

CANADIAN

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The European Community: A Canadian Perspective



**CANADA
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Introduction

The European Community (EC) is a group of 12 democratic Western European nations that co-operate closely, especially in economic matters. It is a common market where goods travel across the national borders of member states tariff-free. Goods from outside the common market, on the other hand, are charged a common tariff rate.

Since its beginnings over three decades ago, the EC has evolved into much more than a common market. European Community legislation regulates many sectors of the economy, such as coal and steel, agriculture, transport and fishing. The Community establishes standards for everything from manufactured products to drinking-water quality and complements the programs of national governments in research and development, regional development, education and many other areas. Furthermore, the EC is unlike other international organizations such as the United Nations in that its members are bound by Community law.

The 12 EC member states are Belgium, Denmark, France, Germany (West), Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain and the United Kingdom.

The EC is the world's largest trading bloc of nations, accounting for almost one-fifth of world trade and for 25 per cent of global gross domestic product (GDP) (estimated in 1988 to be \$5.4 trillion). The European Community is Canada's second-largest partner for trade, investment, technology and tourism. In 1988, Canadians bought over \$16 billion worth of EC goods and exported \$11 billion worth to EC countries. The European Community's direct investment in Canada exceeds \$23 billion, while Canadian investment in the

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