



The then Secretary of State for External Affairs, Allan J. MacEachen, is shown here signing the Framework Agreement between Canada and the European Communities. Signature of the agreement on July 6, 1976, ended a search that had continued over a number of years for a "contractual link" between Canada and the Community. The contractual link is envisaged as part of the working-out of the "Third Option" in Canadian foreign policy.

of its economy, has not taken enough advantage of the great potential of The Nine (a sophisticated and developed market of nearly 260 million people importing more than \$110 billion annually from outside the Community). I should have thought that a fair-minded person would agree that it is very much to our advantage to have in our pocket a signed undertaking from a client of such importance to join us in seeking to expand our trade. This alone, it seems to me, justified the effort of negotiating the agreement.

Inadequate

It can be argued that a mere undertaking, an indication of good intentions, is of itself somewhat inadequate. After all, in a free-market system, initiative rests with private enterprise. Governments can do little to influence trade or investments. Such a statement is certainly too sweeping and underestimates the role of governments in such fields as a matter of general practice.

The EC and Canada have not, in any case, been content with a mere statement of goodwill. As a beginning and on an experimental basis, the two sides have agreed on the "sectoral approach" as a means of translating intentions into prac-

tical results. We — Canadians and Europeans, government and business — shall sit together and review our respective capabilities, resources, needs, objectives and policies. This can obviously be done most effectively and conveniently on a sector basis. In that way, we can best assess the scope for developing mutually-beneficial relations and estimate the obstacles that now stand in the way of this.

The Community has already sent missions to Canada to explore in three important sectors — uranium, forestry products and non-ferrous metals — what the prospects may be of further exchanges between us. We in Canada have sent a return mission concerned with pulp-and-paper and forestry products. Other areas have been identified and further missions will be organized. Such missions involve industry representatives and government officials, and assess methodically what can be done in specific fields.

Of course, this new technique is not a substitute for the traditional means of promoting trade or investment. The commercial agents are still available; there will be participation in exhibitions, advertisements in suitable publications, the usual useful activities of chambers of commerce.

*Missions
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three sectors
of economy*