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CANADA, THE EEC AND THE UNITED STATES

A Statement by the Secretary of State for External Affairs, the Honourable Mitchell Sharp, to the Canadian Institute of International Affairs, Toronto, 18 November 1972.

I am grateful for this opportunity to speak to you briefly about Canada's economic relations with the EEC and the United States....

The reference to Canada in the EEC summit communiqué is no accident. It is visible evidence of the success of a campaign of persuasion to which the Government has devoted a good deal of effort in the past two years particularly. The campaign has been conducted at the level of officials on a continuing basis; and... it involved a good deal of work, travel and persuasion for me and for my colleague... the Minister of Industry, Trade and Commerce.

We were conscious that, from both the political and economic point of view, the emergence of the new Europe raised questions of the first importance. For the purposes of today's discussion, I am setting aside the political considerations. But the economic stakes alone justify the most careful reflection. By 1980, the imports of the enlarged EEC from the outside world could soar to \$130 billion. Canada -- the world's fourth exporter after the EEC, the United States and Japan -- must take the Common Market very seriously. The ten countries already form what is by far the world's largest trading unit; they imported over \$70-billion worth of goods from the outside world last year. Of these \$70-billion worth, over \$2,000,700,000-worth of goods came from Canada. They represented 17 per cent of our total exports and about half of our exports outside North America, making the EEC our second-largest trading partner by a considerable margin.

Yet we can do much better. We shall have to do much better. Since 1958, Canadian exports to the EEC have increased greatly. They have not, however, kept pace with the increase in total EEC imports from the outside world. Our share of those markets has declined. Just as important, our exports to the EEC have not followed the trend in EEC imports toward manufactures and processed goods and away from primary materials and commodities. It is here, particularly in sectors of intensive technology, that we shall have to improve greatly.