

## **Canada-European Community Bilateral Relations**

Canada has long been very attentive to its relations with the European Community (EC) and its 12 member states. The EC is Canada's second-largest trading partner.

In 1976, the EC and Canada signed a framework agreement to promote, diversify and develop mutual trade and economic exchanges. The parties meet yearly to review and promote economic activity.

With the implementation of the Single European Act in 1987, the EC acquired even more importance to Canada. In the wake of the collapse of the communist regimes of Central and Eastern Europe, the Single Act brought new life to the EC, which became the centre of attention for the region's new democracies. German unification was assisted by the strength of Western Europe as its union remained strongly anchored in democracy.

Institutionalized by the Single Act, European political cooperation (EPC) is not a "Community" process but provides for a mechanism of intergovernmental cooperation and consultation linking the 12 member states of the EC and the Commission of European Communities on all kinds of policy issues. In 1988, Canada agreed with the member states to hold semi-annual consultations, at both the ministerial and senior-official levels, on important foreign policy questions within the EPC context.

In November 1990, political relations among Canada, the EC and its member states reached a turning point with the signing of the Declaration on Relations between Canada and the EC. In this declaration, the parties undertook to face together the common challenges of the future. The mechanisms of political consultation were also reinforced to include liaison between the prime minister and the presidents of the European Council and of the Commission of the European Communities.

With the signature in Maastricht of the Treaty on European Union, the EC and its member states embarked on a new phase of integration including both economic and monetary union and a process of political union. Canada is taking these new developments into account in its relations with the EC.