

billion over 1978, and Canada's exports to the Community amounted to \$7.2 billion compared to \$4.8 billion the previous year (an increase of 48.5 per cent); current trends are therefore encouraging. Canada also continued to enjoy a merchandise trade surplus with the Community which rose from \$210 million in 1978 to \$1.6 billion in 1979.

East-West relations

A major aim of Canadian foreign policy since 1945 has been to contribute to the reduction of tensions created by the East-West alignment of forces that resulted from World War II (see Part A, Chapter 1). While remaining committed to collective security and to a strong Atlantic alliance, Canada has sought increasingly to emphasize the important political role played by NATO in seeking to reduce the underlying causes of East-West conflict. Thus, Canada has been a consistently strong supporter of *détente*.

Canada has sought also to develop its links with the Communist countries of Eastern Europe, not only because of potential benefits in terms of increased trade, scientific and technological co-operation, and cultural relations, but also because the establishment of such links can contribute to the easing of East-West tensions.

More recently, Canada has sought to reduce East-West tensions within the framework of the Conference on Security and Co-operation in Europe (CSCE). In 1979, in accordance with decisions taken at Belgrade, the last of three CSCE experts meetings (on co-operation in the Mediterranean) was held in Valletta, Malta. The Canadian delegation was led by Canada's Ambassador to Portugal.

Preparations continued throughout 1979 for the second CSCE follow-up meeting scheduled to be held in Madrid in the fall of 1980. The Canadian Co-ordinator and Ambassador-at-large for the CSCE held consultations with representatives of numerous countries during which he emphasized the importance placed by Canada on the humanitarian objectives of the Helsinki Final Act as well as on the role of the individual in promoting the CSCE process.

Western Europe

Canada's relations with Western European nations are very close. A majority of Canadians are of European origin and many of them still have ties with their countries of origin; the U.K., West Germany, France and Italy are among Canada's most important trading partners; shared political goals lead to close co-operation with these countries in many forums including NATO, the United Nations, and Economic Summits; cultural exchanges are vast in number, type and character. Elsewhere, similarities of environment and culture have led to close co-operation as in the case of Norway, Sweden, Finland and Denmark, with respect to matters such as the law of the sea, maritime and Arctic environmental questions, exploitation of offshore

petroleum resources, science and technology, and northern studies.

Relations with Denmark took on added significance in 1979 when Greenland—one of Canada's neighbours—was accorded internal autonomy in May. Copenhagen retains responsibility for foreign and defence policy as well as the administration of natural resources. A number of visits to and from Scandinavia took place in 1979, including that of a delegation of Canadian officials which travelled to Reykjavik, Iceland, in October to hold consultations with Icelandic officials and parliamentarians on North Atlantic political and strategic questions.

Relations with the Benelux countries were fostered in 1979 by numerous exchanges and visits. A group of Belgian parliamentarians visited Canada in October. The President of the Senate, the Premier of Ontario and the Commissioner of Official Languages visited Belgium. An important Dutch mission, led by the Netherlands' Vice-Minister of External Commerce, toured Canada seeking ways of increasing industrial co-operation between the two countries.

Relations with Italy are given impetus by the large Italo-Canadian community in Canada; contacts and visits at every level are frequent. The most significant visits to Canada in 1979 were those of the two Italian Vice-Ministers of Foreign Affairs. The Minister of State for Multiculturalism also had discussions in Rome with his Italian counterpart. An Italo-Canadian social security agreement, which authorizes subsidiary agreements with Ontario and Quebec in matters of accident compensation, came into force in 1979.

In 1979, relations with Spain, Portugal, Greece and Turkey again developed favourably. Negotiations continued with Spain on Spanish fishing in waters within Canada's 200-mile zone. Canada's contribution towards relieving Turkey's serious balance of payments difficulties amounted to \$11.8 million.

The United Kingdom remains Canada's largest source of immigrants, its second-largest source of foreign investment, and its third most important export market (close to \$2 billion annually). Canada and the U.K. co-operate closely in NATO, the Commonwealth, the UN, Economic Summits and the Namibia Contact Group.

In addition to numerous working-level contacts throughout the year, the Canadian and U.K. Prime Ministers held discussions in June at the Tokyo Economic Summit and in August at the Commonwealth Heads of Government meeting in Lusaka. The Foreign Ministers of both countries met on several occasions, including the Tokyo Summit and the Brussels NATO Ministerial meeting in December. Bilateral and multilateral economic matters were discussed on the occasion of the November visit to Canada of the British Minister of State for Trade. Several provincial leaders and officials also visited the U.K. during the year, notably the Premiers of Ontario, Manitoba, Saskatchewan and Nova Scotia.