



Doc. 207

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Greater uniformity into the conditions governing exportss as between the various European countries

Motion for a resolution

tabled by Mr Ugo LA MALFA and other members of the Assembly

Explanatory Memorandum

Alongside the problem of the liberalisation of imports, which is discussed at length in the Survey presented by O. E. E. C. to the Council of Europe, Doc. 178, another problem which has recently assumed great importance and requires to be settled on a multilateral basis is that of facilities granted to encourage exports. In this connection it is well known that European countries, especially in respect of exports to non-European destinations, have adopted various measures ranging from tax relief and refunds of social charges to facilities for financing at special rates and guarantees against export risks. Naturally, the competition between different countries in granting such facilities has become very severe, thus giving rise to ever greater demands by the exporters, who are continually asking their respective Governments to grant increased facilities, so that they may meet the competition of other countries and other markets.

The European Payments Union and the policy of liberalisation of imports have permitted the introduction of some degree of order into international trade. A problem as serious as that of facilities granted to exports ought not to remain unsolved, and calls for multilateral regulation, for, indeed, the bitter competition in granting such artificial facilities distorts the pattern of free trade and so fosters uncertainty and instability in the development of economic trends.

As we all know, the Italian Government some months ago drew the attention of O. E. E. C. to this problem. That Organisation is in process of holding an enquiry¹ to ascertain what types of export facilities are at present being granted by the various Governments. The Council of Europe cannot ignore this problem, since it concerns one of those fields in which multilateral machinery may be most effective and at the same time represents one of the elements of a common policy for European countries.

If the anarchy prevailing in this sphere could be eliminated, and the European countries were committed to following a common policy, exporters in each country would find themselves in the same position as regards State intervention, and artificial facilities, which might become excessive because of rivalry among the States, would be eliminated.

To this end, and to encourage O. E. E. C. to complete the work it has begun, a Resolution by the Assembly, reviewing the wide field of export facilities, might request that they be the subject of multilateral regulations, taking particularly into account :

- a. the need to regulate tax reliefs and to abolish refunds of unwarranted social charges;

1. See Recommendation of the Council of O. E. E. C. concerning measures to assist exporters (adopted by the Council on 24th July, 1953). Paragraph II reads as follows : " The Council recommends that, while the work of the Trade Steering Committee is in progress, member countries should refrain from taking measures which might hamper any action the Organisation might be led to take when the Committee's work is completed. "



- b.* the possibility of setting up, alongside O. E. E. C, a European Institute which would re-discount at uniform special rates for all European countries, credits granted by the national banks in respect of exports, where the payment of such credits is spread over a period;
- c.* the possible creation of a European Institute for reinsurance against risks attendant upon export credits.

I therefore beg to present the following Motion for a Resolution :

Motion for a Resolution

The Assembly,

Considering that the policy of export facilities independently pursued in mutual competition by the various European countries engenders uncertainty and instability and may result in discrimination against certain export trends ;

Having taken formal note that O. E. E. C. has already proposed an enquiry into the kinds of facilities granted by different countries,

1. Requests the O. E. E. C. :

- a.* to complete this enquiry rapidly;
- b.* to establish a multilateral code, on the lines of the Liberalisation Code, which will regulate the amounts of tax relief granted by the various European States and finally prohibit refunds of social charges;
- c.* to study :
 - 1. the possibility and expediency of creating, alongside O. E. E. C, a European Institute which should re-discount at uniform special rates for all European countries such credits as are granted by the national banks to exporters ;
 - 2. the possibility and expediency of creating a European Institute of Re-insurance against export risks;

2. Invites O. E. E. C. to devote part of its next Report to progress achieved in this field.

Signed (see overleaf)

Signed:

LA MALFA Ugo, Italy