Parliamentary Assembly
Assemblée parlementaire
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COUNCIL OF EUROPE
CONSEIL DE L'EUROPE

Doc. 30
02 September 1949

Economic situation of the Member States of the Council of Europe

Report
Committee on Economic Affairs and Development
Rapporteur: Lord David ECCLES, United Kingdom

1. Preamble

1. The Consultative Assembly of the Council of Europe warns the peoples of Europe that millions among them will soon go hungry and unemployed unless they act at once to re-establish the economic equilibrium between Europe and North America, by increasing their dollar resources, and by developing trade between their own countries, thus advancing along the road towards a united, powerful and prosperous European economy.

2. The most urgent task is to pay for the food and raw materials which at present have to be bought in North America. The necessary dollars can only be found if a fresh effort is made on both sides of the Atlantic. The countries of Europe must increase their productivity and reduce their costs and selling prices, so as to adapt themselves to the hard facts of the post war world. On their side the U. S. A., which recognises the need for Europe to sell more to them, should encourage these imports by every possible means and in particular by lowering its customs tariffs.

3. The free nations of Europe can do much to save themselves by mutual help. Together with their overseas associates and territories they represent a population which as regards numbers and skill has no equal in the world. If the peoples of Europe are weak to-day it -is because they are divided, but if they have the vision and courage to unite their markets, they can lower their costs and selling prices, sell more to each other and more than recover their lost prosperity,

4. The economic union of free Europe should not create an exclusive trading area. On the contrary, the door would be open to the exchange of goods and services on fair terms with all the world.

5. The realisation of economic union would include the abolition by stages of restrictions on the movement of men, money and goods, and the co-ordination of investments, of basic industries and of agriculture.

6. This union would include the free circulation of goods and capital. It implies the rapid establishment of a multilateral system of payments, leading to the restoration of convertibililty of European currencies with one another, subject to the safeguards necessary to enable movements of capital to be controlled during the transitional period.

7. The building up of such a union of free peoples implies central planning, combined with a maximum degree of individual liberty. The central planning must be by consent, and the liberty must be used for the good of all.

2. Proposals for action to be taken by the Member States of the Council of Europe between themselves and also between the latter and other nations

The Consultative Assembly requests the Committee of Ministers:

1. To invite the Governments to intensify the spread of economic information through existing
2. channels and at the same time to enable the Consultative Assembly to use all available means to make the peoples of Europe aware of the gravity of the peril in which they are living, and of the advantages to themselves of pooling their resources in a common effort to regain solvency and reach a new level of prosperity.
3. To take all practical steps to establish as cniickly as possible a multilateral system of payments, including the restoration of the intercon-vertibility of European currencies, subject to the safeguards necessary to enable the movement of capital to be controlled during the transitional period.
4. To create permanent machinery for consultation on credit policy.
5. To call an economic conference, representing themselves and their overseas associates and territories, in order:

   a. to follow up and extend both the work of 0. E. E. C. in liberalising inter-European trade, and all studies now being made in regard to the economic relations of Europe and its overseas associates and territories;

   b. as a first step towards a unified market to extend existing preferential systems to the whole of the trading area represented by all those taking part in the conference;

   c. to study the development of production within the territories of the members of the conference so that their individual import requirements may be met as efficiently as possible from their combined resources;

   d. to study the conditions under which the investment in their territories of American and other non-European capital could be encouraged.

6. To call as soon as possible, industrial conferences representing both employers', workers' and consumers' organisations, as well as government services interested in the main manufacturing and agricultural industries, in order to make concrete proposals to the Assembly on the organisation of these industries and the increase in their productivity in the common interests of Europe.
7. To draw up a draft European convention for the control of international Cartels, which it will present to the Assembly.

3.

The Consultative Assembly also requests the Committee of Ministers:

a. that after the approval of proposals by the Consultative Assembly a delegation from the Council of Europe, instructed to give expression the common economic policy of Member States, should enter into negotiations with the Government of the United States of America and with any other government concerned, in order to obtain their consent to any necessary modifications in existing treaty obligations and also to all measures which would encourage imports from Europe, notably by the reduction of their tariffs;

b. that as a result, it would be good enough to submit to the Assembly, in the next Session, proposals to meet the recommendations made above together with a report on the progress made on these subjects since the ordinary session of the Consultative Assembly.

4. Proposals for the future work of the Economic Coinmittee

8. The Consultative Assembly shall decide:

a. that the Committee on Economic Questions may sit in the interval between sessions;

b. that it may split into specialized sub-Committees;

c. that these sub-Committees may hear evidence from experts on their own subjects.

9. The Consultative Assembly shall request its President to make contact with the Secretariat of U. N. 0., of 0. E. E. C, and B. I. S., in order to have access to all the documents of 0. E. E. C. the European Economic Commission, and B. I: S., and to arrange for the international and national officers of these two organisations to be heard by the Economic Committee, should the committee so desire.

10. The Appendix to this report sets out those questions referred to the Economic Committee on Economic Questions by the Committee of Ministers and by members of the Consultative Assembly which the Committee has decided should be the subject of study by its Sub-Committees.[1]

1. See Appendix on next page.

Appendix APPENDIX

1. The Committee on Economie Questions has set up four Sub-Committees:

    1.1. Finance and Currency;

    1.2. Commercial Policy;

    1.3. Industry, Agriculture and Food;

    1.4. Public Works.

2. In addition the Commission has appointed a rapporteur

3. he following subjects raised by Members of the Consultative Assembly in motions submitted to the Committee have have been sent for study to sub-Committees.

Finance and Currency Sub-Committee

A common currency for the Member States of the Council of Europe;

(b) A European Reserve Bank;

(c) A European Bank for Investments;

(d) Co-ordination of investments;

(e) A European clearing system.

Commercial Policy Sub-Committee

(a) Liberalisation of inter-European trade;

(b) Issuing of a European postage stamp;

(c) Development of the Tourist Industry in Europe.

Industry, Agriculture and Food Sub-Committee

(a) The coal industry of the Ruhr;

(b) Co-ordination of transport, steel and power;

(c) Development of production and improvement in distribution or agricultural products.