

sources of supply and markets; the creation of new employment opportunities; the reduction of regional disparities and the protection and improvement of the environment....

"The agreement reaffirms the two parties' respect for the principles of the GATT (General Agreement on Tariffs and Trade) and confirms their wish to accord each other most-favoured-nation treatment on a reciprocal basis.

"The contracting parties undertake to promote the development and diversification of their reciprocal trade to the highest possible level by means of commercial co-operation. To this end they shall, in accordance with their respective policies and objectives:

(a) co-operate at international level and bilaterally in solving commercial problems of common interest;

(b) use their best endeavours to grant each other the widest facilities for commercial transactions in which one or the other has an interest;

(c) take fully into account their respective interests and needs regarding access to and further processing of resources.

"The economic co-operation provisions of the agreement, in addition to setting out the objectives of such co-operation, set out some of the means by which these objectives are to be pursued. These include the encouragement and facilitation of broader inter-organizational links between their respective industries, especially in the form of joint ventures, increased two-way investment, technological and scientific exchanges, joint co-operation by their private sectors in third countries, and regular exchanges of information on industrial and agricultural matters.

"The agreement and any action taken thereunder shall in no way affect the powers of the member states of the Communities to undertake economic co-operation bilaterally and to conclude, where appropriate, new co-operation agreements with Canada.

Joint committee

"The agreement sets up a joint co-operation committee which will have an important role in the activities to be undertaken. The committee will be responsible for promoting and keeping under review the various aspects of



A toast to the success of the Canada/EC agreement, the "contractual link", signed July 6 by Allan MacEachen, Secretary of State for External Affairs (left), Sir Christopher Soames, Vice-President of the Commission of the European Communities (centre) and Max Van der Stoel, Foreign Minister of the Netherlands and President of

the Council of Ministers of the European Communities.

"...Today's ceremony, far from being the end of a process, marks the beginning of a new venture. We now have a design and framework; it is up to both sides to translate promise into performance," said Mr. MacEachen.

commercial and economic co-operation. It will play an instrumental role in developing contacts and promoting activities between Community and Canadian enterprises and organizations.

"The agreement is concluded for an indefinite period but may be terminated by either contracting party after five years, subject to one year's notice.

"Finally, a protocol will be signed in Brussels at a later date concerning commercial and economic co-operation between Canada and the European Coal and Steel Community (ECSC). This protocol will stipulate that the provisions of the Framework Agreement signed this day will also apply to the ECSC."

The European Community is uniting the economies of nine nations: Belgium, Britain, Denmark, France, Germany, Ireland, Italy, Luxembourg, the Netherlands.

The Community's six founding members – Belgium, France, Germany, Italy, Luxembourg and the Netherlands – have established a customs union that the new members are now completing. The "Nine" are laying foundations of full economic and monetary union. They hope ultimately to form a European union.

Legally, there are three European communities, but they share the same institutions.

The European Coal and Steel Com-

munity (ECSC), created by the Paris Treaty of April 18, 1951. It prepared the way for further economic unity by joining the coal and steel industries in a single "common market".

The European Economic Community (EEC), created by the first Rome Treaty of March 25, 1957. On January 1, 1958, the EEC began to remove trade and economic barriers between its member countries and to unify their economic policies.

The European Atomic Energy Community (Euratom), created by the second Rome Treaty of March 25, 1957. Euratom promotes the peaceful uses of nuclear energy.