

The six members of the European Economic Community (EEC), which are Belgium, France, Germany, Italy, Luxembourg and the Netherlands, took the far-reaching decision at their ministerial meeting in May to accelerate the timetable laid down by the Treaty of Rome for the formation of their customs union. Internal tariff levels have been reduced during 1960 by 20 per cent instead of 10 per cent (bringing the total reductions thus far to 30 per cent) and proposals have been put forward to achieve a 50 per cent internal tariff cut by the end of 1961 instead of the 30 per cent provided for in the Treaty. The Six also agreed to take, before the end of the year, their first step toward a common external tariff, and they have embarked on the planning of a common agricultural policy. A start was also made on negotiations to associate Greece and Turkey with the EEC, those with Greece being close to a conclusion by the end of the year. Canada, a number of other countries and the EFTA accredited diplomatic representatives to the EEC, which was also represented at important international gatherings in its own right and thus developed a distinct international personality.

The acceleration of the EEC's timetable, and, in particular, the early move of The Six towards a common external tariff, added urgency to the problems of trade discrimination between the two European trading groups and, for countries outside as well as inside Europe, the problem of maintaining adequate access to the EEC market for their exports.

Concern about these issues led Canada and the United States to take a number of initiatives at a conference convened in Paris in January 1960, as a result of a decision taken by the Western Big Four in December 1959. It was agreed at this conference that all members of the Organization for European Economic Co-operation (OEEC), together with Canada and the United States, should form a special committee (the "Paris Committee") to examine the problems of the economic split in Europe. It was also agreed that the OEEC should be reorganized and a Development Assistance Group created for discussion of economic assistance problems among donor countries.

The work of the "Paris Committee" underlined the problem of trade discrimination between The Six and The Seven resulting from their separate tariff moves and also the problems created for the North American and other supplying countries. At the meetings, Canada emphasized the importance it attached to the adoption by the EEC of a common tariff that would provide outside suppliers with adequate access to the common market. Earlier the EEC had offered to reduce the proposed level of its common external tariff by 20 per cent subject to consolidation of the cut through the tariff negotiations due to begin among the contracting parties to the General Agreement on Tariffs and Trade (GATT) on September 1, 1960. Various discussions were now continued with a view to facilitating negotiations between The Six and The Seven in the GATT. As the result of a Canadian initiative, consultations were held in May 1960 between the EEC and representatives of the major agricultural exporting countries of the world, including Argentina, Australia and New Zealand, for the purpose of discussing the proposed common agricultural policy of the EEC. They provided an additional opportunity for Canada and the other agricultural exporters to emphasize to the members of the EEC that, in developing their agricultural common market, they must not disregard the legitimate interests of the traditional suppliers of agricultural products to Western Europe.