

**"THE CURRENT STATE OF RELATIONS BETWEEN THE COMMUNITY AND CANADA"**

Speech by Vice-President Haferkamp  
at the third meeting  
of the Joint Cooperation Committee  
established under the EC/Canada Framework Agreement

Brussels, 17 December 1979

When Canada and the Community concluded the Framework Agreement in 1976

they set themselves an ambitious goal by declaring their intention

to foster and intensify cooperation in all fields of economic and commercial relevance.

The ways and means to bring this objective about

were intended to include every form of encouragement available to public authorities,

except recourse to dirigist and interventionist measures.

In other words,

the challenge that the Framework Agreement has put before us

is to create the environment and climate

in which market forces themselves lead

to making the utmost out of the potential for closer economic ties between Canada and the Community.

In your Foreign Minister's very important recent speech

In your Foreign Minister's very important recent speech to the Canadian Institute of International Affairs on Canada's relations with Europe

it has been said

that the main merit of the Framework Agreement was to ensure

that a permanent consultative mechanism obliges us

to confront economic problems between Canada and the European Community systematically.

Certainly,

the Agreement has led to a fuller and more active and better structured dialogue

between the Canadian Government and the Commission than would have existed otherwise.

But my impression is

that we have achieved more than this,

and I would therefore like to suggest what that "little more" is.

We have now three years

We have now three years of experience and are at the end of what may be seen as a "running" in period.

One of the ways in which public authorities can play a role in putting substance into the Framework Agreement is by improving access to information.

We have done that both on the public and private level.

An important impetus was given in the fields of research and development and of environment

- both areas in which we can mutually benefit from each others' knowledge.

We have organised a first workshop on the Community's competition policy

in which businessmen in Canada were informed on all related aspects of rules in the European Community.

We also worked out together a long-term analysis

of the flows of trade between the Community and Canada.

This Trade Flows study will be soon available to the public and will give extensive information on the pattern and trends of Canada-European Community trade.

Another way

Another way in which we foster cooperation  
is to create additional channels of communication.

Successful Canadian missions of industrialists were organized  
in the fields of telecommunications,  
forestry products  
and aerospace industries;

and European missions took place in such fields  
as uranium and nuclear industries,  
particularly nuclear reactor equipment industries,  
and forestry products.

They have led to contacts

which would have taken a much longer time to materialize,  
or might never have taken place,

if they had been left to traditional commercial channels.

While certain industries in some parts of the Community  
know and understand the trading and investment opportunities  
provided by Canada,

other parts of the Communities' industries

which had no traditional links with Canada

have needed to have put before them the opportunities and the  
challenges that your great country offers.

Although it is difficult

Although it is difficult to assess the real output of these missions,

contacts with industry suggest

that several important contracts and cooperative ventures have resulted from them.

In this sense

both the Government of Canada and the Commission have played their roles

of stimulating mutual contacts between industrial branches and of paving the way for possible cooperation.

We set up a Working Groupe in the Minerals and Metals sectors

which very quickly adopted a work programme

and led to real cooperation projects in a number of selected areas such as:

- iron and steel,
- asbestos and non-ferrous metals.

The meetings of the uranium and nuclear industries Working Groups

have taken place in a very constructive atmosphere.

They have proved

They have proved an excellent instrument for discussion problems we are facing in Europe as well as in Canada with regard to

- exploration,
- research and development,
- implementation of reactor programme,
- pricing and supply of nuclear safeguards.

Another important new channel that was established in the last years

was the cooperation between our Business Cooperation Centre and the corresponding service in the Canadian Department of Industry, Trade and Commerce.

We can thereby offer commercial enterprises on both sides of the Atlantic help in looking for partners.

This short overview leads me to conclude

that the special stimulus given three years ago to this economic relationship between the Community and Canada

has stimulated a wide range of promising activities.

Under this government-to-government framework,

Under this government-to-government framework,  
industrial cooperation projects can ripen,  
new methods for prospecting markets can be developed,  
and joint research projects and new investments can materialize.

In adopting the JCC's report and the work programme for 1980 and 1981

I wish that our cooperative efforts will further progress  
and prosper.

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Looking towards the future

I would also like to follow your recent comments in Toronto  
regarding an area

which is of particular importance to us both  
in the bilateral and the international context:

Energy.

Both

present and prospective oil price levels,  
and the sometimes uncertain outlook for supplies  
from some major oil exporters,

exacerbate the major economic difficulties facing us now.

The European Community, like Canada,



The European Community, like Canada,  
is committed to an energy strategy  
that demands domestic action  
as well as international cooperation.

