

# INFORMATION

EXTERNAL RELATIONS

TOWARDS A NEW PARTNERSHIP :

THE EUROPEAN COMMUNITY - CANADA FRAMEWORK AGREEMENT

134/76

On the occasion of the signature of the above mentioned agreement, the Commission is publishing an information note, the contents of which are :

	<u>Page</u>
Introduction	1
Trade and Investment	2
Background to the Framework Agreement	4
Features of the Agreement	6
Commentary on the Agreement	8
The Way Ahead	9
Existing EC/Canada Co-operation	11

**Annex I** : Statistical Fact Sheet

**Annex II** : Chronology.

---

406/X/76-E

Reproduction authorised, with or without indication of origin. Voucher copies would be appreciated.

A Framework Agreement for Commercial and Economic Co-operation has now been signed between Canada and the European Community. The purpose of this background note is to summarize and analyse the agreement; and to set out some basic data about trade and economic relations between the EC and Canada.

The agreement, the first of its type to be concluded by the Community with an advanced industrial nation, responds to the will of the two parties to enter into a formal contractual link. The two partners have common links and ethnic origins, and have shared interests, values and aspirations. Both (with the exception of one Community country) are members of the Atlantic Alliance. Both are firmly committed to pluralistic democracy. Both are mixed economies based on the principle of the free play of market forces; they are highly developed industrial societies with, by world standards, high levels of consumption. The Canadian GNP per capita is \$ 6,789 (1975)<sup>(1)</sup>, one of the highest in the world, compared with Community average of a little over \$ 5,000 (provisional estimate) in the same year.

But they are appropriate partners on other counts. Both economies are increasingly based on modern and efficient industry with a rapidly growing involvement in advanced technology. And both are highly dependent on external trade: world trade accounts for 20% of Canada's GNP, and 25% of that of the EC (compared with only 7% for the USA). Indeed the Community is not merely Canada's second largest export market (absorbing around 40% of her overseas or non-American exports) and second most important source of imports, but also her second largest source of foreign investment capital.

Yet while Canada and the EC have reached similar stages of industrial development, there are major contrasts in the shape of their respective economies, some of which make for an important and potentially greater degree of complementarity between the two economies. For a start Canada, with an area of 9,976,100 square kilometres, is bigger than the USA and six times as large as the EC Nine. But her population of 23 million

---

(1) here, as elsewhere, figures in Canadian dollars.

is only one eleventh that of the Community.

Canada's huge actual and potential production of minerals, is in marked contrast with the situation in the Community which is to varying degrees dependent upon imports and wholly so for a wide range of products. The value of total mineral production in 1973 was \$ 8.3 billion (a sixteen-fold rise since 1945), accounting for over a quarter of Canadian exports. Canada is in fact already one of the world's greatest producers of minerals, the leaders being crude oil (value of production \$ 2.5 bn in 1973), natural gas, copper (\$ 1.1 bn, the fourth non-Communist producer), nickel, zinc, iron ore (the world's fifth largest producer), uranium and coal. Canada produces in varying quantities a wide range of other (rare or relatively rare) metals, running from antimony to zinc and non-metallic minerals including asbestos, potash, salt and titanium dioxide.

Another major contrast with the Community lies in the fact that Canada produces a substantial proportion of her oil needs. But over the long run it is the enormous deposits of uranium, which will not only give Canada a large degree of energy security but also a big export potential.

Canada is at the same time basically an advanced industrial economy, the main industries, in order of value of shipments being motor vehicle manufacturing, pulp and paper mills (the largest employer), meat processing, petroleum refining, sawmills and planing mills, and iron and steel. The industrial sector has been expanding rapidly in the 60s and 70s: during the period 1961-73 motor vehicle production rose 587% motor vehicles parts 444% and crude steel 136%.

#### TRADE AND INVESTMENT

##### Trade

Canada's main exports are motor vehicles, metal ores, petroleum, timber, newsprint, machinery, wheat, wood pulp, chemicals, copper and

aluminium. The main imports are motor vehicles and parts, machinery, chemicals, petroleum, textile yarns and fabrics, iron and steel, fruit and vegetables.

