

Recommendation 26 (1952)¹

Co-ordination between the economies of the Member States of the Council of Europe and those of the overseas countries having constitutional links with them

Parliamentary Assembly

The Assembly,

Considering the importance of the economic problems confronting the area formed by the countries of Western Europe, on the one hand, and by the overseas countries, namely overseas territories and Dominions, having constitutional links with them, on the other,

Problems of concern to the area as a whole

Considering that the problem of the supply of raw materials is of vital importance to Europe ;

Considering that Europe imports from the dollar area a large part of its raw materials and has been able to pay for them since the end of the war only because of the generous assistance afforded by the United States ;

Considering that it is neither possible nor desirable that such a state of affairs should be perpetuated ;

Considering, furthermore, that the general consumption of raw materials will soon rapidly increase - the United States, which at present imports only 10 % of the raw materials which it consumes, expects to have to import 25 % thereof in 25 years' time ;

Considering that the consumption of raw materials in Europe will also increase considerably if the O. E. E. C. plan to raise production by 25 % is carried out ;

Considering that it is therefore essential for Europe to stimulate the development of the production of raw materials outside the dollar area and, in particular, in the area under consideration ; and, further, that exports of raw materials from these countries would enable a triangular pattern of trade to be resumed, thus contributing to the solution of the problem of the dollar gap ;

Considering that the European countries, on their side, must promote the economic development of the overseas countries by increasing their production of capital goods ;

Considering that it is therefore essential for Europe to stimulate the development of the production of raw materials outside the dollar area and, in particular, in the area under consideration ; and, further, that exports of raw materials from these countries would enable a triangular pattern of trade to be resumed, thus contributing to the solution of the problem of the dollar gap ;

Considering that the European countries, on their side, must promote the economic development of the overseas countries by increasing their production of capital goods ;

Considering the great economic importance of the Commonwealth ;

1. This Recommendation was adopted by the Assembly at its Twentieth Sitting, 25th September, 1952 (see [Doc. 64](#), Report of the Committee on Economic Questions).



Taking note of the statements by the Secretary of State for Foreign Affairs of the United Kingdom on these problems and on the rôle of the Council of Europe in their solution ;

Problems of concern to the dependent territories

Considering that the economic expansion of dependent territories having constitutional links with the Member States of the Council of Europe should be directed primarily towards raising the standard of living of their populations, through the balanced development of their resources ;

Considering that the rate of progress in the economic development of these countries and the well-being of their inhabitants will be increased by making available to them the benefit of the economic, financial, scientific and technical resources of those European countries which have themselves no dependent overseas territories ;

Considering that it is in the common interest of the peoples both of these territories and of Europe that industries should be established and developed in the said territories ;

Recalling the terms of its Recommendation of 5th September, 1949 ;

Having taken note of the Report of the independent experts consulted by the Secretariat-General,

1. Recommends the Committee of Ministers to invite the Governments concerned to base their policy on the following principles :

- a. Increased production of raw materials in the area under consideration and, in particular, increased production of such materials as are at present imported by Europe from the dollar area or are likely to be exported to that area ;
- b. The adoption to this end of a policy of economic expansion ;
- c. The utilisation of the resources of all Member States in equipping and developing overseas countries ;
- d. The provision of facilities in the overseas countries for the settlement of nationals having economic, scientific and technical qualifications, and for the introduction of enterprises, from countries having no dependent overseas territories ;
- e. The co-ordination of investment projects, region by region and product by product ;
- f. The creation of openings in the European countries for overseas products ;
- g. The establishment in the dependent territories having constitutional links with certain Member States of industries for the processing of the raw materials produced by them, as well as industries producing goods for local consumption.

2. Recommends that the Committee of Ministers should invite the Governments concerned to initiate negotiations in order to attain the objectives defined in the experts' report, particularly by

- a. The establishment of a European Bank for the development of overseas territories, working in close co-operation with the International Bank for Reconstruction and Development.
- b. The conclusion of long-term contracts and international agreements on basic products, covering both quantities and prices, thus giving the producer greater security and encouraging an expansion of output ;
- c. The introduction of a preferential system, founded on the general principles enunciated in the Secretariat-General's Report, and on a basis of reciprocity between the Commonwealth and dependent territories, on the one hand, and the other countries in the area under consideration, on the other.