



**Resolution 343 (1967)<sup>1</sup>**

## **Reply to the 5th OECD Report to the Consultative Assembly (April 1967)**

Parliamentary Assembly

The Assembly,

1. Having taken note of the 5th annual report on the activities of OECD,
2. After consulting its Economic, Social, and Cultural and Scientific Committees, and its Committee on Agriculture, makes the following comments on the main subjects dealt with in the 5th report of OECD :

*I. Economic and financial policy*

3. The Assembly welcomes the progress made towards achieving the target of increasing the combined national output of OECD countries by 50 % during the current decade and notes that the prospects for maintaining stable growth during the remainder of the period appear to be relatively favourable ; draws the attention of member Governments to the fact that growth performance in the Atlantic area is a collective responsibility requiring the closest coordination of national economic, monetary and financial policies through OECD ;

4. Stresses that efforts must be pursued to develop policy instruments that will permit inflationary processes generated by pressures in an expanding economy to be curbed without either unduly reducing the rate of expansion of investment, on which future growth vitally depends, or creating undesirable tensions on international monetary and capital markets ; a flexible policy of management of overall demand, laying more stress than hitherto on budgetary measures and less on monetary measures is the first requirement, but more reliance will also have to be placed on income policies, active manpower policies and facilitating structural adjustments in certain sectors of the economy called for by technical progress ;

5. Notes that international payments disequilibria, although reduced, continue to disturb the proper functioning of the international monetary system and endorses the views of the OECD Report on the adjustment process regarding the need to set up an "early warning system" for the early identification of emerging imbalances and to hold regular, informal exchanges of information on countries' medium term balance of payments aims ;

*II. Structural adaptation*

6. Noting that the activities of OECD have long ceased to be exclusively economic and that they extend to the social, cultural and scientific fields to include all the aspects of a society in the making whose essential aim is not merely the improvement of the living standard but the social and cultural advancement of man ;

7. Considering that these activities are aimed at stimulating and facilitating - in a spirit of solidarity and mutual assistance between nations - a process of complete transformation, and that the crucial problem on which all efforts must be concentrated is "structural planning" ,

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1. Assembly Debate on 27th April 1967 (5th and 6th Sittings) (see [Doc. 2204](#), report of the Economic Committee ; [Doc. 2208](#), report of the Social Committee ; [Doc. 2214](#), report of the Cultural and Scientific Committee ; [Doc. 2207](#)/[Doc. 2207](#), report of the Committee on Agriculture, and [Doc. 2227](#), draft Resolution). Text adopted by the Assembly on 27th April 1967 (6th Sitting).



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8. Congratulates OECD on its action in the various sectors in the process of transformation, science and education, manpower, agriculture and regional planning ;

*Education and Science*

9. Shares above all the conviction that training is the key to economic development and applied science its instrument and that to provide science and education with every possible opportunity is an essential condition for optimum development ;

10. Expresses its desire that in its efforts to stimulate a policy of modern education, OECD will work in the greatest possible harmony with the Council of Europe and in particular with its Council for Cultural Co-operation, and proposes that a satisfactory arrangement should be made between the two organisations to ensure that their actions are complementary and not competitive ;

11. Considers that the new Committee on Science and Technology should, in respect of the Assembly, be the appropriate mouthpiece of OECD on questions of science policy and technology dealt with in the context of that organisation ;

12. Shares the concern of OECD as regards the technological backwardness of Europe in comparison with the United States of America and suggests that this technological gap may be due rather to structural weakness than to insufficient research and lack of scientific personnel ;

13. Anxiously awaits the results of the studies made by OECD in this matter which are to form the subject of the discussions of the 3rd Ministerial Conference on Science and expresses the hope that a report on this Conference will be transmitted to it within the near future ;

*Functional and geographical mobility of manpower*

14. Noting that the structural changes inherent in economic progress, combined with the policies of checking inflationary phenomena, have caused renewed unemployment in many European countries, asserts once again that the economy should be at the service of man and urgently recommends the pursuit of policies of full employment and of assisting the reconversion of manpower through a better organisation of the employment services and the development of vocational training at all levels ;

15. Recalls the principles proclaimed in its [Resolution 327 \(1966\)](#) on reconversion in the mining industries and re-employment of miners, which apply equally to other sectors of the economy ;

