

Similar preoccupations and sympathies exist in Canada with respect to the other European regional grouping, the EFTA, which includes our second largest trading partner, the United Kingdom.

Because of our special links with the United Kingdom, and of our substantial trade interests in continental Europe, we are, of course, especially interested in the suggestions which have been made to broaden the benefits of free trade in Europe by associating in some way the EEC and EFTA, The Six and The Seven.

We in Canada have been steadfast supporters for many years of freer trade -- on a multilateral, non-discriminatory basis -- and we have in GATT actively supported all moves in that direction. We remain committed to this goal.

#### Repercussions of Regional Groups

It is clear, however, that the wider and the more economically significant a regional grouping is, the more crucial the repercussions it can have on the pattern and volume of world trade. The establishment of the OECD has reflected the recognition by countries on both sides of the North Atlantic that they have become so interdependent economically, that their future progress requires a very close and intimate co-operation in formulating and implementing their respective policies. We believe that the OECD can be an effective forum in which to discuss among ourselves the problems of The Six and The Seven and the related wider problems of promoting freer trade, and that in so doing the OECD can and must work hand in hand with GATT.

We also believe that, while a broader European trading arrangement could contribute to the lowering of trade barriers generally, it is essential that any moves or arrangements to prevent a trade split in Europe would not lead to a trade split between Europe and other parts of the world trading community or, equally important, that they should not impair the prospects for the progressive lowering of trade barriers on a wider, non-discriminatory basis.

It is, I submit, especially important that whatever moves or arrangements may be contemplated should take full account of the trading interests and problems of countries outside the North Atlantic area, and in particular of the less-developed countries.

#### Expansion of Less-Developed Countries

But much more is required on behalf of the less-developed countries, and this brings me to the third, and, over the long-term, possibly the most important, objective of the OECD, "the sound economic expansion of less developed countries throughout the world." While there are of course limits to what any one country can do, it