between the Six and the Seven, and growing concern was expressed about a possible split between European countries with effects running far beyond the economic field.

Politically as well as economically Canadians must be apprehensive of any division that emerges amongst our partners in NATO. We depend in no small measure for our common defence on the strength and solidarity of western Europe. Although, of course, the Paris meetings were not in any sense, and by their composition could not have been, NATO meetings, Canada naturally approached last week's meetings having in mind article 2 of the North Atlantic treaty requiring members to "seek to eliminate conflict in their international economic policies".

Our economic concern was twofold. We feared lest the situation developing in Europe should lead to trade barriers against outside goods more restrictive than were necessary or indeed justifiable. We also feared that some new form of discrimination against Canadian goods, some new European preferential system from which we were excluded, might emerge to the detriment of our exporters.

These concerns were voiced very clearly and very forcefully when, in the opening meeting last week, my colleague the Minister of Trade and Commerce spoke in part as follows:

> I need hardly remind those present here of the great importance of international trade to Canada—We have large markets in Europe, accounting for 30 per cent of our total exports, and most European countries have large and expanding markets in Canada—Canada has been anxious lest the policies of the European economic community and the European free trade association be restrictive in their effects on world trade—All of us—have an obvious interest in maintaining generally accepted rules which provide reasonable and fair access to markets throughout the world.

Any protectionist or discriminatory development in Europe against imports from Canada would, in our view, be particularly indefensible in the light of the great increase of prosperity and economic strength in Europe during the past two or three years. This strength has brought with it the long sought for convertibility of European currencies and a rapid and welcome process of dismantling trade restrictions. Europe has built up its gold and dollar reserves to a substantial level, much of this inflow coming from the United States. Indeed, the situation is now such that European countries are in a position to review in a new light not only their trade and tariff policies but also their capacity to extend aid to the world's underdeveloped countries. This marked improvement in the balance of the world's economic strength was an important part of the background of last week's meetings.

Meanwhile the OEEC stood at a cross-roads, and the widest divergence of views existed regarding the roles which it ought and ought not to play in the future.

The growing concern over these matters that was entertained in Ottawa was entertained also in Washington. In November and December of last year the United States undersecretary of state, Mr. Douglas Dillon, visited Europe to explore the problems. His visit resulted in a more rapid crystallization of ideas and a more rapid series of events than he or anyone else had anticipated. It was not only clear that something should be done, but also that it should be done quickly.

Mr. Dillon was in Paris just before the NATO council meetings began in mid-December, and a week before the western summit meeting. Ministers on the Canadian delegation to NATO were able to discuss the rapidly evolving situation with ministers of the United States, the United Kingdom and other countries.

As hon. members know, the four heads of state and government on December 20 decided that an invitation should be issued to 13 countries, including Canada, and also to the European economic commission, to attend the meeting that began in Paris last Tuesday.

In the week before that meeting the Minister of Trade and Commerce and I went to Washington to hold preliminary informal discussions with Mr. Dillon and also with Mr. Anderson, the secretary of the treasury. These talks were most constructive. In the course thereof the United States secretaries assured us that they shared our concerns regarding access to European markets, not only for manufactured goods but also for materials and foodstuffs in which Canada is particularly interested.

Immediately the Canadian delegation arrived in Paris we had useful talks with the French authorities and valuable discussions with the chancellor of the exchequer and the president of the board of trade.

Thirteen, as we ourselves had feared, turned out to be an unlucky number. The thirteen were made up of two from North America, five from the Six, five from the Seven, and one so-called "European neutral". This left seven European countries off the invitation list, and very naturally most of them were dissatisfied and critical. The reason against a meeting of twenty was the feeling on the part of some European countries, who were dissatisfied with the recent role of the OEEC, that such a meeting would be considered as a meeting of the OEEC itself.

Nor were these seven the only countries in the world that were perturbed by the