No. 62/3   CANADA AND THE EUROPEAN COMMON MARKET

Partial notes for an address by Prime Minister
John G. Diefenbaker, to a combined meeting of
Hamilton Chambers of Commerce, Hamilton, Ontario,
December 7, 1961.

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.

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.

Vast Free-Trade Area

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