

Canada. In 1973 we had a deficit of over \$2 billion in automotive trade with the USA. Preliminary data for 1980 show an improvement of almost \$1 billion in the balance. At the same time, total two-way automotive trade slipped by \$1.5 billion, reflecting the drop in automotive sales in both countries. Last year, Canada initiated discussions with industry in the USA and ministerial consultations to determine appropriate measures that would allow Canadian manufacturers to participate fully and effectively in the new generation of motor vehicle production. President Reagan continued in Ottawa that his Administration is prepared to continue these consultations.

Canada and the USA are each other's foremost destination for foreign investment. The USA has over \$25 billion in direct and portfolio investment in Canada and Canada has an estimated \$25 billion in the USA.

Energy

Energy issues, important nationally and internationally, continue to figure prominently in Canada/USA relations. While both countries are pursuing their respective domestic programs, there is continuous consultation and cooperation in areas of mutual benefit.

The Canadian government's basic energy policy is spelled out in its National Energy Program of 1980. This comprehensive program is designed to restructure Canada's energy system to balance domestic oil supply and demand by 1990 and achieve an equitable sharing of energy benefits and burdens among Canadians. Its intention is to produce a high level of Canadian ownership and control of energy, expand public ownership in oil and gas and ensure greater industrial benefits from energy development. Its purpose is to end Canada's dependence on imported oil and to correct a system which has worked against increased Canadian participation in the energy sector and in favour of the larger, mostly foreign-owned petroleum companies. In 1979, for example, 15% of oil and gas industry revenues went to foreign-owned companies at a time when the industry claimed an ever-fading share of our wealth. While this system will necessarily affect multinational companies operating in Canada, including