

Canada was honorary president of the NATO alliance when, in December, Spain formally presented its request to become a member, which Canada warmly welcomed. Relations in the fisheries sector remained difficult and the two countries were unable to conclude a fisheries agreement. The year 1981 also included the first visit to Canada of a Swiss foreign minister and one by the Minister-President of the Walloon region of Belgium following a trip to that country earlier in the year by the Minister for Regional Economic Expansion.

On the election of the new Greek Prime Minister, Mr. Papandreou, Prime Minister Trudeau extended an invitation to him to visit Canada. At year end the Governor General was making plans for a visit to Greece in 1982, thereby confirming the importance of our bilateral relationship and the interest of the two countries in each other.

Eastern Europe

Canada has sought to develop links with the countries of Eastern Europe on a basis of mutual benefit and reciprocity and in the spirit of the Helsinki final act. In trade and economic co-operation there are benefits to be derived by both sides, and the expansion of these and other bilateral exchanges can help alleviate tensions in East-West relations. Although relations with the Soviet Union were seriously affected by Western reaction to Soviet behaviour, Canada's ties with the countries of Eastern Europe continued to develop satisfactorily.

Canadian-Soviet relations improved in selective areas in the first 11 months of 1981 but hopes for a longer-term change for the better were dashed at the end of the year, following Soviet support for the imposition of martial law in Poland. As a result, little progress was made in developing bilateral political and economic interests.

The major exception was in grain sales to the Soviet Union, where Canada enjoyed a record year with 1981 sales totalling \$1.7 billion. Total trade in 1981 was in the order of \$1.8 billion with a trade surplus very much in Canada's favour; the USSR was Canada's largest purchaser of food. In keeping with our shared interests in agriculture, the Canadian Minister of Agriculture visited the Soviet Union in October, when an agreement was signed establishing a Mixed Agricultural Commission that will meet annually to further agricultural co-operation.

The Secretary of State for External Affairs met the Soviet Foreign Minister at the United Nations in September and set out the political considerations underlying the ongoing difficulties in the relationship. Chief among these was the continuing Soviet occupation of Afghanistan. Canada reaffirmed on this, and other occasions through the year, that there could be no full resumption of normal relations until Soviet troops left Afghanistan. The influence exerted by the Soviet Union over the events in Poland and the eventual imposition of martial law in that country generated