

I am happy to say that the constructive dialogue mentioned in the summit communiqué is continuing. A delegation of senior EEC officials will begin a four-day round of talks with their Canadian counterparts in Ottawa next week. These talks will provide an opportunity to review certain world economic problems, like inflation. They will also provide for further examination, in considerable detail, of the substance of Canada's relations with the EEC. While the talks remain exploratory in nature, it will provide some indication of how thoroughly the matter is being pursued if I list some of the subjects we have said we want to discuss. They include the possibility of negotiating a bilateral MFN agreement with the Community itself, the modernization of agreements relating to goods in transit, the question of state-purchasing policies, of countervail, cabotage, export subsidies, concessional financing, security of supplies of energy and raw materials, copyright, consumer protection, protection of the environment, standards and quality control.

These are not the only subjects we have mentioned, and the representatives of the Community will not necessarily be in a position at this stage to pursue even subjects I have listed. But there is no question that the dialogue is well and truly launched. And there is no question that it proceeds from a clear understanding on the part of the EEC Commission and of the EEC governments that the problems posed for Canada by the enlargement and consolidation of the Community merit serious and separate consideration.

Let me now turn to our relations with the United States. Here I think the present state of play may be somewhat clearer, because the Government's position has been placed on the record with considerable care in recent weeks and even days.

To begin, I hope that, if you have not done so already, you will obtain a copy of the special issue of *International Perspectives* that appeared on October 17. This issue was entirely devoted to my article entitled "Canada-U.S. Relations: Options for the Future". The article represents some of the main assessments and conclusions of a series of studies that had been in progress for about a year in the Government, to which both my Cabinet colleagues and officials of the Department of External Affairs contributed. If you wish to acquaint yourselves with the Government's basic approach to Canada-U.S. relations, I urge you to read this article.

The studies on which the article is based were begun in the mood of questioning that followed the announcement of President Nixon's new economic policy in August 1971. I shall try to summarize the main lines of its argument. In the face of the inherent pull of continental forces, the article identifies three options for Canada in the future development of our relations with the United States. They are:

- (a) Canada can seek to maintain more or less its present position in relation to the United States with a minimum of policy adjustments;
- or (b) Canada can move deliberately towards closer integration with the United States;