

Canada and the European Community

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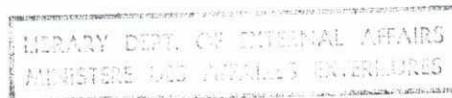


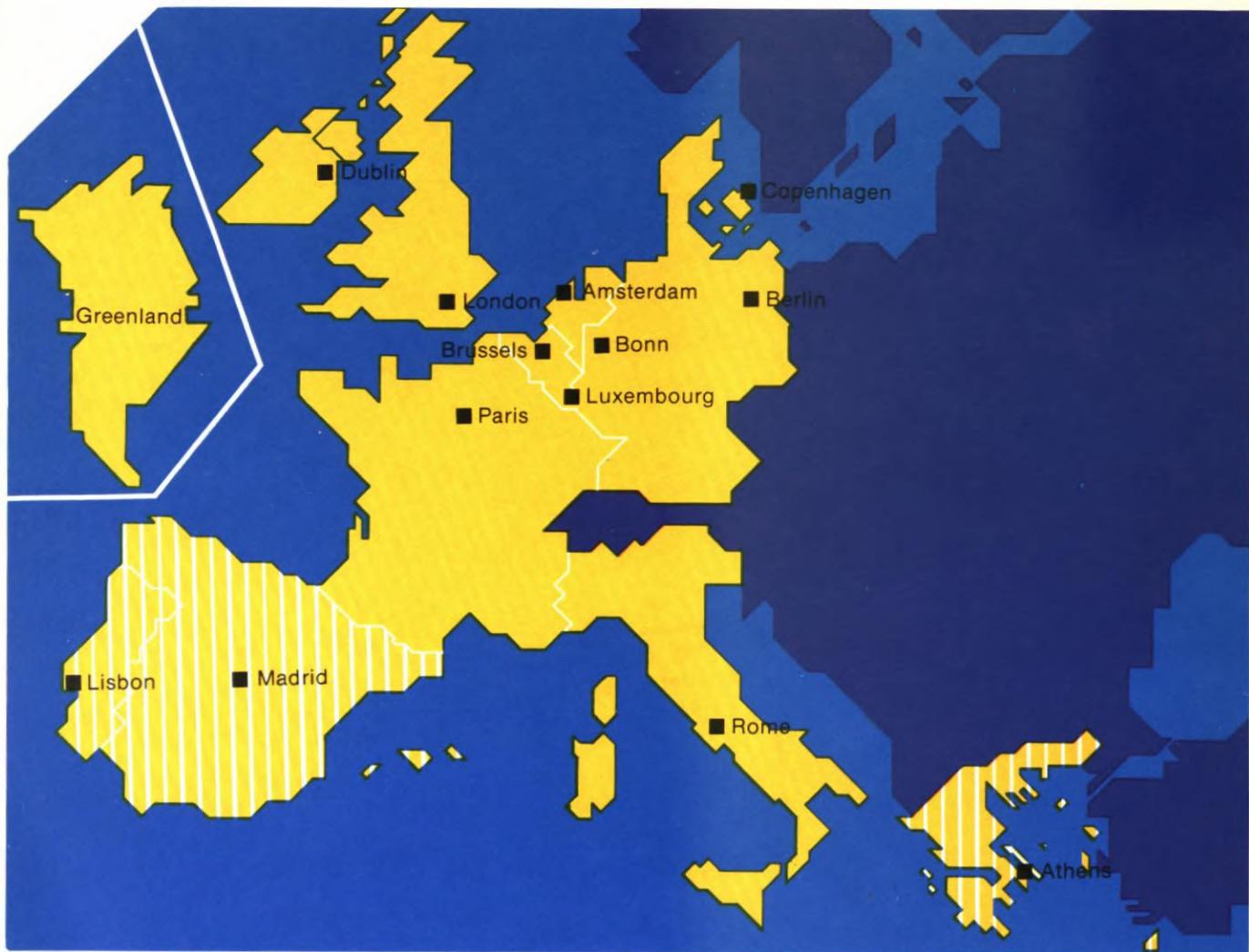
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Introduction

The European Community has a population of about 260 million and generates almost a fifth of the world's output of goods and services. It is the world's largest trading entity, accounting for about a quarter of world trade, excluding trade among EC member countries. The EC represents by far the greatest concentration of economic wealth, industrial power and technological capability outside North America. In order to strengthen economic ties between the two sides, Canada and the EC in 1976 concluded a Framework Agreement for Commercial and Economic Cooperation.

This booklet is intended to give Canadians basic information about the EC and its links with Canada.



