

of tariffs or the elimination of non-tariff or para-tariff barriers would increase trade between Canada and Europe. However, that should not hinder the search for bilateral solutions which may be mutually beneficial. The spirit of full participation generally prevalent in Europe during the Kennedy Round negotiations was not as fully apparent in certain sectors as we should have wished. Canada has increased its exports, particularly manufactured goods, to Europe, but Canadian exports of agricultural products and industrial goods continue to be beset with difficulties.

Moreover, for approximately two years there has been a very marked increase in private and public loans contracted on the European financial market. Although it is still modest, European investment in Canada has also increased. We could accept even more European investment capital which could be used profitably in Canada.

Nor is there any doubt that scientific and industrial co-operation between Canada and European countries could be increased. To date, Canada's technological co-operation with Europe has not been significant. No major joint project has been carried out. Nevertheless, Canadian scientists, individually or through international organizations, have established personal contacts with their European counterparts in most sectors of their scientific activities. Are such exchanges however, the answer today to the growing importance of modern science and technology in our respective countries? We have all achieved sufficient progress in certain sectors that mutually profitable co-operation can henceforth materialize. In my opinion, such sectors are satellites and space research, atomic energy, transport and communications, oceanography and computers.

It is quite clear from the foregoing, I believe, that Europe ranks high in our foreign relations. The nature of our relations may have changed or evolved, our objectives may have been redefined, but this does not necessarily imply that our interest in European countries has diminished.

It is perhaps more important than ever that we understand one another. This is why I eagerly accepted the invitation to speak to you today. I am pleased to have been able to point out the importance we attach to co-operation with Europe in the various sectors where our mutual interests are most pronounced. We should like to see the idea that new forms of Canadian-European relation must be developed gain ground because they are in keeping with the basic aspects of our reciprocal interests. In this regard, our meeting today is a step in the right direction.

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