



**UNITED NATIONS CONFERENCE
ON TRADE AND DEVELOPMENT**

**REPORT
OF THE TRADE
AND DEVELOPMENT BOARD**

10 March - 2 October 1975

GENERAL ASSEMBLY

OFFICIAL RECORDS: THIRTIETH SESSION

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NOTE

Symbols

Symbols of United Nations documents are composed of capital letters combined with figures. Mention of such a symbol indicates a reference to a United Nations document.

The documents of the United Nations Conference on Trade and Development, the Trade and Development Board and its main subsidiary bodies are identified as follows:

First session of the United Nations Conference on Trade and Development	E/CONF.46/-
Subsequent sessions of the United Nations Conference on Trade and Development	TD/-
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The Proceedings of the United Nations Conference on Trade and Development, Third Session, have been issued as follows: vol. I, Report and Annexes (United Nations publication, Sales No. E.73.II.D.4), containing, inter alia, the Conference's resolutions and decisions; vol. IA, part one, Summaries of Statements by Heads of Delegation (Sales No. E.73.II.D.Mim.1, part one); vol. IA, part two, Summary records of plenary meetings (Sales No. E.73.II.D.Mim.1, part two); vol. II, Merchandise Trade (Sales No. E.73.II.D.5); vol. III, Financing and Invisibles (Sales No. E.73.II.D.6); vol. IV, General Review and Special Issues (Sales No. E.75.II.D.7).

Symbols referring to resolutions and decisions of the sessions of the Conference consist of an arabic numeral followed by "(II)" or "(III)" as the case may be, thus 1 (II), 2 (II), 36 (III), 37 (III), etc.

Symbols referring to resolutions and decisions of the Board consist of an arabic numeral, indicating the serial number of the resolution or decision, and a roman numeral in parentheses, indicating the session at which the action was taken.

Summary records

The summary records of the debates in the plenary meetings of the Conference and its committees, and of the Board and its main committees, are referred to by the appropriate symbol of the body in question (see above) followed by the letters "SR".

For each session of the Board a prefatory fascicle is issued as part of the Official Records of the Trade and Development Board. The fascicle contains a table of contents of the summary records of the session, the agenda of the session as adopted and a check list of documents pertaining to the agenda of the session.

Annexes

The texts of documents selected for inclusion in the records of the relevant session of the Board are issued as annexes to the Official Records of the Board, in the form of fascicles pertaining to the relevant agenda item.

Supplements

The Official Records of the Board include numbered supplements to the sixth special session and the fifteenth regular session, as follows:

<u>Supplement No.</u>		<u>Document Number</u>
<u>Sixth special session</u>		
1	Resolutions, agreed conclusion and decisions	TD/B/548
<u>Fifteenth regular session</u>		
1	Resolutions and decisions	TD/B/585
2	Report of the Committee on Commodities on its eighth session (first and second parts)	TD/B/543
3	Report of the Committee on Manufactures on its seventh session	TD/B/576

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ABBREVIATIONS

CMEA	Council for Mutual Economic Assistance
ECE	Economic Commission for Europe
EEC	European Economic Community
ESCAP	Economic and Social Commission for Asia and the Pacific
GATT	General Agreement on Tariffs and Trade
GNP	Gross national product
GSP	Generalized system of preferences
FAO	Food and Agriculture Organization of the United Nations
IBRD	International Bank for Reconstruction and Development
ILO	International Labour Organisation
IMF	International Monetary Fund
ODA	Official development assistance
OECD	Organisation for Economic Co-operation and Development
OPEC	Organization of Petroleum Exporting Countries
SDR	Special drawing rights
UNCITRAL	United Nations Commission on International Trade Law
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNIDO	United Nations Industrial Development Organization
WIPO	World Intellectual Property Organization

PREFATORY NOTE

The eleventh annual report of the Trade and Development Board ^{1/} is submitted to the General Assembly in conformity with General Assembly resolution 1995 (XIX) of 30 December 1964. It was adopted by the Board at its 443rd meeting, on 2 October 1975 (see part four, para. 36 below). The report covers the period which has elapsed since 13 September 1974 and consists of the reports on the sixth special session, held from 10 to 21 March 1975, the second part of the fourteenth regular session, held on 29 April 1975, the first part of the fifteenth regular session, held from 5 to 16 August 1975, and the second part of the fifteenth regular session, held from 30 September to 2 October 1975, all of which were held at Geneva.

During the period covered by the present report the following subsidiary bodies of the Board held sessions, of which particulars are given below:

			<u>Report in document</u>
Intergovernmental Preparatory Group on a Convention on International Intermodal Transport	Second session	11-29 November 1974	TD/B/533
Committee on Commodities	Eighth session		
	First part	10-21 February 1975	
	Second part	21-25 July 1975	TD/B/543 <u>2/</u>
Committee on Manufactures	Seventh session	23 June-4 July 1975	TD/B/576
Intergovernmental Group on the Least Developed Countries	First session	7-18 July 1975	TD/B/577 <u>3/</u>

^{1/} The 10 previous reports, covering respectively the periods 1 January to 29 October 1965, 31 October 1965 to 24 September 1966, 25 September 1966 to 9 September 1967, 10 September 1967 to 23 September 1968, 24 September 1968 to 23 September 1969, 24 September 1969 to 13 October 1970, 14 October 1970 to 21 September 1971, 22 September 1971 to 25 October 1972, 26 October 1972 to 11 September 1973, and 12 September 1973 to 13 September 1974, are contained in Official Records of the General Assembly, Twentieth Session Supplement No. 15 (A/6023/Rev.1); ibid., Twenty-first Session, Supplement No. 15 (A/6315/Rev.1 and Corr.1); ibid., Twenty-second Session, Supplement No. 14 (A/6714); ibid., Twenty-third Session, Supplement No. 14 (A/7214); ibid., Twenty-fourth Session, Supplement No. 16 (A/7616 and Corr.2); ibid., Twenty-fifth Session, Supplement No. 15 (A/8015/Rev.1 and Corr.1); ibid., Twenty-sixth Session, Supplement No. 15 (A/8415/Rev.1); ibid., Twenty-seventh Session, Supplement No. 15 (A/8715/Rev.1 and Corr.1); ibid., Twenty-eighth Session, Supplement No. 15 (A/9015/Rev.1); and ibid., Twenty-ninth Session, Supplement No. 15 (A/9615/Rev.1).

^{2/} For the printed text, see Official Records of the Trade and Development Board, Fifteenth Session, Supplement No. 2 (TD/B/543).

^{3/} Ibid., Fifteenth Session, Annexes, agenda item 7, document TD/B/577.

Part One

REPORT OF THE TRADE AND DEVELOPMENT BOARD ON ITS SIXTH SPECIAL SESSION

Held at the Palais des Nations, Geneva,
from 10 to 21 March 1975

INTRODUCTION

1. The United Nations Conference on Trade and Development, by resolution 79 (III) of 20 May 1972, decided that the review and appraisal functions of UNCTAD in connexion with the implementation of the International Development Strategy for the Second United Nations Development Decade should be vested in the Trade and Development Board, and that for this purpose the Board should meet in a special session once every two years at a suitably high level. Accordingly, the first biennial review and appraisal of those aspects of the Strategy which fall within the competence of UNCTAD was undertaken by the Board at its fifth special session, held from 24 April to 9 May 1973, and the Board decided, by its decision 102 (XIII) of 8 September 1973, to undertake the mid-term review and appraisal at the present special session.
2. Subsequent to that decision, the General Assembly, in its resolution 3172 (XXVIII) of 17 December 1973, decided to hold a special session devoted to development and international economic co-operation just before the thirtieth regular session, at which it would undertake the over-all mid-term review and appraisal exercise. The sixth special session was held from 9 April to 2 May 1974. On 1 May 1974, the General Assembly adopted resolutions 3201 (S-VI) and 3202 (S-VI) containing the Declaration and the Programme of Action on the Establishment of a New International Economic Order, the purpose of which was, inter alia, to complement and strengthen the goals and objectives embodied in the International Development Strategy.
3. The implementation of the Declaration and the Programme of Action, the review and appraisal of the International Development Strategy and the preparations for the special session of the General Assembly devoted to development and international economic co-operation were the subject of Economic and Social Council resolution 1911 (LVII) of 2 August 1974. That resolution emphasized the interrelationship of these three processes and established a time-table for carrying them out in the period up to the thirtieth regular session of the General Assembly.
4. At the first part of its fourteenth session, the Board decided, by resolution 122 (XIV) of 13 September 1974 on the implementation of the Declaration and Programme of Action on the Establishment of a New International Economic Order, to consider, at its sixth special session, new commitments, changes, additions and adaptations in the International Development Strategy on matters within the competence of UNCTAD, in the light of the Declaration and the Programme of Action. It also decided, by resolution 120 (XIV) of 13 September 1974, to consider the question of the establishment of a comprehensive international trade organization at its sixth special session, in the context of its mid-term review and appraisal of the International Development Strategy.

5. The sixth special session of the Trade and Development Board was held at the Palais des Nations, Geneva, from 10 to 21 March 1975. 1/

6. The present report will, in accordance with paragraph 13 of Economic and Social Council resolution 1911 (LVII), be made available to the third session of the Committee on Review and Appraisal to be held from 13 May to 6 June, which is requested, in conformity with paragraph 17 of that resolution, to present to the Economic and Social Council at its fifty-ninth session a comprehensive draft review of the implementation of the International Development Strategy and of the Declaration and Programme of Action.

1/ For a full account of the proceedings during the sixth special session of the Board, see the summary records of the 413th to 425th meetings (TD/B/SR.413-425).

CHAPTER I

MID-TERM REVIEW AND APPRAISAL OF THE IMPLEMENTATION OF THE INTERNATIONAL DEVELOPMENT STRATEGY; IMPLEMENTATION OF THE DECLARATION AND THE PROGRAMME OF ACTION ON THE ESTABLISHMENT OF A NEW INTERNATIONAL ECONOMIC ORDER; SPECIAL SESSION OF THE GENERAL ASSEMBLY DEVOTED TO DEVELOPMENT AND INTERNATIONAL ECONOMIC CO-OPERATION

(Agenda item 3)

A. Opening statements by the Acting President of the Trade and Development Board and by the Secretary-General of UNCTAD

7. In his opening statement to the Board at the 413th meeting on 10 March 1975, the Acting President said that the Board's task at its sixth special session was to assist the General Assembly in its over-all mid-term review and appraisal of the International Development Strategy for the Second United Nations Development Decade by reviewing the progress made in achieving the objectives of the Strategy, identifying the short-falls, assessing UNCTAD's contribution, and recommending possible remedial measures.

8. Recent international developments had brought into focus an ever greater awareness of the need for renewed efforts to speed up global economic and social development, to raise the levels of living of all mankind and to ensure a peaceful and growing world economy. At the mid-point of the Decade, however, it was clear that the efforts to achieve the goals embodied in the Strategy had fallen short of expectations and that a new orientation of attitudes and policies was needed. In that connexion, the Board must offer constructive guidance on the lines along which trade and aid policies should be directed so that the attainment of the Strategy objectives would not be thwarted. The Board's review and appraisal of those measures contained in the Strategy within the competence of UNCTAD would greatly assist the General Assembly in discharging through the Economic and Social Council its responsibility for a global review and appraisal.

9. In his introductory statement to the Board at the 414th meeting on 10 March 1975, ^{2/} the Secretary-General of UNCTAD said that the session of the Board could contribute to and influence the intensive international discussions on development issues that were scheduled to take place in the current year, and expressed the hope that the result of the Board's discussions would be a better understanding of the development problem, a new commitment to the development objective and an identification of new directions to be pursued.

10. Reviewing the first five years of the Decade, he pointed out that the developing countries had not shared in the rapid expansion and rising prosperity

^{2/} The full text of the Secretary-General's statement was subsequently circulated under the symbol TD/B(S-VI)/Misc.4 by a decision by the Board at its 414th meeting, the Board having first taken note of the financial implications of its decision.

of the developed countries during the initial period of the Decade. In addition, development assistance had fallen far short of the targets set in the Strategy. The present general world economic crisis had placed many developing countries in a desperate situation. The conclusion to be drawn was that there was a need to get development moving again on a new course, both internally, by developing countries themselves, and, perhaps more significantly for UNCTAD, by establishing a suitable international framework no longer predicated entirely in exceptionally high growth rates in the developed countries. Within the context of such a new global development policy, the main emphasis should be on trade rather than aid, and on efforts to reverse the present trend whereby the share of developing countries in world trade, exclusive of oil, continued to decline.

11. The integrated programme for commodities proposed by the UNCTAD secretariat should be seen as the corner-stone of such a new global policy. However, action on the trade front should not be confined to commodities alone. The objective should be to reduce the traditional dependence of many developing countries on commodities through dynamic internal industrialization policies. In this regard, it was essential to ensure further progress through improvements in the generalized system of preferences (GSP) and through the multilateral trade negotiations. Further, in the sector of industrial trade, there was a need for a package of measures aimed not only at eliminating barriers but also at providing facilities for developing countries at a financial institutional and technological nature - including measures relating to the transfer of technology and the role of transnational corporations in that sector, the marketing and promotion of industrial goods, the availability of export credits, adjustment assistance measures, the processing of primary products, transport and insurance.