EC Headquarters in Brussels

The Court of Justice



The European Community in Brief

The Commission



The EC is today made up of nine countries: the original six members — Belgium, France, Germany, Italy, Luxembourg, the Netherlands; plus the three countries that joined them in 1973 — Britain, Denmark, Ireland. Greece will join in 1981, and Portugal and Spain are expected to become EC members a few years later.

Aims

The EC is an ambitious attempt to create a "European Union" organization that will, by means of "strength through solidarity":

- lessen age-old rivalries among European peoples and so establish an economic community of interests;
- remove by common action the age-old barriers that have divided Europe and so ensure progress of the member countries;
- enable European nations to play a bigger role acting together than they could individually in helping to maintain peace and promote prosperity in the world.

Historical Background

The EC is the product of three separate treaties all originally negotiated by the six founder states: The Paris Treaty of April 1951 created the European Coal and Steel Community (ECSC). It placed national coal and steel industries in a single "common market" under the control of an independent High Authority. The ECSC was so successful that trade in these products between the six member states increased by 129 per cent in the first five years.

The "Six" decided to apply the same approach to the entire European economy and negotiated the Rome Treaty of March 1957, which created the European Economic Community (EEC), or "Common Market". On 1

January 1958, the EEC began to remove trade and economic barriers between its member countries and to establish a broader common market.

The "Six" also sought to combine their resources in the peaceful development of atomic energy. They therefore negotiated, at the same time, a second Rome Treaty, setting up the European Atomic Energy Community, or "Euratom".

These three EC Treaties set as their goal the gradual integration of the economies of the member states and "an even closer union" of their peoples. The Community operates according to the rules and procedures set out in the three Treaties, which all member states have signed.

Institutional Framework

In signing the Paris and Rome Treaties, the EC's founding states agreed to establish European institutions that would have legislative, executive and judicial powers in areas defined by those Treaties. They conferred on the institutions some of the political powers they had traditionally exercised as nation-states. The fact that the Community's institutions have a legal status and extensive powers in fields specified by the Treaties distinguishes the EC from traditional international organizations.

The EC is run by institutions in which all member countries take part. The *Commission* is currently made up of 13 Commissioners appointed jointly by the national governments (two each from Germany, Italy, the United Kingdom and France; one each from the Netherlands, Belgium, Denmark, Ireland and Luxembourg). The Commissioners act independently of the nine national governments in the Community interest and are answerable only to the European Parliament. The Commission employs about 10,000 officials, mostly in Brussels.

The Commission seeks to promote the interests of the EC as a whole. It is empowered to:

- submit proposals for EC action to the Council of Ministers and implement the latter's decisions;
- mediate at meetings of the Council, sometimes amending its own proposals to help reach a compromise acceptable to all the member states;
- administer various EC activities, notably the common agricultural policy;
- act as guardian of the Community's Treaties, if necessary taking legal action against firms or member governments that have failed to comply with EC rulings;
- represent the Community in negotiations involving trade with non-member countries and other sectors such as energy and fisheries, where the member states have agreed to act together.

The *Council of Ministers* is the Community's principal decision-making body. It is composed of ministers from each of the member governments. Which particular minister attends, depends upon the subject under discussion (e.g.: finance, agriculture, transport or energy).

Major decisions tend to be taken at meetings of EC foreign ministers. Ministers represent and defend the interests of their own country, while seeking to reach agreements that help attain the Community's goals. Decisions by the Council of Ministers must be based on Commission proposals and generally become EC legislation. Ministers hold their sessions in Brussels and Luxembourg. Member states preside over the Council in turn.

EC foreign ministers meet regularly outside the formal EC framework to coordinate their countries' foreign policies.

A *Committee of Permanent Representatives* (COREPER), consisting of the member countries' ambassadors accredited to the EC in Brussels, prepares the Council's work.

The *European Parliament* scrutinizes proposed Community laws through its fifteen specialized committees and acts as the EC's public forum, debating issues of public importance and questioning the Commission and Council. It also supervises the Commission and has the power, although it has never done so, to dismiss it by a motion of censure. With the Council of Ministers it controls the Community budget.

The Parliament meets in Strasbourg and in Luxembourg, where its secretariat is located. Its 410 members, directly elected in June 1979 for the first time, sit together as party groups, and not according to nationality.

The *EC Court of Justice*, based in Luxembourg, comprises nine judges and four advocates-general chosen by the nine governments. It interprets Community law, when requested to do so by national courts, and ensures that the law is observed in the application of the EC Treaties.

Decisions of the Court take precedence over decisions of national courts in matters of Community law; its rulings are binding on member countries, on Community institutions and on individuals.

