

European Community



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PRESS RELEASE

CANADA-EUROPEAN COMMUNITY JOINT COOPERATION COMMITTEE

Following is the text of the speech delivered by the Right Honourable Roy Jenkins, President of the Commission of the European Communities, at the second meeting of the Joint Cooperation Committee, in Ottawa on 8 March 1978.

"I thank you for your kind words of welcome. It is a great pleasure for me to join this second meeting of the Canada-European Community Joint Cooperation Committee.

During his opening remarks at the inaugural meeting of the Committee, my colleague and predecessor President Ortolí, called for a new relationship between the Community and Canada. In particular he wanted, as he said, to translate "today's broad aspirations into tomorrow's accomplished facts". At its meeting in December 1976, this Committee adopted a work programme for 1977 and 1978. I would like to pick up that thread and speak to you about the developments of our relations since then. This seems to me timely as it is intended that this meeting of the Joint Cooperation Committee should produce the first progress report after the entry into force of the Framework Agreement.

The central theme of our bilateral relationship must be to give substance to our Framework Agreement which is only as good as whatever is put into it. It has not been an easy time for either the Community or Canada, with the world economy sluggish and our industrial societies preoccupied with their internal problems, but I think that the instrument we have created in the Framework Agreement has proved its worth. We have not performed miracles. But because of our relationship, based on a strong mutual commitment to improve the environment for economic and commercial cooperation, we have tried hard and achieved what can at least be regarded as an encouraging start.

First there is the recent successful conclusion of the very complex re-negotiation of certain clauses of our Nuclear Cooperation Agreement. The solution found on safeguards, and consequently the resumption of the deliveries of uranium to the Community, has removed a major difficulty from our bilateral relationship and paved the way for exploration of the possibilities for better industrial cooperation in exploiting uranium and sharing nuclear technology.

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How confident we can be depends largely on the initiatives to be made by our industrialists themselves. The Canadian Government and the Commission have sought to bring home to those concerned the extent of the opportunities opened up by the contractual link in our Framework Agreement. The recent businessmen's missions you just referred to perfectly illustrate our endeavours. I fully agree with you that we should improve the possibilities for dialogue between government and business across the Atlantic. On our side we shall continue to make Canada a less mysterious or unknown territory to those who have not in the past included the Canadian dimension in their attempts to conquer new markets or new sources of supply.

As for commercial cooperation, this covers an aspect of our contractual relationship in which public authorities have a direct responsibility to see that the rules are improved and respected. Our bilateral problems should be tackled in the spirit of the Framework Agreement. At a time in which protectionist tendencies seem to be gathering momentum world wide, this is no easy task. But reverse those tendencies we must. I say this from conviction. Liberal trade practices lie at the root of the world economic system. We should not do more for industries that cannot compete than to give them time in which to re-group and reorganize themselves. We have to cure the malady rather than relieve the symptoms: steel, textiles, shoes, are sectors which spring to mind though they are far from alone. But recession will not last forever. Indeed there is already a hopeful shimmer on the horizon. We hope for stronger and more stable growth this year. As for imports which seem unduly competitive, we should practice what we preach by submitting to the logic of economic realities and adjusting our industrial organization rather than by preserving and fossilizing it.

Nowhere is this more important than in the Multilateral Trade Negotiations in Geneva, where Canada and the Community, together with the United States and Japan, carry major responsibilities. The present round of negotiations is the most ambitious so far. It covers not only overall tariff reductions and harmonization, but also the increasingly important area of non-tariff barriers. It links progress in these two areas to parallel progress on a revised safeguard system, including - in the Community's view - its possible selective application, the adoption of harmonized customs value system, respect for the GATT injury criterion in relation to countervailing duties, and improved arrangements for agriculture. The negotiations have gained a new momentum, and we must seek results by the summer. These negotiations represent a crucial - perhaps the crucial - phase in our battle to maintain the open trade system.

One final point. No trading system can be of use or permanence unless it can be adapted to new requirements. The world is in fact changing before our eyes. The creation of new demand can come as much from the developing countries as from among the industrial ones. We want a more equitable world order, and the Community and Canada are both making an important effort to achieve it. The old idea that some countries provide the raw materials and others make the processed goods no longer satisfies aspirations or makes economic sense, and I do not defend it in any of our relationships, least of all that between the Community and Canada.

Our future relationship through the Framework Agreement must be responsive to much more complex circumstances. Of course we want to buy and invest in your raw materials, and of course we want you to buy our manufactured goods. But we accept that you will want to process more of your raw materials yourselves and to sell us your own manufactured goods, and we are ready to give the assurance of partnership when it is needed. All this is reasonable enough in any new division of labour, and fits into the hierarchy of industrial production where increasing sophistication itself generates greater trade.

Our Agreement is there to make whatever use we can of it. Let us give it still greater value in our exchanges. You can count on us to do our part."