12. Any new focus on trade and related measures as an integral part of a global development strategy must be supported by an appropriate international monetary and financial framework. The basic requirements of the developing countries remained as relevant as ever: the need for appropriate participation in the decision-making process, the need for greater liquidity - particularly in the form of a link between special drawing rights (SDRs) and development assistance - the need for the reformed system to be governed by rules consistent with the interests of developing countries and the need for adjustment mechanisms that did not impose excessive burdens on the developing countries.

13. Progress in the sphere of trade and monetary reform must be accompanied by substantial increases in the flow of financial resources to the developing countries, and the present voluntary system should perhaps be replaced by more automatic and more dependable mechanisms for resource transfers. There was also the problem of access to capital, allied to which was the problem of the external debt of developing countries. The debt problem was likely to assume even greater dimensions in the present economic situation and, in that connexion, he welcomed the broad agreement reached at the recent meeting of the Ad Hoc Group of Governmental Experts on the Debt Problems of Developing Countries on initial steps relating to institutional machinery for dealing with the debt question and principles for debt rescheduling. Continued attention must also be paid to the need to direct increased aid flows to meet the requirements of the least developed countries, whose problems were of particular concern to UNCTAD.

14. In terms of the directions of trade, the emphasis should no longer be exclusively on the North-South pattern of trade. Opportunities for further expanding trade between the developing countries and the socialist countries of Eastern Europe should be fully explored.

15. Greater attention should be given to the enormous potential for increasing co-operation among developing countries themselves, which should take the form not only of closer economic and financial, trade and other relations with each other, but also of joint action to improve their bargaining power vis-à-vis the rest of the world. At the present time, the petroleum-exporting countries had large financial surpluses which could be made available for investment elsewhere, in addition to the considerable sums they devoted to aid for other developing countries. The present two-way recycling system was aimed at solving the payments and exchange problems of the developed countries but it also increased their capital unnecessarily; the entire world economy would benefit if that system was at least paralleled by a triangular relationship in which part of the petroleum surpluses was invested in the developing countries, thus allowing them to increase their imports from developed countries.

16. Turning in conclusion to institutional matters, the Secretary-General of UNCTAD stated that the major question for the United Nations system as a whole was how to make the system itself an effective forum for decision-making and action in the economic field. Of more specific interest to UNCTAD was, firstly, the question of the establishment of a comprehensive international trade organization, which had been the subject of a resolution adopted at the Conference of Developing Countries on Raw Materials, held at Dakar from 4 to 8 February 1975. Secondly, there was the question of how UNCTAD could become, within its present framework, a forum for more effective negotiation and decision-making. If UNCTAD was to play such a role, it would need adaptation. At the intergovernmental level there was a need for arrangements to facilitate flexible and rapid decision-making, in which respect the proposal to establish a high-level standing committee could be of interest. Finally, the secretariat would be better able to discharge its responsibilities if, in respect of specific issues, the member States made it clear which institution bore the basic responsibility.

B. General discussion

17. Representatives who spoke on this item were in general agreement on the importance of the present session of the Board, not only because it was being held against a background of major dislocations and uncertainties in the world economy but also because it was the first in a series of meetings undertaking the mid-term review and appraisal of the implementation of the Strategy within the United Nations system.

18. Representatives of developing countries - both through the spokesman for the Group of Seventy-seven and individual statements - expressed their disappointment with the results so far achieved in the United Nations Second Development Decade. According to these representatives, few if any of the time-bound targets or goals of the Strategy had been implemented and developing countries today were in an even worse position than at the beginning of the Decade. Moreover, unless immediate action was taken the serious situation they faced would be further compounded by the present difficult world trade and monetary situation, which had been impossible to foresee at the time of the adoption of the Strategy. It was therefore necessary to examine the areas in which the Strategy should be revised and supplemented in order to adapt it to the needs of the time, taking into account the need to implement the Declaration and the Programme of Action on the Establishment of a New International Economic Order. While the developing countries recognized that the main

responsibility for their development lay with themselves, in their view the fundamental reason why the results had been so unfavourable was the lack of political will on the part of the developed countries to adjust their policies on the lines recommended in the Strategy or to accord to international development the priority it deserved. The present session of the Board would be an exercise in futility unless it ended with firm commitments to implement the desired measures. None the less, it was not the purpose of the developing countries to move towards confrontation, but rather to encourage co-operative action in implementing the measures that would help to achieve the basic objectives of the Strategy.

19. The representatives of a number of developing countries said that, while they did not wish to minimize the achievements of the first years of the Decade, it had to be pointed out that even during those years when developed countries had enjoyed unprecedented rates of growth this prosperity had not been passed on to the developing countries. Furthermore, one of the major defects of the Strategy was that its underlying philosophy was one of donor countries and beggar nations. Development could not be a matter of charity, but must be achieved through trade and co-operation and a more automatic system of transfer of resources from developed to developing countries.

20. These representatives further stated that it was in recognition of the frustrations of developing countries that the General Assembly at its sixth special session had adopted the Declaration and the Programme of Action on the Establishment of a New International Economic Order, which clarified and amplified certain of the objectives contained in the Strategy. On these, they said, there could be no compromise. Any revision of the Strategy must also take account of the principles contained in the Charter of Economic Rights and Duties of States, which had been adopted by the General Assembly in resolution 3281 (XXIX) of 12 December 1974 and in the Declaration adopted at the Dakar Conference (see E/AC.62/6).

21. The representatives of developing countries stated that, in the context of the current international economic crisis, a new feeling of strength and unity could be discerned in the third world, as reflected in a series of recent meetings held by developing countries, including the Islamic Summit, the Dakar Conference on Raw Materials, and the fourth Summit Conference of the Non-Aligned Countries, held at Algiers from 5 to 9 September 1973 (A/9330) preparatory to the Second General Conference of UNIDO. The Board, in reviewing the Strategy, would have to take account of the results of those meetings. Moreover, a revised Strategy would have to be based on the principle of equal bargaining strength of developed and developing countries. The Board, in its review and appraisal, should strive to ensure that the mistakes of the past were not repeated. Recent events had served to indicate only too clearly the interdependence of developed and developing countries. The former were beginning to realize that they depended as much on developing countries as producers of raw materials as these countries did on them. This, in itself, should provide a useful basis for agreement on which the international community could move forward.

22. These representatives further stated that it had also become evident that development could not be calculated in terms of growth in gross national product (GNP) alone but should rather be judged in terms of improvements in the quality of life for each individual in the developing world. This would, of course, necessitate action in developing countries in order to ensure a more equitable distribution of the gains achieved, involving measures such as land reform and greater attention

to social factors such as health and education. One of these representatives stated that the increasing unemployment, hunger and social problems in the developing world were the direct result of the failure to attain important targets of the Strategy. The Strategy should therefore give priority to agricultural and food production and offer greater incentives to producers by securing a reduction in the price of fertilizers, improving access to the markets of developed countries and diversifying the end uses of natural products facing competition from synthetics and substitutes.

23. The representatives of developing countries stated that it was only on a firm foundation of equitable and reasonable terms of trade that a new international economic order could be built. The main area where international action was needed was in the field of commodities, which accounted for the bulk of the export earnings of the majority of developing countries. Many of these representatives reiterated their countries' total endorsement of the five basic elements contained in the over-all integrated programme for commodities proposed by the Secretary-General of UNCTAD, which would be the subject of further study by the Committee on Commodities, in accordance with the consensus reached at the first part of the eighth session. The representative of one developing country pointed out that any new programme must take fully into account the needs of mineral producing developing countries.

24. The important role that industrialization could play in the expansion of exports of manufactures and semi-manufactures in accelerating economic growth should not be overlooked. Developing countries placed great hopes in the Second General Conference of UNIDO held at Lima. At a meeting of the Group of Seventy-seven in Algiers, preparatory to the Lima Conference, developing countries had agreed to press for a high share of world trade in manufactures, semi-manufactures and processed goods.

25. The representatives of many developing countries stated that, in order for these countries to benefit fully from the generalized system of preferences, considerable improvements were needed in existing schemes in respect of product coverage, depth of tariff cut and the level of ceilings and quotas. They should also be applied without any discrimination whatsoever. It was hoped that with the passage of its Trade Reform Act, the United States of America would soon be able to implement its own preferential scheme. Steps should be taken to ensure that the various schemes did not expire after 10 years, and it was noted with satisfaction that the European Economic Community (EEC) had announced that its scheme would be prolonged beyond 1980.

26. The developing countries hoped that the multilateral trade negotiations would, in accordance with the Tokyo Declaration, ^{3/} ensure that special benefits would accrue to them. The representatives of some developing countries stated that the negotiations should ensure the advanced implementation of tariff reductions and the binding of preferential margins in favour of developing countries.

^{3/} See General Agreement on Tariffs and Trade, Basic Instruments and Selected Documents, Twentieth Supplement (Geneva) (Sales No.: GATT/1974-1), p. 19.

27. In the view of the representatives of many developing countries, one of the main disappointments in the implementation of the Strategy related to the transfer of resources from the developed to the developing world. Official development assistance (ODA), far from reaching the stipulated target of 0.7 per cent, had declined as a proportion of GNP in recent years. Developed market economy countries should therefore commit themselves to attaining this target as soon as possible. Turning to the concept of aid itself, they stated that the target of 1 per cent of GNP had included many financial flows which could not really be regarded as development aid. Moreover, for any realistic estimate of the actual value in real terms of such aid, it was necessary to calculate aid net of both interest and amortization.

28. The representatives of several developing countries pointed out that this flow of financial resources, together with deteriorating export possibilities, was making it difficult for these countries to service their debt. Developing countries were now faced with the necessity of using aid received for economic development to pay off earlier debts. It was heartening to note that at the recent meeting of the Ad Hoc Group of Governmental Experts on the Debt Problems of Developing Countries, broad agreement had been reached on initial steps relating to institutional machinery to deal with debt problems and the establishment of principles to guide debt rescheduling. One of these representatives said that the difficult international situation made it imperative to facilitate debt renegotiations of developing countries and that the developed countries should not create obstacles to such renegotiations, particularly if the reasons they adduced were unrelated to the financial aspects involved.

29. The representatives of developing countries stressed the adverse impact that the present instability of the international monetary system, particularly widely fluctuating rates of exchange, had on their development. It was necessary, particularly in the light of the new financial resources which had accrued to oil-exporting developing countries, that the voting and quota system of the International Monetary Fund (IMF) should be revised and that steps should be taken to ensure the full participation of developing countries in the decision-making process. Of special concern to the developing countries was the early establishment of a link between SDRs and additional development finance, which would bring an element of automaticity into the transfer of resources to developing countries. In this connexion, these representatives welcomed the establishment of a joint World Bank/IMF Development Committee on the transfer of real resources to developing countries.

30. Further improvements were also required in the area of shipping and in invisible trade, particularly insurance and reinsurance. Some progress had undoubtedly been made in the area of shipping by the elaboration of the Convention on a Code of Conduct for Liner Conferences, 4/ and its early ratification was desirable. Further measures should be taken to increase the share of developing countries in world shipping, the provision of technical and financial assistance and easier credit terms for the purchase of ships.

4/ United Nations Conference of Plenipotentiaries on a Code of Conduct for Liner Conferences, vol. II, Final Act (including the Convention and resolutions) and tonnage requirements (United Nations publication, Sales No.: E.75.II.D.12).

31. The representatives of some developing countries stated that the Strategy had not paid sufficient attention to transfer of technology and that the provisions in the Strategy should be amended, in the light of the proposals contained in the Programme of Action, to include reference to the formulation of an international code of conduct on transfer of technology, the revision of the international patent system and greater access for developing countries to technology. These representatives stated that progress had been made in this field by the establishment of the Committee on Transfer of Technology as a permanent organ within UNCTAD, and they hoped that useful results would emerge from the Intergovernmental Group of Experts which was meeting to prepare a draft outline of a code of conduct on transfer of technology.

32. With respect to regional integration and trade and economic co-operation among developing countries themselves, representatives of these countries stated that it was necessary to include more detailed objectives in the Strategy to take account of the relevant provisions in the Programme of Action. Collective self-reliance among developing countries, emphasized at the Fourth Summit Conference of Non-aligned States in Algiers and in the Dakar Declaration, should be viewed as a major component of a global strategy for development. Member States of the Organization of Petroleum Exporting Countries (OPEC), which in the Solemn Declaration adopted at their recent meeting in Algiers had stressed that collective self-reliance could be strengthened through economic co-operation among developing countries and which had already contributed sizable financial assistance to other developing countries, could continue to play a very important role in this process. The representatives of some developing countries endorsed the suggestions of the Secretary-General of UNCTAD regarding the important role that could now be played by triangular agreements through which money supplied by the oil-exporting countries could be invested in other developing countries for financing projects which would utilize the technological know-how of the developed world. Furthermore, in a period of recession where markets in the developed world might well be contracting, much could be gained by concentrating on trade among developing countries themselves, particularly where there was complementarity in their economies. These representatives considered that, within the context of collective self-reliance, the setting up of producers' associations had an important role to play, not as cartels but as elements providing a counter-balance to the oligopolistic strength of purchasers. Further measures to strengthen economic co-operation among developing countries might include the setting up of payments arrangements covering a large number of developing countries; preferential arrangements at subregional, regional or interregional levels; efforts by State-trading organizations to give preference to other developing countries as sources of imports; and collective action in the field of transfer of technology.