Signing the Lomé Convention

The *Court of Auditors*, based in Luxembourg, comprises nine members who supervise Community expenditures.

The *Economic and Social Committee*, is a 144-member consultative body in Brussels representing labour, employers, agricultural, consumer and family organizations, advises the Community executive institutions on EEC and Euratom matters. A similar joint Consultative Committee advises the Commission and Council on affairs relating to the ECSC.

Superimposed on the institutions provided for by the Paris and Rome Treaties is the *European Council*, composed of the nine heads of government and the EC Commission president. Since December 1974, they confer three times a year to take strategic decisions on the broad direction of Community policy, to review major EC issues and to provide the EC with a continuing political impulse.

Community Law

The Paris and Rome Treaties are the Community's "constitution". They provide a policy framework and empower the Commission and Council to pass laws to carry out Community policy.

The main characteristics of Community law are:

- that it is an independent legal order;
- that it is common to all member states;



-that it takes precedence over any national law in the event of incompatibility between the two legal systems, whether the national law is prior or subsequent to the Community law in question.

The Community Budget

The Community budget is fixed by the Council of Ministers and the Parliament. In 1979, the Community will spend over \$22 billion, of which about 73 per cent is for the agricultural sector (such as price supports and farm modernization). The remainder

will cover operating costs (almost 5.5 per cent), social and regional sectors (4 and 5 per cent respectively), research, energy, industry and transport policies (2.2 per cent) and development cooperation (3.6 per cent).

The budget is financed from the Community's "own resources", comprising agricultural levies, customs duties and up to 1 per cent of value-added tax, or GNP-based contributions.

Achievements

The EC has already moved a long way to achieving the four "freedoms" basic to a true common market: the free movement across national frontiers within the EC of goods, capital, services and people.

The Community has created a *customs union* among its member states in which manufactured goods can move freely. The creation of the customs union involved:

- the removal of customs duties and other barriers to free trade between member countries;
- the replacement of national tariffs with a single common tariff on imports from non-member countries and the development of a common commercial policy towards them;
- the harmonization of customs rules so that duties are assessed in the same way in all EC member states.

The customs union helped boost trade among the original six members nearly ten fold between 1958, when the EEC was set up, and 1972, the year before it was first enlarged. Over the same period trade among EC member states increased from 27 per cent to 52 per cent of the member states' total trade, while EC gross domestic product increased, in real terms, by 90 per cent.

Since the first enlargement in 1973, trade among the Nine has increased from almost \$145 billion to more than \$269 billion in 1977.

The original six members agreed to discontinue their vastly different national farm policies and adopt a *Common Agricultural Policy (CAP)* involving the gradual creation of a single market for farm goods. Under the CAP members have:

- abolished trade barriers within the EC for most farm products;
- increased agricultural trade with each other and with non-member countries;
- set up a jointly-financed farm fund to help farmers;
- enacted common regulations for imports and exports of farm goods.

The CAP ensures security of food supplies to some 260 million consumers while stabilizing agricultural markets and protecting the incomes of more than eight million farmers.

Its promotion of farming has resulted in increasing productivity, even though the farming population has been shrinking. Between 1968 and 1972, agricultural production rose by 1.8 per cent per year, although the percentage of the civilian labour force employed in agriculture fell from 12.0 per cent to 8.5 per cent in the same period.

While the Community is the world's largest importer of agricultural products, absorbing 27.2 per cent of world food exports in 1977, it is also a major producer of food. The EC has attained a remarkable level of self-sufficiency in meeting the food needs of its inhabitants so that today vegetable oil and fruit constitute the main EC farm imports.

Member states are working on a common fisheries policy to regulate jointly fishing by EC and other fleets in EC waters.

Free Movement of Workers

Barriers to the *free movement* of "blue-collar" workers have been removed so that Community citizens may take up wage earning jobs in any Community country and retain social security and other benefits. In the professional fields, physicians, dentists, lawyers, nurses and veterinarians are already allowed to practice anywhere in the Community. Other professions will gradually acquire the same rights.

The Nine are gradually coordinating their economic policies: shaping EC programmes for industry, energy, transport and technology and aligning laws on taxation, health and safety standards, insurance, company structure, as well as in other economic sectors.

Common rules are applied to ensure fair competition among firms.

The EC's energy programme seeks to reduce its dependence on outside countries: over half the energy it uses is imported.

Having moved a long way to create a common market, the EC is now seeking to coordinate economic and fiscal policies among the "Nine". A *European Monetary System* (EMS) was introduced in 1979 to promote closer monetary cooperation among the member states. The EMS provides for the creation of a system of fixed but adjustable exchange rates between member currencies; the creation of a European Currency Unit (ECU) based on a "basket" of Community currencies; the pooling of one fifth of member states' reserves, and the provision of credit facilities. The EMS is intended to help to reduce fluctuations in their currencies and promote economic growth and monetary stability.

