

22%.<sup>11</sup> The size of the EC financial commitment underlines the importance of pursuing research partnerships with European innovators, including through the participation of Canadian firms in EC-funded projects (negotiations are currently underway on a governmental level to establish a framework for such collaboration). Finally, four of the seven Summit countries are European, while the EC is one of the four Quadrilateral partners that meet regularly to review key trade policy issues. For these reasons alone, western Europe merits a vigorous and sustained Canadian presence in order to retain at least some influence on the fiscal, monetary, exchange rate and trade policies of the majors.

Nonetheless, the attention of Europeans is increasingly on Europe. The time-consuming task of managing the expanding and complex process of integration coupled with the end of the Cold War bonds that underpinned much trans-Atlantic cooperation imply that Canada, if it were to operate by itself without extra-European partners, would have difficulty preserving even its current modest influence in the overall European order of things to the benefit of Canada. If we work primarily alone, we may find ourselves expending scarce resources in no way commensurate with the trade, economic policy, or broadly political benefits derived therefrom. This rationale suggests the increasing importance of identifying and working with effective partners from other regions who broadly share our goal of influencing European economic and trade policies.

Much the same concern, although from a different angle, emerges from an analysis of resources currently dedicated to economic relations with Europe. As recently as 1991-92, Canadian activities in Europe received almost 40% of the trade development resources of the Department of External Affairs. Yet funding provided for one component, the popular Programme for Export Market Development (PEMD), generated no better than an average (eastern Europe) to low (western Europe) rate of return.<sup>12</sup> Moreover, almost 30% of our staff doing trade and economic relations work at Canada's bilateral missions abroad are located in Europe.<sup>13</sup> Almost 30% of official travel abroad (1988-92) by the Minister for International Trade and over 40%

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<sup>11</sup> On a purchasing power parity basis, the EC accounted for 29.4%, the three EC leaders for 22.1%, Japan for 18.4%, the U.S. for 44.5% and Canada for 2.1%. See OECD, *Main Science and Technology Indicators*, No.2 (1992), p.16.

<sup>12</sup> Andrew Griffith, "From a Trading National to a Nation of Traders: Toward a Second Century of Canadian Trade Development", *Policy Planning Staff Paper 92/5*, pp. 32, 44, 101-2.

<sup>13</sup> EAITC/MCBA.