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General plan to solve at the same time both the problem of the persistent inequalities in the balance of trade between the U.S.A. and Europe, and the problem of aid for the under-developed countries

Motion for an Order

tabled by Mr Guy MOLLET and other members of the Assembly

Explanatory memorandum

We have not forgotten the grounds for hope held out by the United States that, as soon as it was possible to lighten the burden of rearmament, fresh resources would be made available for greatly expanded programmes of reconstruction and development in underdeveloped countries; it must, however, be noted that the various plans at present in operation have not done more than scratch the surface of the problem confronting the conscience of mankind, and it cannot be denied that the original impulse, imparted by the generous spirit that inspired Point IV and the Colombo Plan, has died down, although defensive rearmament does not appear to furnish completely adequate grounds for this.

It must be realised that it will take a long time to implement the plans for aid to under-developed countries; that these plans cannot, therefore, reach a scale of development corresponding to the real needs of those countries until such time as national economies have been freed from the heavy burdens of rearmament; and that, as a result, there is nothing to prevent us from embarking forthwith upon their systematic examination and taking initial steps for their implementation.

It is imperative for the more advanced nations to give assistance to backward countries so that they may enter upon the path of progress; and the failure experienced in recent years must no doubt be attributed to the fact that this problem, which arises solely from the systematic lack of balance between the rich and poor nations, cannot be solved if it is dealt with separately and without allowing for the other world economic factors.

It must be pointed out, moreover, that so far as relations between America and other advanced countries are concerned, those who hoped for a natural restoration of the balance of trade in an atmosphere of increasing freedom have been disappointed; and we are thus led to conclude that the successive and periodical slumps which occur in many European and Latin American countries result from some natural cause inherent in the new structure of world economy. To put it more precisely, it has to be admitted that at the end of Marshall Aid, these countries are barely in a position to procure for themselves such resources as are indispensable if their machines and manpower are not to come to a complete standstill.

It cannot be denied that this state of affairs is contrary to the hopes entertained in the past, and falls very far short of the goal towards which the twentieth century economic system should strive. We must therefore assume that this second problem, which again is one of persistent disequilibrium, also requires to be solved by some method which is not an isolated one that ignores the factors that govern the economy of the rest of the world.



It is therefore imperative to examine to what extents these two problems are interrelated and how they can be jointly solved, if ever we are to emerge from the stage of temporary expedients and find a firm and lasting basis for an expanding free world economy capable of satisfying the labour and material needs of all nations. The main purpose of such a plan would be to grant aid to the backward countries so as to enable Europe to earn the funds necessary to make good its chronic deficit with the United States.

Motion for an Order

The Assembly,

Decides to examine the links to be established between the two main economic problems at present confronting the world, namely the trade disequilibrium between Europe and the United States, and the granting of assistance to under-developed countries, and to devote study to a general plan whereby both may be resolved simultaneously by the application of principles that are in consonance with the present world situation.

Signed (see overleaf)

Signed:

MOLLET Guy, France