

Mr. RITCHIE: It is very difficult to say what may be anticipated by one or another member of this new organization. I would not have thought that it was generally anticipated that this organization would be largely concerned with the working out of formal trade agreements; I would not have thought that was the general anticipation. One cannot, however, say with certainty what one or another member of the organization may be anticipating. This whole arrangement and what it amounts to depends very much, obviously, on what member governments decide to make of it. There are certain safeguards to lessen the likelihood of the wrong thing being made out of it, either from the point of view of member countries or countries which are outside the agreement. There are certain safeguards to ensure the interests of one or another member will not be sacrificed, and to ensure, so far as possible, that the interests of outside countries will not be overlooked. Subject to those safeguards and limitations in Article VI, on the nature of the actions which can be taken by the organization, the future of that organization, and what it will in fact become depend very much on what the member governments wish to have it become.

Senator MACDONALD (*Brantford*): O.E.E.C. did result in two trading groups, did it not?

Mr. RITCHIE: It did not produce them directly. They did occur among countries which had been co-operating in the O.E.E.C.

Senator MACDONALD (*Brantford*): I am wondering if it is likely that one great trading group may come about as a result of this association?

Mr. RITCHIE: I would not be able to speculate on that possibility, sir.

Senator HUGESSEN: If it ever comes about at all, it is much more likely to come about through this organization having been set up than if there was no such organization at all.

Senator MACDONALD (*Brantford*): I do not know if Mr. Ritchie will go that far.

Mr. RITCHIE: This convention will encourage constructive co-operation among the member countries, with due regard to the outside countries. What that might lead to I quite frankly could not forecast.

Senator LAMBERT: To what extent has the bloc of six countries, the European common market, bound itself together by agreement?

Mr. RITCHIE: The common market countries have become very closely bound together by agreement.

Senator LAMBERT: In connection with that, common tariff has been established amongst themselves. That is 10 per cent I understand; although I think it was to be lower than 10.

Mr. RITCHIE: I think you are speaking of the reductions in the tariff levels they are to make in the process of getting rid of tariffs among themselves.

Senator LAMBERT: One of the conditions of the association will be to reduce their common tariff to 10 per cent, at least, with the ultimate objective of being a free trade area?

Mr. RITCHIE: That is true among themselves, but they will still keep the common tariff to the outside world.

Senator LAMBERT: The area that is embraced by this bloc of six nations will eventually be a free trade among themselves?

Mr. RITCHIE: A customs union arrangement amongst themselves, with no barriers to trade among themselves, but with a common external tariff towards the rest of the world.

Senator LAMBERT: I suppose one of the propositions that will be considered by the O.E.C.D., when it comes into existence, will be to expand that area, if