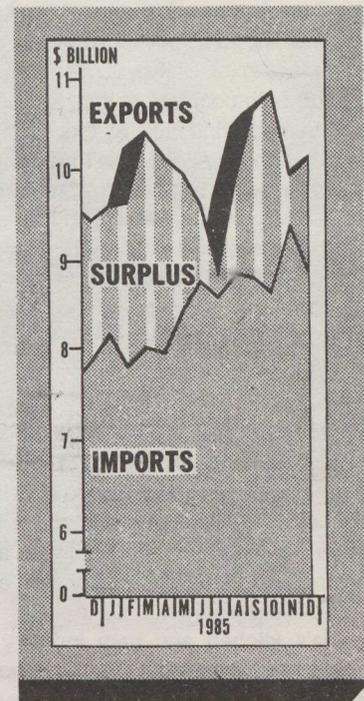
The major commodity groupings contributing to the 1985 surplus were:

- forest products with a \$15.1-billion balance, representing an increase of \$425 million over that of 1984;
- energy-related products with a positive balance of \$10.3 billion, \$1.7 billion higher than the preceding year's;
- agricultural products with a surplus of \$4.3 billion, representing a decline of \$1.0 billion from 1984;
- industrial goods and materials with a surplus of \$3.5 billion, a decrease of \$1.1 billion from 1984; and

- automotive products which contributed \$1.6 billion to the surplus, \$2.1 billion less than in 1984.

The major commodity groupings that registered deficits in 1985 were:

- machinery and equipment, with a deficit of \$11.1 billion, an increase in the deficit of \$160 million; and
- consumer goods, which registered an \$8.4 billion deficit, an increase of \$97 million over the 1984 deficit.



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Merchandise trade by principal trading areas

	Total 1985	Change from 1984	
	(\$ millions)	(per cent)	(\$ millions)
Exports to:			
United States	94 655.5	10.8	9 191.1
Japan	5 685.8	2.7	151.1
Britain	2 321.9	-7.0	-175.3
Other EEC countries	4 285.1	-4.2	-188.8
Other OECD countries	2 334.8	12.7	262.2
Other countries	10 811.7	-10.5	-1 263.0
Total	120 094.8	7.1	7 977.3
Imports from:			
United States	74 118.5	12.7	8 381.0
Japan	6 055.7	10.6	580.6
Britain	3 145.3	36.4	838.8
Other EEC countries	7 004.7	19.9	1 163.4
Other OECD countries	2 919.3	25.1	585.9
Other countries	10 034.6	2.9	278.3
Total	103 278.1	12.9	11 828.0

Statistics Canada