

It is for this reason that Canada is now proposing a new phase in the development of Canada-EC political relations. This relationship should become more regular and more institutionalized. We are proposing regular meetings between the Prime Minister of Canada and the President of the European Council. These should be supplemented by regular in-depth discussions between the Canadian Foreign Minister and the Foreign Minister of each incoming Presidency. There should also be regular meetings between Canadian officials and experts on issues of common concern. In addition, we propose that there be an exchange of priorities at the beginning of each Presidency which would set the agenda for the upcoming period.

And finally, I was very attracted by West-German Foreign Minister Genscher's proposal to me for an EEC-North American Declaration which would confirm shared principles and interests in openness and enhanced co-operation. Certainly, a broad re-affirmation of the trans-Atlantic relationship would be useful.

In trade, the challenge is acute. The Government has already announced its Europe 1992 strategy to help Canadian industry prepare for the opportunity and demands which the Single European Market will present to all traders. However, I also believe there may be virtue at the conclusion of the Uruguay round of trade negotiations in examining the desirability of a formalized, open trading arrangement between Canada and the EC, perhaps including the United States - or indeed other members of the OECD.

I would like to address briefly one issue at the centre of Europe's evolution: the unification of Germany. The degree to which that historic union is accomplished smoothly and without rancour will determine the future pattern of European relations. We have articulated many times our strong support for a free, united and sovereign Germany - within NATO and the EC - a Germany which will be a powerful instrument of stability, unity and prosperity at the heart of Europe.

The so-called "2 plus 4" talks now underway - and initiated in Ottawa at the Open Skies Conference - are looking at the external aspects of German re-unification. Those talks must succeed.

There are delicate and important issues to resolve at those talks and elsewhere - within NATO, the EC, at the Vienna talks and between a united Germany and its neighbours. These include the future of Germany in the Alliance, the size and status of stationed and German armed forces, and the implications for NATO's nuclear deterrent.

As these crucial issues are addressed, two realities must be borne in mind: the fact that the Soviet Union has legitimate, central security pre-occupations which must be accommodated; and the requirement to ensure that Germany's role retains the popular support of the German people. On these two points more than any other, success and stability will rest.