

An expansionist solution of the current problems of the North Atlantic area, as well as the attainment and maintenance of a higher rate of economic growth, will be dependent to a large extent on the rate at which world trade can be made to grow. This is particularly true for Canada, where export trade accounts for twenty per cent of our gross national product of \$36 billion a year. Of vital importance to us are the economic stimuli to the Canadian economy which come from abroad, from the markets in which we sell our products. The same holds true, to a greater or lesser extent, for many other countries. Indeed for all the Atlantic countries trade is and must remain at the centre of our preoccupations when we are considering the question of economic growth.

Expansion of Trade

This brings me to the second objective of the OECD, the expansion of world trade on a multi-lateral, non-discriminatory basis.

Developments in this field have been rapid and significant in recent years. The most important factor is without doubt the establishment of a new economic and trading entity in Europe, the European Economic Community, which is the world's largest trading entity. This development, which has taken place concurrently with, and has contributed to, the achievement of stable and highly prosperous economic conditions in Western Europe, has already altered in a decisive way the balance of economic forces within our trading world. The economic conditions in the EEC and the commercial policies it follows will from now on have repercussions on other countries comparable in importance to those exerted by the United States economy. This implies a very heavy burden of responsibility on the members of the EEC. Because the repercussions of their policies are so great, their long-run interests require them, when formulating their policies, to take full account of the repercussions on other countries.

Canadian Misgivings

I know that sometimes we in Canada may appear to you in Western Europe to be critical of the EEC. I assure you that it is not that we do not welcome the new developments, for we sincerely do. We do, however, have some concern that, in solving the internal problems of the EEC, the member countries may tend to lose sight of the wider issues and objectives which concern us all. I would suggest that such fears in outside countries are inevitable and that these fears will remain until the policies of the EEC have been established, notably in the agricultural field, and it has been clearly demonstrated that these policies are outward-looking and not restrictive of trade.

I am happy to add that we have been encouraged by the signs in recent months that the members of the Community are becoming more aware of these "outside" problems and are anxious to find fair and trade-expanding solutions. Many difficult problems, however, remain to be solved.