

Canadian exports to Western Europe by country

(in thousands of dollars)

	1982	1983	1984
United Kingdom	2 669 538	2 445 376	2 443 424
Gibraltar	382	128	453
Ireland	96 976	89 150	95 805
Malta	2 369	1 913	1 625
Austria	41 434	49 991	45 577
Belgium-Luxemburg	773 095	700 126	676 592
Denmark	83 312	66 608	94 391
Finland	110 581	86 952	119 219
France	706 679	626 032	700 746
West Germany	1 233 722	1 149 885	1 220 681
Greece	75 981	48 677	48 756
Iceland	6 155	5 450	3 619
Italy	694 672	549 304	577 939
Netherlands	1 043 788	957 148	1 063 338
Norway	254 558	230 490	325 218
Portugal	121 318	60 694	62 966
Spain	189 731	137 079	96 872
Sweden	192 537	146 609	165 290
Switzerland	218 911	197 805	189 482
Cyprus	16 189	11 797	10 884
Turkey	109 449	102 094	175 300
TOTAL	8 641 377	7 663 308	8 118 177

Political consultations and discussions of arms control and disarmament issues were held with the USSR and the German Democratic Republic. Political consultations were also resumed with Poland, which was particularly significant since it coincided with the lifting of Canadian restrictions imposed in February 1982, following the declaration of martial law in Poland. The Secretary of State for External Affairs announced this move in August 1984, in response to a declaration of amnesty by the Polish government.

With regard to trade, the countries of this region continued their attempt to hold import purchases from non-socialist countries to a level below their exports to those countries. The resulting trade surpluses have been used to reduce the foreign debt owed to Western financial institutions. Despite a declining market, Canadian exports to the USSR and Eastern Europe increased by 18 per cent in 1984 to \$2.48 billion, nearly matching the 1982 record. Canadian grain sales accounted for 80 per cent of these exports. The USSR remained Canada's largest grain customer and the German Democratic Republic is emerging as the sixth most important grain client. In May 1984, a new Fisheries Treaty was signed with the USSR, which strengthened Canada's management of the 200-mile economic zone and for the first time included a Soviet commitment for the purchase of Canadian processed fish.

Imports from the USSR and Eastern Europe increased by 20 per cent to \$302 million in 1984, but Canada's merchandise trade surplus with the region still reached \$2.18 billion as a result of balances with the USSR and the German Democratic Republic.

The theme that East European countries must sell more internationally in order to buy more was frequently presented by the trade officials of these countries, although there was a general recognition that all sales offerings must meet the terms of the international marketplace.

The government continued to participate in major international trade fairs in Bulgaria, Czechoslovakia, the German Democratic Republic, Hungary, Romania and Yugoslavia. More Canadian business representatives were encouraged to time their promotional visits to these countries to coincide with Canadian participation in these fairs.

Because of government monopoly in the conduct of foreign trade in most socialist countries, regular trade consultations are an important mechanism in the development of commercial relations. Such consultations were held with the USSR in May 1984, with Czechoslovakia in September, with Hungary in November and with Poland in January 1985. In addition to regular consultations, high-level reviews of bilateral trade relations took place during visits from officials of Bulgaria, Hungary, the German Democratic Republic, Romania and the USSR.

The Romanian nuclear energy program to construct at least five CANDU-type nuclear reactors continued in the construction phase, with the role of Canadian equipment suppliers being increasingly clarified for the first two units. The Canadian interest in expanding Canadian supply for these five units and for future units to be built by Romania was the subject of continued high-level discussion between government officials and commercial representatives of both countries.