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First session

Note from the Commission of the European Economic
Community, communicated by the representative of France

The Executive Secretary has the honour to bring to the attention of the members of the Economic Commission for Africa the following communication which he has received from the representative of France:

Addis Ababa, 1 January 1959.

"Sir,

"I have received from the Commission of the European Economic Community the enclosed note, dated 23 December 1958, the contents of which seem to have a connexion with various items on the agenda of the first session of the Economic Commission for Africa.

"I have the honour to request you to make copies of this note available to the Governments and organizations participating in the work of the Commission's first session.

"I have the honour to be, etc.

(signed) G. Georges-icot
Head of the French Delegation
to the first session of ECA".

Mr. Mekki Abbas,
Executive Secretary
ECA."

EUROPEAN ECONOMIC COMMUNITY

COMMISSION FOR OVERSEAS COUNTRIES
AND TERRITORIES

Brussels, 23 December 1958

Noteconcerning the activities of the Department of Overseas Countries and Territories Introduction

The work and also the objects of the activities of the Department are governed by article 31 of the Treaty of Rome which provides:

"The States members agreed to associate with the Community the non-European countries and territories which maintain special relations with Belgium, France, Italy and the Netherlands. The said countries and territories, herein-after referred to as "countries and territories", are enumerated in annex IV to this Treaty.

"The purpose of the association shall be to promote the economic and social development of the countries and territories and to establish close economic relations between them and the Community as a whole.

"In conformity with the principles set forth in the preamble of this Treaty the association should in the first place tend to promote the interests of the inhabitants of the said countries and territories and the prosperity of the same, in such a way that they may be guided to the economic, social and cultural development which they are awaiting.

In addition, article I of the Convention relating to the application of the Treaty provides that the States members of the Community are to participate in action which will promote the economic and social development of the associated overseas countries and territories by measures supplementing those of the States members responsible for the said territories.

These two statements of principle in the Rome Treaty sum up in unambiguous terms the spirit underlying the idea of associating the overseas countries and territories with the European Economic Community. All the endeavours of the Community in these territories are inspired by these principles. The association rests on a specific and concrete basis: the reciprocity of the interests of the different countries and territories. The association is not limited to the African or European countries which are now committed; on the contrary for the purpose of the economic and political future of the countries of Africa and Europe it is essential that this association should be enlarged.

The Department regards it as its first duty to enlighten the associated territories as fully and as frankly as possible concerning the objects of the association. Conversely, the Department will keep itself

informed of conditions in these territories. For this purpose it has recruited, and will recruit more, officials of African origin who will work on a par with their European colleagues. Daily contacts ought to enable both the European and the African members of the staff to become better acquainted with each others' problems. In addition, training periods and study tours will be organized for Africans who will in this way, through becoming familiar with Europe, gain a better understanding of the motives and internal working of the association.

Through the standardization of the conditions governing the right of establishment and, later, the introduction of freedom of movement, a basis will be created in law for exchanges between Africans and Europeans which are to be intensified. In this case too, the Commission will take into account above all the interests of the indigenous people and will contribute to the economic development and industrialization of the territories which apply to the "Six" for help in this direction. The sole object of the action contemplated in this field is, incidentally, to abolish gradually the forms of discrimination still prevailing as between nationals and bodies corporate of the States members; this action cannot in any way affect the paramount interests of the indigenous populations.

The question of the freedom of nationals and bodies corporate of the associated territories to establish themselves in the European States is held over pending the conclusion of a new convention in the near future. The principle of reciprocity in this respect is laid down in article 132, paragraph 5, of the Treaty. This proposal will form the subject of consultations between the Commission and the Economic and Social Committee which has appointed a group to deal with questions affecting the territories and the local authorities in these territories. Here again, the principle of taking no action concerning the associated territories without prior consultation with the Africans and their local governments will be respected.

Studies

So far as studies are concerned, the Department has two functions: firstly, it will methodically and continuously observe the economic and social circumstances of each of the associated territories; secondly, it will study the problems of under-development and remedies now employed or recommended, with a view to ensuring that whatever action is taken by the Commission in respect of the associated territories should be based on full information.

For the performance of these functions, extensive statistics will have to be collected in concert with the administrations and the competent national and international bodies. A beginning was made in 1958 and this statistical work will be continued and expanded in 1959. Once again, the intention is to place at the Commission's disposal full and homogeneous data which will make comparisons as between territories possible.

Accordingly, the Commission can play a most useful part as an international information, research and documentation centre. By reason of

the contacts which it will necessarily establish with the States members and the associated territories it will possess full and reliable data. In this way it will surely be in a position to make a valuable contribution, particularly in view of the growing interest of the United Nations in the continent of Africa.

There is an obvious need for a systematic and concrete study of the ways which are now being employed or proposed throughout the world for solving the problem of under-development, for the problem is assuming increasing prominence and the methods for solving it are evolving rapidly. Hence, the Commission ought to be fully informed if it is to carry out intelligently its work relating to the associated territories. In this respect - if only to avoid duplication - close liaison is likewise necessary and will be observed with the various national and international research bodies and in particular with the bodies specially concerned with African problems.

