

programs which we have in Western Europe bear no direct relationship to our periodic consultations with the Commission of the European Communities in Brussels. This is as it should be, and our policy of promoting closer economic ties with Western Europe should not be judged exclusively in terms of the one instrument, important as it is.

Participation in L-SAT

One important activity which does not fit conveniently within the terms of the Framework Agreement but which I would like to mention because it has only recently been approved by Cabinet, is Canada's participation in the Large Communications Satellite (L-SAT) program of the European Space Agency. The program will see the Canadian space industry develop links comparable to those now existing with U.S. industry. In addition to providing a new market for Canadian high technology, this kind of co-operation provides us with access to complementary European technology in exchange. This sort of co-operation is one kind of model of what might be possible in many sectors.

Major initiatives like this cost money, however, and must be measured against other economic development options available which compete for a necessarily limited amount of fiscal support. We must find the most economic and cost-effective means possible for promoting closer economic ties with the Community.

From the European perspective, the idea of economic co-operation with Canada is often seen as being concentrated heavily in the resource-based sectors. Since the 1980s will be a period of tremendous resource development in Canada, it should be possible to do a number of things, within the terms of the National Energy Program (NEP) and other resource and investment policies, which will generate closer economic relations with the Community. This should require relatively limited financing by the government beyond what we will be doing in any event. European investors are particularly interested in frontier energy resources such as those found in the Arctic Islands.

The Joint Co-operation Committee established under the Framework Agreement has performed both a presentational and a substantive role. We needed the Framework Agreement and its Joint Co-operation Committee, which I co-chair with Wilhelm Haferkamp, the Commission Vice-President for External Relations, in order to signal both the Canadian and Community commitments to a dynamic economic relationship.

In this context, it is unimportant whether or not the Committee controls such things as our reaction to European proposals on Arctic gas, or their reaction to our proposals on space co-operation. Indeed, it could be argued that if the Joint Co-operation Committee were to get involved in these areas, it would be unnecessarily complicating the decision-making process of the appropriately constituted authorities. It is no part of Canada-Community co-operation to try to bring under the Framework umbrella every activity which supports its policy objectives — particularly when many of these objectives are more appropriately dealt with bilaterally or in the private sector. There is, however, an important substantive role for the Framework Agreement, and that is to pursue the opportunities for micro-level co-operation which exist. We can also examine with the Commission how government policies are affecting the level of