

Table 7
CANADIAN EXPORTS TO WESTERN EUROPE BY COUNTRY

(thousands of dollars)

	1985	1986	1987	Per cent change 87/86
Belgium and Luxembourg	722 009	843 504	1 131 766	34
France	743 447	1 009 396	1 034 277	2.5
West Germany	1 232 919	1 317 344	1 507 495	14.4
Italy	542 050	709 469	835 929	17.8
The Netherlands	956 311	1 001 679	1 014 302	1.3
United Kingdom	2 482 230	2 718 252	2 832 816	4.2
Ireland	84 632	91 470	141 281	54.5
Denmark	84 690	111 811	109 839	-1.8
Greece	41 701	66 155	66 314	0.2
Portugal	62 389	154 389	172 994	12.1
Spain	134 235	137 347	210 233	53.1
Gibraltar	385	118	157	33
Malta	732	1 131	1 767	56.2
Austria	59 037	52 391	91 261	74.2
Finland	133 760	85 740	103 571	20.8
Iceland	3 446	7 627	10 387	36.2
Norway	383 545	320 951	313 047	-2.5
Sweden	199 198	247 480	248 188	0.3
Switzerland	324 008	356 624	401 965	12.7
Turkey	221 426	202 980	266 073	31.1
TOTAL	8 412 150	9 436 053	10 493 663	11.2

account for most of the bilateral irritants. By contrast, the member states have largely retained sovereignty in those areas in which we enjoy bilateral co-operative success (e.g., cultural relations).

Bilateral irritants influencing Canada-EC relations included continued EC pressure for increased access to non-surplus fish stock, aggravated by the expiry of their entitlement to allocations under the Canada-EC Long-term Fisheries Agreement; continued over-fishing by EC vessels in waters adjacent to the Canadian zone, since the Community chose not to be bound by Northwest Atlantic Fisheries Organization catch limits in key fisheries; and persistent disagreement over fundamental issues of fisheries conservation and management. While not entirely satisfied with Canada's proposed pharmaceutical legislation, the EC deemed its major concerns to have been met and urged speedy adoption. The GATT panels examining the EC's complaints on provincial liquor board practices and the imposition of countervailing duties on imports of beef concluded their reviews and found the practices in question inconsistent with Canada's international obligations. The report on liquor board practices was adopted by the GATT at the end of the review period, and Canada must report by the end of 1988 on what it is doing to come into conformity with the GATT. In a related development, Canadian wine makers and grape growers petitioned the government under the customs tariff for relief from subsidized EC competition. The beef panel report is still being discussed.

The Community pressed its request for an adjustment of the Canadian import quota for cheese to accommodate the three new member states which had joined the EC since its share of the quota had been set in 1979. It also protested a tariff classification ruling by Canada that resulted in a rate of 10 per cent being applied to most pasta imports, instead of a zero rate.

Canada expressed concern at several actions taken or contemplated by the EC that could have a negative impact on Canadian exports. These included a proposed EC tax on edible oils and fats that would have damaged Canada's oilseeds exports; the tax has not been adopted. An EC ban on the use of growth-promoting hormones in livestock production came into effect over the strenuous objections of Canada and other exporters; Canada is consulting with the EC under the GATT. Differences have also marked the debate over the EC Third Country Directive, which sets out the criteria which meat packing establishments must meet if they wish to export to the EC; the issue now concerns Canada's reciprocal inspection of EC plants using the same criteria. Other agricultural problem areas included new EC rules governing the import of dessert apples, and a proposed import deposit scheme covering imports of dried pulses. Industrial trade relations were generally harmonious, with the exception of the difficulty encountered in both 1987 and 1988 in obtaining access to the Spanish market for Canadian steel; the 1987 quota was settled by negotiation.

On the positive side, derogations from EC plant health