

OEEC Reorganization

The decision taken at the January economic meetings in Paris to study the possibility of reshaping the OEEC to meet the challenges of the 1960's and permit United States and Canadian membership reflected a growing recognition in Europe and America that the OEEC had successfully completed the tasks for which it had been created in 1948. European economic recovery was attested by the conditions of unequalled prosperity everywhere visible, by the restoration of convertibility for the major European trading currencies, by the progress achieved in removing import restrictions and by the substantial and growing accumulation of gold and foreign exchange reserves in most European countries. Europe, it was thought, was now in a position to play its full part with the United States and Canada in promoting economic expansion on a world-wide basis and assisting the less-developed countries of the world. Moreover, with the development of a freer trading and currency system, Europe and North America had become more closely interdependent.

Negotiations for the establishment of a new organization moved steadily throughout the year and on December 14, 1960, in Paris, the ministers of 20 countries, including Canada and the United States, signed the Convention of the Organization for Economic Co-operation and Development (OECD). It is expected that the Convention will be ratified by the signatories and will come into force some time in 1961.

The aims of the OECD are to promote policies 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 multi-lateral, non-discriminatory basis in accordance with international obligations.

One of the major activities of the Organization will be to encourage the harmonizing of the economic policies of member countries. In the trade field its functions will be important but essentially consultative. The major aid givers among member countries, together with Japan, will continue to share their views and experience in a Development Assistance Committee, and the Organization will conduct a technical assistance programme on behalf of the less-developed member countries. Co-operation will also extend to many other fields, including agriculture, fisheries and other industries, the raising of productivity, scientific research, and the training of scientific personnel.

Latin America

In Latin America an important development was the signing of the Treaty already referred to establishing the regional group described as the LAFTA. Canadian exports to the area concerned totalled just under \$70 million in 1959, approximately half the country's exports to Latin