The United States is by far the most important trading partner, taking between two-thirds and 70% of Canadian exports and supplying around 70% of imports. The Community takes second place and Japan third. Canada has trade surpluses with Japan, imports having risen only very moderately in recent years (even slightly falling in 1975), and has had one with the Community (Nine) every year since 1958. 1975 was the first year since 1961 in which Canada ran an overall trade deficit (\$ 2.3 bn) and this deficit position was maintained during the first quarter of 1976. This contrasts with surpluses of \$ 2.2 bn in 1971 and \$ 2.1 bn in 1973. The deterioration from 1974 was due to the effects of the world trade recession in general and the fact that a \$ 2.1 bn rise in imports from the USA in 1975 was compensated by virtually no corresponding rise in exports.

Canada has enjoyed a (usually substantial) trade surplus every year since the EC was formed in 1958. The Community's share of Canadian exports fell however from 21.1% in 1965 to 12.5% in 1975; similarly the share of the Community in Canada's import bill fell from 13.5% to 9.3% during the same period. The Community has been accounting for about 40% of Canadian exports to countries other than the U.S.A. in recent years.

Of the Member Countries, the U.K. took in 1975 about 45% of Canadian exports to the EC and accounted for about 40% of imports. The relative value of the British market for Canada has in fact been declining during the sixties and early seventies in spite of the existence of Commonwealth preferences (which are being phased out in stages over 1973-77).

Trade between Canada and the Community is largely complementary in character. EC exports to Canada consist largely of a wide range of manufactured goods: of the total of \$ 3.3 bn imported in 1974 the biggest single item was automobiles (\$ 164.8 mn). While policies for more upgrading in Canada, where this is economically feasible and commercially

profitable, can be expected to develop over the years ahead, Canadian exports to the Community consist at present principally (nearly two-thirds) of crude and semi-manufactured materials (including minerals, timber and wood-pulp) and foodstuffs, especially wheat at \$ 508 mn, over one eighth of the total. The Community is Canada's largest market for agricultural products. Finished goods account for a modest proportion (10%) of Canadian exports to the EC, industrial exports being overwhelmingly orientated to the USA; nearly half the total exported to the Community went to the UK in 1975, France and Germany accounting for a further third. The pattern of Community exports to Canada is different, consisting almost entirely of a wide range of industrial products particularly machinery and consumer durables and manufactured foodstuffs.

### Investment

Canadian direct investments in EC countries, at \$ 1.23 billion book value in 1973, represent 15.7% of total Canadian direct investment abroad, about half of which is in the USA. The Community, with \$ 5.2 billion book value invested in Canada at the same date, accounts for 15.6% of the total, though 75.7% of the total from outside N. America; over 60% of this total is accounted for by the U.K. Once again foreign investment in Canada is accounted for overwhelmingly by the United States (80% of the total).

### BACKGROUND TO THE FRAMEWORK AGREEMENT

A mutual desire for closer relations between the Community and Canada found expression in 1972 on the eve of British accession to the Community. The resolution of the October 1972 Community Summit Conference of Heads of State and Government called for a "constructive dialogue" between Canada and the EC. In November 1972, Canada addressed an aide-memoire to the Community suggesting the possibility of a general agreement on economic and other matters.

The Canadian approach was well received by the Commission. A series of twice yearly informal consultations was inaugurated between

the Commission and the Canadian Government which continues to flourish. Present in Ottawa during one of these consultations, Vice-President of the Commission Sir Christopher Soames said in a speech before the Canadian Institute for International Affairs:

"Canada appears to us as a country whose approach to world problems is similar, and in many aspects identical, to the approach which the European Community itself is seeking to adopt. In our desire, for example, to secure a further liberalisation of world trade and to trade and to promote a new and more satisfactory balance between developed and developing countries, we believe that Canada and the Community are walking the same road together."

