

Corporate ties are well established between the two countries. As a source of foreign capital, the U.K. accounts for 9.5% of Canada's direct foreign investment. Two-thirds of this capital has been channelled into the manufacturing sector with companies such as C.I.L., Hawker Siddeley, Reed Paper and Rio Algom being particularly notable. In total some 3000 Canadian companies trace their ownership to British parents. At the end of 1979, the book value of British investment in Canada was \$5.168 billion. In the opposite direction, cumulative Canadian investment in the U.K. reached \$2.078 billion in 1979. This represents 10% of Canada's total foreign investment. The Canadian presence in the U.K. encompasses a full spectrum of manufacturers, mining companies, retailers, banking and the service sector. Leading investors are companies such as the George Weston Co., Thomson Newspapers, Bow Valley, MacMillan Bloedel, Massey Ferguson and the major chartered banks.

Commercial relations with the U.K. are of particular importance to the province of Ontario. According to Statistics Canada, 25% of exports originate in Ontario, a figure which, because of the method of calculation, likely understates the actual level. Ontario accounts for 65% of the finished products shipped to the U.K., with machine tools (\$24.7 million), televisions, radios and phonographs (\$25.4 million) and miscellaneous telecommunications equipment (\$27.9 million) leading the way. More than 1000 Ontario firms are subsidiaries of British companies: C.I.L., Hawker Siddeley, Atlas Steel and Boots