the Council of Ministers,[1] and it broadens EC jurisdiction. The *Single Act* also involves the European Parliament more directly in the development of EC law and, most importantly, expresses a commitment by Member States to making the European internal market a reality by January 1, 1993.

The objective of the single market program — known popularly as "Europe 92" — is to complete the work initiated by the *Treaty of Rome* and eliminate the last barriers to the free circulation of persons, goods, services and capital within the EC. To this end, the EC set out a program of some 300 measures whose purpose was to eliminate physical, technical and tax barriers among Member States.

Eliminating physical barriers means eliminating customs and goods control posts for traffic within the Community.

Eliminating tax barriers — the area in which the most work still remains to be done — consists in harmonizing as much as possible the rates and bases of value-added tax, corporate income taxes and taxes on savings.

Eliminating technical barriers refers to those barriers created by differing governmental regulations and standards which affect goods, services and persons. With regard to goods, free circulation is ensured by means of harmonization or mutual recognition. Mutual recognition means that any product that is brought into EC territory and satisfies the legislation of the country of entry will benefit from the principle of free circulation within the entire EC. The EC also favours opening up government contracts to foreign competition and eliminating discriminatory practices in this area. With regard to services, the EC also intends to create an internal market and eliminate existing fragmentation. To achieve this, harmonization is sought for certain basic aspects of services and the rule of mutual recognition is applied as broadly as possible, as is done for trade in goods. Lastly, with regard to workers, the single market program calls for strengthening the free circulation of salaried workers, and guaranteeing the right of establishment for members of liberal professions.

The total potential economic gain from the single market has been estimated by the EC at 200 billion European currency units (ECUs),[2] or almost 300 billion dollars Canadian. At this rate, the EC's gross domestic product (GDP) would rise by 5 per cent. These figures are evidence of savings from eliminating physical barriers to intra-EC trade, but also of the advantages that would result from eliminating technical barriers to the various national markets, thereby ensuring free competition throughout the EC.

A few months before the January 1, 1993 deadline, it can be said that, overall, the establishment of the single market is proceeding on schedule. Nonetheless, some problems remain. The 12 EC Member States have had great difficulty agreeing on a number of matters, including: harmonizing indirect taxation systems, the free circulation of persons; and opening up national air, sea and land transportation markets. In addition, EC directives are not being incorporated into national legislations as quickly as the Community desired.

Overall, the evidence gathered by the Sub-Committee shows that the EC's market will be more open than before and that the fears of a fortress Europe have been exaggerated. In fact, our main concern is with the lack of enthusiasm of Canadian business. The high stakes for Canada were well described by Mr. Ed Neufeld (Executive Vive-President, Economic and Corporate Affairs, Royal Bank of Canada):

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[1] For Council deliberations that require a qualified majority, members' votes are weighted as follows: Belgium 5, Denmark 3, Germany 10, Greece 5, Spain 8, France 10, Ireland 3, Italy 10, Luxembourg 2, the Netherlands 5, Portugal 5, the United Kingdom 10. Deliberations are approved if they obtain at least 54 votes out of this total of 76.

[2] On February 28, 1991, one ECU was equal to CA$ 1.4761.