
Canada-EC Relations

The European Communities (EC) consist of three separate communities: The European Economic Community (the EEC or the Common Market), the European Atomic Energy Community or Euratom; and the European Coal and Steel Community, or ECSC. The three communities were founded in 1951 (ECSC) and 1957 (Euratom and EEC) by the "Six" (France, Italy, Belgium, Luxemburg, the Netherlands, and the F.R.G.). They were joined in 1973 by the United Kingdom, Denmark, and Ireland; in 1981, by Greece; and, as of January 1, 1986 by Spain and Portugal. The EC accounts for almost a fifth of world trade (over a third if intra-Community trade is counted), compared to about 3.3% for Canada.

Two-way trade between Canada and the EC increased 11.7% in 1985 to \$16.9 billion. The European Community is our second largest trading partner. However Canadian exports decreased slightly (5.1%) last year while our imports surged 25.8%, yielding a deficit of \$3.8 billion. The recent trend towards deficits (1984: \$1.3 billion) contrasts with our traditional trade surplus, which averaged \$1.3 billion per annum from 1974. On the basis of 1983 figures, the EC remains our second largest source of investment (\$12 billion) and the second most popular destination for Canadian investment abroad (almost \$2 billion).