Since 1974 the EC has carried out a *Social Action Programme* to help improve living and working conditions in member countries. It has developed policies to expand and improve the rights of certain classes of workers, including women, immigrants and the handicapped, and it has been particularly concerned about the plight of young

people in a period of high unemployment. Furthermore, the Community has launched other social and economic reforms such as an education policy, consumer information and protection programmes and an environmental action programme.

Different EC funds have been set up with the aim of reducing the differences existing between the various regions. The *Social Fund* spends most of its resources on helping retrain workers who face unemployment in the less-favoured regions, and the Guidance Section of the *Farm Fund* was designed to modernize farms and make agriculture more efficient. A *Regional Fund* helps finance industrial and infrastructural investments in less prosperous areas. The EEC Treaty also established the *European Investment Bank* which lends money for investment in the poorer regions of the Community or for infrastructure and energy projects.

From the beginning the member states have acted as a single trading unit with other countries. The Community is the world's largest trading unit, accounting in 1977 for about 38.7 per cent of world trade, if trade between the Nine is included, or 20.9 per cent if intra-EC trade is excluded.

The EC has played a major role in reducing tariffs and trade barriers in the various rounds of international negotiations held over the past 20 years. Average EC industrial import tariffs are among the world's lowest. After the tariff cuts resulting from the "Tokyo Round" of GATT talks have been implemented, the Community's external tariff will stand at an average of 7.5 per cent.

In view of the Community's importance in world trade, more than 120 countries, including Canada, have negotiated agreements with the EC, and over 100 countries have accredited diplomatic missions to it in Brussels.

Since 1973, non-member countries have had to negotiate trade agreements with the EC as a whole, instead of with individual member states. In such negotiations the Commission, working under a mandate from the Council, represents the Nine.

The Community was the first to introduce a comprehensive system of generalized preferences to help developing countries export their manufactured goods.

Through the aid and free trade provisions of the Lomé Convention, which includes the "Stabex" system of stabilizing developing countries' export revenues, the EC promotes the development of 57 countries in Africa, the Caribbean and the Pacific (ACP). A new improved accord will replace the Lomé Convention after it expires in March 1980.

The Community and its member states are the largest source of official aid to the developing countries, contributing 43 per cent of the world total in 1976.

The EC is part of a 16-nation free trade zone benefiting 300 million Western European consumers. In July 1977, the last industrial tariffs were abolished between the "Nine" and the members of the European Free Trade Association — Austria, Finland, Iceland, Norway, Portugal, Sweden, Switzerland — enabling manufactured goods to be traded duty-free among them.

Though not bound to do so by the EC Treaties, member states are gradually aligning their external policies and speaking with "one political voice" in international organizations and conferences, such as the Conference on Security and Co-operation in Europe (CSCE), the North-South Conference on International Economic Cooperation (CIEC), and the Law of the Sea Conference.

The Community as such has observer status at the United Nations, and takes part in Western economic summits.

EC and Canada: Similar Yet Different

The peoples of Canada and the Community have common ethnic origins and similar cultural values and aspirations.

Both Canada and the EC have reached similar stages of industrial development, and both economies are based increasingly on advanced technology. However, major contrasts exist in the structure of their respective economies. For example, mining, agriculture and forest industries are important factors in the Canadian economy, whereas European production is mainly in the form of finished manufactured goods.

Both are highly dependent on external trade, which accounts for 20 per cent of Canada's gross domestic product and 25 per cent of the EC's, compared with 7 per cent for the USA. EC gross domestic product in 1978 was \$2,281.6 billion, and Canada's GDP was \$250.0 billion (est.).

Dublin



Foto Blohm

Ottawa

EC-Canada Trade and Investment

With the entry to the EC in 1973 of Britain, Denmark and Ireland, the Community became Canada's second most important trading partner and source of foreign investment capital. About two-fifths of Canadian trade with the EC is with Britain, while Germany and France together make up another third. The EC buys about one-third of Canada's overseas exports or about 9 per cent of Canada's total world exports. However, this represents only 2.5 per cent of total EC imports. The Community supplies more than a quarter of Canada's non-USA imports or about 9 per cent of Canada's total imports. In comparison, about 70 per cent of Canadian exports go to the United States, representing some 19.5 per cent of US imports, while only 6 per cent of EC exports go to the US. But this represents some 21 per cent of US imports.