Canada, for her part, clearly has many reasons for wishing to forge new links with the Community. Above all, she wishes to diversify her external relations in general and to add a Community dimension to the already existent good relations with individual EC member countries. But in more material terms, with an overwhelmingly large proportion of her trade being with the USA, Canada wishes to develop alternative markets, notably the hitherto fast expanding EC common market. Indeed, the Community of the Six was in 1972 already Canada's third biggest market, following closely behind the U.K. British membership in the EC however, has obviously increased the importance to each other of the Community and Canada as commercial partners; it has in fact approximately doubled the level of trade between Canada and the Community. The Community now ranks only behind the USA in importance as a trading partner. Yet the proportion of Canadian exports going to the Community has been declining in recent years (see page 3) (the same is true of imports) and it is hoped that this trend will be reversed. Other major attractions of the Community are its capital resources and investment potential; and Canada's desire for optimal terms of access to European know-how and technology.

Canadian thinking was taken a step further in an Aide-Memoire of 20 April, 1974 proposing 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".

Taking up the challenge, the Commission (communication to the Council of 16 September 1974), expressing the limited value of merely confirming GATT engagements, preferred an agreement which would constitute "a broad Community framework for economic and commercial co-operation between Canada and the Member States extending well beyond the field of classical trade policy". In considering this question on 14/15 October 1974, the Council emphasised the importance attached by the Community to its traditional ties with Canada; it considered that these should be strengthened in a manner to be negotiated between the two parties. In the course of the visit of the Canadian Prime Minister to Brussels at the end of the same month, it was agreed that informal exploratory talks should take place on this basis between the Commission and the Canadian Government. The Commission also took the opportunity to confirm to the Prime Minister their intention to open a Delegation in Ottawa as a counterpart to the Canadian Mission accredited to the Community in Brussels.

Initial exploratory conversations took place in Ottawa between Canada and the Commission in February 1975, to be followed by two further series of talks at Brussels in April and Ottawa in May. On 21 May the Commission put forward clear-cut proposals to the Council for the conclusion of the Framework Agreement. In February 1976 the Council adopted the Commission's negotiating mandate and the negotiations opened in March. Rapid progress was made in two negotiating rounds and the agreement was initialled on 2 June and signed on 6 July 1976.

MAIN FEATURES OF THE AGREEMENT FOR  
COMMERCIAL AND ECONOMIC CO-OPERATION

1. The two parties undertake to accord each other most-favoured-nation treatment in accordance with the rights and obligations under GATT.

2. They undertake to promote the reciprocal development and diversification of trade at the highest level through: international and bilateral co-operation for the solution of trade problems of common interest, the mutual granting of the widest facilities for commercial transactions, and the taking into account of their respective interests regarding access to and processing of resources. They also agree to discourage, in conformity with their legislation, restrictions of competition including pricing practices distorting competition carried out by their industrial enterprises.
  
3. They agree to foster economic co-operation in all fields deemed suitable such as: the development and prosperity of their industries, the encouragement of technological and scientific progress, the opening up of new sources of supply and new markets, creating new employment opportunities, reducing regional disparities, the protection and improvement of the environment and economic development.

With such aims in view they agree to encourage and facilitate industrial links, especially joint ventures, greater reciprocal commercial participation in industrial development on mutually advantageous terms, increased and mutually beneficial investment, technological and scientific exchanges, and joint operations by their respective firms and organisations in third countries.

It is stipulated that the Agreement and subsequent actions will not affect the powers of Member States to undertake bilateral economic co-operation activities with Canada.

4. The Agreement provides for the setting up of a Joint Cooperation Committee to promote and review activities inaugurated under the agreement by holding consultations at an appropriate level. The Committee will normally meet at least annually but special meetings may be held at the request of either party; and subcommittees may be set up where appropriate.
  
5. The agreement is of indefinite duration and may be terminated by either party after five years subject to one year's notice.



6. There is a separate protocol between the ECSC and its Member States and Canada.

COMMENTARY ON THE AGREEMENT

1. Over the years the Community has concluded a number of different types of trade agreements with third countries: preferential trade agreements with countries in particular economic or political circumstances vis-à-vis the Community, non-preferential trade agreements with a wide range of developing countries; customs-free entry into the Community for products from the ACP countries; and Commercial Co-operation Agreements with the countries of the Indian sub-continent and Mexico.

