

VI. 1984 Canadian current account with the United States

	\$ million Cdn.
Merchandise trade balance	+ 19 857
Service transactions	
Travel	- 958
Interest & dividends	- 6 883
Freight & shipping	+ 6
Other service trans.	- 6 006
Balance on service transactions	<u>- 13 841</u>
Balance on goods and services	+ 6 016
Net transfers	+ 77
Total current account balance	+ 6 093

The European Community and Western Europe

Throughout the year, the Department's emphasis in Western Europe was on structuring government and, where appropriate, private sector contacts to strengthen Canadian political and economic interests, including regional and multilateral stability and maintenance of the orderly international economic and trading system. As a major source of world investment and technology, which includes six of Canada's seven largest sources of direct investment, Western Europe was the target of a greater and more deliberate effort to encourage investment and technology transfer. It was also the focus of Canada's efforts to strengthen the mechanisms of international security and to expand East-West contacts.

After the new government took office in September 1984, ministerial visits to Western Europe increased, demonstrating Canada's desire to revitalize crucial relationships and providing evidence of Canada's common interests with this region. High-level visits also reinforced Canada's privileged ties with Western Europe and, during the visit of Prime Minister Fabius from France in November 1984, a new climate of collaboration in federal-provincial relations became evident.

Exports to Western Europe increased by 5.9 per cent to \$8.12 billion in 1984. Imports increased even more, to \$10.07 billion, an increase of 33.5 per cent. As a consequence, the balance of trade, which has traditionally been in Canada's favour, moved substantially in favour of Western Europe. The United Kingdom, West Germany, the Netherlands, France and Belgium-Luxemburg continued as Canada's leading Western European markets, representing collectively 75 per cent of its exports to the region.

Although agricultural commodities such as wheat, resource-based products such as wood, pulp and ores, and fish and fishery products continued as the major elements of Canadian exports to the area, end products such as automotive and aircraft parts, telecommunications, office and industrial equipment and numerous consumer products constituted approximately 20 per cent of exports, making Western Europe Canada's second major market for end products.

Western Europe remained a key locale for international trade fairs. Departmental assistance to Canadian industry to exhibit at trade fairs in Europe generated sales of approximately \$600 million to countries around the world. In 1984, the Department made presentations at 72 trade fairs in Western Europe, the most significant being an exhibition in Paris based on the celebrations of the four-hundred-and-fiftieth anniversary of the sailing of Jacques Cartier. This exhibition, entitled Technicanada, displayed high technology products from 62 companies and organizations, aroused great interest and received accolades from the technical and financial French press. While some 80 per cent of departmental promotional support was directed towards participation in trade fairs, there was also an active program of 81 missions and lesser activities (e.g. trade seminars, in-store promotions) to bring buyers from Europe to visit Canadian companies and to introduce Canadian business people in Europe with a view to enhancing export prospects.

European Community

1984 saw the resolution of the issue of the EC's unilateral

VII. Foreign investment¹

	\$ billion Cdn.
US direct investment in Canada	64
US portfolio investment in Canada	58
Canadian direct investment in the US	30
Canadian portfolio investment in the US	11

¹ Statistics Canada 1984 cumulative estimates in Canadian dollars.

VIII. Border crossings

	Canada to US	US to Canada
	(million)	
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
1984	36.7	32.9

IX. Population

	Canada	United States
1983	24.9 million	234.2 million
1984	25.2 million	235.0 million