

Economic and Social Resolution of the Hague Congress (7–10 May 1948)

Caption: At the end of the Congress of Europe held in The Hague in May 1948, the participants adopt an Economic and Social Resolution setting out the objectives of a united Europe.

Source: Congress of Europe: The Hague-May, 1948: Resolutions. London-Paris: International Committee of the Movements for European Unity, 1948. 16 p. p. 8-11.

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URL: http://www.cvce.eu/obj/economic_and_social_resolution_of_the_hague_congress_7_10_may_1948-en-537c7689-d702-4a15-88bd-4db51fd07b3a.html

Publication date: 20/12/2013

Economic and Social Resolution (The Hague, 7–10 May 1948)

Europe is now confronted by a great crisis and a great opportunity. Its old economic system has been shattered by the war. Thanks to the generous assistance of the United States of America there is a unique opportunity to build a new and better Europe if Europeans work together under a common plan to develop the economic strength of the Continent. There is no hope of recovery if each country simply strives to rebuild its national economy by the old methods. Under modern conditions Europe can only achieve the standard of living which it ought to enjoy if its industrial and natural resources are developed on continental lines. But progress in this direction will only be achieved if it is accompanied at every step by a parallel policy of ever-closer political union. Europe must unite if it is to regain and surpass its former prosperity and re-assert its economic independence.

The exigencies of modern economic development must be reconciled with the integrity of human personality. In any economic organisation such as we envisage it must be decided where the responsibility rests; and in order to avoid any tendency towards totalitarianism and to safeguard the economic independence of the individual, the workers and their representative organisations should be closely associated with the setting-up and development of the economy of United Europe.

THE CONGRESS:

- (1) RECOGNISES that no attempt to rebuild the economy of Europe upon the basis of rigidly-divided national sovereignty can prove successful.
- (2) AFFIRMS the urgent need for an economic union in Europe.
- (3) DECLARES that this union must maintain and progressively adjust the economic ties which at present link the countries of Europe with the Dominions and associated States or dependent territories overseas.
- (4) WELCOMES the initial measures taken by certain Governments towards closer economic co-operation, or towards regional groupings; and expresses the hope that the work of the Conference of the sixteen nations will lead to conclusions favourable to the success of European Union.

Immediate Recommendations

- (5) URGES all the Governments concerned forthwith to proclaim their determination to promote economic union and to put into effect the immediate economic measures required.

These should include measures designed:

(a) Trade

- (i) To remove step by step and, as soon as possible, finally abolish the obstacles to trade within the Union which result from quotas and import or export prohibitions.
- (ii) To reduce and, wherever possible, completely eliminate customs duties between the Member States.

(b) Currency

- (i) To restore budgetary equilibrium which is a first essential for the stability of currencies in each country and to reduce by all available means — including monetary policy — the disparities of prices and wages which are incompatible with the freedom of the exchanges.
- (ii) To take early steps to establish multilateral clearings or, through the adjustment of exchange values, to

set up areas within which the exchange of goods shall not be handicapped by currency controls.

(iii) Thus to pave the way for the free convertibility of currencies and the gradual restoration of freedom of trade among the countries of Europe.

(c) Production

(i) To promote a common programme for the development of agricultural resources and the provision of the necessary equipment, in order to provide Europe with the highest possible nutritional standard.

(ii) To encourage technical or regional industrial specialisation and the renewal and modernisation of the technical means of production.

(iii) To plan and carry into effect a co-ordinated programme of development for the basic industries of the whole area. This should include the production and fair distribution of the coal resources of United Europe as well as the expansion of its electric power and the co-ordination and rationalisation of communications.

(iv) And in general to draw up an overall production programme utilising the resources and equipment of European countries in conformity with the needs of their peoples.

(d) Labour

(i) To raise to the greatest possible extent the standard of living of the populations of Europe in particular by all the above measures which are designed to increase production, and to invite the professional, economic and social organisations of the various countries to study together ways and means of increasing production still further and rationalising distribution while improving social conditions and ensuring a fair distribution of the product of economic activity.

(ii) To promote the mobility of labour to the maximum possible extent, while assuring to migrant workers and their families the standards of wages, social security, living conditions, and conditions of employment prevailing in the country to which they come.

(iii) To co-ordinate their economic policies so as to secure full employment.

Ultimate Objectives

(6) CONSIDERS that in addition to these first measures, steps should also be taken to achieve, progressively, within the Union:

(a) The free circulation of capital;

(b) The unification of currencies;

(c) The co-ordination of budgetary and credit policy;

(d) A full Customs Union, involving the abolition of all barriers to the movement of goods between the countries of the Union and the application to non-member countries of tariffs low enough not to interfere

with the normal flow or hinder the development of world trade;

(e) The co-ordination of social legislation.

(7) EMPHASISES that all the measures herein proposed for the economic organisation of Europe should be carried out in accordance with the agreements reached or to be reached under the auspices of U.N.O. or of the affiliated organisations and relating to world economy.

Conclusion

Such is the economic basis on which the peoples of Europe will find the opportunity — and the duty — not only to put a stop to the present decline in their standard of living, but also to ensure that all shall enjoy better conditions of life, both material and cultural, which is the ultimate and sole aim of every economic activity.

Under these improved conditions, when the petty rivalries of national states have been laid aside, we may look forward to the development of a harmonious society in Europe. In such a society the rights of the family would be respected, the free association of individuals and groups and the protection of the weak and infirm guaranteed, and scope given to all to develop in freedom and concord a full and balanced personality. We look forward to a social and economic existence, in which Europe may play her proper rôle in the world as a constructive element and a force for peace.

MATTERS FOR FUTURE STUDY

In addition to the points embodied in the foregoing resolution, the Congress is of opinion that certain other proposals submitted to it might be usefully brought to the notice of the appropriate special bodies in order that their substance and the means of giving effect to them may be examined. These proposals may be briefly summarised as follows:

- (1) Establishment of an Emigration Commission to organise migration in Europe and to take steps to promote the absorption and reinstatement of the 1½ million Displaced Persons into European communities and overseas.
- (2) Economic and social contribution towards the fulfilment of the Marshall Plan.
- (3) Study of the laws concerning inventions within the sphere of United Europe.
- (4) Free movement of travellers throughout Europe.
- (5) Elimination of double taxation, co-ordination of the taxes falling on production and trade.
- (6) Institution of an inquiry as to the means of progressively eliminating competition based on disparities arising from low standards of real wages and conditions of employment, which in the past have led to the erection of high tariffs and other barriers to international trade.
- (7) Study of the economic aspects of the problems of the Ruhr.