

In recent years, we have also been trying hard to develop closer economic relations in the field of sophisticated manufactured goods. We have sent technological missions and trade missions to Europe. We have had some good results. But now I think that we shall begin to get better results. I don't know if the Europeans have had the political will in the past to make the effort necessary. They may have been inhibited by reservations about the degree to which Canadian interests were nationally distinct, and about our wish to co-operate in the future.

The Government decided several years ago that it was necessary to have no doubt in European minds on these points. Furthermore, the Canadian case had to be presented with particular persistence and force because the Europeans were understandably preoccupied with the task of internal consolidation. We had to rap firmly but politely on the table to get their attention. We had to make plain, to take only one example, that with Britain's entry into the EEC, over 40% of our 1971 exports to Britain - trade valued at more than one billion three hundred million dollars - would face more difficult entry. We wanted to explain that we had no quarrel with the British decision, which was for Britain to take; on the contrary, we rejoiced in the success of the EEC. But the parties to the enlargement had to understand that the burden of adjustment thrown upon Canada was greater than that placed upon any other country outside the enlarged community. There were other issues as well. We had above all to change the attitude - which for a variety of reasons had been common in the EEC countries - that the view they took of their relations with the United States would do more or less for their relations with Canada.

In all this, we have had an encouraging measure of success. In June, a Mission of senior officials held discussions with all the member countries of the EEC, as well as with Britain, Ireland and the EEC Commission. The Mission found that the Europeans recognized the unique impact enlargement of the Community is going to have on Canada and welcomed Canada's constructive, matter-of-fact approach to British entry. The Europeans generally were open to a Canadian proposal that Canada and the EEC should examine the long-term development of relations, including the possibility of concluding a bilateral MFN agreement between Canada and the enlarged Community. There were useful discussions of what would be involved in bringing up-to-date the various bilateral trade and economic agreements Canada already has with member countries, to take account both of the enlargement of the Community and of its internal consolidation. The Europeans were assured that the Canadian objective was to reinforce bilateral relations with the member countries of the Community through creating an appropriate framework linking Canada and the EEC as such. The Mission emphasized that what Canada had in mind would complement the GATT and other multilateral institutions, not substitute for them. It was also recognized that, since the Community is still evolving, any agreement negotiated in present circumstances would have