



Recommendation 428 (1965)¹

Business cycle policies

Parliamentary Assembly

The Assembly,

1. Noting that the objective of the economic policies pursued by member Governments is to secure economic growth with full employment, stable price levels and stable exchange rates ;
2. Noting that although in recent years most countries have enjoyed a satisfactory employment level and stable exchange rates, it has proved impossible to achieve a reasonable measure of price stability ;
3. Noting that to remedy inflationary trends, measures were applied almost everywhere through the Central Banks and in some cases through the whole banking system, but that, on the other hand, inadequate use was made of fiscal policy for anti-cyclical purposes ;
4. Noting that by reason of the close interdependence of all economic development a country cannot adequately meet inflation and deflation risks by its own devices and that international co-operation in the matter of anti-cyclical policy is therefore imperative,
5. Recommends the Committee of Ministers :
 - a. that the coverage of economic statistics, including statistics on income distribution, and the speed with which they are produced should be improved so as to enable currently prevailing trends to be more rapidly identified and future trends more accurately predicted ;
 - b. that "Central Bank machinery" be developed to the full in those cases where this has not already been done ;
 - c. that greater use be made of budgetary policy - in regard to both revenue and expenditure - as well as credit measures with a view to furthering an effective business cycle policy ;
 - d. that the fullest consideration be given to the possibilities of pursuing an incomes policy for all economic groupings ;
 - e. that anti-cyclical measures, and especially measures against a rise in the general price level, be co-ordinated and applied in good time and on a sufficient scale ;
 - f. that international co-operation in this field be intensified in EEC, EFTA and OECD.

1. Assembly Debate on 29th September 1965 (12th Sitting) (see [Doc. 1952](#), report of the Economic Committee). Text adopted by the Assembly on 29th September 1965 (12th Sitting).

