



Resolution 315 (1966)¹

Reply to the 4th OECD report, May 1966

Parliamentary Assembly

The Assembly,

1. Noting the 4th report on the activities of the Organisation for Economic Co-operation and Development to the Council of Europe prepared for the Consultative Assembly in May 1966,
2. Submits for consideration by OECD the following :I. Economic policy and structural adaptation The Assembly:
3. Notes that the OECD area as a whole has after five years achieved growth rates slightly higher than required to meet the target of 50 % growth of gross national product during the 1960s. It is concerned, however, to observe that most Western European countries recorded a substantially lower rate of economic growth in 1965 than in 1964 and that this was largely due to restraints imposed by Governments to combat inflationary tendencies and to restore internal or external equilibrium ;
4. Believes that Western European Governments should make use of fiscal and budgetary measures in their management of overall demand and manipulate monetary policies so as to avoid unduly curtailing investments and making the achievement of a desirable balance-of-payments pattern in the Atlantic area more difficult ; it also believes that active manpower policies and incomes policies can materially contribute both to increasing productivity and to easing demand pressures ;
5. Notes with satisfaction that increasing attention is being given by OECD to structural adjustments in agriculture and industry, and stresses that the longer-term growth prospects of Western Europe will be very largely determined by the ability or inability of industry and the service sector, public and private, to translate technological advance into higher productivity. The rapid adjustment to changing conditions, also on world markets, which this process requires will, however, have to be favoured by governmental measures in various forms to facilitate the transfer of productive resources to the most dynamic branches without entailing social hardship or economic waste. Bearing in mind the valuable experience accumulated in the United States, both at private business level and at government level, OECD should promote the dissemination of information designed to guide the adaptation efforts of enterprises and stimulate discussion of appropriate legislative and administrative measures to support the process of industrial adaptation ;
6. Welcomes the greater emphasis laid by OECD on studying the problems which arise in connection with the efforts to increase the export earnings of developing countries. It reiterates its belief that this will necessarily be an important aspect of the aid effort of the OECD countries, and member Governments should undringly pursue the co-ordination of their UNCTAD policies in the competent OECD Committees with a view to elaborating a coherent, global aid policy of the West.

II. Development assistance

The Assembly:

1. Assembly debate on 4th May 1966 (5th Sitting) (see [Doc. 2040](#), 4th report of OECD ;[Docs. 2056](#)[Docs. 2056](#), [2058](#)[2058](#), [Doc. 2059](#), [Doc. 2054](#), [Doc. 2062](#), reports of the Political, Economic, Social, Cultural and Scientific Committees and of the Committee on Agriculture ; [Doc. 2070](#), draft Resolution presented by the Rapporteurs of these Committees). Text adopted by the Assembly on 5th May 1966 (6th Sitting).



7. Notes the growing disparity, despite years of assistance, in economic growth as between the rich and poor countries of the world ;
8. Expresses its concern at the population explosion, and the increasing risk of famine, in several developing countries ;
9. Recalls the moving appeal made by Pope Paul VI at Bombay to all the countries of the world, suggesting that part of the money they spend on armaments should be used in the struggle against the hunger and poverty which exist in the world ;
10. Welcomes the valuable efforts of the Development Assistance Committee of OECD to increase the quantity and improve the quality of aid to developing countries through its work of co-ordinating and confronting the policies of its member States ;
11. Notes with pleasure the accession of Australia and Sweden to the Development Assistance Committee ;
12. Welcomes the development of consultative groups, under the auspices of the International Bank for Reconstruction and Development, which enable donor and recipient countries to work together on aid programmes in a spirit of partnership ;
13. Expresses the opinion :
 14. That donor Governments should increase their contributions to multilateral agencies, reduced over recent years, in order to maintain and, preferably, to expand the flow of aid, which these agencies have only been able to keep at its present level with money accumulated in past years ;
 15. That donor Governments should enlarge their aid programmes taking into account rises in the gross national product of their countries and the disequilibrium in the trade balance of the developing countries ;
 16. That measures to remedy the deterioration of the terms of trade of the developing countries should be adopted as soon as possible ;
 17. That those donor countries which have not at present done so should implement the Recommendation on financial terms and conditions adopted by the Development Assistance Committee in July 1965 ;
 18. That the Development Assistance Committee of OECD should publish in its annual report figures of the net aid given by donor countries when debt amortisation, interest rates on loans, returns on private investment, and payments and pensions granted to European officials working or formerly working in the developing countries are subtracted from the gross total ;
 19. That OECD should establish programmes aimed at :
 - a. modernising agricultural production in the developing countries ; and
 - b. limiting the population explosion in morally acceptable conditions ;
 20. That OECD should carry out studies concerning the conversion of appropriate industries in its member countries and their replacement by the establishment of comparable industries in the developing countries.

