

example, by membership in the Customs Co-operative Council—as well as by the encouragement of closer ties between Canadian and European business and financial groups, and the stepping-up generally of trade-development programmes oriented towards the Western European market. Particular attention needs to be paid to the possibilities of closer co-operation in specific fields of industrial technology as an avenue to trade expansion, and specialized missions will be sent to particular countries as the opportunity arises.

In aiding Canadian business and financial institutions interested in expanding in Western Europe, Government services will make special efforts to keep them abreast of developments and changing market circumstances, as the Community broadens and becomes effective in new economic fields such as industrial development policy, competition policy and fiscal and monetary harmonization. Canadian representation abroad should consequently be strengthened to meet such requirements: in Brussels, where more emphasis will be put on consultation with the European Community; and in national capitals, where trade promotion, particularly, remains important. (While the Community's policies are now generally implemented by the Commission in Brussels, contact with national governments continues to be important from the point of view of attaining Canada's foreign trade policy objectives.)

In Western European countries which remain outside the Community or are joined to it only by association arrangements, there will remain significant opportunities, as there have been in recent years, for Canada's export trade. The realization of these will require more specialized promotion efforts and appropriate consultations or negotiations on particular issues affecting the scope for developing Canada's economic ties with these countries.

In contrast to its trade relations with Western Europe, now covered multilaterally by the GATT, Canada's trade relations with Eastern Europe continue in most cases to be dependent upon bilateral agreements. Canada's interests would appear to be best met by continuing to encourage these countries to move to a greater extent into the multilateral trading and payments systems. To provide legitimate protection, however, for Canadian interests, it will be necessary to retain in force in the meantime Canada's bilateral trade agreements, which ensure an adequate *quid pro quo* for the most-favoured-nation treatment Canada grants the exports of the East European countries. More extensive trade promotion will be essential for Canada to obtain a larger share of Eastern European markets; Canadian business contacts with state-trading organizations will require