33. The representatives of many developing countries stated that the problems faced by the least developed, land-locked and developing island countries called for specific and special treatment, and that additional policy measures were necessary within the Strategy to ensure the transfer of greater financial and technical assistance to these countries. Moreover, immediate relief must be supplied to the countries most seriously affected by the current world economic crisis in order to ensure their very survival.

34. The spokesman for the Group of Seventy-seven also expressed the hope that the present special session of the Board would take up, within the context of the

review and appraisal exercise, the draft resolutions on interdependence, export incentives, adjustment assistance measures and co-operation among developing countries, referred to it by the Board at the first part of its fourteenth session.^{5/} He agreed with the spokesman for Group B that the present exercise was being undertaken at a time of serious crisis in the world economy, but he pointed out that, while these difficulties and concerns might be new to the industrialized countries, they were the normal conditions of everyday life for the developing countries. This made it all the more important that all countries should work together to bring about the necessary changes in the Strategy.

35. The representative of a developing socialist country of Asia stated that the International Development Strategy had been overtaken by events and his Government therefore supported the proposal of the developing countries that it should be adapted in the light of the provisions of the Declaration and the Programme of Action. The Declaration and the Programme of Action pointed out that alien domination, foreign occupation, racialism and neo-colonialism in all its forms remained the greatest obstacles to emancipation and progress of developing countries; that a new international economic order should be founded, inequalities corrected and injustices redressed; that States had the right to exercise permanent sovereignty over their natural resources and to control the activities of transnational corporations. They also referred to the establishment of raw material producers' organizations and the establishment of a just and equitable relationship between import and export prices. The Charter of Economic Rights and Duties of States also contained a number of positive principles, all of which should be included in the Strategy. Facts had shown that proposals relating to general and complete disarmament and the utilization of the resources thus released for the purpose of economic and social development were nothing but a deception. Behind the facade of talks on détente, the struggle between the super-Powers continued. Such provisions, together with the concepts of the so-called "international division of labour" and of "interdependence", which could well be used as a cover to preserve old systems of exploitation, should be deleted from the Strategy. The recent conferences in Dakar and Algiers bore witness to the determination of the developing countries to present a united front and safeguard their independence and sovereignty in their fight against the exploitation and plunder practised by the imperialist super-Powers.

36. The spokesman for Group B and representatives of individual developed market economy countries pointed out that the mid-term review and appraisal of the Strategy and the special session of the General Assembly devoted to development and international economic co-operation were being undertaken in an international economic situation of great uncertainties for both developed and developing countries. Thus, it was particularly important that the Board should be realistic in assessing past events and projections concerning the longer term should reflect that situation. Moreover, the results of the Board's current session should be designed so as to assist the Economic and Social Council and the General Assembly to concentrate on key economic, trade and monetary issues. Among the major issues for the period ahead the spokesman for Group B listed commodity trade, the food problem, the transfer of resources in all its various

^{5/} Official Records of the General Assembly, Twenty-ninth Session, Supplement No. 15 (A/9615/Rev.1), annex II.

forms, the transfer of technology and the question of possible changes in the United Nations system to improve its effectiveness in assisting development.

37. The spokesman for Group B said that the product of the review should be an appraisal of accomplishments as well as shortfalls in the implementation of the Strategy, and should seek out areas of agreement on ways to strengthen the Strategy, while at the same time pointing to areas where agreement was difficult. In addition to the target growth rates obtained in a number of developing countries, the most important recent achievements falling within the competence of UNCTAD were the generalized system of preferences, the agreement recently signed between the European Economic Community and States of Africa, the Caribbean and the Pacific (A/AC.176/7), the passage of the United States Trade Reform Act of 1974 and the 1972 recommendation of the OECD Development Assistance Committee on the terms and conditions of aid. Other achievements included the establishment of the United Nations Special Programme to assist the countries most seriously affected by economic crisis, the results of the World Conferences food and population and the establishment of the new IMF/IBRD Development Committee on the transfer of real resources to the developing countries. The report should also refer to more fundamental questions such as the relationship between the trade of developing countries and the growth of gross domestic product in developed countries and the identification of various subgroups of developing countries according to various criteria. The spokesman for Group B expressed the hope that the Board, bearing in mind the concepts of interdependence solidarity and partnership, could prepare a set of agreed conclusions recognizing the rapidly changing situation and taking into account recent developments, including the consideration given to the Declaration and the Programme of Action which had emerged from the sixth special session of the General Assembly. Such a course offered the opportunity for a further elaboration and refinement of the steps needed to implement the Strategy in the changed circumstances marking the second half of the Decade.

38. The representatives of a number of developed market economy countries said that the Declaration and the Programme of Action bore witness to the growing concern over the structures of world economy, which had been slow to adapt to changing conditions and to bring about a fair distribution of the world's wealth. One of these representatives said that it was imperative that developing countries should receive a greater share than hitherto of the world's income and the benefits of economic expansion. A more multidisciplinary and long-term approach to political and economic planning should in future be adopted with regard to global problems. The international community should respond positively to the demands of developing countries to break the vicious circle of their economic dependence and their vulnerability in world markets in order to create a new international economic order. It was the right of every country to exercise permanent sovereignty over its natural resources and, in this connexion, the activities of transnational corporations must be brought into line with national and international policy objectives.

39. Representatives of developed market economy countries said that they regarded commodity trade as one of the major issues in economic relations. They believed that real progress had been made at the first part of the eighth session of the Committee on Commodities for the future work on the various components of the over-all integrated programme for commodities proposed by the Secretary-General of UNCTAD, and agreed that work on the basis of the positive results achieved should continue. The practical difficulties involved should not be underestimated

but given sufficient political will it should not be difficult to find solutions. Any scheme that emerged should keep in mind the interests of both producers and consumers. One of these representatives stressed the need for a dialogue between producers and consumers to avoid arbitrary unilateral action.

40. The representative of one developed market economy country said that the free play of market forces alone could not solve the problems facing developing countries in the commodity field; more determined governmental efforts would have to be envisaged to deal with the problems of these markets. The representative of another developed market economy country, however, stated that he could not support the view that market mechanisms should be supplanted by a more managed system. He remained convinced that an open and liberal approach to international economic relations was more suitable. If the free play of market forces was interfered with this might lead to an inefficient allocation of resources on a global scale and the final result could be a slowdown of world economic development.

41. With regard to the generalized system of preferences, representatives of preference-giving countries gave details of the improvements their countries had undertaken since the inception of their respective schemes and pledged their willingness to improve these schemes further. The representatives of two of these countries, however, expressed their disappointment at the limited utilization of their countries' schemes and said that their authorities were in the process of attempting to assist developing countries to make better use of the schemes by providing them with more detailed information. The representative of the United States of America referred to the recent passage by his Government of a Trade Reform Act permitting the introduction of a generalized scheme of preferences and described what, in his opinion, were the very positive features of this scheme. The United States Administration was at present attempting to see if it could resolve the problems contained in the Act regarding the exclusion of certain oil-producing countries from benefiting under the scheme. Representatives of some developed market economy countries said that if developing countries were to benefit fully from the GSP and similar reductions of tariff barriers, more effort would have to be put into trade promotion both nationally and internationally. In this regard, references were made to the useful work being done by the International Trade Centre UNCTAD/GATT, and also to the need for developing countries to intensify their own trade promotion efforts.

42. The representative of one developed market economy country, referring to recent action by his country to restrain very high import growth rates for some products to allow time for structural adjustments at a sustainable pace, said that this was not a reversal of his country's more open and outgoing approach to international trade.

43. The representatives of a number of developed market economy countries expressed their strong support for the multilateral trade negotiations which were now under way, and expressed the hope that, as already indicated in the Tokyo Declaration, significant benefits would accrue to developing countries, particularly with regard to ensuring a substantial improvement in the conditions of access for products of interest to those countries. The representative of one developed market economy country said that his Government fully supported the activities of UNCTAD to help ensure more effective participation by developing countries in the negotiations.

44. With regard to the transfer of financial resources, representatives of a number of developed market economy countries referred to the efforts which their countries were making in this direction. One of these representatives said that he could regard these targets only as guidelines. Another of these representatives however, said that his Government had now accepted the 0.7 per cent ODA target although unable to commit itself to a target date. The representative of another of these countries pointed out that the only realistic target was that of ODA since this was one over which Governments had control. While stating his Government's intention to try to meet this target in 1975, together with the representative of another such country, he expressed concern at the present trends in some developed market economy countries which seemed to be moving further away from the achievement of the target. Representatives of a number of developed market economy countries said it would serve no purpose to set up new targets; what was needed was to try to meet the present targets and make qualitative improvements. One of these representatives pointed out that, if the ODA targets were fully met, it would lead to a doubling of aid flows. Both interest and amortization should be netted out and this would show the real aid burden on developed countries as well as net flows to developing countries.

45. Reform of the international monetary system, it was pointed out by the representatives of some developed market economy countries, must take into account the needs of developing countries. One of these representatives said that it was for this reason that his Government had supported the proposal for a link between special drawing rights and additional financial assistance. Another of these representatives stressed the importance of implementing the sections of the Programme of Action which requested that international financing institutions should play their role as development financing banks without discrimination on account of the political or economic system of member countries, assistance being untied. There should also be more effective participation by developing countries in the decision-making process in the competent international financial institutions through the establishment of a more equitable pattern of voting rights. The representative of another developed market economy country expressed the view that the secretariat report on this subject appeared to be too pessimistic and that the progress already made should not be overlooked. The representative of another such country said that the recent oil facility that had been set up in IMF as well as the "third window" of the World Bank might also provide assistance to developing countries.

46. The representatives of a number of developed market economy countries underlined the positive role and great potential of trade and economic co-operation and regional integration among developing countries in helping to reduce their dependence on the industrialized world. While they supported the concept of regional integration schemes, they pointed out that the legitimate interests of third countries should be borne in mind. Several of these representatives expressed support for the suggestion made by the Secretary-General of UNCTAD regarding triangular arrangements whereby capital would be provided by oil-exporting countries, together with technology and know-how from developed countries, to set up industries in developing countries. The representative of one developed market economy country noted with satisfaction that the OPEC countries were already providing aid to developing countries.

47. As far as the problem of transfer of technology was concerned, representatives of developed market economy countries said that they would participate in the

ongoing work in UNCTAD on this subject and hoped that internationally acceptable guidelines could be drawn up for a code of conduct on transfer of technology.

48. The representatives of several developed market economy countries pointed out that the experience of the first few years of the Decade had emphasized the inadequacy of over-all targets. Thus, while developing countries as a whole had nearly reached the GNP growth target set in the Strategy, the bulk of the benefits had accrued to the oil-exporting countries and to a lesser extent to the countries with fast growing manufacturing exports. However, the vast majority of developing countries had registered very low rates of growth and, in the case of the least developed, negative per capita rates had been recorded. Accordingly, it was necessary to subdivide developing countries throughout the world into different groups for which specific goals should be set for their divergent requirements. It would be more appropriate to think in terms of a country-by-country approach. In this respect, the representatives of Spain, Greece and Turkey, affirming that their countries were developing countries according to all socio-economic criteria, expressed regret that the statistical groupings used in the secretariat report excluded the developing countries in Southern Europe and requested that steps be taken by the secretariat to remedy this situation.

49. The representative of one of these countries referred to the importance his country attached, as a net importer of petroleum and capital goods, to an examination of the irreversible effects on countries such as his own of the energy situation and worsening inflation. He also hoped that GSP would be improved to render its scope less discriminating.

50. The representatives of a number of developed market economy countries said that the poor performance of the least developed countries emphasized the urgent need for special attention to be given to their problems and, in this connexion, they gave details of the aid their countries were providing to the least developed countries, the countries affected by the current world economic crisis and the drought-stricken areas of Africa. One of these representatives expressed the view that the international community should also consider redefining and extending the term "emergency assistance" to cover semi-permanent situations of hunger, malnutrition and extreme poverty which persisted in so many developing countries.

51. Representatives of many developed market economy countries pointed out that development could not be measured only in terms of economic growth but should also be viewed in terms of increased social and economic benefits to the whole population. It was essential, therefore, to formulate more satisfactory indicators of development. If the Strategy was to have any real meaning it would have to lead to an improvement in the quality of life for each individual citizen. Particular attention should be given to the agricultural sectors of developing countries. Assistance to the rural poor would have the added advantage of providing a domestic market for goods produced in developing countries. The representative of one developed market economy country said that among the problems which required urgent attention in this respect were those relating to the impact of oil price rises, the shortfall in agricultural production, population growth, and the importance of effective international and national policies to promote rapid export growth.

