

since the enlargement negotiations to provide us with tariff concessions. These would bring the rates on Canadian fish exports to the Community closer to those enjoyed by the Community's preferential trading partners in EFTA -- the European Free Trade Association.

We would obtain these concessions by guaranteeing the Community allocations of fishing licences for cod and squid in the Canadian Atlantic fisheries zone. These allocations provided to the Community would enable EC countries with a long tradition of fishing in Canadian waters to continue to do so, although at much lower rates than prior to the era of 200-mile fisheries zones.

I have talked today primarily about our economic relations with the Community and its member states. However, the formation of the Community, first through the establishment of the Coal and Steel Community in 1951, and then through establishment of the Economic and Atomic Energy Communities in 1957, was as much a political as an economic act and Canada's response has been political as well as economic. European unity is important, both to the NATO alliance and to global stability. European economic integration is part of something much larger. It has political, social and demographic implications which I think may well be viewed in future by historians as more significant in the long term than the integration of commercial markets.

We are currently witnessing a renewed emphasis on political co-operation among the member states of the Community. This emphasis derives in part from a recognition by Europeans that there are economic consequences to such varied political developments as the Soviet invasion of Afghanistan and instability in the Middle East and social change in Poland. They also consider that a united Europe calls for a greater degree of coordination on international political questions quite apart from economic considerations.

Just as the establishment of the Common Market has posed challenges for Canada, so will closer political co-operation among the Ten. On the one hand, we obviously welcome the contribution it can make to international peace and security. On the other hand, it raises questions regarding political consultation between Canada and the Europeans.