

STATEMENTS AND SPEECHES

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

No. 62/16

THE OECD TAKES STOCK, 1962

Statement to the House of Commons on
December 3, 1962, by Mr. Donald M. Fleming,
Minister of Justice.

... As Hon. Members are aware, the second annual meeting of ministers of the 20 member countries of the OECD was held in Paris on November 27 and 28. I now wish to report to the House concerning the results of this very successful and interesting meeting. The agenda for the meeting contained items relating to the three main aims of the Organization, namely the achievement of maximum economic growth and employment with due regard to financial stability, the promotion of economic expansion in the less-developed countries, and the expansion of world trade on a multilateral, non-discriminatory basis.

In an exchange of views concerning economic policy, ministers reviewed the current situation in member countries and the progress made in the past year toward the collective growth target defined in November, 1961. Hon. Members will recall that on that occasion the OECD ministers agreed to set as a collective target the attainment during the decade 1960 to 1970 of a growth of 50 per cent in real gross national product of the 20 member countries in aggregate.

In examining the economic outlook at the present time, the Council noted that in the United States there is unemployed labour and unutilized capacity and a clear need for action to stimulate demand. European production continues to grow, although at a less rapid rate than before. It is intended to keep the situation under review, and ministers agreed that, should any measures be required to stimulate expansion in member countries, it would be important to act quickly and in concert. A significant conclusion of the discussion was that the competitive positions of Canada, the United Kingdom and the United States have improved. This is expected to contribute to a better balance in international payments.

The Council decided to publish two important, although preliminary, studies. One of these relates to the growth target adopted last year. It analyses growth experience of the various member countries over the past decade and looks ahead to the possible direction and structure of growth in some of the leading member countries. The second study reviews the experience

and experiments of member countries in maintaining reasonable stability of costs and prices. In stating the views of the Canadian Government during the discussion, I emphasized the importance Canada attaches to the highly successful exchange of views on economic policy within the Organization. I believe it is no exaggeration to say that these consultations on economic policy lie at the very heart of the Organization. It is of real significance to Canada to be able to contact, through the OECD, the senior representatives of our major trading partners responsible for the formation of economic policy.

I also indicated the interest of the Government in the work of the Organization over the past year in examining the policies and problems of economic growth and in analysing the means of achieving stability of costs and prices. With respect to the latter subject, I reminded the Council that the Canadian Government has laid strong emphasis on the improvement of productivity and economic efficiency, that it has established the National Productivity Council and that it has introduced recently in this House a measure to establish a National Economic Development Board.

With respect to trade, ministers addressed themselves to the important question of co-ordinating trade and aid policies adopted by member countries in their relations with the less-developed nations of the world. In a resolution approved last week, members of the Organization agreed to "seek to formulate concerted policies which are designed to further the economic development of the less-developed countries and which take full account of the interdependence between trade and aid". It is clear that most countries would prefer to live by trade rather than aid, and that the industrialized nations can help the less-developed areas by providing reasonable access to markets for their products as well as by means of international assistance.

The Ministerial Council also reviewed the activities of the Organization during the past year in the field of development assistance, noting with satisfaction the conclusions of the first annual review of the aid policies of the members of the Development Assistance Committee. Ministers recalled the decision taken recently to establish a Development Centre in the context of the OECD and recognized the need for concerted action to increase both the quantity and the quality of aid to developing countries. For this part of the meeting, in view of Japan's membership in the Development Assistance Committee, the Japanese Minister of State, Hon. Kiichi Miyazawa, was in attendance.

Ministers discussed the role of the OECD in the co-ordination of scientific programmes in member countries. They agreed to convene a special meeting of ministers in 1963 to stimulate co-operation in this important area.

The ministers of agriculture of the 20 member countries met on November 19 and 20 in Paris. The Ministerial Council of the Organization noted the results of the agriculture ministers' discussions and agreed that their work will strengthen co-operation through the OECD in the fields of agricultural policy, international agricultural trade and food aid to the less-developed countries.

The ministers were happy to welcome to the meeting senior representatives of a number of other international organizations whose work lies in fields related to that of the OECD. Statements were heard from Mr. Per Jacobsson, Managing Director of the International Monetary Fund; Mr. Rey, a member of the Commission of the European Economic Community; Mr. Wyndham White, Executive Secretary of the General Agreement on Tariffs and Trade, and Mr. Wehrer, a member of the High Authority of the European Coal and Steel Community....

s/c