You have identified this area as particularly  
promising for more intensive collaboration  
between the European Community and Canada.

To put the matter colloquially and simply:

I couldn't agree with you more !

Apart from the exciting prospects for gas and fossil fuels  
that Canada offers,

Canada is also fortunate to possess some 20 % of the  
free world's known uranium reserves.

Many of the recent discoveries,

I should add,

have been made with the assistance of European companies.

However, it is obviously in your interest

to develop this resource in an orderly, economically  
viable and environmentally sound manner.

In this, you have our support,

In this, you have our support, and indeed, encouragement.

For we in the European Community

are committed to a growing, albeit slowly at the moment,  
nuclear power generating capacity.

And to meet that commitment

we need long-term assured supplies of uranium  
at prices fair to both consumer and producer.

Given our unwavering mutual commitment to safety and to the  
avoidance of risk of misuse of nuclear material,

the interests of Canada and the European Community  
thus appear to dovetail remarkably well  
as far as uranium is concerned.

Early next year,

as soon as INFCE has accomplished its studies,  
we will have to take up negotiations on future supply of  
Canadian uranium to the Community

and I hope we will be able to come to satisfactory  
arrangements rapidly.

But uranium is clearly only one aspect of the manifold  
potential for further cooperation between the European  
Community and Canada in the field of energy.

Natural gas is another such sector,

Natural gas is another such sector,  
specifically liquified natural gas.

We have watched with interest the progress  
you have made in the exploration of arctic gas.

As reserves continue to grow in this region,  
the development of technically and environmentally  
viable commercial production and delivery methods  
becomes an urgent matter.

Here, industry in the European Community may be able  
to provide Canada with know-how to supplement the  
expertise you have accumulated in working to bring  
arctic resources on stream.

European expertise is involved in technical studies  
on the construction and operation of arctic liquifaction  
plants.

Some of our shipyards have experience in the  
construction of LNG-ice-breaker tankers.

Cooperation in such endeavours would, of course, be greatly  
facilitated

if gas were available in sufficient quantities,  
to make its export to Europe feasible.

If active exploration

If active exploration in these areas produced encouraging results,  
it seems to me

that questions concerning possible European investment  
in arctic gas exploration and production  
would be much easier to address.

Another energy sector

offering some interesting possibilities for cooperation  
is coal.

Here, as with LNG,

the interests of Canada and the European Community  
are complementary.

We need increasing amounts of thermal coal

to fuel our power generators in an effort to reduce  
our oil-fired capacity

and some of this coal will have to be imported.

Canada has tremendous amounts of coal reserves,

but these will remain untouched

if markets are too hard to reach  
or can't be found at all.

It would be useful,

It would be useful, then, for us

to explore further our mutual interest in long-term security of supplies, and markets, for this coal.

Naturally coal users from the Community could be attracted by Canadian supplies

if satisfactory long-term price arrangements could be made.

The necessary expansion of productive capacity and improved delivery systems

could be additional items for discussion.

And once more:

the more progress we make in these questions,  
the more hopeful the outlook will become for fruitful negotiations on investments in these sectors.

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What is true for the energy sector

is true in a wider context:

Both Canada and the European Community's economic well-being is heavily dependent upon the world economic and trading environment:

22 % of Canada's GDP

22 % of Canada's GDP go into exports and  
11 % of the Community's Domestic Product is represented  
by sales abroad.

The present structural changes

induced by a new division of labour in the world  
have therefore an immediate bearing on us  
and sometimes confront us with serious problems in specific sectors.

It is not always possible

to avoid strictly temporary measures to contain and limit  
the impact of imports so as to allow domestic industry  
to make the necessary adaptation.

The Community has needed to do it in the steel and textiles field,  
Canada made recourse to import restrictions on textiles and  
footwear.

Let me, however, emphasise

that for our own benefit

as well as for the sake of our international responsibilities

we must not allow such measures to keep uneconomic  
production lines permanently in being,  
nor to proliferate into other sectors.

Canada and the Community

Canada and the Community will not continue to prosper  
unless we are competitive on world markets.

I am confident

that Canada will be an ally to the Community  
as it strives to maintain the open trading system  
which has been the basis of our past prosperity.

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Finally, and perhaps most obviously,

Canada and the Community have so much in common,

- in our cultural and political traditions,

- in our social and economic objectives,

as in the problems that we face,

that a special effort to get to know and to understand  
each other better to be rewarding.

The contractual link

is a recognition of the need

and a symbol of all that we already share.