For the Community the Agreement with Canada represents an entirely new departure. It is specifically constructed to encourage co-operation between the Community and an advanced industrial nation. The agreement thus takes account of the fact that economic relations between advanced industrial nations with market economies and free flows of goods and capital are far more complex than between the countries or groups of countries for which simple trade agreements with the Community are appropriate. Economic and trade relations between the Community and Canada are for example governed by multi-lateral and bilateral arrangements covering a wide range of products and services, none of which alone occupies a predominant role in its effect on trade.

2. The evolutionary character of the Agreement is a fundamental feature. Trade and economic relations between the partners are not inflexibly defined. The agreement is open-ended and evolutionary. It provides a legal framework aimed at facilitating co-operation, with a central role for the Joint Committee in which the two sides will jointly explore co-operation possibilities. It may be supported by sub-committees established at the appropriate level to deal with specific matters. It will however fall to the operators to respond to and follow up suggestions or ideas put forward in the Joint Committee.

3. The Agreement is not an extension of dirigistic, interventionist policies into the private sector. Nor will it vitiate the operation of co-operation agreements between Canada and Member States; on the contrary, it is intended that it should be complementary to such agreements.
4. For Canada the agreement will assist in the development of more diversified external relations (i.e. the expansion of what Canadians call "The Third Option") thereby contributing a new dimension to her foreign and economic policy.

#### CANADA AND THE COMMUNITY: THE WAY AHEAD

Under the Framework Agreement, Canada and the Community have the opportunity, both to tackle their current problems and to take a cool and constructive joint look at the economic issues and requirements of the 1980's and beyond. Tariff and other matters calling for a multilateral solution will continue to be handled in the GATT and other appropriate international fora. But the field for bilateral activity is extensive and offering scope for imagination and change. In the years to come, both sides will need to seek out the grounds of common interest on which to base the sound development of Canada's economic and commercial potential, the full exploitation by Canada of the Community's immense market, and the further realisation of the Community's financial, technological and trading vocation in Canada. The development of additional resource upgrading activities in Canada, where this is economically justified, will need to be reconciled with the Community's need to see transformation industries prosper in Europe. The Community's natural requirement for reliable long-term sources of supply for various products essential to continued industrial growth will fall to be considered in conjunction with Canada's equally natural concern with the conditions under which her resources are to be explored, extracted, refined and marketed. The decline in the percentage share of each party in the other's market must be arrested and if possible reversed. Both sides need to promote a greater two-way flow of investment. There should be more joint ventures within each others'

markets and in third countries. Machinery will be available in which difficulties can be addressed on a case-by-case basis and in which policies can be progressively dovetailed, thereby providing greater assurance to industry and commerce in their long-term undertakings. "Benefit to Canada" must be made compatible with benefit to the Community. In these conditions, the development of further cooperation between Canada and the Community, far from being some sort of "zero-sum" game (e.g. the rape of natural resources, or the exploitation of a dominant supply position), will be a fair, balanced and adult relationship from which both can derive equal and substantial advantage.

These thoughts invite certain reflections of a more general character. Until recently in effect, diplomacy in the field of international economic relations has tended to be, more often than not, pugilistic in the old sporting sense. Gentleman-negotiators would periodically climb into the ring to fight for "concessions". These rounds of "limited warfare" were an acceptable and necessary mode of international decision-making because they served to promote an extensive and highly profitable liberalisation of trade; and because the issues at stake were limited essentially to a bargain on tariffs and quotas. Everyone found it better to spar for concessions than to sit back in the armchair of peaceful protectionism.

The emergence of the North-South dimension in international trade negotiations and the relative shift of interest away from tariffs and towards guarantees of supply, has already begun to call for the display of a different kind of manly virtue. Of at least equal importance is the challenge to traditional diplomacy in economic relations between the industrialized countries. For various reasons and notably the successful liberalization of trade over the years, economic integration across the Atlantic has reached an unprecedented degree of density. But it is also unprecedently exposed to challenge on the domestic front in Europe and in North America. To safeguard transatlantic economic cooperation, particularly at times of recession which generate a daily potential confrontation of domestic policies, additional diplomatic modes will probably be called for.

