
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.

Nuclear safeguards

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 its program 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.

Fisheries

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 since the enlargement negotiations to provide us with tariff concessions. These would bring the rates on Canadian fish exports to the Community closer to those enjoyed by the Community's preferential trading partners in EFTA — the European Free Trade Association.

We would obtain these concessions by guaranteeing the Community allocations of fishing licences for cod and squid in the Canadian Atlantic fisheries zone. These allocations provided to the Community would enable EC countries with a long tradition of fishing in Canadian waters to continue to do so, although at much lower rates than prior to the era of 200-mile fisheries zones.

I have talked today primarily about our economic relations with the Community and its member states. However, the formation of the Community, first through the establishment of the Coal and Steel Community in 1951, and then through establishment of the Economic and Atomic Energy Communities in 1957, was as much a political as an economic act and Canada's response has been political as well as economic. European unity is important, both to the North Atlantic Treaty Organization (NATO) and to global stability. European economic integration is part of some-