Almost every year since the EC was founded in 1958, Canada has enjoyed a trade surplus with the Community. In 1978, the surplus was \$178 million based on \$4.825 billion exports and \$4.647 billion imports.

Trade between Canada and the Community is largely complementary.

About 80 per cent of Canada's exports to the EC consist of farm products (mainly cereals and oilseeds); minerals (especially copper and alloys, iron ore, nickel and asbestos) and other raw materials (e.g. timber and wood pulp). Only some 10 per cent of Canadian sales to the EC are finished goods. However, such items represents some 30 per cent of Canada's total manufactured exports. EC purchases account for 20 per cent of Canada's total forest product exports and 25 per cent of its mineral exports.

Some 70 per cent of *EC exports to Canada* are fully-manufactured products such as automobiles, machinery, textiles, chemicals and processed foods.

As for *direct foreign investment*, the EC represents 15 per cent of the total of \$36.2 billion (1974 figures), while the US accounted for 80 per cent. As an area for Canadian investment abroad, the EC ranks second to the US, with 15 per cent of the \$9.3 billion total, as opposed to 53 per cent in the US.



The EC-Canada Framework Agreement

Signing the Framework Agreement in Ottawa, July 1976

A mutual desire for closer relations between the Community and Canada found expression on the eve of British entry to the EC. In October 1972 the EC heads of government invited Canada to a "constructive dialogue" with the European Community. In November of that year, Canada proposed a general agreement on economic and other matters.

Canada wished to forge new links with the EC as part of a move to diversify its external economic relations and to add a Community dimension to its good ties with individual EC member countries. In particular Canada sought to improve its share of Community imports. Other major attractions of the EC were its capital resources, investment opportunities, and scientific know-how and technology.

In April 1974, Canada proposed the negotiation of an agreement which would establish a "direct contractual link between Canada and the Community" and "foster the development of long-term commercial and economic relations". Negotiations opened in March 1976; the Framework Agreement on Commercial and Economic Cooperation was signed in Ottawa on 6 July 1976 and came into effect on 1 October 1976.



The Framework Agreement is the first time that the Community has committed itself, on a non-preferential contractual basis, to economic and commercial cooperation with one of its major industrial partners.

The Framework Agreement provided for the setting up of:
- a *Joint Cooperation Committee* (JCC) to carry out the provisions of the agreement. Among the priority areas the JCC has identified as suitable for cooperation are: aeronautics; electronics and telecommunications; uranium and nuclear industries;

minerals and metals; forest-based industries; science and technology; energy conservation; and environment policy.

The JCC has established two sub-committees: the *General and Preparatory Cooperation Sub-Committee*, responsible for the preparation of the work of the JCC and the examination of new areas of cooperation; and the *Industrial Cooperation Sub-Committee*, responsible for promoting and monitoring joint industrial cooperation ventures.

The sub-committees have established working groups in a number of the sectors mentioned above.

Canadian-Made Twin Otter



The EC-Canada Framework Agreement has fostered an increase in direct contacts between EC and Canadian politicians, businessmen and officials, both at the federal and provincial level. Various missions in both directions have explored possibilities of industrial and technical cooperation between EC and Canadian firms.

Collaboration between the Business Cooperation Centre of the EC Commission and Canada's Department of Industry, Trade and Commerce is intended to help promote joint ventures between medium-sized Canadian and EC firms.

The two sides are now completing a *study on trade flows* between Canada and the EC in an attempt to understand better the nature of economic and commercial ties between Canada and the EC and the directions in which they are likely to go.

One of the conclusions to come out of the study is that the process of European economic integration has itself contributed to the decline in the relative importance of EC-Canada trade over the years 1962-1977, as the creation of the European Common Market has influenced the terms of access for many Canadian exports to

the Nine. Among other factors cited as having influenced the movement of goods and the relative importance of trade between Canada and the Community are the geographic proximity of the United States market to Canada, the emergence in other parts of the world of efficient producers able to compete for market shares in Canada and Europe, as well as the changing tastes of consumers, the recent world-wide economic recession, and recent changes in commodity prices.

Looking towards the future, the authors of the study foresee greater scope for mutual trade and economic cooperation on the basis of increased

international specialization in sectors in which Canadian and European producers enjoy increasing competitive advantages, such as aerospace, nuclear energy and telecommunications. Business and government will find their jobs of identifying and pursuing the resulting new opportunities for trade facilitated by the mechanisms provided for by the Framework Agreement.

