



Resolution 451 (1970)¹

Reply to the memorandum from the Secretary General of the Organisation for Economic Co-operation and Development (OECD)

Parliamentary Assembly

The Assembly,

1. Thanking the Secretary General of OECD for his statement on the future tasks of the organisation ;
2. Welcoming the fact that the increase of the real national product of the OECD countries during the period 1960-70 will have exceeded the 50% target laid down in 1961 ;
3. Noting that the OECD Ministerial Council has laid down a new target of 65% for the collective increase of the real national product of the OECD area during the period 1970-80 ;
4. Considering that the system of national accounting is useful as a measure of economic growth and as a record of short-term changes in the state of the economy, but not to the same degree as an indicator of long-term improvements in social welfare ;
5. Considering that the excessive importance attached by public opinion to the rate of economic growth as expressed in terms of the rate of increase of the gross national product may result in an undesirable allocation of resources between various uses ;
6. Drawing attention to the conclusion reached by the OECD Working Party on Policies for Economic Growth that besides raising the underlying rate of growth of productivity it is important to achieve a better direction of the growth process so that the extra wealth is used to meet the needs and wants of society and the damaging side-effects of growth, if not entirely prevented, are reduced to an acceptable minimum ;
7. Noting with approval the mandate given to the Secretary General of OECD by the Ministerial Council in connection with the work of the Organisation in the environmental field, and expressing the view that OECD's work should be regarded as complementary to the Council of Europe's programme centred on promoting effective national policies and elaborating international agreements ;
8. Considering that the present situation of generalised inflation in the OECD area represents the most serious challenge that governments have to face as regards the short-term management of the economy ;
9. Aware that the traditional methods of economic management may not be adequate to deal with the present situation,
10. Accordingly urges themember governments of OECD :
 - a. to lay down within the Organisation the social priorities as part of the framework within which member countries should determine their economic policies ;
 - b. to further study within the Organisation the conditions for an effective and socially balanced incomes policy ;

1. Assembly debate on 18 September 1970 (10th Sitting) (see [Doc. 2806](#), report of the Committee on Economic Affairs and Development). Text adopted by the Assembly on 18 September 1970 (10th Sitting).



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11. Considers it essential to associate public opinion more closely with the work of OECD ;
12. Emphasises the contribution which the Assembly could make in this respect.