

Nevertheless, Canadian bilateral relations with the USSR and other countries of Eastern Europe suffered setbacks in the charged atmosphere pervading East-West relations. The Soviet refusal to mitigate the effects of a number of irritants, for example by recognition of Canada's claim arising from the Korean Airlines (KAL) tragedy or by a forthcoming approach on family reunification and human rights, cast a lingering shadow over bilateral relations.

The situation in Poland also remained a preoccupation. Following the lifting of martial law in July 1983, the Polish government introduced measures which, in reality, provided it with powers equivalent to those available under martial law. The principle of sanctions imposed by NATO in 1982 was therefore maintained. However, in response to other steps by the Polish authorities to ease the repressive regime, such as a general amnesty, NATO governments lifted some of the bilateral sanctions. In addition, creditors began negotiations on the rescheduling of Poland's massive foreign debt.

Throughout the year Canada took advantage of its consultations with various East European countries to raise issues of human rights and of families separated by political borders. Official representations were made to the Soviet Union, Czechoslovakia, Poland, the German Democratic Republic, Hungary, Romania and Bulgaria on behalf of approximately 272 persons seeking to join close relatives in Canada. Under the relaxed immigration criteria of the Polish Family Movement measures, some 1 500 persons left Poland to be united with relatives in Canada. An additional 207 Polish political detainees and their dependants were resettled in Canada under a special legislative mechanism for political prisoners and oppressed persons.

Canada continued to maintain trade and other links with East European countries in selected sectors of potential benefit to Canada in the belief that such links would also contribute to reducing East-West tensions. After a resumption of negotiations, suspended in response to the KAL disaster, Canada entered into a memorandum of understanding with the USSR regarding facilities for Aeroflot flights in transit at Gander. Several years of negotiation culminated in April 1984 with a new fisheries treaty between the USSR and Canada, which strengthened provisions concerning conservation of stocks beyond Canada's 200-mile economic zone and, for the first time, included a Soviet commitment to purchase Canadian fish products. Negotiations on a program of exchanges in the context of Arctic co-operation continued.

Persistent and severe economic difficulties were reflected in the vigorous import restraint programs established by most Eastern European countries to help reduce indebtedness to the West. Canadian exports to Eastern Europe declined by 18 per cent in 1983 from \$2.5 to \$2.1 billion, while imports increased marginally from \$241 to \$250 million.

Although the German Democratic Republic, Yugoslavia and Poland are important trade clients, the bulk of Canada's trade in Eastern Europe is with the Soviet Union, which is Canada's fourth-largest export destination. About 30 per cent of all Canadian grain exports went to the Soviet Union in 1983. Almost 90 per cent of Canadian exports to Eastern Europe were cereals, although several hundred Canadian firms also found markets for products such as oil and gas equipment, agricultural machinery, aircraft, motor vehicles, pulp and paper machinery and industrial machinery. In addition, the

construction of two CANDU power stations which began in Romania in 1983 are expected to lead to substantial sales of related equipment.

Canada participated in six trade fairs, in Bulgaria, Yugoslavia, the German Democratic Republic, Romania, Czechoslovakia and Hungary. There were a number of incoming and outgoing trade missions, with businessmen and officials covering a wide range of activities. The Program for Export Market Development was extensively used by Canadian firms pursuing export opportunities in Eastern Europe.

Canada engaged in bilateral trade consultations with Romania and Czechoslovakia and, in May 1983, the Minister for International Trade led a delegation of Canadian officials and businessmen to the Soviet Union for the first meeting of the Canada-USSR Mixed Commission since 1978. The Soviet Minister for Tractor and Agricultural Machine Building made a visit to Canada which contributed notably to the development of our trade in agricultural machinery and equipment with the Soviet Union. In September 1983, a delegation from the Canadian Wheat Board went to the German Democratic Republic, at which time a three-year grain agreement and an agreement providing for the exchange of most-favoured-nation treatment were signed.

Countertrade, i.e. paying for imported goods and services by bartering goods of local production, continued to play an important role in East-West trade. The Department and the Canadian Export Association continued to work together to familiarize Canadian exporters with this trade practice.

Academic, cultural and sports programs were also an important component of Canadian relations with Eastern Europe. During the year a number of performing artists and arts exhibitions toured the region, and Canada competed with some success in the Sarajevo Winter Olympics. A review of cultural agreements with countries in Eastern Europe was undertaken and negotiations were begun to develop an academic exchange program with Romania.

In September 1983, the Minister for External Relations attended the closing session of the Madrid meeting of the Conference on Security and Co-operation in Europe. Canada is committed to the process of the CSCE as a means to promote peace, security, justice and co-operation between East and West. The Canadian delegation was active at the Madrid meeting in promoting balanced progress in all sections of the Helsinki Final Act adopted at the first CSCE meeting. After three years of negotiations, the participating states adopted a substantive concluding document which, *inter alia*, provided for a number of meetings to focus on particular dimensions of the Final Act. In January 1984, the Stockholm Conference on Confidence and Security Building Measures and Disarmament in Europe began its sessions, in which Canada was an active participant. In 1985, Canada will act as host to another of these CSCE meetings, viz. the Meeting of Experts on Human Rights, which is to be held in Ottawa. Also in 1985, a cultural forum is scheduled to take place in Budapest. The next meeting of the CSCE itself will be held in Vienna in 1986.

Asia and the Pacific

The increasing awareness in Canada of the importance of its "Pacific dimension" reflected the vitality and the potential for economic growth of the Asia and Pacific region. Canadian