With reference now to Canada/Community relations, economic cooperation policies, if they mean business, may eventually produce some degree of interlocking of mutual domestic policy-making - perhaps to an extent which would not normally have been contemplated under the "limited warfare" trade diplomacy of the past. It was with this in mind that the President of the Commission, in a speech in Ottawa on 19 February 1976 spoke as follows about the "new economic diplomacy":

" Accordingly, the diplomacy of economic cooperation will be the art of persuasion and consensus. It will, wherever possible, raise what may appear prima facie to be controversial subjects to a level at which they can be settled by reference to joint interests. It will try to initiate a process of growing together rather than attempt to confront established policies head-on. The new diplomacy will not attempt to renegotiate the established legacies of the past, but will aim to construct the joint consensus of the future. It will work for practical and mutually beneficial compromises, of which the elements can then be incorporated, from the outset, in the new policies of the future.

It is not our business, in the frank and fruitful co-operation required by our shared future, to criticise each other when we do not see eye to eye, but rather to congratulate each other on what is working well and try and see that everything works better still in the future. The Community is ready to act in this spirit, and I have sufficient respect for Canada's foresight and understanding to believe that our shared future will be most happy and constructive. "

#### EXISTING EEC / CANADA CO-OPERATION

The Community and Canada have over the years developed links on various planes and have been acting together in various multi-lateral bodies. To give some examples:

- Since 1972 regular twice-yearly meetings have been taking place between the Commission and high-ranking officials of the Canadian government alternately in Brussels and Ottawa. The last consultations took place on 29/30 June 1976 in Ottawa.

- Members of the European Parliament and the Canadian Parliament have since 1974 been meeting annually, alternately in Europe and Canada.

- Frequent exchange visits take place between Canadian Ministers and Members of the Commission.

- In the framework of promoting industrial co-operation three Sectoral Missions from the Community countries have visited Canada in the last two years. The sectors concerned are forestry products, uranium and non-ferrous metals. Three Missions of Canadian industrialists have also visited the Commission and Member States.

- A Community Delegation was established in Ottawa on 19 February 1976 and includes a Press and Information Service. Canada is the third country (the other two are the USA and Japan) to which Delegations have hitherto been accredited. (There are also Delegations to the UN in New York, and the OECD in Paris and to the GATT in Geneva; and a regional Delegation in Latin America).

- The Community and Canada are negotiating as partners in the Tokyo Round Multilateral Trade Negotiation : a further liberalization of industrial and agricultural trade is of great importance to both. Canada and eight countries of the Community are members of the International Energy Agency and both the Community and Canada are parties to the on-going North-South dialogue.

- Community and Canada have been taking a leading part in the work of UNCTAD, having a common concern for the Less Developed Countries (LDCs). Both the Community (since July 1971) and Canada (since July 1975) operate a Generalized System of Preferences to the benefit of LDCs.

	1972	1973	1974	1975
I. Population (June) (millions)	21.8	22.1	22.4	22.8
Labour Force	8.9	9.3	9.7	10.0
Unemployed	0.56	0.52	0.53	0.71
Rate % of Labour Force	6.3	5.6	5.4	7.1
II. Gross National Product (\$ Billion)	103.5	120.4	140.9	154.8
a) Market Prices				
b) 1971 Prices	99.1	105.9	108.9	109.0
III. <u>Production</u>				
(A) <u>Manufacturing: Shipments by main industries</u> monthly average (\$ Million)	4624.1	5475.8	6690.9	7397.2
(B) <u>Agriculture: annual production of Grain :</u>				
Wheat { million bushels }	533.3	604.7	488.5	627.5
Oats " "	300.2	326.9	254.7	293.1
Barley " "	518.3	469.6	404.2	426.8
Rye " "	13.5	14.3	18.9	20.1
Livestock: Cattle (slaughtered thousands)	3282	3168	3368	3745 (12 mths to Sept.)
Pigs { " " }	8999	8721	8965	8091 { " " }
Sheep { " " }	215	235	185	178 { " " }
(C) <u>Energy: annual production:</u>				
Crude Oil : million barrels	621.6	716.4	675.2	591.7 (12 mths to Aug.'75)
(Reserves: 31.12.1975 : 38 billion barrels)				
Coal : thousand tons	20709	22604	23000	27911
IV. Consumer Price Index (1971: 100)	104.8	112.7	125.0	138.5
Increase over previous year (%)	4.8	7.6	10.9	10.8

