

that conferences will be reconvened annually. In February 1988 the Association of Canadian Studies in the Federal Republic (at Grainau) held another successful meeting with a high level of academic cross-participation. The Grainau conference, largely sponsored by the Department, is recognized as the international forum for Canadian Studies in German-speaking universities in Europe.

France

Political relations with France were particularly active during the past year. In May President Mitterrand made a five-day official visit to Canada that included stops, in chronological order, in Ottawa, Quebec, New Brunswick, Ontario and Saskatchewan. President Mitterrand's visit, coming 20 years after that of General de Gaulle, had a definite historical and symbolic dimension. In August Prime Minister Chirac also visited Ottawa, in connection with his participation in the Francophone Summit in Quebec, and met with Prime Minister Mulroney. During his visit, it was announced that the two governments and the French firm Aérospatiale would negotiate a co-operative agreement concerning the French ERYX anti-tank missile. Finally, to climax a year of intensive political relations between the two countries, the Governor General made a state visit to France from January 25 to 29, 1988. This was the first official visit by a Canadian Governor General to France, and it was marked by all the honours due to a head of state. Mme. Sauvé was accompanied by George Hees, Minister of Veterans Affairs, Don Mazankowski, Deputy Prime Minister and President of the Privy Council, and Robert de Cotret, Minister of Regional Industrial Expansion and Minister of State for Science and Technology.

The dispute between France and Canada over fish quotas and over the maritime boundary off the coast of St. Pierre and Miquelon is the only serious bilateral problem. This issue attracted much attention from both the French and the Canadian press on several occasions during the past year. Contacts and discussions are taking place in order to settle this dispute to the satisfaction of both parties.

Bilateral trade between Canada and France remained stable at \$2.5 billion from 1986 to 1987. Canadian exports increased by 7 per cent and there was a slight decrease of 5 per cent in imports from France. The Investment Development Program seeks to stimulate French investors' interest in Canada. The French companies targeted must have state-of-the-art technology to offer, be financially sound and have a growth strategy for their national and international markets. The new projects implemented under this Program will increase French investment in Canada, which already amounts to nearly \$1.5 billion. In addition to encouraging direct investment, Canadian trade offices in Paris and Lyon are particularly interested in industrial co-operation and technology transfer. In the second year of its existence, the economic Action Plan for France assisted the growth of the Canada-France Business Club and made a visit by an economic mission from the Midi-Pyrénées region possible. In Paris, the creation of a Canada data bank, accessible by Minitel, makes economic information more easily available and public reaction has been favourable. Two briefing sessions for exporters interested in France were held in Montreal and Toronto in February 1988, and a new publica-

tion entitled *A Look into the French Market*, which summarizes the characteristics of promising markets for Canadian products, was made available. Some 76 Canadian firms participated in four international trade fairs in France and made sales of \$57 million. The most important of these fairs was the Paris Air Show, held at Le Bourget in June in which 53 Canadian firms took part, 20 of them for the first time, and made sales estimated at \$55 million.

Italy

Canada's bilateral trade with Italy continued to grow but at a more moderate pace than in previous years. From 1986/87 to 1987/88, it increased from approximately \$2.4 billion to a little over \$2.5 billion. Canadian imports from Italy showed a slight increase of \$23 million, rising from \$1 670 million to \$1 693 million, while exports to Italy increased by nearly \$145 million — from \$691 million to \$836 million.

Two Canadian trade and industrial missions went to Italy during the year. The first was headed by the Minister of Regional Industrial Expansion, Michel Côté, and took place in May 1987, and the second by his successor, Robert de Cotret, in February 1988. The Economic Summit in Venice from June 8 to 10, 1987, provided an opportunity for the Prime Minister, the Secretary of State for External Affairs and the Minister of Finance to visit Italy. Preparations for the summit also occasioned a brief visit to Ottawa for consultations by Italian Prime Minister Amintore Fanfani, in May. In addition, visits by members of Parliament and senior officials of both countries contributed to strengthening relations.

The Holy See

Canada's mission to the Vatican maintains close relations with Church authorities and regularly seeks their views on the major political and humanitarian issues of the day, in particular on human rights, religious freedom and international development. The bilateral aspect of Canada's relations with the Holy See is of equal importance. A number of Canadian ministers and members of Parliament, as well as many religious figures, visit the Holy See annually.

A very special occasion was the beatification, on May 10, 1987, of Monsignor Louis-Zéphirin Moreau, who served as the fourth bishop of Saint-Hyacinthe, from 1876 to 1901. An official Canadian delegation, headed by Pierre Cadieux, the Minister of Labour, visited Rome to take part in the events surrounding the beatification. Another high point in Canada's relations with the Holy See was the papal visit to Fort Simpson in September 1987, when the Holy Father held the meeting with the native people that had had to be cancelled on account of bad weather during his tour of Canada in 1984.

The Benelux countries

Belgium, the Netherlands and Luxembourg are among Canada's main trading partners in Europe. Bilateral trade with these countries increased considerably in 1987 to \$3.5 billion.

Canada has a close relationship with the Netherlands, which is one of its main European trading partners and ranks eighth as a source of foreign tourists and third among