

Vol. 27, No. 14 od yam uoy tud medt dliw railimat

CANADA'S DEVELOPING RELATIONS WITH THE EEC

The following passages are from a statement the Secretary of State for External Affairs, Mr. Mitchell Sharp, to the Standing Senate Committee on Foreign Affairs, Ottawa, on March 21:

971 exports to litting of over \$1,300 million could

pledge to enter into 1 * * * * into 1 * spiral

What is the actual state of our relations with the ten countries of the enlarged EEC? You are aware of the closeness of the ties forged during two world wars and our postwar alliance. The EEC now contains both our founding nations, and, as well, other countries of birth of many Canadians. The two most used working languages of the new Europeans are the two official languages of Canada. I do not suggest that this alone provides a basis for new relations. But I do think that we speak the same language as the Europeans in many important respects.

In the end, of course, the sossibilities of action In political terms, the entire Atlantic world is going to be affected by this new dynamic Europe which is taking shape before our eyes. Adjustments are going to have to be made in recognition of the

CONTENTS

Canada's Developing Relations With the EEC	tedw r
President Nixon to Visit	3
Foreign-Owned Firms in Canada	3
"Orld Health Stamp	3
Student Employment Abroad	4
"Griculture Mission to U.S.S.R.	4
1 Olicy Research Institute	5
Canada-Belgium Literary Award	5

new balance which will come about in the Western world. For its part, the United States has long wanted the Europeans to assume a greater share of the burden of ensuring their own security. These two tendencies have a cumulative effect on the way the Atlantic alliance - as we have known it since the war - will work in future. European unity is by no means incompatible with stronger ties with Europe's major partners. Thus, there are problems of adjusting relations as between the Western countries. These require solutions not only for their own sake but also because solidarity in the West is as important as ever in an era of rapidly evolving relations with Eastern Europe.

As Western relations evolve, it is natural for Canadians to worry over the possibility that tension may develop between Europe and the United States. There is an interaction among relations between the United States and Europe, our own relations with the United States, and our relations with Europe. The Government's review of foreign policy sought to demonstrate that a policy that attempts to diversify Canada's relations, inevitably draws Canada closer to Europe. Equally - as the monetary and trade crisis of last year made us aware - a breakdown in the mechanisms governing relations between the United States and Europe can result in the isolation of Canada in North America.

CANADA'S EXPORTS TO EEC

From the economic point of view the new Europe raises equally far-reaching considerations. By 1980, the imports of the enlarged EEC from the outside world could soar to \$130 billion. Canada - the world's fourth exporter after the EEC, the United States and Japan - must take the Common Market very seriously. The ten countries already form what is by far the world's largest trading unit; they im-