V. COMMERCE EXTERIEUR DU CANADA  
(Milliards de \$ canadiens)

	1972	1973	1974	1975	1975 (1)		
					Jan.	Fev.	Mars
<u>Exportations vers:</u>							
<b>Monde</b>	20.1	25.4	32.2	32.6	2.8	2.9	2.9
<b>U.S.A.</b>	14.0	17.1	21.3	21.5	1.8	2.0	2.1
<b>E.E.C. (9)</b>	2.5	3.2	4.0	4.1	0.4	0.4	0.4
<b>Japon</b>	1.0	1.8	2.2	2.1	0.2	0.2	0.2
<u>Importations en provenance de:</u>							
<b>Monde</b>	18.7	23.3	31.6	34.9	3.0	2.9	3.2
<b>U.S.A.</b>	12.9	16.5	21.3	23.6	1.9	2.1	2.3
<b>E.E.C. (9)</b>	2.2	2.5	3.0	3.3	0.3	0.3	0.3
<b>Japon</b>	1.1	1.0	1.4	1.2	0.1	0.1	0.1
<u>Balance avec:</u>							
<b>Monde</b>	1.5	2.1	0.6	- 2.3	-0.2	0.0(+)	-0.3
<b>U.S.A.</b>	1.1	0.6	0.0	- 2.1	0.0(+)	-0.1	-0.2
<b>E.E.C. (9)</b>	0.4	0.7	1.0	0.8	+0.1	+0.1	+0.1
<b>Japon</b>	- 0.1	0.8	0.6	0.9	+0.1	+0.1	+0.1

(1) Comprend les données estimatives pour le Danemark et l'Irlande

**VI. BALANCE OF PAYMENTS - CURRENT ACCOUNT OF CANADA**  
( $\$$  Canadian Billion)

	1971	1972	1973	1974	1975
<u>Total current receipts:</u>					
World	22.8	25.5	31.7	39.8	41.0
U.S.A	15.2	17.1	20.8	25.5	25.7
U K	1.9	1.9	2.2	2.8	2.8
All other countries	5.6	6.2	8.4	11.1	12.0
<u>Total current payments:</u>					
World	22.4	26.2	31.7	41.5	46.1
U.S.A	15.4	17.6	21.6	27.1	30.3
U K	1.4	1.6	1.7	2.0	2.2
All other countries	5.6	6.8	8.0	11.9	13.2
<u>Balance:</u>					
World	+ 0.3	- 0.6	(+) 0.0	- 1.7	- 5.1
U.S.A	- 0.2	- 0.4	- 1.8	- 1.5	- 4.6
U K	+ 0.5	+ 0.3	+ 0.5	+ 0.7	+ 0.7
All other countries	(+) 0.0	- 0.5	+ 0.4	- 0.9	- 1.1

Source: Statistics Canada



CHRONOLOGY

- 1958 Canadian Ambassador to Belgium, Mr. Charles P. Hébert, accredited to the European Communities following the establishment of the European Community institutions.
- 1959  
November Signature of the five year renewable nuclear co-operation agreement between Canada and Euratom.
- 1969  
October First high level working party between representatives of the Canadian government and the Commission at Ottawa.
- 1972  
June Visit of a mission of Canadian high officials to Brussels and initial discussions regarding closer EC-Canada links; meetings in all the member countries.
- October Paris Summit. The Heads of State and Government of the Nine recommend a "constructive dialogue" with Canada.
- November The Canadian government addresses an aide-memoire proposing the examination of the possible forms of an agreement with the EC. First informal bilateral consultation between the Commission and Canada at Ottawa.
- December The Canadian government decides to nominate an ambassador accredited exclusively to the E.C., Mr. J.C. Langley.
- 1973  
March Opening of commercial negotiations between Canada and the EEC in the framework of Art. XXIV/6 of GATT following the enlargement of the Community.
- June Second round of bi-annual informal consultations at Brussels.
- July Publication of the report on "Relations between Canada and the European Community", prepared by the Standing Committee of the Senate on Foreign Relations. This report recommends that the

Canadian government seeks a "general and non-discriminatory economic co-operation agreement with the Community".

