

ANNEX F

CO-OPERATIVE PLANNING IN SPECIFIC FIELDS OF
EUROPEAN ECONOMIC ACTIVITY

1. The United Kingdom long-term programme prepared for submission to the O.E.E.C. represents a major contribution to the solution of the European economic problem. By surmounting the dollar problem and planning for supplies of vital products to participating countries it assists Europe to achieve in 1952-53 a reasonable level of economic activity without extraordinary external aid. The effectiveness of the United Kingdom contribution will largely depend upon the degree to which the resources of the other participating countries are mobilised individually and collectively to the same end.

2. The individual contributions of the other participating States will be presented to the O.E.E.C. in the form of similar long-term programmes. From the examination of these will emerge the adequacy, or otherwise, of the various national targets for the achievement of a viable European economy within the planning period. From this, too, will emerge a picture of the overall economic strategy, in the light of which many adjustments in the national programmes will undoubtedly be indicated.

3. The establishment of the required trends and, in particular, the revival of intra-European trade, will involve more or less painful adjustments in the pattern of production, exports and imports. For this purpose the close and continuous co-operation of all participating countries will be indispensable.

4. The first approach must be through a study of how the resources of the participating countries can be applied in given fields of activity in a manner calculated to serve their interests as a whole. It will not be necessary to wait upon the final agreement on the long-term programme to initiate action. In many of the important fields of activity an immediate consideration of possibilities for joint action both on a short- and long-term basis is possible.

5. Where comparison of the national plans throws up shortages of raw materials, action to remedy them has clearly to be related to the capacity of plant and equipment in the later stages of the industrial process. This will, in turn, call for a review of the various types of capacity available, so that shortages in capacity at particular stages of production may be matched, whenever practicable, by surpluses elsewhere. The most effective starting-point for the consideration of expanded production will be increased productivity through the more efficient utilisation of existing resources. New investment will be required for most stages of the industrial process, and the relative efficiency of different types of investment will have to be reviewed in the light of common interests of the participating countries.

6. The choice between dollar-earning and dollar-saving projects has to be considered in the light of a review, on the one hand, of the overall export possibilities for given types of output in the dollar area, and, on the other, of their potential contribution to the difficult balance of intra-European trade and the ultimate development of a multilateral system of trade and payments.

7. The solution of the dollar problem and the revival of intra-European trade contemplated by the United Kingdom in its long-term programme entails important economic developments in its overseas territories. The possibilities of further increasing the production of dollar-earning and dollar-saving raw materials in other overseas territories may suggest opportunities for co-operation between the Governments concerned.

8. The United Kingdom, for its part, has already tabled with the O.E.E.C. a list of the following fields of activity, as offering scope for the development of joint plans, the study of which might lead to early and profitable results. The United Kingdom has not as yet entered into any commercial commitments in relation to these projects.