

a further reluctance to resume full efforts at developing Canadian-Soviet relations.

Reform and renewal characterized national life in Poland during the first 11 months of 1981. The process had begun with the signing of the Gdansk and Szczecin agreements by the government and striking workers in August of the previous year.

Canada provided considerable assistance in 1981 to a Poland in troubled economic circumstances, continuing to supply grain under the terms of the Bilateral grains agreement and providing an additional \$500 million in credit to facilitate those shipments. A special fishing allocation of 8,000 tonnes was granted in addition to the traditional annual allocation of 12,000 tonnes. Moreover Poland's fish purchase commitment was reduced from \$8 million to \$5 million. Canada was also party to the Multilateral agreement on the rescheduling of Poland's 1981 official debts, concluded by the 15 Western creditor states in Paris in April.

With the imposition of martial law on December 13, the period of Polish reform and renewal came to an abrupt end. In response, the Canadian government began a comprehensive review of its relations with both the Polish military regime and the Soviet Union. Consultations with the NATO allies would lead to a united Western call for the lifting of martial law, the release of those detained and the resumption of the dialogue between the government, the church and Solidarity. In the closing days of 1981, the Prime Minister and the Secretary of State for External Affairs expressed the concern of Canadians over developments in Poland, and the need for the Polish government and people to turn to the business of national reconciliation, free from outside interference.

Relations with Hungary were highlighted by the first visit to Budapest of a Canadian Secretary of State for External Affairs. The trip, which took place in March, provided an opportunity for extensive discussions on the current state of East-West relations and on ways to expand bilateral trade and economic co-operation. Developing cultural ties were strengthened on the opening of an exhibition of Canadian paintings by the Minister in Budapest. In addition both sides reviewed progress towards agreement on a bilateral consular convention. The convention will include an annex on nationality matters designed as a legal framework for the provision of consular protection for Canadians of Hungarian origin visiting their former homeland. In May, the Speaker of the Senate led a parliamentary delegation to Hungary.

Nuclear co-operation is the principal element in Canada's bilateral relationship with Romania and many exchanges in 1981 were either directly or indirectly concerned with the CANDU project under construction at Cernavoda. The Minister of State for Trade went to Bucharest in May to sign a Long-term economic agreement, an indication of the appreciable increase in trade between the two countries in recent years. From Romania, the State Secretary for Foreign Trade and Economic Co-operation came to