ECONOMIC POLICY COMMITTEE

Chair: ... (…)

Vice-Chairs: Mr. H. Bogaert (Belgium)
Mr. S. Ushijima (Japan)

Observers: Bank for International Settlements (BIS)
European Free Trade Agreement (EFTA)
International Monetary Fund (IMF)
World Bank

Date of creation: 30th September 1961

Duration: Unspecified

Mandate: Paragraph 12 of the Report by the Preparatory Committee

"12. It is further recommended that the mandate of the Economic Policy Committee should be as follows:

a) The Economic Policy Committee will keep under review the economic and financial situation and policies of Member countries with a view to attaining the objectives of the Convention.

b) In reviewing the economic policy of Member countries, the Committee will pay special attention to the international effects of national policies in the light of the increasing interdependence of their economies and of the recognition that efforts of individual countries will be influenced by the actions of others, with a view to establishing a climate of mutual understanding conducive to the harmonious adjustment of policies."
WORKING PARTY ON SHORT-TERM ECONOMIC PROSPECTS

Chair: Secretariat

Observers: Bank for International Settlements (BIS)
           European Free Trade Agreement (EFTA)
           International Monetary Fund (IMF)
           World Bank

Date of creation: 17th July 1963

Duration: Unspecified

Mandate:
- Meeting of the Economic Policy Committee on 27th-28th February 1963
- Report by the Chairman to the Council [C(63)39]
- Meeting of the Economic Policy Committee on 10th-11th July 1963
- Report by the Chairman to the Council [C(63)101]

Extract from document [C(63)39, paragraph 6]

"e) The Committee considered a suggestion for more systematic exchange of
short-term forecasts of economic developments and invited the Secretary-General
to make arrangements for this."

Extract from document [C(63)101]

"11. The Committee agreed upon arrangements to enable the Secretariat to prepare, for its
next meeting, forecasts of the broad movements of the supply and use of resources in 1964. The
Secretariat will be communicating with Delegations to this end.

The Economic Policy Committee has subsequently confirmed that its Working Group on
Short-term Economic Prospects should meet shortly before meetings of the Committee."
WORKING PARTY NO. 1 ON MACRO-ECONOMIC AND STRUCTURAL POLICY ANALYSIS

Chair: Mr. J. Grice (United Kingdom)
Vice-Chair: Mr. P. Callesen (Denmark)
Observers: Bank for International Settlements (BIS)
European Free Trade Agreement (EFTA)
International Monetary Fund (IMF)
World Bank

Date of creation: 20th May 1980
Duration: Unspecified

Mandate: New Working Party on Macro-Economic and Structural Policy Analysis [CPE(80)7]

Annex to document [CPE(80)7]

1. This Working Party is charged with the policy analytic aspects of macro-economic and structural problems. With a view to highlighting the analytic aspects of policy issues and proposals and with special emphasis on the medium term, it will report regularly to the Economic Policy Committee its findings with respect to the means of achieving the main objectives of economic policy, notably growth, high employment, welfare and price stability, using, where appropriate, quantitative assessment. The Working Party will in particular consider:

   i) Control of demand and inflation, including the role of fiscal policy, monetary policy and prices and incomes policy;

   ii) Supply side policies, including policies affecting labour supply, investment, factor mobility and energy;

   iii) Allocation and distribution of resources, including public expenditure and revenue decisions, financing and analysis of major expenditure programmes.

2. The Working Party will call as necessary on subgroups to prepare the technical aspects of its work. Subgroups will, in general, be ad hoc, temporary, and tailored to a specific technical question.

3. In executing its mandate, the Working Party will bear in mind the special problems of the less-industrialised Member countries as well as relations with non-Member countries. In its activities it will take into account related work being done in other Working Parties and Committees of the OECD and in other international fora.
WORKING PARTY NO. 3 ON POLICIES FOR THE PROMOTION
OF BETTER INTERNATIONAL PAYMENTS EQUILIBRIUM

Chair: Mr. M. King (United Kingdom)

Members:
- Canada
- Netherlands
- France
- Sweden
- Germany
- Switzerland
- Italy
- United Kingdom
- Japan
- United States

Observers:
- Bank for International Settlements (BIS)
- International Monetary Fund (IMF)

Date of creation: 30th September 1961

Duration: Unspecified

Mandate:
- Sixth Meeting of the Economic Policy Committee Report to the Council by the Chairman [C(61)66]
- Agreed Minute by the Economic Policy Committee 19th April 1961 [CPE(61)4]

Extract from the Report to the Council by the Chairman [C(61)66]

"1. The Economic Policy Committee held its Sixth Meeting on 18th and 19th April. This was the first meeting since the ratification of the OECD Convention by the United States and Canada and, in anticipation of their full membership of the OECD, both countries were strongly represented.

2. At the beginning of the meeting, the Head of the United States Delegation, Mr. Heller, said that he could give every assurance that the United States would be an active, interested and flexible member of the new Organisation. His Government attached particular importance to this meeting of the Committee and they looked forward to close and continuous working partnership within the Committee to deal with economic problems as they unfolded.

