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TELEGRAM

From THE HIGH COMMISSIONER FOR CANADA IN GREAT BRITAIN
To THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

- 6 -

LONDON,

fact. But, since in any case planned integration would have to be carried out concurrently with the formation of a customs union for it to be of appreciable value, it is widely felt here that it would be more sensible to begin by attempting to integrate the economies of the countries of Western Europe directly and that this could best be done through the OEEC.

8. In several discussions with me about the possibility of a meeting of Prime Ministers this year, Noel-Baker has referred to the 1st October as the deadline for the completion of studies concerning the United Kingdom's role in European economic co-operation. Although he did not specify what studies he had in mind, I think it can safely be assumed that he was thinking of the preparatory work being done for the United Kingdom's submission to the OEEC in connection with the programme for the entire four years covered by ERP (cf. paragraph 3 of my telegram No. 829 of the 9th June) and that these studies form the core of the thought which is being given here to the economic aspects of the new European orientation of the United Kingdom's foreign policy. At the same time, however, United Kingdom Departments are continuing to examine the problems which would be raised by the creation of a European customs union. It would be a mistake, I think, if the indication which I have given in this telegram that the United Kingdom authorities feel that there is little chance of a European customs union being formed should lead to any slackening in our investigation of the implications which such a customs union would have for Canadian trade. The project is by no means dead, and it may well be that for political reasons, because of the expectations which have been aroused in other countries of Western Europe and because of the possibility of renewed pressure from the United States, the United Kingdom may