Other EC-Canada Links

Besides the Framework Agreement, Canada and the EC have developed other links and act together in various multilateral bodies:

- a nuclear cooperation agreement was signed in 1959 and a revised version in 1978, following the tightening of Canada's nuclear safeguards policy;
- twice a year, senior Commission and Canadian officials meet, alternately in Brussels and Ottawa, to review bilateral and multilateral trade and economic issues;
- members of the European Parliament and the Canadian Parliament meet annually, alternately in Europe and Canada;
- frequent exchange visits take place between Canadian ministers and EC Commission members;
- general and specialized industrial missions and seminars — in sectors such as aeronautics, electronics, forest products, uranium, steel, and non-ferrous metals (e.g. asbestos) — are organized to make Canadian and European businessmen and officials more aware of opportunities for cooperation;
- through GATT negotiations in Geneva, the EC and Canada have achieved reductions in trade barriers;
- Canada and eight EC countries belong to the International Energy Agency and NATO;
- both the EC and Canada play major roles in the North-South dialogue;
- the EC and Canada take a leading part



- in the work of the United Nations Conference on Trade and Development;
- now that both the EC and Canada have extended their fisheries jurisdiction 200 miles off shore on 1 January 1977, they will soon commence negotiations for a long-term fisheries agreement;
- the EC and Canada are members of the North-West Atlantic Fisheries Organization, where the EC Commission acts on behalf of the

- member states;
- Canada, the EC Commission and the EC member states are taking part in the International Nuclear Fuel Cycle Evaluation Programme (INFCE), set up to examine the reprocessing and enrichment of uranium and the storage of plutonium and enriched uranium.

The EC Delegation in Ottawa

The Delegation of the Commission of the European Communities was formally inaugurated in Ottawa on 16 February 1976, shortly before Canada and the European Community signed the Framework Agreement on 6 July that year.

The Delegation, which has been granted diplomatic status by the Canadian Government, has a role similar to that of the Canadian Mission to the EC in Brussels. The Delegation keeps the Commission fully informed of significant political, economic and other developments in Canada. It in turn receives a constant flow of information about the EC from Brussels.

The Delegation takes part in the negotiations and regular consultations between the EC and Canada. These cover:

- bilateral issues, such as agricultural and industrial trade, nuclear energy and fisheries;
- multilateral issues, such as talks on commodity agreements, the GATT negotiations in Geneva, and cooperation with less developed countries.

The Delegation plays an active and creative role in promoting industrial and economic cooperation between Canada and the EC by facilitating contacts between Canadian and European officials and businessmen.

The Delegation's *Press and Information Service* provides the Canadian public with information about the Community's activities.

It publishes a news bulletin, press releases and other material written especially for Canadian audiences, and distributes a variety of free publications about the EC. (Orders for and subscription to official EC publications should, however, be sent to the Office for Official EC Publications, P.O. Box 1003, Luxembourg).

Various films and audio-visual aids, including a mobile exhibition on Canada and the EC are available on loan from the Press and Information Service.

The *Library* carries official EC documents as well as pamphlets, books and periodicals about the EC. It answers mail and telephone enquiries.

The Delegation does not deal with specific trade information issues, which have traditionally been handled by trade commissioners, bilateral chambers of commerce, embassies and consulates, etc., but it can provide information or other contacts that could lead to cooperative ventures between Canada and EC companies.



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English and French are the Delegation's working languages and EC documents are available in both languages.

Delegation officials are available to speak on Community topics and EC-Canada relations.

EC—Canada Chronology

October 1959 Euratom-Canada nuclear cooperation treaty signed.

April 1960 Canadian ambassador to Belgium also accredited to EC.

October 1972 EC heads of government call for "constructive dialogue" with Canada.

November 1972 Canadian Government aide-mémoire outlines possible agreement with EC.

April 1973 Canada accredits ambassador exclusively to EC.

July 1973 Report by the Standing Senate Committee on External Affairs recommends economic cooperation agreement with the EC.

April 1974 Second Canadian aide-mémoire includes draft "contractual link".

October 1974 EC Council of Ministers charges Commission with exploring possibility of negotiating with Canada.

October 1974 Prime Minister Pierre Trudeau visits Brussels and Paris.

March 1975 Prime Minister Pierre Trudeau visits London, Dublin, The Hague, Bonn and Rome.

May 1975 PM Trudeau visits Copenhagen, Luxembourg and Brussels.



February 1976 EC Commission's Delegation officially opened in Ottawa.

July 1976 EC-Canada Framework Agreement for Commercial and Economic Cooperation signed in Ottawa.

December 1976 EC-Canada Joint Cooperation Committee holds first meeting in Brussels.

January 1978 New Euratom-Canada interim agreement signed.

March 1978 EC Commission President Roy Jenkins visits Canada.

January 1979 EC-Canada exchange of letters concerning cooperation in steel research.