52. Representatives of developed market economy countries emphasized that the

concepts of the International Development Strategy were still valid and what was required was adjustment of existing targets and additional measures. There was, however, no need to introduce sweeping changes. The great merit of the Strategy was that it had been adopted by a broad consensus. While two of these representatives considered that account should be taken of the Declaration and the Programme of Action, the majority were of the view that the basis for the review and appraisal exercise should still be the Strategy itself. The representative of one developed market economy country, while recognizing that industrialized countries had not in all respects been able to fulfil the expectations of the Strategy, suggested that instead of dwelling only on past failures the Board should take note of the determination expressed by Group B countries to overcome some of the shortfalls. The representative of another such country said that the impact that the Strategy had already had on actions taken by Governments should not be underestimated. Representatives of several developed market economies said that denigration of the efforts to meet the targets or a condemnation of the Strategy itself would only prove to be counter-productive. In the present economic situation, Governments were finding it increasingly difficult to maintain public support for the Strategy and, if the Strategy was presented as a failure, it would be even more difficult to persuade the public to agree to the allocation of sufficient resources for the needs of international co-operation. The representative of another developed market economy country stated that the general recognition of interdependence should make all countries aware of their common responsibilities. The idea of "splendid isolation" was a concept of the past. The result of the Board's review and appraisal represented only one step in the over-all process of review and appraisal and consequently should not be over-ambitious. However, the Board, while recognizing this and also accepting the fact that reforms of the type included in the Strategy took time to implement, should clearly express its conviction that some of the short-comings in the first half of the Second Development Decade should be corrected between now and 1980.

53. Representatives of developed market economy countries made a special plea that the work of the Board should be approached in a spirit of co-operation rather than of confrontation. The use of voting strength to push through measures on which consensus had not been reached would not produce viable results.

54. Representatives of socialist countries of Eastern Europe said that their countries' views on the International Development Strategy had been reflected in their joint statements at the twenty-fifth ^{6/} and twenty-eighth sessions (A/9389) of the General Assembly. Many new events had taken place affecting economic relations since the adoption of the Strategy. It had been shown that there was an inseparable link between détente and progress in economic co-operation and if efforts towards détente continued new possibilities for increasing co-operation with developing countries would arise. The successful conclusion of the Conference on Security and Co-operation in Europe would make an important contribution to the strengthening of détente. They emphasized that the development of trade and economic co-operation between socialist States and developing countries not only depended on the measures taken by the socialist countries but also required reciprocal efforts by the developing countries; in this connexion, reference was made to the necessity for the implementation of paragraph 20 of the Charter of Economic Rights and Duties of States.

^{6/} Ibid., Twenty-fifth Session, Annexes, agenda item 46, document A/8074.

55. The representative of one socialist country of Eastern Europe stated that the main purpose of the review and appraisal exercise should not be to determine what quantitative results had been achieved but rather to assess what positive qualitative changes were taking place in international economic relations and in the international division of labour. Over-all quantitative data were not sufficiently accurate criteria for assessing domestic social and economic development and changes in international economic and trade relations.

56. Representatives of socialist countries of Eastern Europe referred to the present deep crisis in capitalist societies, which had had a negative impact on the trade and development of the developing countries. They stressed that no factors inherent to the crisis or affecting international economic co-operation were attributable to the member countries of the Council for Mutual Economic Assistance (CMEA). These countries were continuing to play their full part in promoting the development of developing countries. The multiple crises in the developed market economy countries had led to the strengthening of protectionist policies. The representative of one socialist country of Eastern Europe pointed out that these policies had resulted, for instance, in the abrupt breakdown of the import by certain countries of one of his country's most important exports, and had caused serious damage not only to the trading interests of his country, but also to those of other traditional exporters, developed, developing and socialist alike.

57. Representatives of the socialist countries of Eastern Europe said that these countries were building their trade relations with other countries on the basis of the General Principles adopted at the first session of the Conference in 1964. ^{7/} They recognized the importance of commodity trade for all countries, especially for the developing countries. They supported a flexible and universal approach to the question of commodity trade in the interests of both producers and consumers. They would give careful consideration to the proposals for an over-all integrated programme for commodities in the light of the discussions at the first part of the eighth session of the Committee on Commodities. Any measures taken in that field, however, could be assured of success only if the basic principles of co-operation among States were respected, especially sovereignty over natural resources and the right of States to control the activities of transnational corporations. They said that stockpiles should be regarded as an auxiliary measure only, rather than as a basic buffer mechanism in trade agreements. They felt that the approach to international commodity agreements should be based on recommendation A.II.1 adopted at the first session of the Conference.

58. The representatives of the socialist countries of Eastern Europe said that they regarded the Charter of Economic Rights and Duties of States and the Declaration and the Programme of Action as a contribution to improving international co-operation. The implementation of the progressive contents of those documents would be an important factor in accomplishing the aims of the Second United Nations Development Decade and these documents should therefore be taken into account in further implementing the International Development Strategy.

^{7/} See Proceedings of the United Nations Conference on Trade and Development, First Session, vol. I, Final Act and Report, United Nations publication Sales No.: 64.II.B.11, Annex A.I.1.

59. Several of these representatives said that the present year marked the thirtieth anniversary of the victory of all progressive forces over fascism, a victory which had paved the way to a new era of freedom and co-operation. The anniversary was a suitable occasion for evaluating the results achieved in the intervening period. They outlined the enormous achievements of the socialist countries of Eastern Europe since the almost complete devastation of their economies during the Second World War. The representative of one such country said that during the relatively short period of three decades the economy of his country had been transformed from an under-developed agrarian economy into an economy with a relatively advanced industry and agriculture. Some economic problems faced by the socialist countries of Eastern Europe after the Second World War were very similar to those faced at present by the developing world. In order to move towards an equitable international division of labour based on justice, equal rights and mutual benefits and the respect for national sovereignty over natural resources, it was important that developing countries should encourage State and co-operative industries and take measures to control foreign capital and the operations of transnational corporations.

60. Commenting upon the trade and economic relations between the developing countries and the socialist countries of Eastern Europe, the representatives of several of these latter countries provided information on the positive results achieved in recent years in the fields of trade, industrial and technical co-operation between their countries, as well as on technical and financial assistance extended to developing countries. These representatives emphasized that international peace and security were the necessary conditions for the social and economic progress of all countries and that the relaxation of tension in all regions of the world would create new opportunities for further development of all States and of developing countries in particular. The representative of a socialist country of Eastern Europe stated that an important policy instrument in the development of his country's trade with the developing countries was the preferential tariff treatment which it accorded to the developing countries of Asia, Africa and Latin America. This preferential scheme covered a great number of products falling within chapters 1 to 24 of the Brussels Tariff Nomenclature as well.

61. The representatives of a number of socialist countries of Eastern Europe said that it was unfortunate that some countries continued to maintain discriminating trade policies towards some groups of countries. They considered that UNCTAD's activities in the period ahead should be focused on the question of normalization of all flows of trade and the elimination of discrimination. In this connexion, one of them stated that, although his country had extended non-reciprocal preferences to developing countries, it had not so far received such preferences from an important economic grouping of developed market economy countries of Western Europe, which had granted such preferences to some other countries which were at a similar stage of economic development. In his opinion, this was to be regarded as discrimination. He hoped that in the near future his country would be granted such preferences.

62. The representative of one socialist country of Eastern Europe stated that his country, as a developing country, shared the aspirations of the developing world. He gave examples of the efforts his country had made to mobilize its own resources. While expressing appreciation for the support his country had received

from the World Bank, IMF and UNDP, he pointed out that the support received from the international community was still modest and some of the measures adopted were of a discriminatory nature. The present world economic situation had clearly demonstrated the deficiencies of the old international economic order, which could no longer provide the necessary impetus to development. The Board should take concrete and effective measures to adapt the Strategy to the requirements of the new international economic order.

63. The representative of the European Economic Community outlined the efforts which the Community had undertaken to implement the Strategy and to contribute to the mutual solution of common problems. He referred in particular to the regular improvement of the Community's scheme of generalized preferences, noting that the scheme would be extended beyond 1980; to the major increase in food aid given by the Community; to Community support for emergency action to assist the most seriously affected developing countries; and to recent developments in the field of regional co-operation as evidenced by the Lomé Convention concluded between the Community and the 46 countries in Africa, the Caribbean and the Pacific (ACP) (A/AC.176/7). He emphasized the marked improvements of the Lomé Convention compared with earlier conventions, and said that in particular the scheme for the stabilization of export earnings for raw materials was a major innovation in international economic relations. This new scheme would permit developing countries to maintain certain levels of export earnings by compensating them against fluctuations brought about by the play of market forces or the hazards of production. He also drew attention to the enlargement of regional agreements with countries in the Mediterranean area and the negotiation of commercial agreements with developing countries in Asia and Latin America. He stated, in conclusion, that the Community would follow up the proposals adopted at the first part of the eighth session of the Committee on Commodities with regard to an integrated approach to the question of commodities, and expressed the Community's conviction that the best means of moving forward on the whole range of issues not yet agreed between the developed and developing countries was to extend the already broad area of consensus between them by seeking to reach agreement on the points which remained at issue.

C. Statement made by the President of the
Trade and Development Board at the
conclusion of the debate on item 3

64. At the 423rd meeting of the Board on 17 March 1975, the President of the Board, giving his views of the principal issues raised in the debate, said that the mid-term review and appraisal of the International Development Strategy was of crucial importance because the mid-point of the Second United Nations Development Decade has coincided with a most critical phase in the development of international economic affairs - a phase which seemed to have called into question the validity of some basic assumptions and elements of the Strategy itself. No delegation appeared to have disagreed with the view that the world had entered a phase of multiple interacting crises. The Board, had, however, heard different views as to how these had come about, how they affected different States and how those States, singly or in association has responded. It had also heard varying opinions on what could or should be done at the international level to resolve these crises.

65. The general debate had undoubtedly been greatly assisted by the documentation provided by the UNCTAD secretariat, which had provided the Board with an up-to-date factual review of the situation in the various areas of UNCTAD's competence, as well as an analytical appreciation of the implementation of those parts of the Strategy which fall within the competence of UNCTAD, taking into account the Declaration and the Programme of Action adopted by the General Assembly at its sixth special session, and the objectives of the forthcoming special session of the General Assembly devoted to development and economic co-operation. This documentation and the statements made by delegations during the debate indicated that, apart from a relatively small number of developing countries - for the most part the oil-producing countries - the majority of the developing countries were not only lagging far behind the growth targets established in the Strategy, but in some instances seemed to be showing zero or even negative growth rates.

66. In view of the lack of progress in a number of areas covered by the Strategy and the major changes in international commercial monetary and financial affairs, many delegations had insisted on the necessity of introducing adaptations and additions to the Strategy. While there was no complete agreement on how fundamental these adaptations and additions should be, there seemed to be general agreement that the new economic situation called for new or supplementary measures in some areas at least. Those most frequently mentioned during the debate were:

- (a) Changes in the Strategy reflecting the provisions of the Declaration and Programme of Action adopted by the General Assembly at its sixth special session, and of the Charter of Economic Rights and Duties of States adopted by the General Assembly at its twenty-ninth session;
- (b) An integrated approach to commodity trade;
- (c) Improvements in the generalized system of preferences and liberalization of tariff and non-tariff barriers;
- (d) Additional provisions in the field of transfer of technology, including work on an international code of conduct;
- (e) Additional measures to promote trade relations and economic and industrial co-operation among developing countries;
- (f) A more differentiated approach to problems of developing countries, including a better definition of categories of countries, according to level of development and the type of economic problems they encounter, with a view to responding in a more satisfactory manner to the difficulties and needs of the least favoured developing countries;
- (g) New provisions in the field of shipping reflecting progress achieved since the adoption of the Strategy;
- (h) Institutional steps corresponding to the new economic situation in the world.

67. Another striking feature of the general debate had been the special emphasis on the necessity of combining material growth with a profound transformation of social structures and a constant improvement in the quality of life and the natural environment. This emphasis on the qualitative as well as the quantitative aspects

of economic and social development should be reflected in the conclusions resulting from the Board's deliberations. Most delegations, belonging to different groups, had drawn attention to the close interrelation of the economic interests and problems facing countries at different levels of development and with different economic and social systems. The realization of this interrelationship and continuity of interest against the background of the critical situation in many sectors of the world economy could become a source of meaningful co-operative action at the international level to make the next five years of the Second United Nations Development Decade a success.

D. Conclusions

Mid-term review and appraisal of the implementation of the International Development Strategy in the light of the Declaration and the Programme of Action

68. Documents containing proposals relating to the mid-term review and appraisal exercise were submitted by the Group of Seventy-seven and Romania (TD/B/L.389), Group B (TD/B/L.390, TD/B/L.391/Rev.1 and TD/B/L.396) and Bulgaria, Czechoslovakia, the German Democratic Republic, Hungary, Poland, the Ukrainian Soviet Socialist Republic and the Union of Soviet Socialist Republics (TD/B/L.392).