Trade

The many trade problems evoked in the Rome Treaty are of particular interest to the Department. In conformity with the purposes laid down in article 131 of the Treaty it was necessary that action should be taken to promote the expansion of trade among the associated countries. In this connexion article 132, paragraph 1, is particularly relevant for it provides that "the States members shall apply to their commercial exchanges with the countries and territories the rules applicable among themselves pursuant to this Treaty."

This provision and the clauses agreed to in consequence thereof should make it possible, during the transition period, for the products of the territories to enter freely the countries of the States members; quantitative restrictions and customs duties formerly chargeable on such products are to be removed gradually. The introduction of a common external customs tariff will, furthermore, assure a certain market in the States members for products originating in the territories and this assurance should produce salutary consequences for the economies of both the European and the African countries concerned.

Nevertheless, because the structure of the economies of the territories differs so profoundly from that of the economies of the States members, precautions had to be taken lest the association of these countries with the Common Market take the form of accelerated growth forced on industrially less-developed countries by highly industrialized countries. While the removal of customs duties is to proceed progressively under conditions analogous to those planned for the States members, special provisions are to apply to the overseas countries and territories, in such a way that the free movement of capital goods and consumer goods which will follow from the general measures will not in certain cases hamper the development of some particular sector of the economy of the associated countries nor retard the industrialization of these countries. It is for this reason

that article 133, paragraph 3, of the Rome Treaty provides that, notwithstanding reductions of customs duties, "the countries and territories shall have authority to charge customs duties which are in keeping with the demands of their development and industrialization or such fiscal charges as yield revenue for the budget". Similarly the territories retain full freedom of action so far as export duties are concerned, whereas the States members are under a duty to remove such duties by the end of the first stage at the latest.

Development Fund

According to the Treaty of Rome the overriding purpose of the association of the overseas countries and territories with the Community is their economic development. One of the means to be employed for accomplishing this object is the Fund which has the function of financing investments for economic and social purposes. The Fund will not transform the assistance already being given by the metropolitan countries into multilateral aid but will supplement this assistance on an international scale. The contributions of the States members, on being paid into the Fund, become supra-national. One of the Fund's functions is to promote the regional aspects of development, and it is not bound entirely by the frontiers separating the countries and territories which maintain special relations with different States members.

The sole purpose of the Development Fund is to raise the standard of living of the populations of the territories. The plans for this betterment of life do not originate outside the territories; the projects financed by the fund are to be submitted with the concurrence of the local authorities or of the representatives of the local populations, where such representatives exist. Under this system, the Fund does not practice any political interference but accepts the evolution which is taking place; it grants assistance in whatever sector its help is most likely to sustain, strengthen or prolong the development efforts of the territories themselves.

From among the projects submitted to it the Fund chooses for financing - within the limits of its resources - preferably such projects as tend to contribute directly to the harmonious advancement of the indigenous peoples. Nor is the Fund's aid limited to expenditure for equipment purposes. Indeed, such investment may not even account for the bulk of its assistance, for it may spend more on scientific research, instruction, technical assistance etc.

To the extent to which the Development Fund contributes to material investment it is provided that such investment will not tend to form, as between the territories and the States members, any economic relationships that are not in their reciprocal interests. Each project should represent a distinct set of mutually supplementary types of action, and the action as a whole should be capable of being carried out independently and of standing on its own feet as soon as the operations for which the Fund's help was requested are completed. Moreover, as the equipment of the territories proceeds and grows in volume with the Fund's help, the

economic conditions will be favourable, for competitive tenders will be invited internationally for the execution of the projects.

The credits of the Development Fund are allocated for the financing of economic and social projects which are consistent to the fullest possible extent with the harmonious development of the recipient human group. The urgency of the need to be satisfied by these projects will be the test by reference to which the credits will be allocated.

These credits are to be applied preferably to sectors where they will stimulate other forms of development: infrastructure (which in turn will influence private investment), raising the productivity of the local population (principally by help for general and technical training of the population), survey of natural resources (as a basis for programmes for exploiting these resources which can be financed by loans), etc. In this way, the European countries members of the Community on the one hand and the overseas countries associated with the Community on the other hand are jointly marshalling the resources at their disposal for the purpose of strengthening and accelerating the development of the overseas countries and territories.

Attached: plan of structure of the Department.

At the head of the Overseas Countries and Territories Group of the European Economic Community is a Chairman (Mr. Lemaignan) who is assisted by two Vice-Chairmen (Mr. von der Groeben and Mr. Petrilli).

An outline of the administrative organization of the Group is given below:

DIRECTOR

Four Departments:

Department of General Questions, consisting of three divisions

1. Right of establishment
2. Relations with associated countries and territories
3. International organizations.

Research Department, consisting of two divisions

1. Conditions in the territories
2. General research.

Investment Department, consisting of two divisions

1. Financial operations
2. Technical operations.

Trade Department, consisting of two divisions

1. Liberalization of trade
2. Economic expansion.

Press and information service.