June 1979 EC-Canada fisheries agreement signed on 28 June 1979.



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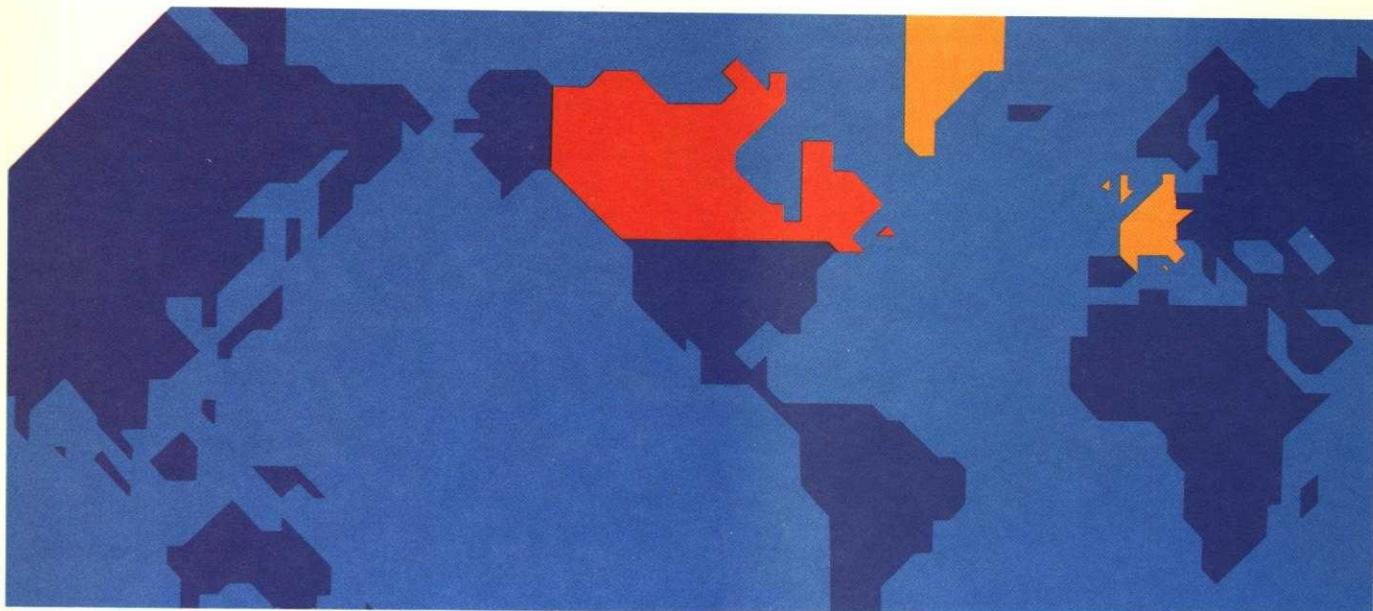
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Statistical Data



Comparative Data (1978)	EC	Canada	USA	Japan
Area (thousands of sq. km.)	1,528	9,976	9,363	372
Population (millions)	259.9	23.6	216.8	115.2
GDP (\$ billions)	2,281.6	250.0	2,460.0	1,153.1
Per Capita Income (\$)	8,779	10,588	11,348	10,011
Exports (\$ billions)	278.3	52.4	168.9	116.4
Imports (\$ billions)	285.2	48.9	202.4	99.5
Unemployment Rate (%)	5.6	8.4	6.2	2.2
Inflation Rate (%)	8.1	9.0	9.4	3.8

Canadian Exports to EC Countries

	1976	1977	1978	Percentage change from 1976 to 1977	Percentage change from 1977 to 1978
	(in millions of dollars)				
United Kingdom	1,831.8	1,927.3	1,984.0	+4.3%	+2.9%
Germany	696.8	766.6	779.7	+9.5%	+1.7%
Italy	548.1	497.9	481.0	-9.1%	-3.4%
Belgium-Luxembourg	476.9	508.4	474.8	+6.6%	-6.6%
Netherlands	444.9	512.3	562.6	+14.6%	+9.8%
France	393.9	360.0	459.6	-8.9%	+27.7%
Denmark	30.8	48.4	65.7	+52.8%	+35.7%
Ireland	30.7	30.6	30.5	-0.6%	-0.3%
Total	4,453.9	4,651.5	4,837.9	+4.4%	+4.0%
% of total Canadian imports	12%	10.8%	9.4%		