69. At the 425th meeting of the Board on 21 March 1975, the President introduced a draft agreed conclusion on the mid-term review and appraisal of the International Development Strategy (TD/B/L.398), which he had submitted as a result of informal consultations.

Action by the Board

70. At the same meeting, the Board adopted the draft agreed conclusion, in which it decided, inter alia, to incorporate in its report the documents submitted by the three Groups. 8/

71. The spokesman for the Group of Seventy-seven made a statement relating to the statistics cited in the section of the Group B document entitled "Goals and objectives" and requested that this statement should be appended to the document submitted by the Group of Seventy-seven. 9/ He said that a careful study of the detailed information contained in the report of the Secretary-General of UNCTAD (TD/B/530 and Add.1) and an examination of the balance of payments of individual developing countries clearly showed that the broad objectives of the International Development Strategy had not been achieved. Furthermore, the Group of Seventy-seven felt that whatever progress had been made by certain developing countries should not be over-emphasized and over-dramatized in view of the general depressed levels of most of the developing countries during the period under review. Any attempt to summarize the relevant information in the space of a few paragraphs and to quote averages, as had been done by Group B, was bound to be highly misleading. It was for that reason that the Group of Seventy-seven had refrained from such an effort. However, since Group B had thought fit to quote

8/ For the text of the agreed conclusion, see annex I below, agreed conclusion 129 (S-VI). The documents submitted by the three Groups are included as annexes to the agreed conclusion.

9/ The statement by the spokesman for the Group of Seventy-seven is reproduced as an appendix to the document submitted by the Group of Seventy-seven (see annex I below, agreed conclusion 129 (S-VI), annex A).

some figures, the Group of Seventy-seven felt obliged to set the record straight by presenting a more accurate analysis of the situation with regard to a few key indicators. In that context, he cited a series of figures relating to shortfalls in the Strategy targets for growth of GNP, per capita income, agricultural and food production, the purchasing power of exports, the volume of imports, official development assistance and the share of developing countries in world trade.

72. The spokesman for Group B said that it had not been his Group's intention to distort the facts. It had merely wanted to ensure that there was an examination of the achievements as well as of the shortfalls in Strategy goals. Group B believed that there had been a number of achievements, among which mention might be made of the generalized system of preferences, the 1972 recommendation of the OECD Development Assistance Committee on the terms and conditions of aid, and the Special Programme established by the United Nations to assist countries most seriously affected by economic crisis. Referring to the document submitted by the Group of Seventy-seven, he said that members of his Group had been struck by its constructive tone, by the many practical suggestions it contained, and by the way it took account not only of the complex range of views within the Group of Seventy-seven but also of what it estimated to be the principal concerns of Group B. The documents by the two Groups were much closer in spirit than could have been expected and, in his view, the Group B document represented a milestone in its thinking on the subject of review and appraisal. It was difficult to reflect the opinion of each individual delegation in a group statement and the Group B document should therefore be read against the background of what individual delegations had said during the general discussion.

73. The representative of Spain said that, although his country was linked to Group B by its geographical situation, it was one of a small number of developing countries that had close ties with the developed market economy countries. It was natural, therefore, that its attitude should differ in certain respects from that adopted by the countries of Group B. Although his country could accept the proposals by Group B, which contained many positive elements, it nevertheless recognized the realistic and constructive spirit that had in large measure inspired the document submitted by the Group of Seventy-seven. His country regretted that it had not been possible to agree on a statement reflecting a common basic position, but felt that the results of the present session could serve as a basis for the effective implementation of the Strategy in the second half of the Decade.

74. The spokesman for Group D said that, despite the fact that it had proved impossible to reach a consensus in the Board, the socialist countries of Eastern Europe would nevertheless continue to co-operate in solving the urgent problems of the developing countries and hoped that success would be achieved before the end of the Decade. The socialist countries of Eastern Europe supported the concept of developing independent economies in the developing countries and hoped to strengthen their economic co-operation with these countries on the basis of mutual benefits. Such co-operation would be helped by the growing economic potential of the socialist countries of Eastern Europe, which wished to expand and normalize international trade in the interests of faster industrialization of developing countries and a strengthening of their economic independence.

75. The representative of China, noting the failure of the Board to reach a consensus, expressed his country's support for the document submitted by the Group of Seventy-seven, which reflected the spirit of the Declaration and the Programme of Action adopted at the sixth special session of the General Assembly

and was of positive significance for the establishment of a new international economic order. His country was opposed to the proposal in the document submitted by some members of Group D for a 10 per cent reduction in the military expenditure of the permanent members of the Security Council and the utilization of the resources thus released for the purpose of economic and social development. Such an idea was irrelevant to the work of UNCTAD and was clearly intended to deceive. The proposal was, moreover, hedged by many conditions and was obviously an attempt to shift responsibility for continued arms expansion to other countries. The talk about détente was designed to cover up the contention between the two super-Powers. The document submitted by the Group of Seventy-seven had rightly stressed the importance of collective self-reliance and co-operation among developing countries, and his country would continue to expand and develop its economic and trade relations with the developing countries.

Implementation within UNCTAD of the Declaration and the Programme of Action, including measures to reorientate and adapt the UNCTAD work programme

Action by the Board

76. At its 425th meeting on 21 March 1975, the Board took note of the information provided by the Secretary-General of UNCTAD in his note on the reorientation and adaptation of the UNCTAD work programme in the light of the Declaration and the Programme of Action adopted by the General Assembly at its sixth special session (TD/B/530/Add.3). It requested the Working Party of the fourteenth session of the Board to consider the question further in the context of its review of UNCTAD's work programme for the biennium 1976-1977 and to make recommendations thereon to the Board at the second part of its fourteenth session. It also requested that the report by the UNCTAD secretariat on the implementation within UNCTAD of the relevant provisions of the Declaration and the Programme of Action on the Establishment of a New Economic Order (TD/B/530/Add.2), together with the comments made thereon, be transmitted to the Economic and Social Council at its fifty-eighth session.

Question of the establishment of a comprehensive international trade organization

77. This question was referred to by several delegations during the general discussion. The representative of one developing country stated that the position of the developing countries on the question of the establishment of a comprehensive international trade organization was reflected in the texts adopted by the Dakar Conference of Developing Countries on Raw Materials. The representative of another developing country pointed out, however, that not all the developing countries had been represented at that Conference. The spokesman for Group B said that there was no change in the position of Group B countries on this question. He also confirmed that Group B did not consider that there was any need for a high-level standing committee to facilitate decision-making in UNCTAD. The representatives of socialist countries of Eastern Europe expressed their support for further action in the direction of the establishment of a universal and comprehensive international trade organization.

Action by the Board

78. At its 425th meeting on 21 March 1975, the Board took note with appreciation of the endeavours of the Secretary-General of UNCTAD in preparing the report on the question of the establishment of a comprehensive international trade organization (TD/B/535 and Add.1) and decided to transmit it, together with the views expressed

thereon, to the General Assembly at its seventh special session through the fifty-ninth session of the Economic and Social Council. It also requested the Secretary-General to make the report and the comments thereon available to the Preparatory Committee for the seventh special session of the General Assembly.

79. It further requested the Secretary-General to keep the matter under constant review and to inform the Board periodically of any new elements which may arise in this connexion.

An integrated programme for commodities: recommendations of the Committee on Commodities

Action by the Board

80. At its 425th meeting on 21 March 1975, the Board considered the note submitted by the Secretary-General of UNCTAD (TD/B/L.382 and Corr.1) and noted the financial implications in annex II to that document. ^{10/} It also took note of resolution 15 (VIII) adopted by the Committee on Commodities at the first part of its eighth session which, *inter alia*, recommended that the Secretary-General of UNCTAD should continue with the further elaboration of the components and detailed provisions of an integrated programme for commodities. It agreed with the Committee's recommendation that, as an exceptional measure, the Committee should reconvene in a resumed eighth session to be held in two parts, one prior to the fifteenth regular session of the Board and the other before the end of 1975, in order to:

(a) Consider the additional work, including possible proposals on matters referred to in paragraphs 5 and 6 of resolution 15 (VIII) of the Committee on Commodities;

(b) Hold comprehensive discussions aimed at reaching conclusions on an integrated programme for commodities;

(c) Formulate suggestions, including suggestions for possible negotiations between producers and consumers, for arrangements on internationally traded commodities, without prejudice to negotiations in progress and taking note of the existing arrangements on specific commodities; and recommend procedures which the Board, at its seventh special session, will be in a position to elaborate into detailed recommendations for appropriate action.

81. The Board also agreed, as recommended by the Committee, to invite competent international organizations to co-operate with the Committee on Commodities in carrying out its work, taking into account the proposals made in TD/B/C.1/166 and its supplements, and requested the Secretary-General of UNCTAD to consult with them accordingly.

International trade in educational and scientific materials

Action by the Board

82. At its 425th meeting on 21 March 1975, the Board took note of the memorandum submitted by the Director-General of UNESCO on international trade in educational and scientific materials (TD/B/536) and in particular the reference to the need to

^{10/} For the statement of financial implications, see annex II below.

mobilize resources for ensuring easier access to books and other educational materials by developing countries, the reduction of tariff barriers on materials of educational and scientific interest and the availability of foreign exchange for importation of scientific and technical publications. Bearing in mind UNESCO's interest in furthering the adoption by the international community of measures to assist developing countries in overcoming their problems regarding the importation and procurement of materials needed for scientific and educational development, the Board expressed the hope that UNESCO would continue its studies in this field and present a further study on this matter to the Board at its sixteenth session.

The external debt problems of developing countries

Action by the Board

83. At its 425th meeting on 21 March 1975, the Trade and Development Board took note of the report of the Ad Hoc Group of Governmental Experts on the Debt Problems of Developing Countries (TD/B/545), which was introduced by the Chairman of the Group. The Board also took note with appreciation of the recommendations of the Group, which would be examined by the Trade and Development Board at its fifteenth session. It further took note that the financial implications contained in TD/B/L.384 would be considered at the fifteenth session of the Board. 11/

Draft resolutions remitted by the Board at the first part of its fourteenth session for further consideration at its sixth special session 12/

- (a) Interdependence of problems of trade, development finance and the international monetary system (draft resolution TD/B/L.360)

Action by the Board

84. At its 425th meeting on 21 March 1975, the Board adopted a draft decision (TD/B/L.394) submitted by the President as a result of informal consultations. An earlier draft decision (TD/B/L.386), submitted by Nigeria on behalf of the Group of Seventy-seven, was withdrawn.

85. The decision read as follows:

The Trade and Development Board considered the question of interdependence of the problems of trade, development finance and the international monetary system, and the importance of the role of UNCTAD in this area. In this connexion, the Board, in the context of its review and appraisal activities, considered the draft resolution submitted by Ethiopia, Gabon, Ghana, Kenya, the Libyan Arab Republic, Madagascar, Mauritius, Nigeria, Rwanda, Senegal, the Sudan, Uganda, the Upper Volta and Zaire at the first part of its fourteenth session (TD/B/L.360). It decided to transmit that draft resolution to the fifteenth session of the Board. In order to facilitate its deliberations it requested the Secretary-General of UNCTAD to submit his suggestions in that area.

11/ Idem.

12/ The texts of these draft resolutions are reproduced in Official Records of the General Assembly, Twenty-ninth Session, Supplement No. 15 (A/9615/Rev.1), annex II.

(b) Co-operation among developing countries (draft resolution TD/B/L.364)

86. During the Board's consideration of this draft resolution, a draft resolution on the same subject (TD/B/L.387) was submitted by Nigeria on behalf of the Group of Seventy-seven. A statement of financial implications was circulated in document TD/B/L.387/Add.1. At the 425th meeting of the Board on 21 March 1975, the President introduced a draft resolution (TD/B/L.397), which he had submitted as a result of formal consultations, and draft resolution TD/B/L.387 was withdrawn.

Action by the Board

87. At the same meeting, the Board adopted draft resolution TD/B/L.397, 13/ having taken note of the financial implications in TD/B/L.387/Add.1. 14/

(c) Draft resolutions on export incentives and countervailing duties (TD/B/C.2/L.60), adjustment assistance measures (TD/B/C.2/L.70), safeguards and standstill (TD/B/C.2/L.71) and international trade in textiles, including the Arrangement Regarding International Trade in Textiles (TD/B/C.2/L.72 and TD/B(XIV)/SC.I/L.13)

88. At its 425th meeting on 21 March 1975, the Board, in accordance with its decision at the first part of its fourteenth session, 15/ remitted the draft resolutions on export incentives and countervailing duties (TD/B/C.2/L.60), adjustment assistance measures (TD/B/C.2/L.70 and Corr.1) safeguards and standstill (TD/B/C.2/L.71) and international trade in textiles, including the Arrangement Regarding International Trade in Textiles (TD/B/C.2/L.72 and TD/B(XIV)/SC.I/L.13) for further consideration by the Committee on Manufactures at its seventh session.

