



## Resolution 72 (1955)<sup>1</sup>

# Reply to the Sixth Annual Report of O.E.E.C.

Parliamentary Assembly

1. The Consultative Assembly of the Council of Europe expresses its thanks to the O. E. E. C. for its Sixth Annual Report and to the Belgian Minister for Foreign Trade, M. La-rock, for his presentation of the Report.
2. The Assembly is also appreciative of the collaboration which has taken place between the O. E. E. C. and the Committee on Economic Questions, as also other organs of the Council of Europe.
3. The Assembly notes with pleasure the improvement in the economy of Western Europe described in the Report but warns against any undue optimism, lest such optimism might lead in any way to a slackening of governmental effort in the field of economic integration. In particular, the Assembly calls attention to the following matters that arise on the Report :
  - a. That the improvement in the dollar balance of payments position is in some degree due to extraordinary United States expenditure in Western Europe and that a reduction in such expenditure may prevent the continuance of this improved trend. Moreover, it should be borne in mind that the achievement of convertibility would reveal the extent of the " hidden dollar gap " which has hitherto been veiled by the existence of regulations discriminating against dollar imports.
  - b. That, while the increase in industrial productivity in Europe is gratifying, it still falls far short of the increase achieved in United States industrial productivity during the same period; it is also noteworthy that while from 1938 to 1954 private consumption per head of the population rose in Europe by 12 %, consumption rose in the United States by 45 % during the same period.
  - c. That, while the advance made in the progressive reduction of quantitative restrictions is satisfactory, as far as it goes, a strong effort requires now to be made in regard to the remainder of such restrictions, which are heavily concentrated on agricultural products. In this connection the Assembly emphasises the importance of dealing simultaneously with other trade barriers as a prerequisite for further progress in freeing trade and suggests that an examination be made of existing trading practices in order to ascertain the extent to which dual pricing, dumping and export subsidies are in themselves responsible for the erection or maintenance of trade barriers.
  - d. The need for extraordinary and urgent measures to assist the under-developed areas of Southern Europe.
  - e. The desirability of examining the effect of differences of taxation and social security systems as factors having a bearing on the process of freeing international trade.
4. The Assembly draws the attention of the O. E. E. C. to its proposals contained in the recommendation of the Assembly dealing with the economic integration of Western Europe.

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1. (see [Doc. 360](#), Draft Resolution of the Committee on Economic Questions). This Resolution was adopted by the Assembly at its 9th Sitting, on 9th July, 1955

