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25 October 1955

Economic development of Southern Europe

Motion for a recommendation

tabled by the Committee on Economic Affairs and Development

Draft Recommendation¹

The Consultative Assembly,

Noting the provisions of Article 1 of the Statute of the Council of Europe;

Noting the suggestion made to it in the Special Message (paragraph 28) of the Committee of Ministers on 20th May, 1954 ([Document 238](#)) and recalling Order 57 adopted by the Consultative Assembly on 29th May, 1954, directing the Committee on Economic Questions to study ways and means of furthering the economic development of Greece, Italy and Turkey;

Noting the Ten-year Italian Economic Development Plan prepared by the Italian Government;

Noting the Resolutions of the Council of Ministers of the O. E. E. C. of 14th January, 1955 and of 10th June, 1955 concerning the Italian Plan (see Appendix) ;

Noting the views of the Working Party set up by the Committee on Economic Questions on the basis of Mr. MacBride's Report dated 15th October, 1955 ([Document 428](#)) ;

Taking into account that, in the case of Italy, the Italian Economic Development Programme has reached a stage at which its implementation can be undertaken;

Awaiting the completion of comprehensive plans for the economic development of Greece and Turkey, and their examination by the O. E. E. C.;

Having noted particularly the declared intention of members of the German Bundestag to table a motion to apply counterpart funds derived from Marshall Aid by way of assistance in the development of the countries under review,

Regards it as being essential to the welfare of Europe to ensure that every possible step be taken to secure the improvement of economic conditions in Southern Europe;

Endorses in full the decision of the Council of Ministers of the O. E. E. C. of 10th June, 1955 concerning the Italian Plan ;

Recommends to the Committee of Ministers that it should use its best endeavours to focus, again, the attention of the Governments of the Member States upon the recommendation embodied in the said Resolution of the Council of the O. E. E. C. and should request the Governments of the Member States to indicate as soon as possible the manner and the extent to which each of them can extend the aid requested in the said Resolution and otherwise assist Italy in the implementation of its Economic Development Programme;

1. See 26th Sitting, 26th October, 1955 (Draft Recommendation and Draft Order adopted), Recommendation 91 and Order 81.



Recommends to the Committee of Ministers:

- a. that it should invite the Governments of Greece and Turkey to submit programmes of economic development to the O. E. E. C. for urgent study and action;
- b. that it should invite Member Governments before framing their programmes of technical assistance to under-developed countries— be they programmes of a national character or international programmes in which Member Governments participate—to consult with the Governments of Greece and Turkey and to give high priority to suitable projects requiring technical assistance in these countries ; and
- c. that it should invite Member Governments to promote measures suitable to increase trade between Greece and Turkey, on the one hand, and other Member States of the Council of Europe, on the other hand, with a particular view to stimulating exports from Greece and Turkey;

Requests members of the Assembly to call attention in their national parliaments to the present Recommendation.

Draft Order

The Assembly:

Instructs the Committee on Economic Questions and its Working Party to continue their study of economic developments in Italy and to give their full assistance with a view to ensuring the successful implementation of the Economic Development Programme;

Instructs the Committee on Economic Questions and its Working Party to continue their study of economic developments in Greece and Turkey and to report thereon during the Eighth Session of the Consultative Assembly.

**Appendix APPENDIX - ORGANISATION FOU EUROPEAN ECONOMIC CO-OPERATION - Press Release
- Paris, 10 th June, 1955 - Press A (55) 26**

Resolution of the Council concerning co-operative support for the Italian Economic Development Programme - (Adopted by the Council at its 289th Meeting on 10th June, 1955)

The Council,

Having regard to Articles 2 and 3 of the Convention for European Economic Co-operation of 16th April, 1948;

Having regard to the Ten-year Development Programme communicated to it by the Italian Government (hereinafter referred to as the " Development Programme ") ;

Having regard to the Resolution of the Council of 14th January, 1955 concerning that Development Programme ;

Having regard to the Decision of the Council of 14th January, 1955, concerning the Extension and Stabilisation of Liberation of Trade;

Having regard to the First Report of the Council Working Party No. 9 (See Press A (55) 25);

Taking into account the proposals of the Managing Board of the European Payments Union concerning the Special Credit to be granted to Italy by that Union;

Convinced that the Development Programme is adequate both as to its general conception and scope and is of far-reaching political, social and economic importance for Italy herself and for all other member and associated countries of the Organisation; and

Recognising that while the success of the Development Programme will, in general terms, depend on the determination of the Government and people of Italy to carry it through, its feasibility is also, to some extent, dependent upon co-operation and support from the other countries of the Western world,

1. Approves the Report of the Working Party No. 9 of the Council referred to above;
2. Calls the attention of the Member and Associated Governments to the proposals of the Working Party No. 9 of the Council, as set out in para. 62 of its Report² as to the forms of co-operation most likely to help the Italian Government in the implementation of the Development Programme and urges them to bear those proposals in mind in the framing of their own policies, particularly— in the immediate future —in regard to the further liberalisation of trade and relaxation of import restrictions, in conformity with the Decision of the Council of 14th January, 1955, referred to above;
3. Welcomes the proposal by the Italian Government to keep the Organisation informed of the progress towards the implementation of the Development Programme;
4. Instructs Working Party No. 9 of the Council:
 1. to examine any further information that the Italian or other Member or Associated Governments may submit to the Organisation concerning the Development Programme and its implementation and to report again to the Council, from time to time, on the progress being made and the problems arising in the implementation of the Development Programme ; and
 2. to consider what instructions other than those indicated in Sections V and VI should be given to appropriate bodies of the Organisation for the study of ways and means by which cooperative support of the Development Programme can be made effective and to report thereon in due course to the Council;
5. Instructs the Productivity and Applied Research Committee to consider what action the European Productivity Agency might take for the provision of such technical assistance and advice to Italy as may be needed and to keep Working Party No. 9 of the Council informed of such action;

2. See below.

6. Instructs the Steering Board for Trade and the Joint Trade and Intra-European Payments Committee to consider what measures, in the field of trade and invisible transactions respectively, would aid Italy to expand her foreign earnings while maintaining a high level of import liberalisation and to keep Working Party No. 9 of the Council informed of the measures they propose should be taken in these fields.

Extract from the First Report of Working Party No. 9 to the OEEC Council on the Italian Development Programme - (Press -A (55) 25)

1. The six forms of co-operation which are likely to be most effective are the following:
 - 1.1. The provision of such technical help and advice to Italy as may be needed, giving the benefit of experience with problems of development, financial techniques and institutions, and planning methods.
 - 1.2. Measures in the fields of trade and invisibles which will help Italy to expand her foreign earnings, while maintaining the present high level of import liberalisation.
 - 1.3. Possible encouragement to the flow of private investment to Italy either in the form of loans and commercial credit or of direct investment.
 - 1.4. Provision, particularly during the earlier years of the Plan, of appropriate financial aid and public long-term capital.
 - 1.5. Facilities for short-term credits to meet temporary balance of payments difficulties that may arise from unforeseen internal or external fluctuations.
 - 1.6. Continued efforts to facilitate emigration from Italy.