

EUROPEAN COMMUNITY

BACKGROUND INFORMATION

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BACKGROUND NOTE

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EUROPEAN COMMUNITY AND CANADA TO OPEN NEGOTIATIONS TOMORROW

The European Community and Canada will open negotiations tomorrow in Brussels for a nonpreferential and nondiscriminatory economic and commercial cooperation agreement. Such an agreement would be the first between the Community and any advanced industrial nation outside Europe and would give a Community dimension to EC-Canadian economic relations now governed by bilateral pacts and the General Agreement on Tariffs and Trade (GATT).

The initiative for the agreement came from Canada late in 1972, spurred by a desire to expand trade with Western Europe and by the fact that Canada's preferential Commonwealth agreements with the United Kingdom are being phased out as a result of that nation's entry into the Community. The agreement would improve Canada's access to European markets for manufactured goods and for increased European investment in Canada. The Community now accounts for some 11 per cent of Canada's foreign trade (see Annex).

For the Community, an important plus would be ready access to badly needed raw materials so abundant in Canada.

Both partners would benefit from a common framework within which Community and Canadian industries could promote joint ventures, keep close tabs on related business developments of common concern, and ease contacts between industrial policy makers and individual companies.

The opening of negotiations follows an official visit to Ottawa last month by EC Commission President Francois-Xavier Ortoli during which the official Delegation of the Commission of the European Communities to Canada was opened. Curt Heidenreich, former Deputy Head of the Commission's Delegation to the United States, is Head of the new delegation. The delegation will inform Canadians of Community developments and will keep the Community abreast of Canada's own policies.

Canada appointed its first Ambassador to the European Communities in 1972. There had been biannual consultations between Canadian officials and the EC Commission for some years and parliamentary exchanges since 1973.

ANNEX

CANADA'S EXTERNAL TRADE
(in billions of Canadian dollars)

	EXPORTS TO THE WORLD -----	TO THE EC -----
1971	17.8	2.6
1972	20.1	2.5
1973	25.3	3.2
1974	31.9	4.0

	IMPORTS FROM THE WORLD -----	FROM THE EC -----
1971	15.6	1.8
1972	18.7	2.2
1973	23.3	2.5
1974	31.5	3.0