Source: Statistics Canada

Major Canadian Exports to the EC

Rank	Value (1977)
	(in millions of dollars)
1 Woodpulp	621.3
2 Wheat	372.1
3 Nickel in ores and concentrates	273.9
4 Copper and alloys	241.3
5 Iron ores and concentrates	228.7
6 Lumber	228.1
7 Newsprint paper	197.7
8 Asbestos, unmanufactured	155.8
9 Zinc in ores and concentrates	121.0
10 Barley	104.2
11 Paper and paperboard (except newsprint)	98.4
12 Nickel and alloys	88.3
13 Plywood	71.5
14 Organic chemicals	64.4
15 Ships and boats	61.5
16 Office machines	59.4
17 Rapeseed	55.0
18 Fish, fresh or frozen	54.7
19 Tobacco	54.6
20 Telecommunications and related equipment	50.3

Source: Statistics Canada



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Canadian Exports of End Products to EC Countries

	1977 Exports of end products (in millions of dollars)	Exports of end products as % of total exports
United Kingdom	201.0	10.4%
Germany	77.4	10.1%
France	74.2	20.6%
Belgium-Luxembourg	46.4	9.1%
Netherlands	40.6	7.9%
Italy	34.5	6.9%
Ireland	11.7	38.2%
Denmark	9.8	20.2%
Total	495.6	10.7%

Source: Statistics Canada

Major Canadian Exports of End Products to the EC

Rank	Value (1977) (in millions of dollars)
1 Ships and boats	61.5
2 Office machines	59.4
3 Telecommunications and related equipment	50.3
4 Aircraft and parts (incl. engines)	39.8
5 Motor vehicles and parts	28.7
6 Apparel and apparel accessories	27.9
7 Chain saws and parts	16.0
8 Navigation equipment and parts	12.6
9 Combine reapers, threshers and parts	12.2
10 Electric lighting and distribution equipment	12.0
11 Medical and pharmaceutical products	10.4
12 Drilling, excavating, mining machinery	9.4
13 Printed matter	6.7
14 Photographic equipment and supplies	6.5
15 Construction machinery and equipment	5.6

Source: Statistics Canada



Canadian Imports from EC Countries

	1976	1977	1978	Percentage change from 1976 to 1977	Percentage change from 1977 to 1978
	(in millions of dollars)				
United Kingdom	1,153.3	1,281.0	1,597.7	+11.1%	+24.7%
Germany	818.5	958.8	1,242.6	+17.5%	+29.6%
France	439.0	521.3	683.0	+18.7%	+31.0
Italy	365.3	399.0	524.1	+9.2%	+31.4%
Netherlands	181.3	188.5	227.3	+4.0%	+20.6%
Belgium-Luxembourg	124.7	160.3	201.5	+28.0%	+25.7%
Denmark	76.1	81.0	97.3	+6.3%	+20.1%
Ireland	26.2	40.5	56.6	+54.4%	+39.8%
Total	3,184.4	3,630.4	4,630.1	+17.3%	+27.5%
% of total Canadian imports	8.9%	9.5%	9.5%		

Source: Statistics Canada

Major Canadian Imports from the EC

Rank	Value (1977) (in millions of dollars)
1 Passenger automobiles	219.6
2 Textiles	144.8
3 Beverages (other than distilled)	107.6
4 Iron and steel	104.8
5 Apparel and accessories	100.2
6 Tractors and parts (including engines)	97.9
7 Organic chemicals	95.9
8 Footwear	86.5
9 Printed matter	75.2
10 Motor vehicle parts	73.1
11 Sugar preparations, confectionery and chocolate	70.6
12 Electric lighting distribution equipment	69.4
13 Telecommunications and related equipment	67.4
14 Distilled alcoholic beverages	64.1
15 Kitchen utensils and tableware	62.5
16 Photographic goods	62.4
17 Office machines and equipment	57.7
18 Medicinal and pharmaceutical products	53.8
19 Plastic materials, not shaped	46.7
20 Electric generators and motors	35.7

Source: Statistics Canada



Canadian Direct Investment in the EC

At the end of 1975
(in millions of dollars)

U.K.	1,019
France	215
Germany	159
Netherlands	72
Ireland	64
Denmark	54
Belgium-Luxembourg	36
Italy	36
Total	1,655

Canadian direct investments in EC countries represent 15.5 per cent of total Canadian direct investments abroad.

Source: Statistics Canada

EC Direct Investment in Canada

At the end of 1975
(in millions of dollars)

U.K.	3,717
Netherlands	678
France	665
Belgium-Luxembourg	443
Germany	434
Italy	70
Denmark	17
Ireland	5
Total	6,029

EC direct investments in Canada represent 15.1 per cent of total foreign direct investment in Canada.

EC direct investments in Canada represent 78.9 per cent of foreign direct investments in Canada from overseas.

Source: Statistics Canada



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