

*Unlike Canada, EEC is economic equal of the U.S.*

from a customs union to an economic and then to a political union, it has been in economic matters that the Community has made the most progress in formulating common policies. These have, however, frequently been a source of irritation to the U.S., especially in the area of agricultural products, but the economic relationship between the EEC and the U.S. remains fundamentally different from the strategic or political relationship. Economically, the EEC and the U.S. are as interdependent as Canada and the U.S. Their relationship is a symbiotic one, characterized by such common problems as inflation and the management of multinational corporations, whose activities transcend national boundaries. But, unlike Canada, the EEC is, at least on paper, and to a lesser extent in practice, the economic equal of the U.S. So economic issues between the U.S. and the EEC are negotiable in a way that strategic issues are not (at least for the moment). Economically, there exists something approaching a balance of power, and it is significant, in this regard, that Dr. Kissinger's vision of a pentagonal balance included among its major economic actors Western Europe. But, even if the Community can move down the long and difficult road to economic and monetary union, it may remain, like pre-Brandt West Germany, "an economic giant but a political pigmy", though this analogy should also remind us that today West Germany remains an economic giant but is also the dominant political and military member of the Community.

#### **Canadian interests**

For Canada, the problems posed by the evolution of the Community are primarily those of how to encourage the development of a centre of political and economic influence within the Western alliance to

offset the obsessive dominance of the U.S. and how to develop economic links with this new force. In many ways, 1975 will be Canada's "Year of Europe", with the Prime Minister's visit to Western Europe from October 21 to 25, 1974, and the appointment of Marcel Cadieux, formerly Canadian Ambassador to the U.S., as Ambassador to the EEC, indicating its new importance in Canadian foreign policy, and the establishment of a Community office in Ottawa, probably accompanied by a visit from Sir Christopher Soames, Community Vice-President for External Relations. The main theme in Canadian policy towards the EEC has been the desire for some form of contractual link, some document that would set out the principles governing the relations between the two that could form the framework for a series of more specific agreements on co-operation in particular sectors, such as the forward planning of energy needs, the exploration of Canadian natural resources and the establishment of new manufacturing industries in Canada.

In an era in which Canada will increasingly have to assert the legitimacy of Canadian national interests over those of Canadian-American co-operation, as in the area of energy supplies, the Community has afforded a welcome example of the assertion that what is good for the U.S. is not necessarily good for its allies. It also offers an economic counterweight of sorts to U.S. dominance. Because Canada is free of the central Western European preoccupation with security (its security is guaranteed by the U.S. whether Canada wants it or not), it may also be possible for Canada to develop a role as an intermediary between a Community in search of an identity and an America in search of an ally.

"I have come here, Mr. Chairman, for three reasons:

"The first is to state clearly and unequivocally Canada's belief in the concept of collective security, Canada's support for NATO, and Canada's pledge to maintain a NATO force level which is accepted by our allies as being adequate in size and effective in character....

"The second reason is to urge that we at this table accept as an essential ingredient of consultation the continuous challenging of alliance tactics and strategies, because, unless we, as governments, are convinced of their worth, we shall be in no position to convince our followers in our Parliaments... The strength and the

credibility of this alliance depend upon its political, every bit as much as its military, character. We as political leaders must consider and be satisfied with the wisdom of the basic strategies and military plans of our advisers. We can best do that by more frequent consultations.

"The third reason is to urge that we so organize ourselves as to mount and sustain — perhaps through CCMS [the Committee on the Challenges to Modern Society], as suggested by President Ford, a challenge of peace and of human dignity to the Warsaw Pact."

(Extract from remarks made by Prime Minister Trudeau at the NATO summit meeting in Brussels, May 30, 1975.)