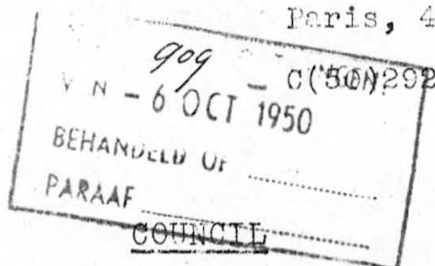


Paris, 4th October, 1950



Or. Engl.

REPORT TO THE COUNCIL BY THE EXECUTIVE COMMITTEE
ON THE STIKKER, PELLA AND PETSCHÉ PLANS

1. At its meeting on 7th July, the Council decided to refer the plans submitted by the Netherlands Delegation, the Italian Delegation and the French Delegation to the Executive Committee for examination in the light of the Council discussions, and instructed the Executive Committee to report to the Council at its next meeting at ministerial level (see Minute 189 of C/M(50)20: Pt. 2). The Executive Committee set up a Working Party (No. 6) composed of all delegations, with instructions to make a report to the Committee so that it might be in a position to report and make proposals to the Council in October. The Working Party's report CE(50)100, to which is attached an Annex containing certain clarifications provided by the three Delegations concerned, was considered by the Executive Committee on Tuesday, 3rd October.

2. At this meeting the Executive Committee agreed to forward the report CE(50)100 to the Council, with the following amendments:

a) Paragraph 15

Delete this paragraph and replace by the following:-

"It will therefore be necessary to group the results of the studies by sectors and to examine them from a general point of view, particularly in order to determine the effects of integration on the national economy of each Member country. It is at present not possible to define exactly the scope, content and sub-divisions of this general study. However, it is agreed that it must deal with the effects of integration both on trade and on the national economy of each Member Country, taking into account the fact that the sectors studied cover only a part of economic activity. Similarly, problems of manpower raised by integration will have to be considered. It is still too early to deal with questions of procedure."

b) Paragraph 17

Delete this paragraph. The Executive Committee considered that the decision on sectors to be studied should be taken by the Executive Committee after the Council had taken the decisions set out in paragraph 3 a) and c) below.

c) Paragraph 19, sub-paragraph 3

In the 6th line delete the word "some"; and in the 7th line delete the words "where possible".

d) Paragraph 19, sub-paragraph 4(C)

Delete the words in brackets "and possible technical means of overcoming them".
The Italian reservation on this sub-paragraph therefore disappears.

e) Paragraph 19, sub-paragraph 5

Delete this sub-paragraph

f) Paragraph 30, sub-paragraph (iii) (English text)

Delete this sub-paragraph and replace by the following:

"to a general study related to the studies by sectors (para. 15)."

3. The Executive Committee proposes that the Council:

- a) decide that the studies referred to in paragraphs 13, 15 (as revised by the Executive Committee) and 23 of CE(50)100 should take place;
- b) instruct the Executive Committee to select sectors to be studied and take all other decisions on procedure and timetable so that the studies referred to in paragraphs 19, 13, 15 and 23 be satisfactorily concluded.
- c) adopt the draft Resolution at Annex A, which contains the terms of reference of committees to be entrusted with the studies by sectors as set forth in paragraph 19 of CE(50)100 and as amended by the Executive Committee.

ANNEX ADRAFT COUNCIL RESOLUTION

ON THE TERMS OF REFERENCE OF THE TECHNICAL COMMITTEES
CONCERNING SECTOR STUDIES

The Council

Considering Article 6 of the Convention for European Economic Co-operation of 16th April, 1948;

Considering the Plan of Action for the Economic Integration of Europe submitted by the Netherlands Delegation, the Proposals for the Establishment of a European Investment Bank submitted by the French Delegation, and the Proposals and Comments submitted by M. Pella on behalf of the Italian Government with regard to the Methods to be followed for the Organisation of the European Market, submitted to the Council on 7th July, 1950;

Considering the Preliminary Report of Working Party No. 6 to the Executive Committee on the Stikker, Pella and Petsche Plans and the Report of the Executive Committee of 5th October, 1950 on the Report of Working Party No. 6 and in particular Annex A to that Report;

On the proposal of the Executive Committee;

DECIDES:

1. The following paragraphs define the terms of reference of technical committees instructed to undertake sector studies.
2. The technical committees instructed to undertake sector studies shall study the implication of integration in their respective sector. For the purpose of these studies total integration is defined as the elimination between Member countries of quantitative restrictions, tariffs, and other impediments to trade in their respective sectors.
3. In the course of their studies, the technical committees shall consider whether the incidence of integration measures would be substantially altered by the inclusion of the overseas territories in these measures and what would be the nature of this alteration.

4. Although it is impossible to foretell with any certainty how the economic and financial situation of Member countries will develop under present world conditions, it is recognised that the measures envisaged to deal with these new conditions will have a bearing on the problem to be studied and should be taken into account particularly as regards restrictions on exports and access to raw materials insofar as they will specifically affect the sector concerned.

5. In carrying out their studies the technical committees shall:

- (A) (i) make a preliminary survey of the present structure of their respective sector in each Member country (distribution, manpower, access to raw materials, modernisation, development of trade, etc.) insofar as it has some bearing on the problem of integration in that sector;
- (ii) establish what quantitative restrictions, tariffs and other impediments to trade are at present in force;
- (B) (i) analyse the effects of integration on their respective sector in each Member country and in the Member countries as a whole;
- (ii) in particular establish in what ways (e.g., large scale production, specialisation, etc.) productivity and efficiency in that sector might be improved through integration;
- (iii) consider also the level of efficiency in their sector as compared with that of countries other than those of Western Europe and ascertain the reasons which might impede the reduction of tariffs on a worldwide scale and thus make a preferential tariff desirable for technical reasons; furthermore, to indicate for how long such reasons are likely to remain valid;
- (C) (i) ascertain as far as their respective sector or certain economic activities within that sector are concerned, which countries could not sustain the immediate removal of restrictions or even their gradual removal; indicate the reasons for this inability and the order of magnitude of the problems that have to be solved.