Part I

Introduction and Background

The term "Common Market" has been common lexicon to describe the EC since the signing of the Rome Treaty in 1956 that created the European Economic Community.[1] Nevertheless, barriers to the free movement within the EC of people, goods, services and capital have persisted. In 1985, the EC adopted a White Paper program on "Completing the Internal Market". This, in turn, led to the passage in 1987 of the "EC Single Act" and put in train a series of legislative proposals (Directives and Regulations) to be enacted by the end of 1992. The objectives of the program are to eliminate all physical, technical and fiscal barriers to the free circulation of people, goods, services and capital within the EC-12. The EC has a population of 324 million and is widely recognized as the world's largest trading bloc.

In late 1988, a Minerals and Metals Working Group was established as one of 16 groups to examine the sectoral and institutional implications of "Europe 1992" on trade and economic relations with Canada. The Minerals and Metals Working Group included representatives from Energy, Mines and Resources (serving as chair), External Affairs (serving as deputy-chair), Industry, Science and Technology and Indian and Northern Affairs. This report presents an overview of Canada-EC trade and investment links and problems in the Minerals and Metals Sector (Parts II to IV and Appendices I to III) and assesses the impact of Europe 1992 (Parts V and VI).

The Working Group relied heavily on the collective in-house expertise of commodity, marketing and trade problems and on an array of written reports and documents generally available from Canadian and EC sources. The Working Group had access to the approximately 300 measures (i.e. draft Directives or proposals) contemplated in the Europe 1992 program. Having determined that only a few dealt directly with minerals and metals, the Working Group examined numerous EC Directives implemented over the past decade or that are in the legislative process. In fact, most of the Directives examined by the Working Group have emerged in the normal course of EC legislative processes.

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[1] EC is the short form for European Communities, which in a geographic sense includes its 12 member states (Belgium, Denmark, France, Federal Republic of Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain and the United Kingdom) and in an institutional sense embraces the European Coal and Steel Community (ECSC), the European Economic Community (EEC) and the European Atomic Energy Community (Euratom).