Parliamentary Assembly
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COUNCIL OF EUROPE
CONSEIL DE L'EUROPE

Resolution 850 (1985)[1]

Reply to the report on the activities of the Organisation for Economic Co-operation and Development (OECD) in 1984

Parliamentary Assembly

The Assembly,

1. Having regard to the report on the activities of OECD in 1984 (Doc. 5428), and the report of its Committee on Economic Affairs and Development in reply thereto (Doc. 5446), and the opinions of its Committees on Science and Technology, on Regional Planning and Local Authorities, on Agriculture, and on Migration, Refugees and Demography (Docs. 5450,5461, 5447and 5452) ;

2. Noting that in the last two years the economic situation has been marked by moderate growth in the OECD area as a whole, with the United States playing the part of economic locomotive ;

3. Noting also, however, that this growth is being jeopardised by disequilibria within the area, such as unemployment in Europe, threats to industrial sectors in the United States (where the volume of the budget and trade deficits is absorbing a considerable part of world savings), a heightening of trade tensions, and a worsening of the economic and financial situations of many developing countries ;

4. Believing that, in spite of such disequilibria, the positive features of the industrialised countries' economies are far from negligible : moderate but steady growth in the United States, rapid expansion in Japan, slow-down in the rise of prices and increase in company profits in Europe, capacity for structural adjustments such as that ascertained at the recent meeting of Ministers of the International Energy Agency (Paris, 9 July 1985) in the energy sectors of member countries' economies following the oil price-rise shocks of 1973 and 1979 ;

5. Gravely concerned, nevertheless, at the prevalence of unemployment, which in Europe has reached levels unprecedented in the last fifty years, and drawing attention to the results of the European public parliamentary hearing on youth unemployment, which the Assembly held in The Hague on 3 and 4 September 1985 ;

6. Believing moreover, given the probably limited duration of the currently relaxed state of the world oil market, that medium-term energy prospects in the OECD area are a cause for concern, that they should be brought to the attention of parliamentary and public opinion in all member countries, and accordingly be a principal theme of its next debate on the activities of OECD ;

7. Concerned at the recent controversy between various European governments regarding the use of catalytic converters in private cars, which clearly illustrates the difficulty of reconciling environmental and economic interests ;

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1. Assembly debate on 1 October 1985 (17th Sitting) with the participation of parliamentary delegations from Australia, Canada, Finland, Japan and Yugoslavia (see Doc. 5446, report of the Committee on Economic Affairs and Development, and the contributions of the Committee on Science and Technology (Doc. 5450), the Committee on Regional Planning and Local Authorities (Doc. 5461), the Committee on Agriculture (Doc. 5447), and the Committee on Migration, Refugees and Demography (Doc. 5452)). Text adopted by the Assembly on 1 October 1985 (17th Sitting).

8. Observing that for the next eighteen months OECD is forecasting a slackening of growth in the United States, continuing strong growth in Japan and modest growth in Europe, where unemployment is expected to affect 11% of the working population by the end of 1986, that is 19,5 million people, a fact which will compel the European states to depend more on their own efforts in trying to improve their economic performances ;

9. Congratulating OECD on its annual publication Employment Outlook and on its intention to publish a series of social policy studies as from 1985, and welcoming its consultations with management and labour through, in particular, the Trade Union Advisory Committee (TUAC) and the Business and Industry Advisory Committee (BIAC) ;

10. Welcoming the collaboration of the OECD Secretariat in the preparation &mdash and proceedings of its 6th Parliamentary and Scientific Conference (Tokyo/Tsukuba, 3-6 June 1985)as decisive a factor in the success of the conference as the remarkable contributions of the Japanese Government and the National Diet of Japan ;

11. Welcoming the organisation by OECD in June 1984 of an International Conference on Environment and Economics, at which attention was drawn to the need to harmonise environment policies in order to help reduce international trade distortions to a minimum ;

12. Maintaining that substantial legislative and financial means should be devoted to the protection of the environment, and that more closely harmonised environment policies should be adopted in view of the interdependence of problems, so that the environment may become a resource for the future ;

13. Deploring the fact that, in spite of the co-operativeness which characterised the OECD Council's meeting in April 1985, the leading Western economic partners did not achieve a sufficient convergence of views at the last summit meeting of industrialised countries, held in Bonn from 2 to 4 May 1985 ;

14. Deeply concerned at the lack of agreement between European countries concerning important aspects of the future round of trade negotiations in GATT, the reform of the international monetary system, as well as international research and technology programmes ;

15. Concerned that in 1985 transatlantic disagreements over food exports to third markets have reached unprecedented levels, and seriously risk spreading into other areas, possibly even causing a breakdown of the open, multilateral trading system which has brought unprecedented wealth since the second world war ;

16. Believing that the causes for the above are both numerous and complicated, but that the triggering factor has been the costly build-up of surpluses over many years in several commodities, reflecting continued excess of production over effective worldwide demand (as opposed to real needs) ;