November Visit of Commission Vice-President Sir Christopher Soames to Ottawa. Meetings with the Prime Minister and participation in a colloquium organized by the Canadian Institute for International Affairs.

Third informal round of bi-annual consultations at Ottawa.

Visit of European Parliament delegation to Ottawa and first official meetings with the Senate Standing Committee on Foreign Relations and the Foreign Affairs and Defense Committee of the House of Commons.

1974

April Presentation in the Commission of a second Canadian aide-memoire and a draft commercial agreement aiming at the establishment of a "direct contractual link between Canada and the Community".

June Fourth informal bi-annual round of consultations at Brussels.

October The EC Council of Ministers authorises the Commission to embark on exploratory talks with Canada with a view to the negotiation of an economic and commercial co-operation agreement.

Visit of the Canadian Prime Minister, Mr. Trudeau, to Brussels and Paris. Meetings with the President of the Commission, the French President and the Belgian Prime Minister.

First sectoral mission in the framework of EC-Canada industrial co-operation. Commission officials and representatives of the European forestry products industry visit Canada for two weeks.

November Visit of a Canadian parliamentary delegation to the European Parliament at Strasbourg. Inauguration of annual meetings between the two parliaments.

December Visit of the Canadian Secretary of State for Foreign Affairs, Mr. MacEachen, to the Commission, meeting the Vice-President, Sir Christopher Soames.

1975

- February · Conclusion of the trade negotiations under Art. XXIV/6 of GATT.  
First series of exploratory talks between Canada and the Commission at Ottawa.
- March Visit of the Canadian Prime Minister to London, Dublin, The Hague, Bonn and Rome. Meetings with the respective heads of government.
- April Second series of exploratory talks between Canada and the Commission at Brussels.  
Opening of talks for the renegotiation of the Canada/Euratom Agreement at Brussels.
- May Last series of exploratory talks between Canada and the Commission at Brussels.  
Presentation of Commission proposal on the opening of negotiations with Canada to the Council of Ministers.  
Visit of Canadian Prime Minister to Copenhagen and Luxembourg; meeting with the President, Mr. F.X. Ortoli, of the Commission at Brussels.  
Second sectoral mission on uranium.  
Commission officials and representatives of EC industry visit Canada.
- June Fifth round of informal bi-annual consultations at Ottawa.
- September Third sectoral mission on non-ferrous metals. Commission officials and representatives of EC industry visit Canada.
- October Opening at Ottawa of office of EC delegation and information bureau. Arrival of the interim Head of Delegation.  
Visit of a European Parliament delegation to the Canadian Parliament at Ottawa in the framework of annual meetings.

- November Exchange of letters at Brussels between the Commission and Canada on environmental co-operation.  
Sixth round of informal bi-annual talks at Brussels.
- December Meeting between the Canadian Secretary of State for External Affairs, Mr. MacEachen, with the President of the Commission, Mr. F.X. Ortoli, and Mr. F.O. Gundelach at Brussels.

1976

- February Adoption by the EC Council of Ministers of the Commission negotiating mandate for a Framework Agreement on Economic and Commercial Co-operation with Canada.  
Mr. C. Heidenreich, Head of the Community Delegation to Canada takes up office.  
Visit of the President of the Commission, Mr. F.X. Ortoli, to Ottawa and Montreal. Meetings with the Governor General, the Prime Minister, other ministers, federal representatives and business leaders.
- March Official opening of negotiations.
- April First Round of Substantive Negotiations.
- May Second Round of Substantive Negotiations.  
Visit of Commission Vice-President Mr. C. Scarascia Mugnozza to Ottawa and Vancouver.  
Meetings with Canadian Ministers and senior officials.
- June Conclusion of the Negotiation.
- July Signature of Framework Agreement on Economic and Commercial Co-operation between the Communities and Canada.