

The aims of the newly constituted Organization, as set forth in Article 1 of the Convention, are to promote policies that are designed: (a) to achieve the highest sustainable economic growth and employment and a rising standard of living in member countries, while maintaining financial stability and thus to contribute to the development of the world economy; (b) to contribute to sound economic expansion in member as well as non-member countries in the process of economic development; and (c) to contribute to the expansion of world trade on a multilateral non-discriminatory basis in accordance with international obligations.

The activities of the Organization may be broadly classified under three heads: trade, aid, and the harmonization of the economic policies of member governments. Of these, the third is the least familiar but it might well emerge as the most important. Therefore I should like to speak of it first.

In the field of economic policy there is growing recognition of international inter-dependence. National economies have become more sensitive to changes in world trends and to measures taken in other countries. Actions taken by individual governments often have external repercussions and, indeed, the efficacy of national action is to a large extent dependent upon the policies followed in other countries. Accordingly, it has been agreed that in the new Organization the economic and financial situation in member countries and policies pursued by member governments will be kept under review. Special attention will be paid to the international effects of national policies. And, as set out in the Convention, member countries have undertaken to pursue, both individually and jointly, "policies designed to achieve economic growth and internal and external financial stability and to avoid developments which might endanger their economies or those of other countries".

Similarly, in the field of trade, member countries agree to review together their general policies and practices and to devote special attention to the international effects of their actions. The Organization will provide a continuing forum for consideration of the effects, on member countries and on others, of the trade groupings that are emerging in Europe. I refer, of course, to issues arising from the formation of The Six and The Seven. Such matters as these are of concern currently and for the future. On the other hand, it has been decided that much of the earlier activity of the OEEC in the field of trade, which was of regional character and often discriminated against the rest of the world, should be discontinued. The new Organization is, as I have said, to promote the expansion of trade on a multilateral and non-discriminatory basis, thus contributing to the achievement of the purposes of the General Agreement on Tariffs and Trade.