



Resolution 409 (1969)¹

Reply to the 7th report of OECD

Parliamentary Assembly

The Assembly,

1. Thanks the Secretary General of OECD for having transmitted to it the 7th report on the activities of OECD ;
2. Recording its anxiety at the persistent imbalances in international payments of a number of member countries of the organisation ; reiterating its belief that the health of the economies of all Western European countries is an indivisible whole, and that this health is intimately linked with that of the United States and Canada ; convinced that Western Europe can only afford to delay an enlargement and indeed a reinforcement of the European Communities at its peril, and at the cost of heavy economic sacrifice ; nevertheless is persuaded that it is the duty of governments to consider what can be done, while the European Communities remain unenlarged, to seek to mitigate the consequence of the weaknesses to which the 7th report of OECD to the Council of Europe points ;
3. Holds that, having regard to the virtual impossibility of separating the internal and external effects of the economic and monetary policies adopted by an individual country, increasingly close consultation and more closely harmonised decisions are called for in the framework of the Economic Policy Committee of OECD ; and, in this context, would strenuously deplore any tendency in national parliaments or elsewhere to describe such closer consultation as "interference in the internal affairs of a member country" ;
4. Considers that governments should adopt new measures and techniques of the kind referred to by OECD in the field of fiscal policy, and that in particular greater priority amongst economic objectives should be given to securing price stability ;
5. Expresses its disappointment that the present level of technical assistance from the organisation to its member and associate countries with special development problems (some 7.5 million francs per year) appears to be regarded with complacency by the organisation, and records its firm conviction that markedly greater efforts are called for in this field ;
6. Conscious of the importance of abundant supplies of low-cost energy for the development of Europe's economy ; aware of the increasing dependence of member countries on imports of energy from third countries, the overwhelming proportion of which is constituted by oil ; believes :
 - a. that present international circumstances urgently call for a review of the present OECD norms with regard to the level of oil stocks to be held by member countries ; and
 - b. that, having regard to the inevitable lengthy delays between commencing to prepare energy demand and supply forecasts and the completion of such studies, OECD should now commence the preparation of new forecasts of the likely trends of overall energy demand and supply ;
7. Noting that the earlier development aid target of 1 % per annum of the combined national income of DAC Members has not been achieved, despite a continuing increase in total financial flows to the developing countries ; further noting that the new higher target of 1 % per annum of gross national product, which it strongly supports, implies a very substantial supplementary effort in the coming years ; believes that member

1. Assembly debate on 12 May 1969 (1st Sitting) (see [Doc. 2557](#), report of the Committee on Regional Planning and Local Authorities). Text adopted by the Assembly on 12 May 1969 (1st Sitting).



governments and other DAC Members should take steps to ensure that their development aid receives appropriate and continuing priority as an integrated part of their economic policies, inter alia by elevating official responsibility for their development assistance programmes to ministerial level ;

8. Observing with regret that most DAC Members have not yet complied with the 1965 DAC recommendation on terms of aid and welcoming the fact that a further recommendation on this matter was adopted by DAC at its last high-level meeting ; believes that developed countries must rapidly improve the terms of the financial aid to the developing countries in accordance with that recommendation (i.e. by increasing the grant share of their official financial assistance, by increasing grace and maturity periods and lowering interest rates on their aid loans) and by reducing the proportion of tied aid as much as possible in order to alleviate the foreign debt burden of the developing countries and increase the real value of their aid efforts ;

9. Welcoming the fact that there has been some improvement in attitudes towards private investments in developing countries, both on the part of developing countries themselves and on the part of investors in developed countries ; is of the opinion that governments of developed countries should examine urgently the suggestions contained in the last DAC review and in the present report of the Committee on Economic Affairs and Development with a view to promoting private investments in developing countries ;

10. Notes with satisfaction that OECD governments are actively preparing lists of manufactures and semi-manufactured products on which they would be prepared to grant developing countries non-reciprocal and non-discriminatory preferential tariff treatment, and expresses its belief that such measures, if applied on a sufficient scale, would be of very substantial benefit to developing countries ;

11. Conscious that it is of the greatest importance that parliamentary debates on development assistance questions both at national level and in the Consultative Assembly should be set in the broadest possible political perspective, believes that the Assembly should henceforth annually review all aspects of these questions in this spirit ;

12. Noting with concern the untenable situation which would occur if agricultural surpluses would materialise to the extent suggested in the recent OECD projections and considering the communique issued after the meeting at ministerial level of the OECD Committee for Agriculture, requests the OECD in the near future to formulate practical agricultural policy recommendations for implementation by governments, and in doing so to take into account the need of integrating the measures recommended into the broader economic policy plans ;

13. Stressing that concerted solutions to the problem of agricultural production and trade must be found urgently, and considering that an equitable market equilibrium for agricultural products is only possible if all member governments participate in coordinated action, resolves to use its influence with national parliaments and governments in this sense, with due account for the need to maintain trade with other parts of the world ;

14. Wishing to follow developments in this respect and having regard to earlier reports by its Committee on Agriculture, instructs this committee to prepare a new all-round report on the issues involved in the current reconsideration of agricultural policies ;

15. Welcoming the fact that following the 3rd Ministerial Meeting on Science, OECD in its 7th annual report places the problems of science and technology in the larger framework of the economic and social problems of to-day's society ;

16. Wishing to express its appreciation for the holding in the near future of the first special session of the OECD/Council of Europe Liaison Committee devoted to science and technology ;

17. Regretting that no effective action has been taken by OECD on the majority of proposals agreed by the 3rd Ministerial Meeting,

18. Resolves to invite the OECD Council :

18.1. accelerate work on the proposals agreed by the 3rd Ministerial Meeting in order that a comprehensive report on definite action taken can be presented for the 4th Ministerial Meeting on Science envisaged for 1970 ;

18.2. to initiate work to solve the institutional and legal problems between the Ministerial Meeting and OECD ;

19. Expresses its appreciation and satisfaction at the 3rd special session of the OECD/Council of Europe Liaison Committees concerned with social questions held on 18 March 1969 and trusts that such special sessions henceforward be held every year ;
20. Welcomes OECD's extensive manpower studies, notably with regard to the introduction and implementation of new legislation which should substantially increase the possibilities of supplementing general demand management by more selective programmes in order to approach the goal of full employment without recurrent setbacks through inflationary disturbances ;
21. Concerned about the problems of handicapped groups of manpower in the labour market, supports OECD studies on the integration of these groups and other unemployed in gainful work ; and adds that in addition to previous OECD studies on special groups of manpower, attention should also be given to the employment problems of the young, new immigrants and the disabled ;
22. Welcomes OECD's preoccupation with the collection of information on experiences with workers' participation in the management of industries and considers that it would be extremely valuable to report on the achievements in this field in the next OECD report ;
23. Regrets the paucity of the information provided in the 7th report in regard to physical planning, regional policy, town planning and environment, despite the considerable intensifications of these activities apparent from previous OECD reports ;
24. Reiterates its opinion, already expressed in [Resolution 371](#) (paragraph 20) that it would be extremely useful for the bodies representing local authority interests in the Council of Europe and for the Committee on Regional Planning and Local Authorities to have fuller information in this field, especially as regards :
 - 24.1. the work being done by the Working Party on Regional Development set up by the OECD Industrial Committee ;
 - 24.2. studies of the consultative groups on air and water pollution and on urban transport and development ;
25. Entirely shares the opinion expressed by the Ministerial Council of OECD in its communique issued at the close of its meeting on 13 and 14 February 1969, in which it stresses the importance of this work and asks OECD to pursue its efforts "taking into account the work of other organisations in this field".