3. In pursuit of this aim, the United States Delegation made proposals for extending and intensifying the Committee's work. These were warmly welcomed by the other members of the Committee. Following discussion of these proposals, it was decided to establish two working groups to study and consult upon problems of policy in two areas where such action seemed likely to produce the most valuable results. The first group would deal with the problem of economic growth. The second group would deal with the balance of payments and with monetary, fiscal and other related policies. The Committee hoped to consider reports from these two groups with a view to making further proposals for action to the Ministerial Council of OECD."

Extract from Document [CPE(61)4]

"The Economic Policy Committee has considered the proposals made by the United States Delegation at its meeting on 18th-19th April 1961, for a programme of closer co-ordination of economic policy [CPE(61)2]. The Committee agrees to set up two Working Parties to deal with the

* To help prepare the technical background for its meetings and assist the Secretariat in its assessment of monetary policy issues, the Working Party asked the Secretariat to convene a small informal group of monetary experts, drawn from Member countries of the Working Party on a personal basis. The Secretariat has taken the initiative to seek consultation from such a group about once a year, starting in the late 1960s.
problems outlined below, and to submit their findings and recommendations to the full Committee as soon as possible:

i) Policies for the promotion of economic growth

ii) Policies for the promotion of better international payments equilibrium

The Working Party will analyse the effect on international payments of monetary, fiscal and other policy measures and will consult together on policy measures, both national and international, as they relate to international payments equilibrium.
**ECONOMIC AND DEVELOPMENT REVIEW COMMITTEE**

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<tr>
<th>Chair:</th>
<th>Mr. N. Thygesen (Denmark)</th>
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<tr>
<td>Vice-Chairs:</td>
<td>Mr. J. Corban (New Zealand)</td>
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<td>Mr. P. Tilley (Australia)</td>
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<td>Observers:</td>
<td>Russian Federation (on ad hoc basis)</td>
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<td>World Trade Organization (WTO)</td>
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<td>Date of creation:</td>
<td>30th September 1961</td>
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**Mandate:** Paragraph 13 of the Report by the Preparatory Committee

13. The Preparatory Committee recommend the establishment of an Economic and Development Review Committee which will, among other tasks assigned to it, be responsible for the annual examination of the economic situation of Member countries.

   The Committee would study and make comments and recommendations to the Council on the development programmes of the Member countries in the process of economic development, and advise the Council on other development problems that such Member countries may submit to the Organisation, with a view to assisting the Council in ensuring that the responsibilities of the other committees charged with carrying out the tasks arising out of paragraph 4 of the Ministerial Resolution of 23rd July 1960 [OECD(60)13] are adequately co-ordinated. The Committee would have the right to request the Secretary-General to call upon individual experts or expert groups to advise the Committee as may seem necessary in any given case.

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   Among other recommendations which the Preparatory Committee included in its Report and which the Council of Ministers accepted, the following are relevant to the future work of the Economic and Development Review Committee:

   **Paragraph 55** of that Report, concerning the obligation of each Member country to keep the Organisation informed of significant changes in its economic policy;

   **Paragraph 57** of the same report, recalling some of the principles concerning long-term economic expansion and the advantages of concerted action to this end contained in certain Acts of the OEEC.
COMMITTEE FOR MONETARY AND FOREIGN EXCHANGE MATTERS

Chair: ... (...)  
Observers: Bank for International Settlements (BIS)  
International Monetary Fund (IMF)  
Date of creation: 1st January 1973  
Duration: Unlimited. Regular meetings of the Committee were suspended as from 31st January 1975, it being agreed that it would meet after that date only if required in accordance with the provisions of Section III of the Decision of the Council [C(75)134(Final)] set out below.  

Mandate: - Resolution of the Council concerning the Creation of a Committee for Monetary and Foreign Exchange Matters and its Terms of Reference [C(72)253]  
- Decision of the Council concerning the Future of the Exchange Guarantee Agreement Between Certain Central Banks and of the Committee for Monetary and Foreign Exchange Matters [C(75)134(Final)]  

Resolution of the Council [C(72)253]  

"THE COUNCIL,  
Having regard to the Decision taken by the Council concerning the future of the European Monetary Agreement, which is the subject of Item 196 of the Minutes of the meeting of the Council on 25th July 1972 [C/M(72)22(Final), Item 196];  
Having regard to the Report by the Ad Hoc Committee of 27th November 1972, concerning Termination of the European Monetary Agreement, Setting-up of an Exchange Guarantee between the Central Banks of Certain Members of the Organisation and Creation of a new Committee of the Organisation [C(72)230];  
Having regard to the Decision of the Council of 13th December 1972, Terminating the European Monetary Agreement [C(72)252];  
Having regard to the Decision of the Council of 13th December 1972, concerning the Setting-up of an Exchange Guarantee between the Central Banks of Certain Members of the Organisation, (hereinafter called the "Decision") [C(72)251];  
Taking note that the Central banks of certain Members of the Organisation have agreed to the draft Agreement concerning an Exchange Guarantee between the Central Banks of Certain Members of the Organisation, annexed to the Note by the Secretary-General of 11th December 1972 (hereinafter called the "Agreement") [C(72)241 and Corrigendum 1];*  
Having regard to the Rules of Procedure of the Organisation and, in particular, to the Annex thereto;  


