



Statements and Speeches

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CANADA AND THE EUROPEAN COMMUNITY

An Address by the Honourable Mark MacGuigan, Secretary of State for External Affairs, to the Annual Conference of the European Politics Group of the Canadian Political Science Association, Ottawa, December 15, 1981

I am grateful for this opportunity to speak to you about our economic relations with Western Europe some five years after the signing of the Framework Agreement with the European Communities in July 1976.

The Agreement grew out of the policy of the Third Option. [The Third Option], first articulated by the Honourable Mitchell Sharp in 1972 when writing in the magazine *International Perspectives*, advocated a "comprehensive and long-term strategy to develop and strengthen the Canadian economy and other aspects of national life...".

Such a strategy required diversification of economic relationships and Europe was an obvious partner. The enlargement of the Community in 1973 to include Britain, Denmark and Ireland only strengthened the case for making closer economic relations with the Community a goal of our diversification policy.

This idea was reaffirmed by the Prime Minister when, on his return from a visit to the European capitals in 1974, Mr. Trudeau recalled that his intention in making the trip had been "to seek new ways of engaging the Community in a dynamic, co-operative enterprise". As we know, one of the fruits of that visit was the Framework Agreement.

The underlying goals identified in the Third Option remain a cornerstone of Canadian foreign policy. The government remains of the view that our present dependence on a single trading partner creates a requirement for more diversified trading relationships. However, with the growing importance of developing, newly industrialized and oil-rich countries, we need to cast our net a bit wider than we did in the early 1970s.

The policy of bilateralism which I announced in Toronto in January of this year is a re-statement of the Third Option which acknowledges this. It envisages an emphasis on the management of key bilateral relationships through the use of a variety of instruments. The Community and several member states are major bilateral partners in the sense of the "bilateralism" policy and the Framework Agreement is one of the instruments of managing our relationship with the Community. One might say that the Third Option is alive and well and living in the policy of bilateralism.

The Framework Agreement was negotiated at a time when major changes in the European Community were affecting the relationship with Canada. Canada welcomed the enlargement of the Community on January 1, 1973, to include Britain, Denmark and Ireland, but expressed concern about the implications for our trade with Britain.

Third Option
still valid