

The European Community

Jacques Delors, President of the Commission

Mr. Delors was born in 1925 and is a French national. Before he became President of the Commission of the European Communities in January 1985, he was a banker, public servant, academic and politician. From 1982 to 1984 he was the French Minister of the Economy and Finance.

As President of the Commission, Mr. Delors strongly favours reform and renewal of the EC. His presidency has been marked by initiatives such as the Europe 1992 program, which aims at eliminating by 1992 all existing internal barriers to the circulation of goods, services, persons and capital. Mr. Delors has also maintained a direct and deep interest in monetary affairs and advocates greater central co-ordination within the Community in support of the Europe 1992 program.

Mr. Delors will be accompanied by Mr. Frans Andriessen, Commissioner for External Relations and Trade Policy, and Mr. Henning Christophersen, Commissioner for Economic and Financial Affairs. His personal representative is Mr. Pascal Lamy, Chef de Cabinet.

The European Community

The European Community is a supranational entity combining 12 member states in three communities: the European Economic Community or Common Market, the European Coal and Steel Community, and the European Atomic Energy Community. Together they are known as the European Community or EC. The current members are France, Italy, the F.R.G., the U.K., Belgium, Denmark, the Netherlands, Greece, Ireland, Spain, Portugal and Luxembourg. They have yielded important sovereign powers to the EC, in particular, control of foreign and domestic trade, agriculture and fisheries.

The two governing bodies most involved in the operation of the EC are the Commission, which is the executive body, and the Council, composed of ministers of the member states. The Commission consists of outstanding citizens from the various member states. A number have served previously as ministers in their national governments, but their allegiance upon joining the Commission belongs to the EC. The Council, moreover, represents the member states. The presidency of the Council changes every six months; presently it is occupied by Italy. While the Commission has the exclusive right to prepare EC policies and legisla-

tion, it can only act under the authority transmitted by the founding treaties or by a Council vote. The latter body has also retained control of European Political Co-operation, the mechanism whereby a European foreign policy is developed and applied.

Canada-EC Relations

The EC is our second-largest trading partner. In 1989, exports (net, after re-exports) increased by 5 percent to \$11.2 billion. The average annual rate of increase since 1985 has surpassed 15 percent. Our deficit was \$3.7 billion, which was less than 1988's \$5.3 billion. Imports from the EC were \$14.9 billion in 1989.

Direct foreign investment by the EC in Canada exceeds \$23 billion, having increased by 10 to 20 percent yearly for a number of years. The U.K., whose investments rose by 25 percent in 1988, accounts for more than half the amount. During 1988, Canadian investment in the EC totalled \$8.5 billion, 65 percent of which was in the U.K. Tourists from the EC represent by far our largest foreign market, generating more than \$1 billion yearly.

Under the 1976 Framework Agreement, Canada is presently expanding its industrial, scientific and technological co-operation programs, which are yielding excellent results.