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Statement made by the Secretary of  
State for External Affairs, the  
Honourable Mitchell Sharp to the  
Canadian Institute of International  
Affairs Conference on

CANADA AND THE EUROPEAN COMMUNITY

Delivered by Mr. Pierre De Bané,  
Parliamentary Secretary.

Mr. Chairman,

May I begin by congratulating the CIIA for its initiative and imagination in sponsoring this Conference on Canada and the European Community. The CIIA and the Government do not always speak with one voice on foreign policy -- surprising as that may be considering the perceptiveness of so many of the CIIA members. But we certainly agree on the fundamental importance of this subject for Canada now. We are indebted to the CIIA for the focus which it is giving to the European Community -- and for the timeliness of this Conference which coincides so neatly and usefully with the official visits to Ottawa of Sir Christopher Soames

and his delegation of the European parliamentarians. It is my hope that exchanges of this nature will be seen in a wide context -- as a part of that dialogue between Canada and the Community which was called for in the communiqué following the European Community summit meeting last October.

For reasons related as much to the evolution of the European Community itself as to immediate Canadian interests, the Conference is devoting its attention, in large part, to economic issues -- to questions of trade, industry, agriculture and energy. At the same time, and at the risk of stating the obvious, it is necessary to recall that Canada's relations with Europe have never been, nor are exclusively -- or even primarily based on trade. History, common values, for many of us, common European origins and

the sentiment deriving from these factors are the source of continuing and potent links with Western Europe.

The relationship, then, is strong and firmly

rooted. But it is not static. Sir Christopher Soames and many of you will remember that Canada's approach to the development of the European Community was not always enthusiastic. But as the Community itself developed -- as its institutions and its outlook expanded, there has been a responsive evolution in the Canadian attitude toward the Community.

The Canadian attitude has also been shaped by recognition of the world stature of the European Community. The increasing cohesion of the nine is not simply a matter of new institutional arrangements in Europe. It also represents a growth of real power -- self confidence and influence which has significantly altered the world balance of power.

The Canadian reaction to these developments was expressed by Prime Minister Trudeau in the message he sent to Prime Minister Heath on the occasion of British accession to the European Community. The message read in part:

"I should like to congratulate you and your European partners on this splendid example of cooperation.

Canadians admire the audacity of concept of the new Community and the skilfulness with which it has been designed. We have confidence that the economic strengths which will flow from it will be employed in a fashion of benefit, not just to the partners, but to all members of the international community. A cooperating, prospering Europe has much to offer to the world in friendship, in trade, in economic assistance, and in example."

If that is our basic philosophical approach to the Community, there is also a very practical foundation to our desire for closer and broader relations. One such foundation is, very simply, statistics. Total trade between Canada and the enlarged Community amounted in 1972 to some 4.6 billion dollars. Canadian exports to the Community in 1972 were some 2.5 billion dollars. And I understand that for the first six months in 1973 they show an increase of approximately 14%. This

makes the European Community, by a wide margin, the second largest of our trading partners -- and we are confident that the volume of trade between Canada and the Community will continue to grow. The figures speak for themselves. To Canada, a country heavily dependent on international trade, mutually beneficial dynamic relations with the European Community are vital.

In another very practical way, an expanding relationship with Europe is an essential feature of one of the governments' most fundamental policies. This is the policy to diversify -- to reduce the vulnerability of the Canadian economy to one continental market -- to maintain our freedom of action in the international scene -- and equally important to preserve and nourish our individuality.

In this perspective the importance of an alternative and readily accessible major market which combines economic, cultural, historical and linguistic links is very clear.

At the same time, let me be equally clear in stating that we were not thinking in terms of substituting Europe for the United States as a trading partner. We are North Americans and the United States, of course, remains our most important partner.

But the mere acknowledgement of this fact does not lead us to accept the constraints of any so-called continental determinism. We believe we can multiply our exchanges with other countries, particularly in Europe, with a view to promoting the cultural life and economic prosperity of Canadians without loosening in the process our vigorous ties with our Southern neighbours.

Canadian interest in the enlargement of the European Community and our parallel goal of expanding relations with the Community have taken a number of forms. — At the ministerial level there have been visits by both myself and by Ministers of Industry, Trade and Commerce to Brussels and to other capitals of the member states of the Community. We have attempted, and I think with some success, to establish in the minds of the Community and of its individual members, the distinctive character of our position.

These ministerial visits are complemented by increasingly frequent and regular contacts with the Commission at the senior official level and by parliamentary exchanges. I am very pleased that, Sir Christopher is accompanied by a number of senior officials of the Commission who are holding bilateral official discussions with the Canadian side.



These ongoing exchanges mark a further development in the dialogue between the Community and Canada.

Another important development in the maturing of our relations with the Community has been the appointment to Brussels of a separate Ambassador as head of our mission to the European Communities. I hope it will not be long before this is reciprocated by the opening of a representation by the Commission in Ottawa.

In terms of trade and economic relations we see a continual expansion of our relations with the European Community. We are working closely with the Community in international fora -- particularly on the General Agreement on Tariffs and Trade -- towards an even greater liberalization of world trading conditions. Both my colleague the Minister of Industry, Trade and Commerce and I have been encouraged by the constructive attitude which the European Community has been taking in the

preparations for the forthcoming Multilateral Trade Negotiations. This positive spirit is a good augury for future Community dealings with the rest of the world.

But there is an aspect of the Community's relations with the world which causes us some concern. This relates to the increasing number of preferential arrangements which the Community has, or is negotiating with a number of countries, in particular those which were formerly colonies of its member states, which discriminate against third countries, including Canada. We continue to believe that these arrangements require further attention.

However, I would not wish to exaggerate their importance. There are many other indications that the Community is and intends to become an increasingly responsive, and outward looking participant in world affairs.

Canadian interest in the attitude which the Community will take to its responsibilities to the world community is, of course, natural. Canada, perhaps more than any of the other industrialized nations, is dependent on an increasingly free and open world order, particularly in the economic and trade spheres. It is clear that we have "a vested interest" in the increasing liberalization of conditions of trade throughout the world. It is highly important to us that bloc confrontations, about which there has been some recent concern, be avoided. The importance of a generally outward looking world view from the European Community cannot be underestimated. In any confrontation between economic giants such as the enlarged Community, the United States and Japan, we would all stand to lose -- Canada more than most.

Our reasons for seeking to maintain and broaden our dialogue with the Community are clear -- and in our terms imperative. Our objective has been to seek with the Community a long-term agreement which would cover the broad range of Canadian/European Community relations and which would complement existing trade arrangements such as those under the aegis of GATT. Such an agreement, which would provide for regular consultations, might range much more widely to cover fields such as energy, natural resources, investment, industrial co-operation and environment. We realize that the establishment of such a long-term arrangement may not be immediately realizable. Nevertheless, we continue to seek to establish a basis upon which such an arrangement can ultimately be made.