(d) Draft resolution on review of schemes of generalized preferences (TD/B/C.5/L.20)

Action by the Board

89. At its 425th meeting on 21 March 1975, the Board, in accordance with its decision at the first part of its fourteenth session, 16/ remitted the draft resolution on review of schemes of generalized preferences (TD/B/C.5/L.20) for further consideration by the Special Committee on Preferences at its seventh session.

(e) Draft resolution on objectives of financial co-operation (TD/B/C.3/L.96/Rev.1)

Action by the Board

90. At its 425th meeting on 21 March 1975, the Board decided to remit the draft resolution on objectives of financial co-operation (TD/B/C.3/L.96/Rev.1) and the amendments proposed thereto at the first part of its fourteenth session (TD/B(XIV)/SC.I/L.8) to the Committee on Invisibles and Financing Related to Trade for further consideration at its seventh session.

13/ For the text of the resolution, see annex I below, resolution 128 (S-VI).

14/ See foot-note 10 above.

15/ Official Records of the General Assembly, Twenty-ninth Session, Supplement No. 15 (A/9615/Rev.1), para. 295.

16/ Ibid., para. 271.

CHAPTER II

ORGANIZATIONAL AND OTHER MATTERS

A. Opening of the session

91. In the absence of Mr. A. Lukanov (Bulgaria), President of the Board, the sixth special session was opened by Mr. M. Lalovic (Yugoslavia), Vice-President.

B. Adoption of the agenda and organization of the work of the session

(Agenda item 1)

92. At its 413th meeting on 10 March 1975, the Board adopted without discussion the provisional agenda submitted by the UNCTAD secretariat (TD/B/529). The agenda as adopted (TD/B/544) reads as follows:

1. Adoption of the agenda and organization of the work of the session
2. Adoption of the report on credentials
3. Mid-term review and appraisal of the implementation of the International Development Strategy; implementation of the Declaration and the Programme of Action on the Establishment of a New International Economic Order; special session of the General Assembly devoted to development and international economic co-operation
4. Other business
5. Adoption of the report of the Board on its sixth special session.

93. At the same meeting, the Board endorsed the secretariat's suggestions for the organization of the work of the session (TD/B/529/Add.1), including the proposed schedule of meetings.

C. Replacement of a Vice-President

94. Mr. A. Legnani (Uruguay), one of the Vice-Presidents elected by the Board at the first part of its fourteenth session, had informed the secretariat that he would be unable to attend the sixth special session. ^{17/} The Board, at its 416th meeting on 12 March 1975, unanimously elected Mr. P. Dondo (Uruguay) to replace Mr. Legnani.

^{17/} In accordance with the procedure established at the Board's third session, a notification stating that a vice-president will be unable to attend a session during his term of office is construed as a resignation and the substitute elected by the Board serves for the remainder of his unexpired term (see Official Records of the General Assembly, Twenty-first Session, Supplement No. 15 (A/6315/Rev.1), part two, para. 183).

D. Treatment of Grenada for purposes of elections

(Agenda item 4)

95. At its 413th meeting on 10 March 1975, the Board decided that, pending action by the Conference at its fourth session in pursuance of paragraph 6 of General Assembly resolution 1995 (XIX) of 30 December 1974, Grenada, which had become a member of UNCTAD on 17 September 1974, should for purposes of elections be treated as if it were in the group of countries listed in part C of the annex to that resolution, as amended by General Assembly resolution 2904 B (XXVII) of 26 September 1972. 18/

E. Membership and attendance 19/

96. The following States members of the Board were represented at the sixth special session: Argentina, Australia, Austria, Belgium, Bolivia, Brazil, Bulgaria, Canada, Chile, China, Colombia, Czechoslovakia, Denmark, Ecuador, Ethiopia, Finland, France, Gabon, Germany (Federal Republic of), Ghana, Greece, Guatemala, Hungary, India, Indonesia, Iran, Iraq, Ireland, Italy, Japan, Jordan, Kenya, Libyan Arab Republic, Madagascar, Malaysia, Mauritius, Mexico, Nepal, Netherlands, New Zealand, Nigeria, Norway, Pakistan, Peru, Philippines, Poland, Romania, Spain, Sri Lanka, Sudan, Sweden, Switzerland, Syrian Arab Republic, Thailand, Turkey, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, United States of America, Upper Volta, Uruguay, Venezuela, Yugoslavia and Zaire.

97. The following other States members of UNCTAD not members of the Board also sent representatives: Algeria, Bangladesh, Burma, Costa Rica, Cuba, Democratic People's Republic of Korea, Egypt, German Democratic Republic, Holy See, Israel, Ivory Coast, Jamaica, Kuwait, Malta, Mongolia, Nicaragua, Panama, Republic of Korea, Republic of Viet-Nam*, Saudi Arabia, Singapore, Trinidad and Tobago, and Tunisia.

98. The Economic Commission for Latin America was represented at the session.

99. The following specialized agencies were represented at the session: International Labour Organisation, Food and Agriculture Organization of the United Nations, United Nations Educational, Scientific and Cultural Organization, World Bank, International Monetary Fund, and World Intellectual Property Organization. The General Agreement on Tariffs and Trade was also represented at the session.

100. The following intergovernmental organizations were represented at the session: European Economic Community, European Free Trade Association, and Organisation for Economic Co-operation and Development.

18/ See annex I below, "Other decisions".

19/ For the list of participants in the session, see TD/B/INF.54 and Corr.1.

* Now the Republic of South Viet-Nam.

101. The following non-governmental organizations were represented at the session: General category: Commission of the Churches on International Affairs, International Bar Association, International Chamber of Commerce, International Confederation of Free Trade Unions, International Council of Voluntary Agencies, International Federation of Agricultural Producers, International Law Association, World Confederation of Labour and World Peace Council. Special category: Council of European and Japanese National Shipowners' Associations, International Hotel Association, International Organization for Standardization, International Savings Bank Institute, and Latin-American Association of Development Finance Institutions.

F. Preparations for the fourth session of the Conference

(Agenda item 4)

102. The Board had before it a note by the UNCTAD secretariat (TD/B/L.381) containing a report on progress on preparations for the fourth session of the Conference, and a proposed time-table for the seventh special session of the Board and the fourth session of the Conference, which was introduced by the Secretary-General of UNCTAD at the 423rd meeting of the Board, on 17 March 1975.

103. The representative of Kenya informed the Board that his Government had already established an interministerial committee to deal with arrangements for the fourth session and said that his country had built up a considerable fund of expertise as the host of international conferences. He was confident, therefore, that it had the capability and the infrastructure required to ensure the success of the fourth session of the Conference.

104. Representatives of socialist countries of Eastern Europe stated that recent changes in the world economy not only created new possibilities but also required that UNCTAD, as an organ of universal character in the United Nations system, should strengthen its effectiveness and its influence on the normalization of all international trade flows. In this connexion, they stated that the fourth session of the Conference should constitute a milestone in international trade and economic relations and should contribute to the full normalization of international trade among all countries. The agenda for the fourth session should provide for the consideration of problems of vital interest to all groups of countries, including developing countries, and particular emphasis should be accorded to the question of the implementation of the progressive recommendations of UNCTAD.

105. The President, referring to the valuable support given to UNCTAD by a number of non-governmental organizations, said that any contribution these organizations could make to the preparations for the fourth session of the Conference and to ensuring its success would, he was sure, be welcomed.

Action by the Board

106. At its 425th meeting on 21 March 1975, the Board took note of information on the preparations for the fourth session of the Conference given by the UNCTAD secretariat in document TD/B/L.381 and of the oral statements made by the Secretary-General of UNCTAD and the representative of Kenya on this subject. It also approved the dates proposed by the Secretary-General of UNCTAD for the seventh special session of the Trade and Development Board (8-19 March 1976) and the

fourth session of the United Nations Conference on Trade and Development (3-28 May 1976), including the pre-Conference meeting (3-4 May). 20/

G. Arrangements for the work in the areas of transfer of technology and restrictive business practices

(Agenda item 4)

Action by the Board

107. At its 425th meeting on 21 March 1975, the Board took note of the arrangements for work within UNCTAD in the areas of transfer of technology and restrictive business practices proposed by the Secretary-General of UNCTAD in document TD/B/L.380.

108. It decided that:

(a) The Committee on Transfer of Technology should be responsible for work on restrictive practices and limitations involved in arrangements covering predominantly the use of proprietary and non-proprietary technology;

(b) The Committee on Manufactures should be responsible for work on restrictive practices which predominantly involve restraints on commercial policy affecting trade in manufactured and semi-manufactured goods, including cartel practices, marketing arrangements, and practices arising from the abuse of market power of transnational corporations;

(c) The question of the further activities of the Ad Hoc Group of Experts on Restrictive Business Practices should be considered by the Committee on Manufactures at its seventh session in the light of the foregoing decision.

H. International Women's Year

(Agenda item 4)

109. A draft resolution on International Women's Year (TD/B/L.385) was submitted by Nigeria on behalf of the Group of Seventy-seven. At the 425th meeting of the Board on 21 March 1975, the President introduced a draft resolution (TD/B/L.393), which he had submitted as a result of informal consultations and draft resolution TD/B/L.385 was withdrawn.

110. The spokesman for Group B proposed the addition of the following operative paragraph:

"Calls upon the Secretary-General of UNCTAD to make known to the appropriate recruiting authorities of the United Nations the desire of the Board to see a better balance between men and women within the professional staff of the UNCTAD secretariat."

20/ See foot-note 18 above.

111. The spokesman for the Group of Seventy-seven said that he would prefer the text agreed on in the informal consultations to remain unchanged. That did not imply that the Group of Seventy-seven, which had sponsored the original resolution advocating the full integration of women in the development process had any objections to the substance of the proposed amendment.

Action by the Board

112. At its 425th meeting on 21 March 1975, the Board adopted draft resolution TD/B/L.393. 21/

113. The representative of China, commenting on the resolution, said that the most important issues involved were the promotion of unity among the women of the world, the strengthening of the fight against colonialism, imperialism and hegemonism, and of the struggle for national independence, democracy and women's rights.

I. Review of the calendar of UNCTAD meetings for 1975

(Agenda item 4)

114. At the 424th meeting of the Board on 21 March 1975, the Director of the Division for Conference Affairs and External Relations introduced a note by the secretariat (TD/B/L.383) containing a revised calendar of UNCTAD meetings for 1975 and drew attention to the statements of financial implications contained in TD/B/L.383/Add.1, TD/B/L.382, annex II, TD/B/L.384 and TD/B/L.387/Add.1. He reminded the Board that at the first part of its fourteenth session its attention had been drawn to the difficulties such a heavy programme of meetings would create for delegations and secretariat alike, particularly as regards documentation. These difficulties were aggravated by the further development of UNCTAD activities, particularly in the commodity field, with the addition of two more meetings of the Committee on Commodities to the 1975 calendar and the need to convene a conference in 1975 to renegotiate the International Cocoa Agreement, which was due to expire on 30 September 1976. He suggested that the Board should consider postponing the seventh session of the Special Committee on Preferences to 1976 and indicated how the calendar of meetings for the latter part of 1975 might be adjusted were this to be done.

115. He also indicated that the Secretary-General of UNCTAD felt that for the preparation, processing and distribution of pre-session documents to be a manageable task in a year with so many meetings, those documents should be fewer, shorter and more strictly focused on the requirements of delegations.

116. The spokesman for Group B and the spokesman for the Group of Seventy-seven supported the proposals made by the secretariat.

Action by the Board

117. At the same meeting the Board, having noted the financial implications, 22/

21/ For the text of the resolution, see annex I below, resolution 127 (S-VI).

22/ See foot-note 10 above.

adopted the proposals contained in document TD/B/L.383 and approved a revised calendar of meetings for 1975 embodying the proposals of the secretariat. ^{23/} The Board decided that the pre-session documentation for all meetings should be streamlined.

J. Financial implications of the actions of the Board

(Agenda item 4)

118. At its 425th meeting on 21 March 1975, the Board took note of a summary statement of the financial implications of its actions at its sixth special session submitted by the Secretary-General of UNCTAD (TD/B/L.395). ^{24/}

K. Adoption of the report on credentials

(Agenda item 2)

119. At its 424th meeting on 21 March 1975, the Board adopted the report of the Bureau on credentials (TD/B/546).

L. Adoption of the report of the Board on its sixth special session

(Agenda item 5)

120. The Board considered its draft report on its sixth special session (TD/B/L.388 and Add.1) at its 424th and 425th meetings on 21 March 1975. At its 425th meeting, it adopted the draft report as a whole, as amended, and authorized its Rapporteur to complete the report as appropriate and make any necessary editorial changes.

M. Closure of the session

121. At its 425th meeting on 21 March 1975, the President declared the sixth special session closed.

^{23/} For the calendar of meetings for 1975 as adopted, see annex I below, "Other decisions".

