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co-operative ventures between firms across international frontiers. And government can put at the disposal of the private sector its not inconsiderable resources for systematic information-gathering, analysis and dissemination, with a view to uncovering new possibilities for profitable co-operative initiatives by the industrial sector. In short, governments can and do act as midwives for expanded trade and investment activity at the international level – even if the legitimate parents of this activity remain at the private level. In a word, this is what the framework agreement between Canada and EEC is all about.

Very frankly, I am astonished that this sensible and logical arrangement we have concluded with the Community seems to have received in Canada a rather cool press. I find it difficult to understand the skepticism I frequently encounter regarding the intrinsic value of the mechanisms we have established under the framework agreement. It may be that the expectations created at the time of its conclusion were unrealistic. It may be that Canadians were inclined to believe that in some miraculous fashion a dramatic upsurge in business activity with Europe could be anticipated from the mere signature of the agreement. It may also be that some of the terminology we employed in describing this joint venture may have contributed to this impression. Personally I would not be sorry to see such expressions as "the contractual link" or "the third option" dropped from the vocabulary we use when describing our policy approach to fostering a more dynamic and diversified relationship with the Community. The one term – "contractual link" – could be taken to mean a preferential arrangement which, of course, the agreement is not. The other expression – "the third option" – could imply that a range of genuine choices exists for Canada among which we can pick and choose as we please. To my mind it is totally illusory to suggest for one moment that a sovereign Canada, dependent more than most on international trade for its prosperity, and concerned more than many with the development of the smooth functioning of the international trading system, could afford to neglect any avenue which could serve to stimulate our overseas relationships. And this is the more true when it comes to one designed to favour the deliberate intensification of our ties with a trading partner possessing the sheer economic clout the EEC now enjoys.

The real question, therefore, has never been whether the European Economic Community deserves more attention on Canada's part, but quite simply how our efforts could best be channelled and organized.

Another non-problem is posed by the notion that increased emphasis on Canada's economic policies towards Europe need operate at cross-purposes with the geographic and economic imperatives underlying our relationship with the U.S.A. Those imperatives are too compelling for there to be any danger that the acceleration of our exchanges with Europe will weaken the fabric of our North American relationships. (Bear in mind those well-worn statistics: over 70 per cent of our exports to the U.S.A. versus only 11 per cent to the Community.) More to the point, it seems to me, is the need for Canada to come to grips with an international trading system, which in the wake of the Tokyo Round is a system dominated by industrial giants. In such company Canada's margin for manoeuvre will surely depend on the extent to which

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