

I am grateful for this opportunity to speak to you briefly about Canada's economic relations with the EEC and the United States, by way of introduction to the discussion period which will follow.

So far as our relations with the EEC are concerned, this opportunity is particularly welcome. I have a feeling that what the Government has been doing to pursue a dialogue with the EEC has not received the attention it deserves. Just three weeks ago, for example, the Globe and Mail published an editorial about the recent EEC Summit meeting. The Globe drew attention to the important fact that the communique of the Summit meeting referred specifically to Canada. The Globe editorialist saw in this - and I agree with him - "an invitation for more specific relationships between Canada and the new Europe". But he concluded, "This is an opportunity which the Canadian Government should pursue vigorously", with the implication that the Government was unaware that the opportunity existed.

In fact, the reference to Canada in the EEC Summit communique is no accident. It is visible evidence of the success of a campaign of persuasion to which the Government has devoted a good deal of effort in the past two years particularly. The campaign has been conducted at the level of officials on a continuing basis; and until our recent preoccupation with the election, it involved a good deal of work, travel and persuasion for me and for my colleague Jean-Luc Pepin, the Minister of Industry, Trade and Commerce.

We were conscious that, both from the political and economic point of view, the emergence of the new Europe raised questions of the first importance. For the purposes of today's discussion, I am setting aside the political considerations. But the economic stakes alone justify the most careful reflection. By 1980, the imports of the enlarged EEC from the outside world could soar to 130 billion dollars.

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 imported over seventy billion dollars' worth of goods from the outside world last year. Of these seventy billion dollars' worth, over two billion seven hundred thousand dollars worth of goods came from Canada. They represented 17% of our total exports and about half of our exports outside North America, making the EEC our second largest trading partner by a considerable margin.

Yet we can do much better. We shall have to do much better. Since 1958, Canadian exports to the EEC have increased greatly. They have not, however, kept pace with the increase in total EEC imports from the outside world.