^{24/} The summary statement of financial implications as subsequently revised in the light of the decisions taken by the Board (TD/B/L.395/Rev.1) is reproduced in annex II below.

ANNEX I

RESOLUTIONS AND AGREED CONCLUSION ADOPTED BY THE TRADE AND DEVELOPMENT BOARD AT ITS SIXTH SPECIAL SESSION

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RESOLUTIONS AND AGREED CONCLUSION ADOPTED BY THE BOARD
at its sixth special session

RESOLUTIONS

127 (S-VI). International Women's Year

The Trade and Development Board,

Recalling that General Assembly resolution 3010 (XXVII) of 18 December 1972 proclaimed 1975 as International Women's Year and decided to devote this year to intensified action:

(a) To promote equality between men and women,

(b) To ensure the full integration of women in the total development effort, especially by emphasizing women's responsibility and important role in economic, social and cultural development at the national, regional and international levels, particularly during the Second United Nations Development Decade,

(c) To recognize the importance of women's increasing contribution to the development of friendly relations and co-operation among States and to the strengthening of world peace,

Recalling also the Declaration on the Elimination of Discrimination against Women proclaimed in General Assembly resolution 2263 (XXII) of 7 November 1967,

Recalling further that General Assembly resolution 2626 (XXV) of 24 October 1970, setting forth the International Development Strategy for the Second United Nations Development Decade, calls for the full integration of women in the total development effort 1/ and that International Women's Year coincides with the mid-term review and appraisal of the implementation of the Strategy,

Convinced that the full and productive use of human resources is a key factor in the promotion of trade and development,

1. Warmly endorses the General Assembly invitation 2/ to Governments which have not already done so to include in their national development programmes those concepts contained in the Universal Declaration of Human Rights 3/ and in the Declaration on the Elimination of Discrimination against Women which bear on the full integration of women in the development process;

1/ Subpara. 18 (h), of the Strategy.

2/ Para. 5 of General Assembly resolution 3342 (XXIX) of 17 December 1974.

3/ General Assembly resolution 217 A (III) of 10 December 1948.

2. Invites Governments which have not already done so to take the appropriate decisions in order to facilitate increased participation of women in all the activities related to the expansion and diversification of international trade as well as to economic and social development;

3. Invites the President of the Trade and Development Board to transmit the present resolution to the World Conference of the International Women's Year and to wish the Conference every success in its deliberations.

425th meeting
21 March 1975

128 (S-VI). Co-operation among developing countries

The Trade and Development Board,

Considering that both the Declaration and the Programme of Action on the Establishment of a New International Economic Order 4/ give special priority and importance to the strengthening and promotion of co-operation among developing countries,

Bearing in mind that the said Programme of Action states, in section IX, paragraph 1, that "all Member States pledge to make full use to the United Nations system in the implementation of the present Programme of Action" and, in paragraph 4 of that section, entrusts to "all organizations, institutions, subsidiary bodies and conferences of the United Nations system 5/ the implementation of the Programme of Action",

Recalling General Assembly resolution 3177 (XXVIII) of 17 December 1973 on economic co-operation among developing countries,

Recalling further resolution 48 (III), adopted by the United Nations Conference on Trade and Development on 18 May 1972, on trade expansion, economic co-operation and regional integration among developing countries,

Bearing in mind the provisions of the Charter of Economic Rights and Duties of States 5/ concerning economic co-operation and trade among developing countries, and particularly the provisions of its article 23,

Noting the resolution adopted by the developing countries present at the Conference of Developing Countries on Raw Materials held at Dakar in February 1975 aimed at the further strengthening of co-operation among developing countries, 6/

4/ General Assembly resolutions 3201 (S-VI) and 3202 (S-VI) of 1 May 1974.

5/ Adopted by the General Assembly in resolution 3281 (XXIX) of 12 December 1974.

6/ For the text of the resolutions adopted by the Conference, see E/AD.62/6.

Recalling also Economic and Social Council resolution 1911 (LVII) of 2 August 1974, in which the Council requests "all organizations, institutions, subsidiary bodies and conferences of the United Nations system to take immediate measures to implement the provisions of the Declaration and the Programme of Action within their respective fields of competence and to reorient and adapt their programme of work so as to make them fully conducive to the accomplishment of this task",

Taking into account the note by the Secretary-General of UNCTAD entitled "Background to some of the policy issues before the Board" 7/ and the role UNCTAD should play in strengthening economic co-operation among developing countries, and also bearing in mind the suggestions contained in the report by the Secretary-General of UNCTAD entitled "New directions in international trade and development policies", 8/

Recalling its decision 121 (XIV) of 13 September 1974 on trade expansion, economic co-operation and regional integration among developing countries,

Considering the role and responsibility of UNCTAD in the implementation of the provisions of the Declaration and the Programme of Action, particularly those concerning promotion of co-operation among developing countries, 9/

Considering also that such co-operation should be aimed at strengthening the collective self-reliance of the developing countries on their own efforts, as one of the measures for the establishment of a new international economic order in accordance with the objectives concerning co-operation among developing countries stated in the Declaration and the Programme of Action,

1. Requests the Secretary-General of UNCTAD to take appropriate measures in order to strengthen the role of UNCTAD in promoting co-operation among developing countries;

2. Requests the Secretary-General of UNCTAD to implement further decision 121 (XIV) of the Trade and Development Board, and to convene as soon as possible a group of experts, serving in their personal capacity, to assist him in the formulation of specific proposals and recommendations, including, inter alia, appropriate institutional arrangements within UNCTAD, to foster co-operation among developing countries, taking into account, inter alia, the relevant provisions of the Declaration and the Programme of Action;

3. Requests the Secretary-General of UNCTAD to transmit to Governments the specific proposals and recommendations mentioned in paragraph 2 above, sufficiently well in advance for them to be considered at the Ministerial Meeting of the Group of Seventy-seven in Manila to be held early in 1976 and subsequently at the fourth session of the United Nations Conference on Trade and Development;

7/ See Official Records of the Trade and Development Board, Fourteenth Session (first part), Annexes, agenda item 4 (b), document TD/B(XIV)/Misc.3.

8/ TD/B/530 (to be issued as a United Nations publication).

9/ General Assembly resolution 3202 (S-VI), sect. VII.

4. Requests the Secretary-General of UNCTAD to report to the Conference at its fourth session concerning the support given by developed countries and the action they have taken pursuant to section VII, paragraph 2, of the Programme of Action regarding promotion of co-operation among developing countries, as well as other actions taken to promote co-operation among developing countries.

425th meeting
21 March 1975

AGREED CONCLUSION

129 (S-VI). Mid-term review and appraisal of the International Development Strategy

1. In accordance with the relevant resolutions of the United Nations Conference on Trade and Development, the General Assembly and the Economic and Social Council, cited in the introduction to the report of the Trade and Development Board on its sixth special session, 10/ and in accordance with Board decision 102 (XIII) and resolution 122 (XIV), the Board carried out at its sixth special session the mid-term review and appraisal of the implementation of those aspects of the International Development Strategy 11/ which fall within the competence of UNCTAD, taking into account the Declaration and the Programme of Action on the Establishment of a New International Economic Order 12/ and the changing economic circumstances.

2. The Board had before it in this connexion the reports of the Secretary-General of UNCTAD entitled "New directions in international trade and development policies" 13/ and "Trends and policies in the first four years of the Second Development Decade". 14/ It expressed its appreciation to the Secretary-General for this documentation, which it considered to be a valuable contribution to the process of review and appraisal of the Strategy. It decided to transmit this documentation to the Economic and Social Council and to the General Assembly for their consideration.

3. The Board considered that during the first half of the Second United Nations Development Decade there had been serious shortfalls in the implementation of the International Development Strategy, despite progress made in some areas. The situation of the majority of the developing countries had not progressed significantly; for some of them in fact it had worsened. The basic problem of development was still as urgent as at the beginning of the Decade.

10/ Official Records of the General Assembly, Thirtieth Session, Supplement No. 15 (A/10015/Rev.1), part one.

11/ International Development Strategy for the Second United Nations Development Decade, adopted by the General Assembly in resolution 2626 (XXV) of 24 October 1970.

12/ See foot-note 4 above.

13/ TD/B/530 (to be issued as a United Nations publication).

14/ TD/B/530/Add.1 (Part I), Add.1 (Part II) and Add.1 (Part II)/Annex (to be issued as a United Nations publication).

4. Moreover, the Board noted that the mid-term review and appraisal of the Strategy was being undertaken at a time of economic uncertainty and crisis - a situation which affected many developed and developing countries, as well as the over-all prospects for economic development, and which affected most severely the less-favoured developing countries. The Board felt that the present economic difficulties should provide an additional incentive to seek an equitable and durable system of international economic relations.

5. In carrying out the mid-term review and appraisal, the Board considered accomplishments and short-comings in the implementation of the Strategy and discussed the need for new measures to make it more effective. Among the subjects which were broadly discussed were measures in the fields of international trade, including trade in commodities and industrial products, transfer of technology, invisibles including shipping, the international monetary system, financial resources for development and economic co-operation among developing countries, etc. Many delegations referred to the Declaration and the Programme of Action, as well as the Charter of Economic Rights and Duties of States, 15/ as the basis for adapting the Strategy to the needs of the new situation.

6. In the course of the Board's deliberations, a number of documents were submitted by groups of countries with a view to facilitating the process of review and appraisal. The Board decided to incorporate in its report documents submitted by:

(a) The Group of Seventy-seven and Romania; 16/

(b) Group B countries; 17/

(c) Bulgaria, Czechoslovakia, the German Democratic Republic, Hungary, Poland, the Ukrainian Soviet Socialist Republic and the Union of Soviet Socialist Republics. 18/

7. The Board considered that the above-mentioned documents and statements made during the sixth special session, together with the reports of the Secretary-General of UNCTAD, 19/ constituted a basis for further intergovernmental consideration of these issues in the process leading up to the sessions of the General Assembly at the end of 1975 and in the preparations for the fourth session of the United Nations Conference on Trade and Development. Accordingly, it commended them to the attention of the General Assembly, at its seventh special session and its thirtieth regular session, and of the Economic and Social Council, and requested that they be made available to the forthcoming sessions of the Committee for Development Planning, the Committee on Review and Appraisal, and the Preparatory Committee for the special session of the General Assembly. It further requested that they be taken into account in the work of the subsidiary bodies of the Board in the period preceding the fourth session of the Conference.

15/ See foot-note 5 above.

16/ See annex A below.

17/ See annex B below.

18/ See annex C below.

19/ Cf. para. 2 above.

8. In conclusion, the Board considered that, although it had not been able to reach agreement on the many and complex issues involved, it had nevertheless been able to make a substantial conceptual contribution to the process of the mid-term review and appraisal of the Strategy, taking into account the major changes which had occurred in international economic relations and the consequent need for a renewed commitment to the development objective and for new orientations in trade and development policies.

425th meeting
21 March 1975

ANNEXES

ANNEX A

Document submitted by the Group of Seventy-seven and Romania on proposed additional policy measures for incorporation into the International Development Strategy for the Second United Nations Development Decade a/

INTRODUCTION

1. At the mid-point of the Second United Nations Development Decade, the broad development objectives of the International Development Strategy b/ have not been achieved. Poverty, hunger and unemployment are still the lot of most of the people of the third world. For the developing countries, the average annual rate of growth in the gross product and in the average income per head envisaged in the Strategy has not been attained in most cases.

2. The policy measures in the Strategy have, by and large, not been implemented by the international community, not even during the initial years of the Decade when the underlying assumption of continuing high growth rates in developed market-economy countries still held good. A revised Strategy must ensure that a much greater priority is accorded by the developed countries to international development policies, that commitments undertaken are binding rather than voluntary, and that such policies are not treated as residual elements in the over-all economic policies of these countries. This would remove what has up to now been a major weakness of the international development effort. Moreover, the policy measures in the Strategy are now insufficient by themselves to solve the development problem; they need to be supplemented by a series of new measures of a more fundamental nature.

3. The mid-term review and appraisal of the Strategy is being undertaken at a time of global economic crisis. For the developed market-economy countries, this crisis is one of economic recession, inflation, and external payments problems. Development policies can no longer be based on the assumption of rapid economic expansion in these countries. For most developing countries, there remains a continuing basic crisis manifested by their inability to develop their economies to keep pace with mounting economic and social pressures. In addition to this basic crisis, developing countries face high prices for essential imports and falling prices for commodity exports, which together impose unprecedented burdens on already weak economies.

4. However, the present situation is not without its positive dynamic elements. First of all, the developing countries have become aware of their

a/ Originally circulated as TD/B/L.389.

b/ General Assembly resolution 2626 (XXV) of 24 October 1970.

capacity for self-reliance. There is also an increasing awareness that it would be in the interests of both producers and consumers to ensure the orderly functioning of commodity markets. There is a heightened perception of the importance of a more efficient and equitable use of natural resources, in particular those which constitute the common heritage of mankind.