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DECIDES:

1. A Committee for Monetary and Foreign Exchange Matters (hereinafter called the "Committee") is hereby created with the general purpose of providing a forum, open to the participation of all Members of the Organisation, in which problems of monetary co-operation, particularly those relating to the operation of the exchange markets, can be examined. The Committee shall, in particular, be responsible for:

   a) Taking the decisions under the Agreement referred to in paragraph I a) iii) of the Decision and Article 7 of the Agreement;
   
   b) Proposing to the Council any arrangements pertaining to the operation of the exchange markets, other than those provided for under the Agreement and the present Resolution, which could be needed in the light of developments and, in particular, of the progress made towards reform of the international monetary system;
   
   c) Discussing with any Member of the Organisation any temporary financing problems which that Member may wish to raise, considering ways of facilitating recourse by such a Member to the international financial market and making any recommendations to the Council concerning ways in which such a Member could be helped.

2. Decisions under the Agreement which, in accordance with paragraph 1 a) of this Resolution, are to be taken in the Committee require the mutual agreement of all the Central banks participating in the Agreement.

3. The Representative of the Commission of the European Economic Community may take part in the work of the Committee. Representatives of the Managing Director of the International Monetary Fund and the Bank for International Settlements may attend the meetings of the Committee. The Committee may invite other persons to attend its meeting.

4. The Committee shall elect its Chairman and Vice-Chairmen and shall adopt its own rules of procedure.

5. a) The Committee shall be established for an initial period of three years, from 1st January 1973, to 31st December 1975. Its continuation thereafter shall be subject to a further decision by the Council, to be taken in the light of the Report by the Committee referred to in sub-paragraph b) of this paragraph.
   
   b) Not later than 30th June 1975, the Committee shall review the operation of the Agreement and the execution of its mandate and shall submit to the Council proposals on the basis of which the Council will decide on any prolongation of the Agreement and any renewal of the mandate of the Committee, and on the conditions for any such prolongation or renewal.

6. Paragraph 7 of the Annex to the Rules of Procedure of the Organisation shall be amended to read as follows:

7. Committee for Monetary and Foreign Exchange Matters: its terms of reference are defined in the Resolution of the Council [C(72)253].*
Having regard to Article 5 a) of the Convention on the Organisation for Economic Co-operation and Development of 14th December 1960;

Having regard to the Decision of the Council of 13th December 1972, concerning the Setting-up of an Exchange Guarantee between the Central Banks of Certain Members of the Organisation [C(72)251];

Having regard to the Agreement concerning an Exchange Guarantee between the Central Banks of Certain Member countries of the Organisation, annexed to the Note by the Secretary-General of 11th December 1972 (hereinafter called the "Agreement") [C(72)241(1st Revision)];

Having regard to the Resolution of the Council of 13th December 1972, concerning the Creation of a Committee for Monetary and Foreign Exchange Matters (hereinafter called the "Committee") [C(72)253];

Having regard to the Report by the Committee, of 21st July 1975, on the Future of the Agreement and of the Committee [C(72)121];

I. ... (‘‘)

II. ... (‘‘)

III. DECIDES that the Committee shall remain in existence after 31st December 1975, but shall meet only if required in accordance with the following provisions:

a) If three or more Member countries of the Organisation consider that matters which the Committee would normally have examined are not being handled satisfactorily in the course of the work of other committees of the Organisation, they may request the Secretary-General to call a meeting of the Committee for the purpose of making recommendations to the Council.

b) Such recommendations shall include the recommendations on the following questions:

i) Whether such matters should be discussed by other committees of the Organisation;

ii) Whether the Committee should begin to meet regularly again;

iii) Whether the provisions of this section of this Decision should be continued or amended or whether the Committee should be terminated.

IV. AGREES that the Committee on Financial Markets shall, in addition to the tasks which it is undertaking under its existing mandate, review technical developments in foreign exchange markets."

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At its meeting on 13th, 14th and 15th December 1972 [Cf. C/M(72)34 Part I (Final), Item 318 III b)], the Council, in adopting the Resolution concerning the Creation of a Committee for


The Agreement concerning an Exchange Guarantee between the Central Banks of Certain Members of the Organisation terminated on 31st December 1978. Consequently, sections I and II of the present Decision, which relate to that Agreement, are not in force and are not relevant to the present mandate of the Committee.

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Monetary and Foreign Exchange Matters and its Terms of Reference [C(72)253], AGREED that each Member country of the Organisation:

i) Should designate one or more persons to represent it on that Committee, who should be selected on the basis of knowledge and experience of the problems referred to in paragraph 1 of that Resolution;

ii) Would be able to change the persons designated as its representatives on that Committee as necessary and, in particular, according to the matters under discussion by the Committee; and

iii) Would ensure, in so far as necessary to enable the Committee to take the decisions referred to in paragraphs 1 a) and 2 of the Resolution, that one of its representatives on the Committee would be empowered to act on behalf of its Central Bank.