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terial meetings, exchanges of every kind. So have the provinces. There is no question that we shall not continue to expand these relations or that, as a result of more recent initiatives to develop Canada-EC relations, bilateral efforts will weaken in any way. These new relations that will be promoted, we hope, will be additional to what we are already doing. They will add a new dimension to what we have been able to achieve or will be able to develop in the future on the bilateral plane.

While, therefore, we are planning additional links with an evolving Europe, let us not lose sight of the very important fact that already, in existing international institutions or through bilateral contacts, we have achieved considerable results. What we want to do now is try to ensure that we achieve maximum benefits from our European policy and that we do with the Community, as it is now and as it may develop later, all that we can possibly do at all levels, and in all fields, with our European friends.

There are, of course, a number of important outside reasons why we should wish to relate to the European Community, in addition to Canadian policy considerations.

In terms strictly of world trade, the European Community comes first as a commercial entity. It is larger than the U.S.A. or Japan. But bilaterally the EC market attracts a little less than 15 per cent of our external trade. We are keen, naturally, to enlarge this percentage, and to improve its composition in line with Canadian policies and programs. There are mutually-beneficial opportunities for economic, financial and investment links.

But the EC is not only large, rich and attractive in many ways, it is evolving. It has already taken on many important features of a normal nation state, and this process seems likely to continue. Moreover, the various European state instrumentalities are striving to increase their effectiveness in dealing with the major problems all communities are facing today. There is an ongoing review of the powers that are best assigned to local or regional units and, at the same time, there is in Western Europe a continuing and most important debate concerning the powers, the jurisdictions, that should be combined to achieve greater governmental efficiency at the international level. How far, how quickly, should this process be pursued? Is co-operation sufficient in the main or is it necessary and, if so, in which particular areas, to go much further and to contemplate full integration -- i.e., European Union, calling for a reinforced European Parliament and executive? How effectively can one or the other formula meet the requirements of the European Community? Or is it better to combine the two, shifting possibly from

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