

## **Greece**

The Greek government decided not to pursue its stated intention to acquire a majority interest in the North Aegean Petroleum Corporation, which is controlled by Denison Mines. The situation was resolved to the satisfaction of all parties concerned subsequent to representations by Denison and the Canadian government. In the fall, the Greek Minister of Culture, Melina Mercouri, visited Canada and exchanged letters with her Canadian counterpart, Communications Minister Flora MacDonald, constituting a cultural arrangement between the two countries.

## **Austria**

Canada and Austria co-operate closely on multilateral matters and within various international agencies. The social security agreement, signed in February 1987, came into effect in November. The Austrian Vice Chancellor and Minister of Foreign Affairs, Dr. Alois Mock, visited Ottawa in June for the 10th meeting of the executive committee of the International Democratic Union, and met with Mr. Clark. The Austrian firm Styer-Daimler-Puch and the Canadian firm UTDC of Kingston signed a co-operative agreement in 1987 concerning coproduction, technology transfer and other forms of joint ventures in the military and commercial vehicles sector. As a result, they won a \$250 million contract, in February 1988, from the Department of National Defence for the production of heavy military vehicles.

## **The Soviet Union and Eastern Europe**

East-West relations continued to improve during the period under review. Against this background the expansion of dialogue with the Soviet Union and the countries of Eastern Europe and the promotion of regular contacts at the ministerial and senior official level remained major Canadian foreign policy objectives. In addition, Canada's relations with the Soviet Union and Eastern Europe were further strengthened through a variety of initiatives, particularly in the area of trade relations.

### **Soviet Union**

High-level contacts between Canadian and Soviet leaders continued in 1987/88. The Secretary of State for External Affairs met his Soviet counterpart, Eduard Shevardnadze, during the General Assembly of the United Nations in September; the Minister of State for Fitness and Amateur Sport, Otto Jelinek, visited the U.S.S.R. in August; and Soviet First Deputy Prime Minister Murakhovsky toured five Canadian provinces in June. A Soviet Parliamentary Delegation, led by the Byelorussian First Secretary Efram E. Sokolov, visited Canada in October. Discussions between senior officials across a broad spectrum of topics helped to expand the range of dialogue and co-operation between Canada and the Soviet Union in such areas as human contacts, disarmament, space co-operation, the Arctic and the drug traffic.

### **Eastern Europe**

In September 1987 Canada established diplomatic relations with the People's Socialist Republic of Albania; the Canadian Ambassador to Belgrade is now accredited additionally to the government of Albania in Tirana.

The Secretary of State for External Affairs led a delegation of members of Parliament, business people, correspondents and officials to Poland, Hungary and the German Democratic Republic (G.D.R.) in May 1987. Wide-ranging discussions at the most senior levels covered East-West relations and other topics of international concern as well as bilateral co-operation in commercial-economic, political and cultural areas. The Speaker of the Senate, Guy Charbonneau, went to Yugoslavia in September 1987.

Enhanced ties were also pursued through other high-level visits. Branko Mikulic, President of the Federal Executive Council (Prime Minister) of Yugoslavia came to Ottawa in February 1988 on the invitation of Prime Minister Mulroney. His itinerary also included Montreal, Quebec City and Toronto before he attended the opening of the Calgary Winter Olympics, where he enjoyed prominence as director of the previous Winter Games in Sarajevo. Georgi Yordanov, the Deputy Chairman of the Council of Ministers and Minister of Culture of Bulgaria also came to Canada to open the Thracian Gold Exhibition in Montreal in May 1987. Additional visitors included the Czechoslovak ministers of Agriculture, of Fuel and Energy and of Sports. In addition, parliamentary delegations came from both Hungary and Czechoslovakia. Political consultations were held at the official level with Bulgaria and Romania, during which free-ranging discussions were held covering the full gamut of bilateral and international topics.

### **Trade**

In 1987 Canadian exports to the Soviet Union and Eastern Europe declined from the 1986 level of \$1.6 billion to \$1.0 billion. This decrease was largely attributable to reduced grain sales to the U.S.S.R. at lower prices. Canada's exports to the Soviet Union dropped to \$800 million in 1987 from \$1.2 billion in 1986. Nevertheless, grain sales continued to make up the bulk of Canadian exports to the U.S.S.R. Non-grain exports to the region as a whole declined to \$228 million in 1987 from the previous year's level of \$483 million. Imports from the U.S.S.R. and Eastern Europe totalled \$386 million in 1987, a slight increase over the 1986 level of \$354 million. Thus Canada continued to maintain a considerable trade surplus (\$620 million) with the region.

The Secretary of State for External Affairs signed a Long-Term Economic Agreement and a Double Taxation Agreement with Poland during his visit to Warsaw.

During the year, trade consultations took place with Bulgaria, Romania, Poland and the G.D.R.

During March 1988 the Department helped organize seminars entitled "Trading with the U.S.S.R.: the Export-Import Link" which were held in Montreal, Toronto and Calgary. The Soviet delegation was led by the Deputy Minister for Foreign Economic Relations, Yuri N. Chumakov.

The Yugoslav Minister for Foreign Trade, Nenad Krekic, visited Canada in February 1988 as a member of the Yugoslav Prime Minister's delegation. The Chairman of the Czechoslovak Committee for Scientific and Technical Investment Development, and two deputy ministers for industry from Hungary also visited Canada. The Deputy