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co-operation in such fields as industrial development. At the same time, the Communities have recently agreed to negotiate a "privileged" agreement with Iran. If we bear in mind that we also, Canada, have arrangements with a number of these countries, if we recall that in Palestine, as well as in Cyprus, we have troops that are performing peace-keeping tasks, and we are partners of Greece and Turkey within NATO, is it not obvious that we and the Communities have a good deal to discuss, if only to ensure we understand each other's policies? An undertaking on the part of the Communities to listen to us, to let us know what they propose to do, is something that is not of mere theoretical or symbolic value.

There is yet another key aspect of the EC-Canada agreement that I wish to discuss: the question of promoting trade, investment and industrial co-operation in a mutual fashion -- say, factories in Canada and in Europe -- or in a joint venture in or with third countries -- say, factories in a developing country.

Here it is important to be quite clear.

There is no doubt that, in a free-market economy, relations between governments and business are not always easy, whether in Europe or Canada; in such an economy, it may appear at first sight that there are contradictions between the system in general and attempts on the part of governments to influence the volume of trade in any particular direction. This objection or concern is, however, more theoretical than real. One has to remember that the state, in a country like Canada, as in a number of West European countries, traditionally plays an important role in terms of regulations and also in terms of involvement in important sectors of the economy. To that extent, therefore, an agreement committing governments to co-operation is not merely of a framework or symbolic character. It may affect, for instance, government procurement. It may also involve commitments or undertakings relating to policies in such areas, for instance, as mining, investment, upgrading. It may well be that, if there is a political will and we *know* that there is a political will, on the part of the two entities, the Communities and Canada, provided the right package can be put together, there is a clear prospect of numerous and important deals in such sectors. It will, therefore, not do merely to describe the contractual link between Canada and the Communities as mere facilitating, as a purely theoretical arrangement.

This being said, it is quite clear that, in many ways, given the

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