

concentrated heavily in the resource-based sectors. Since the 1980s will be a period of tremendous resource development in Canada, it should be possible to do a number of things, within the terms of the National Energy Programme (NEP) and other resource and investment policies, which will generate closer economic relations with the Community. This should require relatively limited financing by the government beyond what we will be doing in any event. European investors are particularly interested in frontier energy resources such as those found in the Arctic Islands.

The Joint Co-operation Committee established under the Framework Agreement has performed both a presentational and a substantive role. We needed the Framework Agreement and its Joint Co-operation Committee, which I co-chair with Wilhelm Haferkamp, the Commission Vice-President for External Relations, in order to signal both the Canadian and Community commitments to a dynamic economic relationship.

In this context, it is unimportant whether or not the Committee controls such things as our reaction to European proposals on Arctic Gas, or their reaction to our proposals on space co-operation. Indeed, it could be argued that if the Joint Co-operation Committee were to get involved in these areas, it would be unnecessarily complicating the decision-making process of the appropriately constituted authorities. It is no part of Canada-Community co-operation to try to bring under the Framework umbrella every activity which supports its policy objectives -- particularly when many of these objectives are more appropriately dealt with bilaterally or in the private sector. There is, however, an important substantive role for the Framework Agreement, and that is to pursue to opportunities for micro-level co-operation which exist. We can also examine with the Commission how government policies are affecting the level of trade and investment flows and see whether there are specific things we can do together that will contribute to the achievement of our objectives.

We have indeed done a number of low-profile, but highly useful, things. For example, in the field of forest products, a working group has been established involving Canadian and European industrialists, as well as federal and provincial officials on the Canadian side and Commission staff on the European side. They have examined such questions as how a harmonized building code for timber frame construction in the Community can be developed in a way which is compatible with the use of Canadian lumber in