

TEXT OF COMMUNIQUE ISSUED AT THE CONCLUSION
OF THE OECD MINISTERIAL MEETING IN PARIS
NOVEMBER 28, 1962.

The Ministerial Council of the Organization for Economic Co-operation and Development meeting in Paris on November 27 and 28, under the Chairmanship of the Honourable Donald M. Fleming of Canada reviewed the economic prospects for its 20 member countries in Europe and North America and the worldwide responsibilities of the OECD community.

2. The Ministers undertook this review and surveyed progress towards the growth target they defined last year, basing themselves on comprehensive studies in the Organization.

3. In the USA there is unemployed labour and unutilised capacity. There is a clear need for action to stimulate demand. Production in some European countries is now growing less rapidly than last year, but no country is expecting a substantial slowing-down in growth of production next year. The Organization will continue to keep the situation closely under review. Ministers agreed that should the need to take expansionary measures arise later on, it would be important for member countries to act quickly and in concert.

4. There has been a substantial improvement in international competitive position in the U.S.A., in Canada and in the U.K. This will contribute increasingly to a better balance in international payments. National authorities will continue their close cooperation to moderate the remaining elements of imbalance. In particular, further efforts are needed to ensure that capital flows assist rather than impede the restoration of balance of payments equilibrium, account being taken of ^{the} situation in various countries. It should be noted that large resources are available to deal with temporary

balance of payments difficulties.

5. Prices and costs have been rising in Europe. Rise needs to be halted without restrictive policies which might arrest sound economic expansion. Continued economic growth without undesirable rises in costs and prices could be facilitated by adequate income policies and measures to secure mobility of productive resources. A report on costs and prices will be published.

6. The Ministers had before them a first report which will be published on some problems related to the collective target of 50 percent growth in real national product during the decade from 1960 to 1970, set by the Ministerial Council in 1961. While this objective is well within the physical capabilities of member countries, experience over the first two years of the decade points to the need for a better and fuller use of economic resources for this purpose.

7. Referring to last year's communiqué the Ministers reaffirmed the special desirability of rapid growth in all member countries in the process of development and confirmed the importance which they attach to continuation of the efforts of the Organization in this field. In this context they stressed the importance of work to be done by the Consortia established to support the development policies of Greece and Turkey.

8. The Ministers noted with satisfaction the conclusions of the first annual review of the aid policies of members of the Development Assistance Committee. They recognized the need for further concerted action to increase the volume and effectiveness of aid to developing countries and to relate it more closely to ^{the} development efforts of the benefiting countries themselves. Aid programmes should be a well-established part of ^{the} policy of every developed member country.

The Ministers noted with satisfaction the decision taken on the establishment of a development centre, the work of which will have to be prepared by the Organization.

9. In the field of trade important tasks lie ahead. If the less developed countries are to achieve a substantial improvement in their standards of living, efforts in the field of aid must be supplemented by policies designed to increase their foreign exchange earnings and provide expanding markets for their products, including manufactured articles. To this end, the Ministers have recommended that member countries, in the framework of the Organization, should work towards policies which take full account of the interdependence of trade and aid. In the light of the development of negotiations on the enlargement of EEC and of the perspectives opened by U.S.A. Trade Expansion Act, the Organization will have to consider how it could best contribute to the expansion of world trade on a multilateral and non-discriminatory basis, as provided for in the Convention.

10. Substantial adaptations in the fields of agriculture, industry and manpower will be necessary to facilitate economic growth and the expansion of trade. In view of its general competence in economic matters, the OECD can usefully help member countries to cooperate in this task. The Ministers noted the statement published by the OECD Ministers of Agriculture. Their work will strengthen cooperation through the OECD in the fields of agricultural policy, international agricultural trade and food aid to the less-developed countries.

11. Recognizing the increasing importance of science and technology in their many relations with economic life, the Ministers noted the work undertaken by the Organization in

this field pursuant to the Convention. They instructed the Organization to prepare a ministerial-level meeting on cooperation with regard to scientific policy and research, to be called within the next year.