16. Notes with interest the social work accomplished and in progress referred to in the 5th report and recommends effective cooperation between all the international organisations concerned in the confrontation of migration policies which OECD proposes to undertake ;

*Towards a policy for agriculture*

17. Notes the fact that, although agriculture is now becoming more closely integrated with the rest of the economy, the gap between agricultural incomes and those in other economic sectors still remains large and the income discrepancy within the agricultural sector itself is not diminishing, hopes that this situation may induce more vigorous efforts to promote co-ordinated and balanced structural policies, and notes OECD's endeavours in this direction as reflected, inter alia, in its intention to study the use of capital in the agricultural sector and the particular problems of less developed member countries ;

18. Earnestly hopes that the confrontation of agricultural policies recently accomplished by OECD may soon lead to the formulation of a new set of guidelines and principles which could help our Governments to achieve a common orientation to their respective agricultural policies, thus putting an end to the wasteful practices of import restrictions and export subsidies which in the final resort serve nobody and least of all the developing countries ;

*Energy policy*

19. Regrets that there appears to be little prospect for a close harmonisation of energy policies in the OECD countries, but notes with satisfaction the envisaged special confrontation on the deterioration of the situation of the coal industry in Europe ;

*Regional development and town and country planning policies*

20. Stresses the importance of the policy of town and country planning to ensure a better social and economic balance both nationally and at European level, and recalls its [Recommendation 472 \(1966\)](#) and the studies it is pursuing in this context ;

21. Recalls its conviction that regional planning is one of the basic lines along which the society of tomorrow must be prepared and hopes that a fruitful exchange of information and contacts will continue between the Council of Europe and OECD in that sphere ;

#### *Development assistance*

22. Regretting that development aid given by OECD countries is still disappointing, notes with approval the work done by OECD on trade problems of the developing countries and hopes that Governments will pursue the co-ordination of their UNCTAD policies and work out positive suggestions in the field of trade and development assistance and reiterates, in this context, its interest in seeing the question of a more rational distribution of production and trade between industrialised and developing countries incorporated in the studies of structural adaptation problems which OECD is carrying out in the context of the Growth Programme ;

23. Welcoming the increasing attention given by OECD to the question of economic relations with the less developed countries, considers that a common orientation of agricultural policies aiming at a more flexible agricultural economy in the member countries could be of great value in achieving a more balanced development of the economic resources of the world ;

#### *IV. Collaboration between the Consultative Assembly and OECD*

##### *Participation of OECD in Assembly activities*

24. Expresses its satisfaction at the active participation of OECD in the European Population Conference and in the 2nd Seminar on International Voluntary Service, both held in 1966 on the initiative of the Consultative Assembly ;

##### *Liaison Committees*

25. Expresses its appreciation and satisfaction at the arrangement between the Council of Europe and OECD under which agricultural questions are discussed in the framework of Special Sessions of the Liaison Committees of the two Organisations, refers to its [Recommendation 476 \(1966\)](#) and reiterates its interest in using these Special Sessions, inter alia, for the purpose of preparing suggestions for their parent bodies, without prejudice to the decision of these bodies, on how Recommendations of the Assembly could best be implemented ;

26. Welcomes the progress of co-operation between OECD and the Committees of the Consultative Assembly of the Council of Europe with competence in the field of social affairs, which has been reflected in a special preliminary meeting of the Liaison Committees of the two Organisations, and expresses the wish that a further meeting may take place in the near future, whose agenda might include the chapter on "Manpower and social affairs" of the 5th report as well as the Conclusions of OECD's Manpower and Social Affairs Committee regarding the employment of elderly workers and the adaptation of rural workers to non-agricultural occupations ;

27. Suggests further that town and country planning and science policy, including the question of the technological gap, should be discussed by the Liaison Committees in the near future ;

##### *OECD's next report*

28. In accordance with the desire expressed by the Social Committee, proposes that this report should also contain the results of the specific examinations of national manpower policies which it will have conducted in the course of 1967 ;

29. Suggests that, in order to make better preparations for the debate on OECD's annual report, it should be made available to the Assembly earlier and should concentrate on one or two main subjects ;

##### *Report of the 3rd Ministerial Conference on Science*

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30. Trusts that the report of the 3rd Ministerial Conference on Science will be transmitted to it within the near future, as in the case of those on the 1st and 2nd Conferences, and that it will be likewise presented by the Chairman of the Conference.