

products. (For instance, Britain takes more than half Canada's foreign sales of unmanufactured tobacco, cheddar cheese, honey, linerboard, plywood, and phosphorus.) Nevertheless, it is worth noting that, owing primarily to the slow growth in British import requirements, exports to the EEC have increased 250 per cent from 1956 to 1970, compared to an increase of only 82 per cent in sales to Britain. Moreover, the successful conclusion of negotiations between Britain and the EEC with regard to British entry to the Common Market brings the adverse trade consequences of British entry a step closer. British entry and adoption of the EEC tariff and trade regulations will involve a deterioration in terms of access, including the loss of preferences or free entry and the imposition of higher tariffs for many Canadian goods, as well as reverse preferences in favour of EEC suppliers. It now appears likely that a significant portion of Canadian trade with Britain will be able to adjust to the new conditions in the British market, but Canadian producers of certain major agricultural, fish and food products will, in all probability, face particularly serious difficulties as a result of the EEC enlargement. In the industrial sector, Canadian exports to Britain will probably be less affected, and about 65 per cent of Canadian industrial exports should face no new trade barriers. Such general statements tend, of course, to obscure the impact that these changes in trading conditions may have on particular firms, industries or communities which depend heavily on the British market.

The continuing importance Canada attaches to the question of EEC enlargement is evidenced by the continuation of the series of consultations at ministerial level with the parties directly involved in the negotiations, begun in 1970 and continued into 1971, when both Mr. Sharp and the Minister of Industry, Trade and Commerce, the Honourable Jean-Luc Pepin, held talks with their counterparts in Europe. In addition, the question of EEC enlargement was a major topic during the visits to Ottawa during 1971 of the President of the EEC Commission, Signor Franco-Maria Malfatti, the British Prime Minister, the Right Honourable Edward Heath, and the British Minister in charge of the EEC negotiations, the Right Honourable Geoffrey Rippon.

Another major objective of ministerial consultations over the past year has been the advancement of Canadian desires for the closest links possible with Europe. The Secretary of State for External Affairs proposed to members of the EEC Commission and ministers of the Community's member states a formal consultative mechanism along the lines of the arrangements Canada now has with the United States and Japan. A first step towards this goal would be to institute bilateral consultations at the ministerial or senior official level. In this context, at Mr. Sharp's invitation, the EEC Commissioner for External Trade, Herr Ralf Dahrendorf, will visit Canada in the spring of 1972.

A plenary meeting of the France-Canada Economic Commission took place in Ottawa on May 26 and 27, 1971. Composed of senior French and Canadian officials, the Commission sits alternately in Paris and Ottawa and has met six times since its establishment in 1950. The agenda of the meeting included exchanges of views and information on various bilateral questions of an economic, financial and commercial nature. The meeting also provided a forum for an exchange of views on major multilateral economic questions affecting the interests of Canada and France.