17. Noting that the volume of official development assistance declined as a percentage of GNP in 1984, and that the disasters which have struck certain developing countries, the effects of monetary fluctuations on the indebtedness of those countries and the decrease in the volume of world trade are making it more than ever necessary to improve the co-ordination of multilateral and bilateral aid, in the framework of the OECD Development Assistance Committee (DAC) and the relevant specialised agencies of the United Nations, in particular the World Bank ;

18. Underlining the fact that co-operation in the field of migrant workers is an important aspect of the North-South dialogue,

19. Urges the governments of the member states of the Council of Europe and the European Community :

a. to work together more closely, especially within the OECD framework, in order to promote economic re-expansion by common consent, and to achieve a greater unity and solidarity in economic, monetary and technological matters ;

b. to gear the revival of their economies to the creation of jobs, particularly for young people, by implementing a balanced policy for supply (greater flexibility on the labour market, reduction in subsidies for industry, etc.) and demand (increased purchasing power by cutting taxes and stepping up investments in the environment, building and transport infrastructures sectors) ;

20. Urges OECD :

a. to take more active steps to ensure that it remains the pre-eminent framework for coordinating the economic policies of its member countries which constitute the three major poles of the industrialised world &mdashNorth America, Europe and the Pacific area &mdash in order to maintain and foster mutual trust and business confidence ;

b. to continue its work on improving international monetary and financial systems ;

c. to maintain its links with the European Community and the European Free Trade Association (EFTA), to ensure greater co-operation in the trade, economic and industrial fields among all of its member countries ;

d. to make proposals favouring economic growth &mdashwhich would lead to progress in respect of both the standard of living and the quality of life &mdash and international division of labour, reconciling the interests of North and South in accordance with the spirit of the Lisbon Declaration ;

e. to make a study in its next issue of Employment Outlook of the effects of the reduction and reorganisation of working hours and "community-value jobs" on the employment situation, particularly in Europe ;

f. to work closely with the Council of Europe in preparing the European public campaign on North-South interdependence and global survival ;

g. to work closely with the Council of Europe in follow-up action to the conclusions of the 6th Parliamentary and Scientific Conference, organised in Tokyo and Tsukuba from 3 to 6 June 1985 by invitation of the National Diet of Japan (see Doc. 5457) ;

h. to continue its work against international tax evasion ;

i. to finalise, in conjunction with the Council of Europe, the draft multilateral convention on administrative assistance in fiscal matters, and to exercise its influence with those of its member states that are not member states of the Council of Europe with a view to obtaining as soon as possible their signatures and ratifications of the convention ;

j. to strengthen the guidelines for multinational enterprises adopted in 1976 and revised in 1984, and to improve the effectiveness of the national contact points ;

k. to draw up for its member states general agreements containing mandatory rules in the trade sector &mdash taking into account the GATT &mdas has well as in the field of industrial policy and in the social sector ;

l. to develop its activities in the field of migrant workers, taking account of their role in the North-South dialogue and stressing the initiatives regarding workers' professional training ;

m. to invite its Steel Committee to continue examining the world outlook for steel, and in particular the nature of the closures in European Community and EFT A countries as against developments elsewhere in the world ;

21. Urges the governments of the member countries of OECD :

a. to keep up their efforts to combat inflation and reduce their budget deficits, if these are excessive, through appropriate fiscal policies and better allocation of resources ;

b. to show solidarity by supporting the efforts of those OECD member countries which embark on a process of economic re-expansion ;

c. to improve and harmonise environment policies, in order to help promote an economic growth also satisfying ecological needs and reducing competitive distortions ;

d. on the supply side, to continue reducing structural and administrative rigidities with a view to improving the performance, adaptability and innovativeness of their firms, especially smaller businesses ;

e. on the demand side, to encourage private and public productive investment, as well as investment in infrastructures and research ;

f. to act on the proposal in the Lisbon Declaration to organise an international conference on a fundamental reform of the monetary and financial system ;

g. to adapt their fiscal policies in the light of the need to improve supply potential and provide some support for demand ;

h. to continue their efforts to reduce all the various types of pollution, taking into account the role which may be played in this respect by local and regional authorities, particularly with regard to transfrontier pollution ;

i. to search for ways of bringing production of the relevant agricultural commodities more into line with effective demand and fundamental market trends, so that trade can be better mastered ;

j. to approach future negotiations in a spirit of compromise in awareness of the potential consequences of a failure to agree, and to abide by the principles of GATT ;

k. to use more of existing agricultural surpluses for emergency aid, and to increase the efficiency of that aid, especially in drought-stricken Africa, while paying attention to the consequences for food markets in recipient countries, not least as regards local food customs and production ;

l. to seek an agreed basis for starting fresh trade negotiations within the GATT ;

m. to open up their markets more widely to the manufactured and agricultural products of the Third World, and to lend their assistance to the existing machinery for stabilising commodity prices and export revenues, particularly within the framework of UNCTAD, IMF and the European Community ;

n. to attempt within the OECD framework to work out suitable means of solving the serious problems posed by the foreign debt of the developing countries ;

o. to increase their official development assistance, and to improve, within the framework of DAC, the co-ordination of their bilateral and multilateral development assistance policies so as to optimise their effectiveness.