

## 7.0 OTHER TRADE RELATED DEVELOPMENTS

At many points throughout this report it has been noted that the Canada-US FTA is but one response to change in the global trading environment, and that to properly understand the effect and impact of the FTA, as well as the reason behind the initiative, it is necessary to be aware of some of those other significant events and forces. This short section outlines some of the major forces currently at play in the global trading system, developments which will have a key role in the success or failure of Canada's international trade policies.

Rather than trying to present a great deal of information about events and changes which are very broad in scope, this section attempts only to provide a short overview of the most recent developments and what Canada's response has been. These include Europe 1992, the Uruguay Round of Multilateral Trade Negotiations, and growth in the Asia-Pacific region.

### 7.1 EUROPE 1992

Europeans have sought to ameliorate the effects of global structural disequilibrium and to promote adjustment through a new and increased emphasis on the European Community and its various institutions. Among the twelve member countries of the EC, this process has culminated in what is described as "completing the internal market", "Project 1992", or simply "1992".

The establishment of a common market in Western Europe began in 1957 with the signing of the Treaty of Rome by the original six members of the European Community. The 1992 Project represents the most recent reforms of the treaty and calls for the eventual elimination of all remaining barriers to trade between the twelve. "Project 1992" consists of 285 measures which are in the process of being considered by the European Commission. These measures flow from the ratification of the Single European Act (SEA) in 1987 and are to be negotiated and adopted before the end of the current Commission's mandate on December 31, 1992. The proposed measures are of four types:

- dismantling all non-tariff barriers among EC member states<sup>149</sup>;
- allowing the provision of services, including financial services, by European nationals and companies anywhere in the Community;
- harmonizing<sup>150</sup> company law throughout the EC; and

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<sup>149</sup> All tariffs were abolished during the early 1960s.

<sup>150</sup> In the EC, "harmonization" means to "make identical".