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the North American Aerospace Defence Agreement, which provides for joint command of the air defence of North America, was renewed for five years.

The Canadian Government assigns a high priority to the resolution of transboundary environmental problems which are of great public concern on both sides of the border. There are frequent bilateral consultations and negotiations on a wide variety of environmental issues especially under the aegis of the International Joint Commission, which was established by the Boundary Waters Treaty. The American Administration has accepted the recommendation of the special high-level envoys appointed by the Prime Minister and the President that \$5 billion should be spent on the development of technology to control acid rain.

## **Federal Republic of Germany**

### **Chancellor Helmut Kohl**

Born in 1930, Chancellor Kohl is married and has two children. He joined the Christian Democratic Union (CDU) in 1947 and continued to be active in CDU politics during his student years. From 1950-58 he studied law, sociology, political science and history at the Universities of Frankfurt and Heidelberg graduating with a Ph. D. He was Departmental Head in the Chemical Industry Association, Ludwigshafen 1959-69. His early political career centred on the Rhineland-Palatinate. As Minister-President of that Land (province) from 1969 to 1976, he played an important role in the Federal Bundesrat (Upper House). He became Chancellor in October 1982 and was confirmed in office as leader of the Christian Democratic Union-Free Democratic Party coalition in the elections of March 1983.

This will be Chancellor Kohl's fourth economic summit. He will be accompanied by the Foreign Minister and Vice-Chancellor, Hans-Dietrich Genscher; the Federal Minister of Finance, Dr. Gerhard Stoltenberg; and the Federal Minister of Economics, Dr.

Martin Bangemann. Chancellor Kohl's Personal Representative is Dr. Hans Tietmeyer.

### **The West German Economy**

West German economic growth in 1985 was 2.4 percent, a slight decline from its 1984 performance. However, it is expected to pick up again in 1986 and may reach 4 percent. Lower oil prices will likely contribute to stronger growth. Unemployment has remained relatively unchanged at around 8 percent on average. However, net job creation has recently picked up. Inflation has remained low, 2-3 percent in recent years, and could decline further this year. The surplus on current account, already at a record high in 1985, is expected to increase further in 1986 to some \$30 billion.

The general government financial deficit has been falling since 1981. The net federal deficit in 1985 amounted to less than DM 23 billion, or about 1.2 percent of GNP. Bank discount rates have also been declining and are currently 3.5 to 4 percent. The Deutschmark has appreciated by about 30 percent against the U.S. dollar since September 1985.

### **Canada/F.R.G. Relations**

Canada-F.R.G. relations are close and cooperative and founded on a common membership in the Atlantic Alliance, the Economic Summits, the United Nations and other international forums. Our NATO cooperation has created a unique relationship through the commitment of 6,650 Canadian troops and their families in the F.R.G. and the training of 5,500 F.R.G. soldiers and airmen at Shilo and Goose Bay annually.

Two-way trade and economic cooperation has grown significantly over the last decade to its present level of some \$4 billion. In 1985, Canada incurred a deficit of \$1.5 billion attributable in large part to the appreciation of the Canadian dollar against the Deutschmark. The balance should change in the near future as Canada starts deliveries of Challenger jets, surveillance drones and other high technology prod-