



Statements and Speeches

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CANADA AND THE EUROPEAN COMMUNITIES

A Speech by Mr. Richard Tait, Head of Mission, Canadian Mission to the European Communities, to the Ontario Chamber of Commerce, Toronto, October 24, 1979

I am conscious that there is a certain risk in inviting one of Canada's representatives abroad to talk about relations between this country and the country or institution to which he is accredited. Since it is my business to seize every occasion to promote Canada's interests in the connection with the European Communities — and to cultivate that relationship with all the diligence and eloquence I can command — there is a built-in danger that my analysis of the importance of buttressing our ties with Europe may lack complete objectivity. I trust, however, that...I can avoid this occupational hazard of overstating my case. And I am extremely grateful...for the opportunity to set out for this distinguished group of decision-makers from the business community why I believe Europe should loom large in our present thinking, and why we need to pay special attention to expanding Canada's economic and trading relations with Europe in the future.

It is common for speakers on this topic to start by extolling the historical links between Canada and Europe. Certainly the significance of these must never be discounted. Our economic, political and defense relations with Europe stretch back to the beginning of our nationhood. Affinities of culture and language, of social values and political traditions — natural sympathies nourished by immigration — all these have indeed laid a solid foundation on which to construct closer ties between Canada and Europe. At the same time, when it comes to economic and commercial activities across the Atlantic — and it is with this area that I am now chiefly concerned — we must frankly acknowledge that over the past two decades not all has gone as well as one might wish. On both sides of the Atlantic one detects a sense that the full potential for mutually beneficial trade and investment activity has not been realized. Stagnation would be far too strong a word. In absolute terms, there has been a healthy growth in our exchanges. Nevertheless in proportional terms, the relative importance of Europe in Canada's total external trade picture, and vice-versa, the story is less satisfactory.

The explanation for this state of affairs is to be found in the interplay of a number of factors. It would be fair to say, I think, that four developments have been particularly influential. First, we have seen a contraction in the place occupied by the United Kingdom as an overseas trading partner, a process that was accelerated by Great Britain's entry into the Common Market in 1973, which resulted in the loss of the preferential access that Canada previously enjoyed in that market and in the creation of reverse preferences on many goods of export interest to us. Second, with the expansion of world trade generally, we have seen a diversification of our export markets and the emergence of significant non-European trading partners such as Japan during this period. Thirdly, there has been the important stimulus that the
