

UNITED KINGDOM

Official Name:	United Kingdom of Great Britain and Northern Ireland
Capital:	London
Head of State:	H.M. Queen Elizabeth II
Head of Government:	Rt. Hon. John Major
Foreign Minister:	Rt. Hon. Douglas Hurd
President of the Board of Trade:	Rt. Hon. Michael Heseltine ¹

DOMESTIC SITUATION

Prime Minister John Major's government enjoys only a slim majority in parliament and his leadership has recently been the target of criticism from within his own party. Major has had to cope with the effects of a deep recession and a very slow recovery, problems in the political relationship with Europe, and public concern about the future of established social institutions.

Although Major is firmly committed to more complete British integration with Europe, his government has faced serious problems in promoting the European agenda. He did secure ratification of the Maastricht Treaty, but only after a protracted and bruising battle with his own Tory right wing. He was also obliged to pull the pound out of the European exchange rate mechanism in September 1992, when the British currency came under sustained attack in international money markets, a move which further weakened public faith in Europe's future and confidence that British integration into European structures is the best policy direction to take.

CANADIAN INTERESTS

i) Trade and Economic

Britain is the second largest foreign investor in Canada with a stock of total direct investments in excess of \$17 billion (1991). Canadian direct investment in the United Kingdom (U.K.) has a value of \$12.3 billion (1991). Britain remains the third largest destination for Canadian exports, with total merchandise shipments of \$3.1 billion in 1992. Last year, Canada imported \$4.1 billion worth of goods from the U.K. These figures have remained relatively constant in recent years.

In addition, the following junior ministers serve at the Department of Trade and Industry: Rt. Hon. Tim Sainsbury, Minister for Industry (since 1992); Richard Needham, Minister for Trade (since 1992); and Tim Eggar, Minister for Energy (since 1992).