

Member states are gradually introducing a common policy to create a single Community industrial base. The aim is to promote the Community's industrial growth in the attempt to reap full benefit from productive resources. Rules already in force eliminate technical barriers to trade, such as differences in safety standards, so that manufacturers receive every advantage of a common market with 255 million consumers. Moves are under way to encourage the formation of companies of continental size, able to compete with major firms at home and abroad.

The ECSC Treaty empowered the Commission to authorize and fund joint research and development in the coal and steel industries. The Community also helps finance vocational rehabilitation programs for miners and steelworkers whose jobs disappear because of technological progress. The Euratom Treaty gave the Community similar powers in the nuclear industry.

The EEC Treaty did not provide for an industrial policy as such. An outline came in 1970 with a broad Commission plan for removing legal, fiscal, political and social barriers to the development of European multinational companies. In 1973, the Council of Ministers approved a flexible timetable for:

- removing remaining technical barriers to trade in foodstuffs and industrial goods;
- initiating open bidding for public works contracts;
- removing fiscal and legal barriers to transnational mergers;

On July 6, 1976, following negotiations earlier in the year, Canada and the European Community signed in Ottawa a framework agreement for commercial and economic co-operation.

The agreement reflects Canada's desire to diversify its external relations by adding a Community "dimension" to its relations with individual member states. It also reflects the complementarity and interdependence of the two partners.

Under the terms of the agreement, a joint committee is set up to develop co-operation. As private enterprise will be called on to play a significant role in carrying out the agreement, a major task of this committee will be to encourage closer links between European and Canadian industries, particularly in the form of joint ventures, greater two-way investments, scientific and technological exchanges and joint economic co-operation in third countries.

The agreement is non-preferential, in conformity with GATT rules, and is evolutionary.

In 1975, the Council had passed 48 directives setting common standards for products ranging from scales to detergents. The Community plans to complete the original program and an additional one adopted in May 1973 before the end of 1977.

OPENING PUBLIC MARKETS

Purchases by member states' government agencies and public utilities represent a growing share of the market for manufactures, about 17 per cent. Yet only 5 per cent of public orders go to suppliers in other member states. Advanced technology and heavy industries, which depend on public purchases, have scarcely benefited from the economics of mass production for a large Common Market.

For the Community it is the first of its kind, covering wide-ranging economic co-operation as well as trade; it is also the Community's first agreement with an advanced industrial power outside Europe.

ventures. In 1973, the Commission opened a Business Liaison Office, which answers inquiries about joint ventures and other commercial questions. To promote Community-sized, advanced-technology companies, the Community plans to initiate development contracts. Such contracts will go to companies participating in transnational research or working on projects of Community interest.

The European Investment Bank also finances projects to spur the Community's industrial growth. Almost 40 per cent of its total lending has been on partial financing of productive enterprise projects. The Bank gives special consideration to transnational projects when deciding on its financing activities.