

- opening procurement by governments within the Community to free competition among Community firms.

Many of these 285 measures already are in place and in force, each measure coming into effect after the passage of only required implementing legislation in all member states.

It is difficult to determine at this time, over halfway to 1992 from the inception of the initiative, if the most contentious of the measures will gain sufficient support -- whether all the hopes and predictions about the levels of integration and co-operation will come to pass. For example, the Social Charter, which has been vehemently opposed by Prime Minister Margaret Thatcher in particular, will probably emerge in the form of "recommendations" rather than the more binding directive that had been hoped for by some and a significant amount of opposition has also developed with respect to the standardization of levels of indirect taxation.

Whatever its final form, completion of the internal market will entail considerable adjustment and investment by European business. Many non-Europeans fear that pressure is building within the EC to exclude outsiders from benefits they will have done nothing to earn, or that any benefits to outsiders will have to be paid for through reciprocal arrangements. This may be a significant problem as the Commission has defined reciprocity to mean that it "reserves the right to make access to the benefits of 1992 for non-EC firms conditional upon a guarantee of similar opportunities, or at least non-discriminatory opportunities, in those firms' own countries". The EC Commissioner for External Trade has stated that "where international obligations do not exist, as for example in the field of services, we see no reasons why the benefits of our internal liberalization should be extended to third countries".

Beyond 1992, the Commission recommends further action towards the full integration of Europe, including economic and monetary union, a common commercial policy, and the establishment of regional development programmes to promote less developed regions and regions in decline<sup>151</sup>. Negotiations have also been held with EFTA (the European Free Trade Association) to discuss the future relationship between the members of the two organizations.

Even without active protectionism in the form of a "Fortress Europe", Canada and Canadian producers will still face a more competitive environment. They will meet stiffer competition from rationalized and more efficient European firms both in the European market and at home as those firms, together with U.S., Japanese, EFTA and developing country firms, all seek a share of a more competitive global market.

It is also likely that Canadian companies will be subject to much stronger competition from non-Community companies operating in Europe. For instance, many American, Japanese,

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<sup>151</sup> COMMISSION OF THE EUROPEAN COMMUNITIES 1989 Europe Without Frontiers: A Review Half-Way to 1992 Brussels: CEC. July.