III. Social Policy

The Assembly:

21. Notes with interest the summary of the reports sent in by member Governments in response to the Recommendation of the OECD Council of 21st May 1964, on man-power policy as a means for the promotion of economic growth, from which it is clear that in spite of undeniable progress the notion of an active policy in this matter is still far from entering into general economic policy ;
22. Welcomes the interest shown by member Governments in the improvement of employment services, the reduction of unemployment, vocational training and retraining, the social adjustment of migrants and the effort to keep earnings at the same level in cases of industrial re-organisation or conversion ;
23. Regrets that the 4th report gives no indication of the future intentions of OECD in this field, whereas the replies of member States to the Recommendation on manpower policy should make it possible for the Organisation to engage in studies and action in certain suitable well-defined sectors, for the benefit, particularly, of the less developed member countries and the depressed areas in the more advanced countries ;

24. Indicates its interest in the practical steps OECD hopes to take in the field of manpower migration, regarding which it would like to have fuller information, at the same time stressing the need for regional planning and development policies making it possible to use surplus manpower on the spot ;

25. Notes with approval the survey on the activities of non-governmental organisations working for the benefit of the developing countries being carried out under the auspices of OECD in co-operation with the International Council of Voluntary Agencies ;

26. Draws the attention of OECD to Assembly [Resolution 313 \(1966\)](#) on the convening of a second Seminar on International Voluntary Service from 10th-14th October 1966, to discuss the role of non-governmental organisations in the development of Africa, at which it hopes that as in the past OECD will be represented .

IV. Science Policy

The Assembly:

27. Welcomes the progress made by OECD in developing its scientific programme and expresses a desire to be kept more fully informed of its work in the future ;

28. Notes with satisfaction that those responsible for OECD's scientific activities appear to be aware of the human and social implications of the "Science Policy" which they are seeking to promote ;

29. Reaffirms its conviction that the supreme aim of all scientific and technological progress must be man's social, intellectual and moral advancement and that, consequently, every science policy must be conceived as an instrument of collective endeavour, designed to create the "society of tomorrow" which will enable man to achieve the fuller development of his personality ;

30. Hopes that OECD will help to bring home to the scientists and technocrats, on whom scientific and technical progress at present depends, the human and social consequences of their work ;

31. Considers that politicians, as the depositaries of the common interests of society, have a growing responsibility in defining the aims of science policy and pledges itself to propagate this conception in the parliamentary circles which it represents.

V. Agriculture

The Assembly;

32. Notes with satisfaction that member Governments place increasing emphasis on the need of adapting the agricultural sector to the requirements of a rapidly expanding economy, and reaffirms its belief that structural improvements in agriculture today constitute an essential element of agricultural policy from this point of view as well as from the point of view of the necessary adjustments to the changing pattern of trade between industrial and developing countries ;

33. Wishes to emphasise, however, that the improvement of agricultural structures requires that general economic and social policies - including regional planning policies - require to be suitably developed so as to facilitate a balanced development and ensure more satisfactory conditions for both those leaving and those remaining in agriculture ;

34. Notes that OECD has now embarked upon the study of longer-term production and marketing problems and prospects with regard to commodities, and hopes that this exercise may constitute the nucleus of more allround and binding consultations on member countries' production and trade policies in the agricultural sector ;

35. Expresses its satisfaction at the increasing liaison between OECD and FAO as witnessed by the plans to co-operate on the FAO World Indicative Plan ; similarly it hopes that the close co-operation developed with competent UN bodies may result in a concerted approach by member countries as regards food aid in the framework of overall economic and technical assistance to developing countries ;

36. Notes with great interest that OECD is now conducting a new confrontation exercise on agricultural policies and proposes to make the forthcoming report on this confrontation the subject of a separate reply to OECD at the appropriate time.