

In 1984, Canadian trade with the Netherlands continued to increase despite unfavourable exchange rates and a soft Dutch economy. Canadian participation in InterClean 85 in Amsterdam, a major Dutch trade fair, produced extremely positive results, with several major contracts being signed and agencies established.

### **Portugal**

The official visit to Canada in April 1984 of President Antonio Eanes further enhanced the excellent relations between the two countries. Fisheries continued to be a key component of Canada-Portugal relations. Canadian and Portuguese fisheries representatives met in Ottawa in January 1985. A package-labelling machinery mission composed of eight Canadian companies visited Portugal in February. This first Canadian commercial mission to Portugal was considered very successful. Canadian participation at the Santarem agricultural fair provided an opportunity for several firms to exhibit their products and test the Portuguese market.

### **The Nordic countries**

During 1984-85, there was a new emphasis in the Nordic region on the promotion of investment in Canada and on sales of high technology goods and services. Considerable effort was also made to promote participation in Expo 86.

Bilateral air negotiations were conducted with SAS during the year, with a view to obtaining access to Toronto and the resumption of service to Mirabel. Social security agreements were negotiated with Sweden and Denmark, and a double taxation agreement with Sweden was ratified.

Cultural relations continued to expand, with tours by several Canadian artists, performers and writers, and a major project, the Nootka Dugout Project, was begun in Copenhagen. A group of Nordic journalists made a cross-Canada tour in January and reported extensively on their experiences and impressions.

High-level bilateral visits were again a major factor in relations with the Nordic countries. A Canada-Norway Working Group on Offshore Energy held meetings in Norway in November 1984 to investigate ways and means to promote co-operation and technology exchanges for offshore energy industries. Parliamentary committees from Finland, Sweden and Norway visited Canada and senior officials and provincial politicians from Canada visited the Nordic region. The Norwegian Minister of Commerce and Shipping made an extensive tour of Canada, which resulted in enhanced commercial opportunities in both countries. The Swedish Ministers of Energy and Trade also visited Canada during the year to promote Swedish exports.

### **Other countries of Western Europe**

Atomic Energy of Canada Limited continued to promote the sale of a CANDU reactor to Turkey, and Northern Telecom continued to increase its exports to and investment in Turkey with the assistance of the EDC. Canada welcomed a group of six Turkish journalists in November, and several trade missions of Canadian business people and officials visited Turkey to examine prospects in the fields of urban transportation, consulting engineering, agriculture and food processing. The Canadian Minister of National Defence visited Ankara

in December to foster military co-operation between the two countries.

Canada and Greece signed an air transport agreement allowing Olympic Airways to extend its route to Toronto.

Canada and Cyprus signed a double taxation agreement but it has not yet been ratified.

An agreement concerning cinematographic relations was signed with Spain in January 1985 by the Minister of Communications when he visited Madrid. Canada participated in two important trade fairs in Spain — SIMO and Alimentaria — and a useful mission of Canadian packaging equipment manufacturers visited Spain looking for new export markets. The Spanish National Investment Institute underwrote a major solo trade fair in Toronto at the new exhibition centre. As a result of these initiatives, Canadian-Spanish trade relations are expected to expand in the coming years.

Following the successful government-private sector participation in the 1984 Davos Symposium in Switzerland, 14 senior Canadian business executives attended the 1985 Davos Symposium. The President of the Treasury Board met with influential Swiss banking and industry representatives in Zurich and Geneva to explain the investment and budgetary policies of the new government.

Several NATO, OECD and other multilateral meetings provided opportunities for new Canadian ministers to meet with their European counterparts.

### **USSR and Eastern Europe**

1984-85 was a year of change both in the Soviet Union and in East-West relations. In the USSR, a new and younger generation of leaders began to emerge. US-USSR bilateral arms control negotiations resumed in Geneva. In general, the recent period has been characterized by a modest improvement in the atmosphere of East-West relations and an increase in dialogue. While being realistic about the future obstacles to improved East-West relations, the government is encouraged by the increased willingness to manage differences through direct negotiation and dialogue.

The commitment of the new Canadian government to the quest for improved relations was apparent in the decision of the Secretary of State for External Affairs to meet as early as possible with the Soviet Foreign Minister. This proposed meeting inaugurated several months of direct contact with the Soviet leadership, which itself had come to see the advantage of renewed contact with Western countries. Thereafter, preparations were initiated for the Secretary of State for External Affairs to visit the USSR — the first such visit in 12 years. Weeks before the visit, the Soviet leader Konstantin Chernenko died, thrusting the USSR into the third leadership change in as many years. The Prime Minister represented Canada at the funeral and met with the new Soviet leader, Mr. Mikhail Gorbachev.

The Canadian government also sought a further expansion and enrichment of its contacts with Eastern European countries. In November 1984, the Minister for International Trade paid official visits to Hungary and Yugoslavia. His visits, during which he opened new chanceries in Budapest and Belgrade, underscored Canada's commitment to continued good relations with these countries. In June 1984, the Foreign Minister of the German Democratic Republic paid an official visit to Canada.