



Resolution 867 (1986)¹

East-West economic relations

Parliamentary Assembly

The Assembly,

1. Considering the report presented by its Committee on Economic Affairs and Development ([Doc. 5620](#));
2. Emphasising once again that the balanced development of economic and trade relations between Western and East European countries must be regarded as an important factor in achieving the objectives of the CSCE Final Act;
3. Noting that, after falling off sharply at the beginning of the 1980s -mainly because of the world economic recession, the political situation (Afghanistan, Poland) and the introduction of austerity plans in the East designed to reduce indebtedness -East-West trade recovered fairly strongly in 1983 and 1984, but began to drop again in 1985, particularly because of the fall in demand for oil;
4. Emphasising, in the light of Chernobyl and its effects on East-West trade, the importance of improved East-West information and co-operation in the environmental field, in particular concerning transboundary pollution risks;
5. Observing that trade between OECD countries and East European countries represents only some 4% of world trade, and that Western Europe's traditional trade deficit with the CMEA (Council for Mutual Economic Assistance) countries has begun to fall since 1984;
6. Noting that East-West trade is subject to particular fluctuations due both to changes in the political climate and to the lack of diversification in traded products;
7. Welcoming the recently expressed interest of the Soviet Union in the forthcoming round of multilateral trade negotiations, while recognising that there would be considerable problems to be overcome if possible Soviet membership of GATT were to become an active issue;
8. Believing that the harmonious development of East-West economic relations is adversely affected by the difficulties inherent in the economic systems and the trading arrangements of East European countries, which lead in some cases to unfair trading practices, and by the problems that arise in relation to advanced technology sales to the East, partly because of the rules laid down by COCOM (Co-ordinating Committee for Multilateral Export Control);
9. Hoping that the new leadership in the Soviet Union and the implementation of new five-year plans in the East European countries will lead to a further modernisation of those countries' industrial structure, and present opportunities for the development of trade and industrial co-operation between East and West;
10. Noting, however, that the fall in the dollar price of oil is likely substantially to reduce the foreign currency earnings of the East European countries, especially the Soviet Union, whose financial position has otherwise improved greatly in recent years,

1. Assembly debate on 24 and 25 September 1986 (19th and 20th Sittings) (see [Doc. 5620](#), report of the Committee on Economic Affairs and Development). Text adopted by the Assembly on 25 September 1986 (20th Sitting).



11. Calls on the governments of Council of Europe member states:
 - 11.1. to encourage East-West trade, both for its economic benefit and also as a contribution to the reduction of East-West tension, and to support efforts through the United Nations Economic Commission for Europe to implement the economic provisions of the CSCE Final Act;
 - 11.2. to promote trade policies with the aim of diversification of East-West trade, particularly in the field of machinery and equipment where trade is weak at the moment, and in consumer goods which represent at present only 10% of total East-West trade;
 - 11.3. to avoid unnecessarily restrictive rules of COCOM, and in particular to resist attempts on the part of the United States Government to apply its legislation outside United States territory;
 - 11.4. to examine in a constructive manner recent proposals by the Soviet Union to become associated with the work of GATT.