

I wish to reiterate our sympathy for and understanding of the broad political and economic objectives of the Rome Treaty. We are well aware of the benefit and advantage that could flow for the trading world from a stronger and more prosperous EEC. We believe, however, that these benefits can only be realized if the policies pursued by the six are such as to strengthen and not impair commerce between the member countries and the rest of the world, consistently with the requirements of the General Agreement.

I understand that, by the end of this year, the Common Market countries expect to be in a position to give other Contracting Parties complete information concerning their proposed common tariff. Our next session will no doubt provide an opportunity to discuss and examine the level of this tariff and to make any recommendations that may be necessary. I feel certain that the Common Market countries will take fully into account their tariff obligations under the agreements and will wish to demonstrate their interest in expanding world economy by setting the common rates of duty at levels that will encourage trade with the outside countries. This is particularly important for Canada in the field of raw materials, many of which are on list "G", the tariffs for which as yet remain undecided. In a sense, the decisions of the six on the list "G" items will be a test of their intentions. Do they, as major manufacturers and exporters, wish to take advantage of world availability and world prices for necessary raw materials or do they prefer to insulate themselves to varying degrees from the world markets and to protect limited local productions without adequate regard to the higher economic costs involved? The world awaits the answer.

Agricultural Policy

We are looking forward also to hearing from the Six about the common agricultural policy which is to be adopted by Common Market countries. This is a matter of major concern to many Contracting Parties. The policies of the Six in this field are being developed at a moment when, in Committee Two, the Contracting Parties are addressing themselves to the fundamental problems which arise in agricultural trade. Although the Rome Treaty spells out certain principles and methods, the contracting Parties have not, to date, had sufficient information to enable them to appreciate fully what is intended and what the implications will be for outside countries. I should like, here, to remind the Six of the necessity of avoiding a restrictive policy in this field, and to take into account fully the major trading interests of other countries. I assume that as soon as the plans of the Six in the agricultural field have been developed an opportunity will be provided for the Contracting Parties to review the proposed arrangements in the light of GATT objectives and principles and the requirements of Article XXIV. To permit a timely and expeditious review, various procedures can be considered in the GATT, but there should be no unwarranted delay. There is also the outstanding question of the association of the overseas territories of the Six with the Common Market. We have welcomed the opportunity which the consultations under Article XXII have provided to place before the Six