



Statements and Speeches

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CANADA AND THE EUROPEAN COMMUNITY

Statement of the Secretary of State for External Affairs, the Honourable Mitchell Sharp, to the Canadian Institute of International Affairs in Toronto on November 2, 1973, delivered by Mr. Pierre DeBané, Parliamentary Secretary to Mr. Sharp.

...We are indebted to the CIIA for the focus 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 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 that 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 relation, 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 co-operation. 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 co-operating, 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. Canadian exports to the Community in 1972 were some \$2.5 billion. And I understand that for the first six months of 1973 they show an increase of approximately 14 per cent. 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 relation with Europe is an essential feature of one of the Government's 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 on 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 that 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 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 the Minister 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 forums — 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 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 that causes us some concern. This relates to the increasing number of preferential arrangements the Community has, or is negotiating, with a number of countries — in particular those that were formerly colonies of its member states — that 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 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 should 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 that would cover the broad range of Canadian/European Community relations and 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.

The political role of the Community, particularly in relation to North America, has been stimulated by the American initiative of a "Year of Europe". It seems to me that this initiative was designed to serve a number of useful and timely purposes — to redefine and revitalize the Atlantic relationship and as a reaffirmation of an outward-looking American foreign policy. It was also, I believe, a means by which one great power acknowledged the coming of age of another great power.

Although there were some mixed reactions in Europe to the initiative, I believe that the Nine were very pleased to have demonstrated to the world and to themselves their capacity to agree on a collective response to the "Year-of-Europe" message. Certainly, this was the impression that several foreign ministers of the Nine gave me when I spoke to them in New York in September.

There were, of course, some questions about the implications of the "Year of Europe". One of the first questions many of us asked about the "Year of Europe" was — how would the interests of the

industrialized democracies, as a whole, fit this conception. Would it involve a tri-polar system — the United States, Europe and Japan? We, of course, remain concerned not to find ourselves polarized around any of the main power centres. That is very much a part of what our policy of diversification is all about.

Nevertheless, outside this country, I have sometimes found an assumption that Canada should fall naturally and inevitably into the U.S. orbit. This is perhaps understandable, but it is unacceptable to Canadians. It is inconsistent with our conception both of what Canada is and what our interdependent world should be. It runs against the grain of postwar Canadian efforts to build an open and liberal world trading system. It is also contrary to the Canadian Government's basic policy of a relationship "distinct from but in harmony with" the United States.

North America is not a monolithic whole — economically or politically. Nor do I think it would be in the interest of Europe to deal with a single North American colossus.

Canada's relation with Europe is not the same as the United States relation with Europe. There are political, economic, cultural and linguistic elements in our relation with Europe that are unique.

Perhaps in relative terms our relationship is more important to us than the United States relationship with Europe is to the Americans. Forty-two per cent of our immigration continues to come from Europe. Our national fabric is made up of distinctive ethnic groups — many of them European. These have not been assimilated into a Canadian homogeneity. They preserve and value their links with Europe as they do their Canadian nationality.

Canada's security is inseparable from that of Europe. That is why we are members of NATO. We do not have troops in Europe solely for the purpose of defending Europe, but to defend Canadians.

However, by focusing on the need to revitalize and redefine the Atlantic Community, the "Year-of-Europe" initiative has quickened the pace of development of Community policy toward the rest of the world. This heightened Atlantic dialogue is leading Canada, the Community and the United States into a greater and deeper exploration of our shared problems and aspirations. The pursuit of this dialogue reaches beyond the economic sphere to encompass all aspects of international relations. I believe that a serious and comprehensive examination of the Atlantic Community, an effort to make the Atlantic relationship more responsive to current realities, can be beneficial to all concerned.

In this context the suggestion of a Canada/European Community declaration is attractive. But the determining factor will be substance – not form. Canada is seeking opportunities to develop a dynamic, meaningful and distinctive long-term relationship with the European Community. If it is clear that such a declaration can contribute to this objective we will be ready to participate in its elaboration.

With or without a declaration the future evolution of the Community transatlantic relationship will be of critical interest to Canada. I am confident that common interests and common sense will prevail.