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## Economic relations with overseas countries

### Report<sup>1</sup>

Committee on Economic Affairs and Development

Rapporteur: Mr Johannes SEMLER, Germany

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1. 1952 - 4th Session - Second part



## A. Draft Recommendation

The Assembly,

Considering the importance of the economic problems confronting the area formed by the countries of Western Europe on the one hand, and by the overseas countries, namely overseas territories and Dominions having constitutional links with them, on the other,

### *Problems of concern to the area as a whole*

Considering that the problem of the supply of raw materials is of vital importance to Europe;

Considering that Europe imports from the dollar area a large part of its raw materials and has been able to pay for them since the end of the war only because of the generous assistance afforded by the United States;

Considering that it is neither possible nor desirable that such a state of affairs should be perpetuated;

Considering, furthermore, that the general consumption of raw materials will soon rapidly increase — the United States, which at present imports only 10 % of the raw materials which it consumes, expects to have to import 25 % there of in 25 years time ;

Considering that the consumption of raw materials in Europe will also increase considerably if the O. E. E. C. plan to raise production by 25 % is carried out;

Considering that it is therefore essential for Europe to stimulate the development of the production of raw materials outside the dollar area and, in particular, in the area under consideration; and, further, that exports of raw materials from these countries would enable a triangular pattern of trade to be resumed, thus contributing to the solution of the problem of the dollar gap;

Considering that the European countries, on their side, must promote the economic development of the overseas countries by increasing their production of capital goods;

Considering the great economic importance of the Commonwealth;

Taking note of the statements by the United Kingdom Secretary of State for Foreign Affairs of the United Kingdom on these problems and on the rôle of the Council of Europe in their solution;

### *Problems of concern to the dependent territories*

Considering that the economic expansion of dependent territories having constitutional links with the Member States of the Council of Europe should be directed primarily towards raising the standard of living of their populations, through the balanced development of their resources;

Considering that the rate of progress in the economic development of these countries and the well-being of their inhabitants will be increased by making available to them the benefit of the economic, financial, scientific and technical resources of those European countries which have themselves no dependent overseas territories ;

Considering that it is in the common interest of the peoples both of these territories and of Europe that industries should be established and developed in the said territories;

Recalling the terms of its Recommendation of 5th September, 1949,

Having taken note of the Report of the independent experts consulted by the Secretariat-General,

1. Recommends the Committee of Ministers to invite the Governments concerned to base their policy on the following principles :
  - a. Increased production of raw materials in the area under consideration and, in particular, increased production of such materials as are at present imported by Europe from the dollar area or are likely to be exported to that area;
  - b. The adoption to this end of a policy of economic expansion;
  - c. The utilisation of the resources of all Member States in equipping and developing overseas countries;
  - d. The provision of facilities in the overseas countries for the settlement of nationals of, and the introduction of enterprises from, countries having no dependent overseas territories ;

- e. The co-ordination of investment projects, region by region and product by product;
  - f. The creation of openings in the European countries for overseas products;
  - g. The establishment in the dependent territories having constitutional links with certain Member States, of industries for the processing of the raw materials produced by them, as well as industries producing goods for local consumption.
2. Recommends that the Committee of Ministers should invite the Governments concerned to initiate negotiations in order to attain the objectives defined in the experts' report, particularly by :
- a. The establishment of a European Bank for the development of overseas territories, working in close co-operation with the World Bank;
  - b. The conclusion of long-term contracts and international agreements on basic products, covering both quantities and prices, thus giving the producer greater security and encouraging an expansion of output;
  - c. The introduction of a preferential system between the Commonwealth, on the one hand, and the other countries of the area under consideration, on the other.

**B. Draft Order**

The Assembly,

In the light of the principles and recommendations above,

Emphasising the value to both parties of increased economic co-operation between the Member States of the Council of Europe and the Dominions of the British Commonwealth,

(a) Instructs its Committee on Economic Questions to submit to the Ministers of the Commonwealth who are to hold a Conference in London in November, 1952, such of the recommendations in the present Report as concern economic relations with the Commonwealth countries.

(b) Instructs its Committee on Economic Questions to meet as soon as possible after this Conference, to report on the Conference to the Assembly and to transmit the Report to the Committee of Ministers for their information.

## **C. Explanatory Memorandum**

### **1.**

Pursuant to the Order adopted by the Assembly on 11th December, 1951, the Committee on Economic Questions received from the Secretariat-General a Report by independent experts on the subject of economic relations with overseas countries.

On 18th September the Committee on Economic Questions entrusted the study of this Report to a Sub-Committee under the Chairmanship of Mr. Boothby and consisting of Lord Layton, MM. Federspiel, Moe, Motz, Sailer and Semler. The Sub-Committee submitted a Report on 22nd September, which, after amendment, was unanimously adopted. The Committee on Economic Questions now has the honour to present this Report to the Assembly in the form of a draft Recommendation and a draft Order of the Assembly.