

result of the manner in which the EC implemented the Agreement, Canada is seeking redress from the Community for impairment of our benefits in 1982 and has responded by providing only a small part of the scheduled licences to Community vessels at the beginning of 1983. The future of the LTA has been a topic of intense discussion and negotiation between Canada and the Community. Both sides are attempting to find a satisfactory solution to the dispute so that the Agreement can work to our mutual benefit.

The United Kingdom

The most significant event in our relations with the United Kingdom was the British Parliament's passage of the *Canada Act*, which resulted in the patriation of the Canadian constitution. Britain remained Canada's leading European trading partner, receiving almost one-third of our West European exports in 1982. With a total two-way trade of \$4.6 billion, Canada maintained its traditional favourable balance of trade at \$820 million. Canada was supportive of Britain's defence actions on the Falkland Islands and the visit of the British Foreign Secretary to Canada in October reinforced the traditional links between the two countries.

France

An expressed wish to strengthen relations has resulted in a recent marked intensification of official activity with France. The shared language of many Canadians and the French people makes France a cultural partner as well as an economic one. There has been a substantial increase in cultural and academic exchanges between the two countries since 1980. The increasing closeness of relations was demonstrated when the prime ministers of both countries visited each other. Prime Minister Mauroy came to Canada in April, visiting Quebec, Ontario and New Brunswick. When Prime Minister Trudeau paid an official visit to France in November, he laid particular stress on increased industrial co-operation. He encouraged French business and industrial leaders to establish lasting contacts and co-operation with Canadians. Meetings of scientific and economic joint committees in March and April and exchange visits by ministers and senior officials provided the impetus for broadening discussion between the two countries.

In January 1983, a negotiating session in Paris on the Canada-France maritime boundary issue did not reach agreement. These negotiations began in 1977 after the extension of Canadian fisheries jurisdiction to 200 miles offshore and the establishment by France of a 200-mile economic zone off St. Pierre and Miquelon. French vessels continued to fish in Canadian waters pursuant to the 1972 Canada-France fisheries agreement.

The Federal Republic of Germany

The Federal Republic of Germany (FRG), or West Germany, is Canada's second-largest market in Europe. In 1982, although total exports to Europe were down 15.8 per cent, they decreased only 2.8 per cent to West Germany.

The establishment of the FRG-Canada management team in 1981 had a significant effect on our bilateral relations. In March 1982, this grouping of senior officials launched a program of intense activity at a meeting in Ottawa which explored potential areas of economic and commercial co-operation, with a focus on the small and medium-sized

business sectors. Successful Canada Days in Stuttgart were part of an ongoing program. The German Minister of Economic Affairs, Dr. Lambsdorff, visited Alberta and Ottawa in August. He met a number of Canadian ministers and together they undertook a complete review of the bilateral economic and commercial relationship. Chancellor Schmidt visited the Canadian North to view Canada's energy potential first-hand, and came to Ottawa for talks with the Prime Minister, also in August. In October, a German oil and gas mission visited five provinces and made contact with more than 100 firms. A new Canadian Consulate General, to deal principally with trade and commercial activities, was opened in Munich.

Christian Democratic leader Helmut Kohl was elected Chancellor after Social Democrat Helmut Schmidt lost the confidence vote in the *Bundestag* in October. The following month, the Prime Minister met with Chancellor Kohl in Bonn, and both leaders expressed the desire for continued warm relations and bilateral co-operation.

Netherlands

The Netherlands remains our third most important European trading partner after Britain and West Germany. Regular informal consultations on many international questions such as East-West relations, the North-South dialogue and the United Nations are a keystone of relations between the two governments. Sustained efforts by both Canada and the Netherlands have resulted in important cultural exchanges, in particular visiting professorships for Canadian academics. The large-scale post-war migration of some 500,000 people from the Netherlands to Canada has been an important ingredient in cementing the bilateral relationship.

The Nordic Countries

In the Nordic region, high-level bilateral visits were the major events during 1982-83. The Norwegian Defence Minister, the Secretary General of the Ministry of Foreign Affairs and the State Secretary of the Ministry of Foreign Affairs came to Canada. Canada took the first steps to implement the agreement for prepositioning of the Canadian Air Sea Transportable (CAST) Brigade Group by deploying some heavy equipment in Norway.

Premier Motzfeldt of Greenland visited Ottawa in March 1982 on his first trip to Canada since Denmark granted home rule to Greenland in 1979. Energy and environmental issues were of primary interest to Canada's closest eastern neighbour and negotiations continued with Denmark on a draft agreement for control of marine environment problems in the area between Canada and Greenland. In June 1982, Canada and Denmark completed negotiations on a Marine Environment Co-operation Agreement.

Portugal

In recent years trade with Portugal has grown considerably with a balance of two to one in Canada's favour. The Portuguese Prime Minister made an official visit to Canada in October, accompanied by his Foreign Minister, and his Minister of Agriculture, Trade and Fisheries. The Canada-Portugal fisheries relationship was uppermost in their discussions with Canadian ministers. Canada made a special effort to allocate cod stocks to Portugal, recognizing the difficulty faced by Portugal's cod fleet. Portugal responded by co-