



CANADA

CANADIAN WEEKLY BULLETIN

INFORMATION DIVISION • DEPARTMENT OF EXTERNAL AFFAIRS • OTTAWA, CANADA

Vol. 16 No. 52

December 27, 1961

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CANADA AND THE EUROPEAN COMMON MARKET

The following is a partial text of an address by Prime Minister John G. Diefenbaker to the Hamilton Chambers of Commerce on December 7:

"Another subject on which I should like to talk to you tonight is the European Common Market. As you know, six countries of Europe, namely France, Italy, West Germany, the Netherlands, Belgium and Luxembourg, agreed in 1957 to set up this Common Market. Britain is now negotiating terms of entry with the Six.

"There is no need to emphasize the great complexity of these European developments and their many implications for the rest of the world. There has been a tendency to over-simplify the issues raised, perhaps in an effort to find simple ready-made solutions. Misunderstanding has often been the result - misunderstanding of some of the problems concerned and misunderstanding of the Canadian Government's position. I should like to explain to you the main issues as we see them.

REVIEW OF THE MAIN ISSUES

"Let us first look at the Common Market. The Six have strong political reasons to unite. They wished to bring France and Germany closer together. They realized that working together they could play a more effective role in world affairs. They also hope that their Community will lead to expanded trade and a faster rate of economic growth.

"So far, their expectations have been largely realized: they have achieved a high level of prosperity and within a few years they will have formed a vast area of free trade with common institutions,

where labour and capital will also move freely. They already have a leading position in world trade. Together they account for more than a quarter of total world trade.

"In Canada we understand the political motivation that has created the Common Market. On the other hand, we consider that its prosperity should not be realized at the expense of outside countries. We have made very clear to the Six that a highly protective tariff on such commodities as aluminum, wood pulp, newsprint, lead and zinc would be harmful to our trade.

"We have made it equally clear that a protectionist common agricultural policy would have severe effects on our agricultural exports to the Common Market and be a source of grave concern.

"In the tariff negotiations now taking place in Geneva under GATT we are making every effort to secure reasonable access to the Common Market. The Six understand our position and the scope of the interests we have at stake. Our policy is to protect these interests.

BRITAIN AND THE MARKET

"I turn now to the negotiations between Britain and the Common Market. Britain is at the centre of a world-wide trading system in which the production facilities of many Commonwealth countries have been created to supply the British market. The adoption of the Common Tariff of the Six by Britain and of a protectionist agricultural policy, without arrangements designed to protect Commonwealth interests, could

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