

During the Sixties, Canada's exports to Britain dropped from 17.4 per cent of its total exports to 9 per cent, while its exports to The Six tripled, from \$400 million to \$1.2 billion.

At the beginning of the Seventies, a very large proportion of Canada's exports was directed toward The Six rather than towards Britain. Beginning with the year of the signing of Britain's membership, Canadian exports to the continental European Community considerably exceeded the rate of exports to Britain. Thus, from January 1973 to June 1973, Canadian exports to Britain increased by 9.5 per cent, while those to the continental EEC countries increased by 26.8 per cent. From January 1974 to June 1974, the rate of increase was 19.4 per cent for Britain and 51.1 per cent for the continental EEC. For the period from January to March 1976, in spite of economic, trade and monetary difficulties, Canada recorded a relative increase of 1.5 per cent in relation to the European Community, while exports to Britain decreased by 17.9 per cent compared to the same period of the previous year.

The same tendency can be seen in imports. During the Sixties, Canadian imports from Britain dropped from 11 per cent to 5 per cent, while imports from The Six remained steady at around 5.5 per cent. Towards the end of the decade, imports into Canada from the Common Market countries tripled, from \$237 million to \$805 million. When we examine the progress of Canada's external trade with the EEC, we note that the rate of progress is slightly higher than that of the development of trade relations between Canada and the rest of the world.

It is beyond doubt that such a development in trade relations encouraged officials of Canada and The Nine to think of replacing the ordinary traditional trade relations with true co-operation. Moreover, the economic and monetary problems that are responsible in large part for the drop in exchange between Canada and The Nine in 1975-76 also favoured the establishment of contractual links to enable the rate of increase in exchanges to be maintained at a desirable level.

In view of the facts that, on the one hand, the United States will continue to be Canada's principal industrial and trade partner, and that, on the other hand, Canada wishes to diversify these relations, the following question arises: why does the EEC attach so much importance to Canada? In order to answer this question, we must go back to the options established by the Canadian Government. If the Third

Option were eliminated, there would remain only a North American economic bloc dominated by the United States. In this situation, access by The Nine to Canada's energy resources and new materials would be restricted.

It is also erroneous to maintain that European interest in Canada is limited to material advantage alone. The attitude of The Nine on this issue was clarified by Sir Christopher Soames, Vice-president of the Brussels Commission. The EEC's interest in Canada is not limited to the areas of trade and the economy but extends to cultural, political and social concerns as well. Speaking in 1973, Sir Christopher described Canada as a country whose interests and aspirations were wide-ranging, a country striving to assert a separate, distinctive identity.

### Counterweight theory

The "counterweight" theory, linked to the Canada/United States/European Nine triangle, was born of the notion that the mutual strengthening of relations between Canada and the European Community would be able to guarantee a measure of Canadian and European independence from the U.S. In view of the counterweight theory, there is a certain tendency to place Canada in the "natural orbit" of the United States. There are two unofficial theses in this matter, related respectively to the European and Canadian points of view. These "last chance" theories take up the same thesis but from opposite sides.

Towards the end of the Sixties, Claude Julien stated that Canada, with its human, agricultural and industrial resources, was still an indispensable partner for Western Europe, and that it was of major importance to Europe that the United States not become "absolute master" of Canada's considerable resources. In short, Europe ought to pay very close attention to this huge industrial country of Canada, Europe's last chance.

A Canadian, Peter Dobell, director of the Parliamentary Centre for External Affairs, feels for his part that it is the European Community that is Canada's last chance. From this point of view, the European Community is the only economic and trade power capable of counterbalancing the supremacy of the United States in Canada. Canada's dependence on its powerful neighbour to the south is also reflected in a state of "psychological subordination". Those who defend this theory have, in fact, played some role in the policy of modifying Canada's economic and trade relations abroad. According to certain hypotheses arising out of the

*Canada's trade with Community has progressed at slightly higher rate*