

In the end, only time will tell how useful, in material terms, the agreement was. Years from now, it may be possible to demonstrate its value in figures, in dollars and cents. That is, of course, the best answer, but it is not available now. And we must be careful that too critical or negative an approach does not discourage attempts to implement the agreement, thus achieving what some of the questioning, some of the critical comments, may achieve in any case, intentionally or not.

It is clear, to me at least, that some of the critics do not give the scheme the benefit of such doubts as may be appropriate for such undertakings. I know that "*comparaison n'est pas raison*", but certain sceptics behave as if, in such matters, accurate forecasts and measurements were possible. They behave as if a man and a woman leaving the church after their wedding were suspect if they were not prepared to indicate how many children they would have, how many boys, how many girls, and at what intervals! There are natural and normal consequences to be expected from certain facts or decisions or policies. In the case of a framework agreement intended to expand economic, financial and industrial co-operation between two entities, Canada and the Communities, there is no reason *a priori* to assume that the deal will not produce the usual effects intended by such devices. It is not possible in advance to quantify their results. It is not fair to deduce from this that they are nil or negligible.

European unity

There is another relevant consideration. If one believes that the movement towards unity in Europe is a good thing for Europe, for the world and, therefore, for Canada, it is then not a matter of indifference, in assessing the value of the agreement, to bear in mind, and to write down in the plus column, that the Community and its nine members have proclaimed that, for a number of reasons that are clearly set out in its preamble, the agreement is a good and desirable thing from their point of view:

"To consolidate, deepen and diversify their commercial and economic relations to the full extent of their growing capacity to meet each other's requirements on the basis of mutual benefit. . . . Mindful that the more dynamic trade relationship which both the European Communities and Canada desire. . . ."

The partners of Canada attach political importance to the agreement. If no more was achieved, this would be significant

and provide by itself, apart from anything else, a considerable degree of justification for the contract.

The "contractual link" has, however, similar political significance for Canada. It is a clear and important step in terms of our policy of diversification, which, in simple terms, means a better balance in our external relations, and also better relations with the U.S.A. It also gives us a better entrée to the Community in our negotiations, say, on commercial matters. We lack the weight, the "clout", that certain other of the EC partners have. Is it not useful to us, therefore, that the Community, in a formal contract, records its goodwill towards us, its recognition of an identity of purposes between us, of its desire to help us achieve objectives that will be mutually profitable?

But there is a great deal more to be said in support of the agreement, not in broad but in quite specific terms.

The EC is our first trading partner after the U.S. and before Japan (the sum of our trade with the EEC added up to \$7.3 billion in 1975). Canada, in turn, ranks as second-largest customer of the Community (following the U.S. and preceding Japan). Last year we sold \$4-billion worth of merchandise to the EEC, which represents 12.7 per cent of our total exports. Since the establishment of the EC, Canada's balance-of-merchandise trade has nearly always shown a surplus.

Less satisfactory

There are, however, less satisfactory features in our trade with the EEC. The share of our exports taken by The Nine dropped from 26 per cent in 1960 to 16.4 per cent in 1970 and 12.7 per cent in 1975 (largely owing to the decline of our shipments to Britain — the weak expansion of the British economy and the British entry into the Common Market). Moreover, the growth of our exports to the EEC lags behind our rising shipments to the U.S. and Japan — even behind the total to all destinations. We supply only 3 per cent of the Common Market — and, considering the importance of that market and its expansion, this is far from satisfactory.

Our competitors are also doing better than we are in the Community market. In 1975, the EEC bought 22.4 per cent of the exports of the U.S. The growth of the U.S. shipments to the Community (9.7 per cent a year) has also been faster than the expansion of our exports to The Nine (6.6 per cent a year).

We can readily conclude that Canada, which is a great trading country depending largely on exports for the prosperity

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