

the Federal Government in Canada may have an important and direct role of its own to play. Already, the Federal Government has, in this area, substantial resources and important agencies under its jurisdiction.

One of the potentially important mechanisms by which we hope to facilitate these aims is negotiation of a framework agreement for commercial and economic co-operation with the communities. This would consist of a number of elements, including consultations and industrial co-operation, which should help open, and keep open, the door to enhanced business dealings in both directions on a mutually-beneficial basis. Substantial progress has been achieved. The ground has now been largely cleared. Agreement in principle has been recorded. Of course, we have to bear in mind that the Community is a complex machine and consensus develops slowly between its several components. There is no lack of interest or goodwill, but the Community has a cruising speed of its own, and we have to adjust.

Up to the present (and there is no reason to believe that things will be different in the future), our desire to "snuggle up" to Europe, if I may speak in a such light tone, has been fully reciprocated. We have come up, in the course of preliminary negotiations, against problems of substance -- that of the competency of the Commission; we have also encountered procedural difficulties -- the question arose whether it would be better to negotiate a simple and direct Canada/EC accord or a mixed one, involving Canada, the EC and member states. In all cases, a consensus was reached reasonably quickly and easily with a maximum of goodwill. On both sides, we are broadly agreed as to the purposes of the agreement: to come closer, to work more closely together. There are, no doubt, some problems yet to be solved, but I am optimistic as to the ultimate results.

These Federal Government moves will confirm and complement provincial initiatives in this general area of relations with Europe, in appropriate fields. Already, during the few months I have been in Europe, a number of important tours have been undertaken by the first ministers of the Provinces of Quebec, Alberta (as already mentioned) and Manitoba. Whether loans, investments or increased commercial exchanges are sought, these provincial moves develop within the general framework of increased relations with Europe.

As part of this process, governmental authorities, both in Canada and in Europe, will naturally endeavour to encourage private enterprise -- this means potential investors, industrial enterprises, banking institutions, and others -- to become involved, to get into the act, to develop such links as may be to their advantage. In a