

Europe

Canada's relations with Europe during 1975 were marked by a number of noteworthy events that, taken together, indicate a deepening interest on both sides in creating a relationship to provide substantial mutual benefit.

In large part the Canadian motivation stems from the Government's "Third Option" policy aimed at diversifying Canada's international relations. Because of already well-established ties, it was clear that Western Europe would be a prime element in a closer and more productive partnership with Canada, particularly in trade and investment. To this end, the Canadian Government has pursued the establishment of a contractual link, to take the form of a framework agreement for economic and commercial co-operation with the European Community. The agreement in its final form will probably contain a trade provision centred on a most-favoured-nation clause, a provision for industrial co-operation encompassing — for example — joint ventures, two-way investment flows, and scientific and technical co-operation, and also a provision for more frequent consultations of both a formal and an *ad hoc* nature. A major concern shared by Canada and the European Community is that economic co-operation between them should in no way impede the development of bilateral relations between Canada and the member states; on the contrary, the two processes should complement and reinforce one another.

After several rounds of preliminary talks between Canadian and European Community representatives during 1975 and after detailed consideration by the Community's Committee of Permanent Representatives and its Council of Ministers of the proposed negotiating mandate, it was agreed that formal negotiations would begin in the early months of 1976. It is hoped that the agreement will be signed before the end of the year.

Following on his visits to Paris and Brussels in October 1974, the Prime Minister made two more series of visits in the spring of 1975 to all the other member countries of the Community. He also participated in the May meeting of NATO heads of government. These visits were made with the dual objective of reinforcing Canada's relations with the European Community and its commitment to a NATO collective approach to East-West security problems, at the same time underlining the increased importance Canada attached to developing further its ties with the individual

countries of Western Europe. Mr. Trudeau attended the Conference on Security and Co-operation in Europe in Helsinki and signed the Final Act on August 1.

Other visits to Europe of special note were those of the Secretary of State for External Affairs to Portugal in April, to Poland in October, to Brussels on the occasion of the December NATO ministerial meeting and to Paris for the Conference on International Economic Co-operation. At the NATO meeting, Canada's announcement of its intention to acquire major new items of military equipment, adopted as a result of the review of defence policy, was warmly received by the other members. Following NATO's December meeting of foreign ministers, Mr. MacEachen went to Paris to serve as co-chairman of the Conference for International Economic Co-operation (also known as the North-South Conference).

To further its major policy goal of promoting world peace and security through the reduction of the tensions inherent in military confrontation, Canada continued throughout 1975 to work with its Alliance partners in the negotiations aimed at mutual and balanced force reductions by members of NATO and the Warsaw Pact and, in the framework of the Atlantic Alliance, to work towards an improved climate in East-West relations.

CSCE

Perhaps the historically unique event of the year, and potentially the most important for the future, was the top-level CSCE meeting in Helsinki. This meeting ended three years of intense negotiation by representatives of the 33 participating states of Europe, and Canada and the United States. Canada's efforts in the CSCE reflected its desire to contribute to East-West *détente*, an object it also pursued in its bilateral relations with Eastern European countries by means of visits, political and trade consultations and cultural, academic and sports exchanges.

The Final Act of the Conference on Security and Co-operation in Europe, which was tabled in Parliament by Mr. MacEachen, is intended to establish the basis for the development of future relations between the participating states and their people and is intended to be a major step forward in the process of East-West *détente*. Copies were distributed in Canada to interested parties in government, educational institutions and