

world's major grain exporters and as a country whose export potential in this sector is likely to grow rapidly over the next decade, we are of course worried at rumours that the Europeans will solve their overproduction problems through subsidized exports which would compete on world markets with our commercial production. We are, however, realistic. We recognize that the Community must have its own agricultural policy, and that it is reasonable for them to establish rates of return for their own producers based on their own internal priorities.

Two important negotiations have been concluded during the past year which are likely to result in the signing of agreements between Canada and the Community within the next few weeks. One of these concerns nuclear safeguards, and is to be signed in the next few days. It provides for a permanent replacement for the Interim Arrangement on Reprocessing and High Enrichment of Nuclear Fuel. This Interim Arrangement was adopted by Canada and the Community after we failed to reach agreement on revision to the Canada/Euratom Treaty of 1959. It updates the Agreement to reflect the nuclear non-proliferation concerns resulting from the new technology that permits greater utilization of the nuclear fuel cycle. The interim arrangement provided time for both parties to co-operate in the International Nuclear Fuel Cycle Evaluation and to assess the implications of the evaluation.

The amendments to the Canada/Euratom Treaty provide Canada with the assurance that the Community will consult us on their programme of nuclear fuel utilization and will advise us of any modifications to it. For its part, the Community will retain the degree of autonomy it needs with respect to use of the nuclear fuel it has purchased. This Agreement is important because it establishes a nuclear safeguards principle for highly-enriched and reprocessed fuel. Together with the recent Agreement between Australia and Euratom, it lays the groundwork for an international approach to this question and establishes precedents for nuclear relations with other countries.

In the field of fisheries, the Agreement which had been held up because of internal Community difficulties in establishing a Common Fisheries Policy, is now ready for final review by Canadian Ministers. If we decide to adopt it, it should come into effect on January 1, 1982. This would be a significant step forward. It would be the first agreement negotiated bilaterally by Canada and the Community