5. Thus, in seeking the way out of the present crisis, developed and developing countries can and should contribute to the establishment of a more equitable and more durable setting for international economic relations. This long-term setting would be characterized by:

(a) The full and effective participation of the developing countries in the world economy and in the deliberations and decisions which affect it;

(b) The recognition by the developed countries that their own economic problems can be resolved only in a global context, and that the development of the third world is a necessary component of their own prosperity.

6. These perspectives were not evident in the elaboration of the International Development Strategy, which was essentially an attempt to resolve the development problem within the then existing system of international economic relations. However, the sixth special session of the General Assembly, following closely upon the decision of the General Assembly to convene a special session to consider new approaches to development and international economic co-operation, c/ captured the spirit of the changing situation and articulated the need for a new international economic order. Its Declaration and Programme of Action on the Establishment of a New International Economic Order, d/ while endorsing the goals of the Strategy, contained many new elements which now provide the basis for adapting the Strategy to the needs of the new situation. The review of the Strategy should also take account of the Charter of Economic Rights and Duties of States. e/

7. In order to facilitate this task, and to contribute to the search for new dimensions and concepts of economic and developmental co-operation, the Trade and Development Board proposes the following guiding principles:

(a) In developing countries there is a need for new approaches to development that are more responsive to basic human needs. The responsibility for creating and applying such new strategies rests with the developing countries themselves. However, these countries need a vastly improved framework of international co-operation more adapted than hitherto to their development needs and providing for special measures for the least developed and the geographically disadvantaged developing countries. Steps should also be taken to implement emergency measures to mitigate the difficulties of the developing countries most seriously affected by the recent economic crisis.

(b) Trade should be the principal instrument of international economic co-operation. Thus, there must be a new endorsement of the importance of trade in development policies, which must be reoriented so as to result in a more equitable distribution of the benefits of international trade.

c/ General Assembly resolution 3172 (XXVIII) of 17 December 1973.

d/ General Assembly resolutions 3201 (S-VI) and 3202 (S-VI) of 1 May 1974.

e/ Adopted in General Assembly resolution 3281 (XXIX) of 12 December 1974.

(c) Exports of primary commodities constitute the main source of foreign exchange earning for developing countries. It is necessary to take new initiatives to modernize and transform the commodity economy, including the traditional patterns of marketing, distribution, ownership and processing, and to improve the earnings of producers in developing countries. Commodity prices should be stabilized and price trends improved. A healthy commodity economy would also meet the interests of importing countries. The integrated programme for commodities, now under consideration in UNCTAD, f/ provides a basis for new initiatives in this field.

(d) There is need for appropriate international arrangements to ensure that the exploitation of the resources declared to be the heritage of mankind will be undertaken for the benefit of all countries.

(e) New orientations are also necessary in policies and policy measures, including the increased transfer of technology, to shift the economies of developing countries away from dependence on commodities and towards industrialization. New goals for the industrialization of developing countries should be set with a view not only to expanding foreign exchange earnings, but also to meeting the basic needs of the domestic population for manufactured goods. Such goals will require intensified trade in manufactures among the developing countries themselves, as well as complementary policies to improve conditions of access to developed country markets for their industrial products and to remove constraints of a financial, institutional and technological nature on their ability to supply such products. Measures to these ends, including regulation of the operations of transnational corporations, as well as adjustment measures in developed countries, should be combined in a mutually-supporting manner.

(f) The ad hoc arrangements that have replaced the old monetary system will need to evolve, as soon as possible, into a new monetary system that would be fully consistent with the development needs of developing countries. The reformed system should aim at universality, and should also provide for full participation of the developing countries in the making of decisions.

(g) There is need for more dependable and automatic mechanisms for resource transfers to developing countries. The new international monetary system should incorporate such mechanisms, in particular the link with special drawing rights. More generally, increases in international liquidity, and the magnitude and distribution of these increases, should be subject to internationally agreed criteria and should take into account the development needs of developing countries.

(h) Economic co-operation between developing and socialist countries should be strengthened in order to contribute towards achieving a more managed global trading system and to accelerate the industrialization of developing countries.

(i) Closer economic co-operation among developing countries must be a major dimension of all aspects of global development strategy. Such co-operation should aim at strengthening economic, financial, trade and other relations among developing countries, so as to increase their economic capability on the basis of their collective self-reliance and improve the countervailing power of these countries

f/ Cf. Resolution 15 (VIII) of the Committee on Commodities (Official Records of the Trade and Development Board, Fifteenth Session, Supplement No. 2 (TD/B/543), part one, annex I).

in their relations with the developed countries and in their dealings with transnational corporations.

8. The Board invites all Governments to rededicate themselves to the goals and objectives of the Strategy and to make renewed and determined efforts to contribute to their achievement by implementing the policy measures embodied in the Strategy and the additional policy measures contained in the following paragraphs.

INTERNATIONAL TRADE g/

(Section C, 1, of the Strategy)

9. Agreement should be reached not later than the fourth session of the United Nations Conference on Trade and Development on the elaboration and implementation of an over-all integrated programme for commodities, with the following elements: (a) establishment of international stocking and market intervention arrangements to support prices at remunerative and just levels for commodities of export interest to developing countries; (b) creation of a special fund for the financing of stocking and market intervention arrangements; (c) multilateral commitments on imports and exports; (d) substantial improvement of the facility for compensatory financing of export fluctuations; and (e) promotion of diversification of exports of developing countries.

10. All Governments should co-operate with a view to bringing about a just and equitable relationship between the prices of raw materials, primary products, manufactured and semi-manufactured goods exported by the developing countries and the prices of their imports from industrialized countries.

11. With a view to increasing the control of developing countries over their natural resources and improving the returns to developing countries from their exports of primary commodities, efforts should be made to rationalize the systems of marketing and distribution of primary commodities and to increase the level of participation by developing countries in the marketing and distribution process.

12. Greatly accelerated growth and considerable diversification in the export trade of developing countries in manufactures and semi-manufactures and in processed and semi-processed products are called for, not only to meet the development needs of these countries but also to facilitate an increased share for them in world industrial output and world trade in these products. Special attention should be given to the measures needed in the field of international trade for achieving these goals.

13. The schemes of the generalized system of preferences (GSP) should be improved and enlarged so as to include all agricultural and industrial products of export interest to the developing countries at zero rates of duty and without quotas and ceilings. The rules of the GSP should be simplified and harmonized and a built-in mechanism evolved to ensure its durability so that developing countries can plan their exports with a view to deriving maximum advantage from the application of the schemes. The GSP should be made a permanent part of the international trading system and should be applied in a non-discriminatory manner.

g/ Unless otherwise indicated, the headings are those of the International Development Strategy.

14. Developed countries should undertake financial and other anticipatory measures for the adjustment and adaptation of their economies in order to facilitate the expansion of exports from developing countries and the achievement of more rational and equitable international economic relations. UNCTAD, in co-operation with other bodies such as the United Nations Industrial Development Organization, should arrange consultations to facilitate the realization of these objectives.

15. Genuine efforts should be made by developed countries to adhere to the principle of standstill, and departures should be made subject to international surveillance. Developed countries should take immediate steps for the removal of tariff and non-tariff barriers affecting the exports of manufactures and semi-manufactures, processed and semi-processed primary products not included in the schemes of generalized preferences, as well as products of export interest to developing countries. This should be done on a preferential and non-reciprocal basis for developing countries. Urgent attention should be given to sectors in which the comparative advantage lies with developing countries.

16. In the multilateral trade negotiations, priority should be given to the elimination of barriers to the exports of developing countries, improvements in the GSP, and special and favourable treatment to areas of interest to developing countries, so that their foreign-exchange earnings and terms of trade can improve significantly. UNCTAD should provide increased assistance and advice to developing countries during these negotiations, and the progress and outcome of the negotiations should be reviewed periodically and also at the fourth session of the United Nations Conference on Trade and Development.

17. In the light of the work done on the identification of restrictive business practices, efforts should be intensified at the national and international levels in order to eliminate such practices and to evolve equitable guidelines for drawing up a programme of action. Consultations for evolving a code of conduct should be arranged in order to keep under surveillance and to discipline the behaviour of transnational corporations in their production, marketing and pricing policies, and in areas where their activity or their dominant role adversely affects the export efforts of the developing countries.

18. Developing countries will intensify their efforts for establishing export-oriented industries and introducing appropriate export policies for manufactures. Developed countries should recognize the need of developing countries to use export incentives as a device to augment the competitiveness of their products in view of the nascent stage of their development. Developed countries should assist through financial and technical assistance the establishment of export-oriented industries and export-processing zones, and these efforts should be further supplemented by subcontracting arrangements by developed countries, the establishment of suitable export credit insurance schemes and other measures to increase the export capacity of developing countries.

TRADE EXPANSION, ECONOMIC CO-OPERATION AND REGIONAL
INTEGRATION AMONG DEVELOPING COUNTRIES

(Section C, 2, of the Strategy)

19. Developing countries should:

(a) Intensify current efforts and initiate new efforts to negotiate and put into effect long-term commitments among themselves with a view to expanding their mutual trade and to extending economic co-operation in other fields;

(b) Promote regional and interregional financial support and co-operation among themselves on the basis of adequate guarantees and reasonable returns for investment industries and agriculture in developing countries, with a view to stimulating their industrialization process, particularly through extensive processing in their own territories of raw materials to enable them to earn more foreign exchange, and for the implementation of mechanisms designed to maintain prices of commodities at remunerative levels. The developing countries, taking note of the unfavourable effect of the developments in the international economic situation on their economies, particularly those of the most seriously affected among them, should elaborate, with the assistance of UNCTAD, proposals which would aim at eliminating the impact of these unfavourable developments and contribute within their respective possibilities to projects that have been or may be initiated in this regard;

(c) Co-operate in measures for increasing the production of agricultural inputs, particularly fertilizers and pesticides, with the aim of making them available on favourable terms and conditions, particularly to the developing countries most seriously affected and deficient in food supplies;

(d) Make determined efforts to increase their mutual trade and take in this regard the following steps:

- (i) The establishment of payments arrangements at regional levels and ultimately international payments arrangements covering as large a number of developing countries as possible;
- (ii) Further steps to liberalize mutual trade, for instance, by adhering at an early date to the GATT Protocol relating to Trade Negotiations among Developing Countries; h/
- (iii) Measures through governmental policies and State-trading agencies to increase their trade with other developing countries and ensure that no developing country gives to the imports from developed countries more favourable terms than those accorded to imports from developing countries. Preferential treatment should be given to procurement from other developing countries and to exports to those countries;

h/ GATT, Basic Instruments and Selected Documents, Eighteenth Supplement
(Sales No.: GATT/1972-1), p. 11.

(e) Set up suitable multinational agencies for the promotion of research and product development of natural products and of the manufacture of end-products therefrom for improving the competitive position of such products. They should investigate fully the scope for obtaining technology from other developing countries and take measures for the establishment of centres for the selection and adaptation of technology and for technological co-operation among themselves. They should co-operate in the exploitation of the non-exhaustible sources of energy of the developing countries;

(f) Promote the establishment of national, regional and interregional shipping companies;

(g) Co-operate to improve access to markets of developed countries for commodities, and to ensure remunerative prices for them through appropriate mechanisms.

20. The developed countries should take steps to promote co-operation among the developing countries particularly through the measures set forth in paragraphs 5 and 6 of resolution 48 (III) adopted by the United Nations Conference on Trade and Development.

21. In order to evolve continuously specific projects for co-operation among developing countries there should be a periodical review of the progress made. In this regard, appropriate institutional arrangements should be made within UNCTAD in order to maintain the necessary momentum.

FINANCIAL RESOURCES FOR DEVELOPMENT

(Section C, 3, of the Strategy)

22. If the developmental process is to regain its lost momentum, it is imperative that:

(a) Developed countries attain the official development assistance target of 0.7 per cent of their GNP as soon as possible, especially since in the present situation it would also help them to tackle their twin problems of domestic recession and unemployment in a non-inflationary manner;

(b) Measures should be taken to avoid debt crises. However, after a debt crisis has occurred, the debt renegotiations should be governed by a set of internationally agreed guidelines. The institutional framework for conducting debt renegotiations should be made more broad-based, in order to consider debt reorganization in the context of development;

(c) The reform of the international monetary system should be expedited with a view to achieving an early return to a system of stable but adjustable exchange rates and to including a special dispensation for the adjustment process in developing countries. Such reforms in the international monetary and financial system should be carried out with, and should ensure, the full and effective participation of developing countries in all phases of decision-making;

(d) In view of the acute shortage of liquidity suffered by developing countries, additional and more generous allocations of special drawing rights should be made, and the terms of allocations should be altered in a manner preferential to developing countries;

(e) A decision should be taken on the immediate establishment of a link between the creation of international liquidity and the provision of additional development finance. Other new measures should be evolved for providing an automatic basis for the flow of financial resources to the developing countries.

23. There is an urgent and imperative need for:

(a) The successful completion of the United Nations Emergency Operation through more generous financial support than has been forthcoming so far, and adequate response to the United Nations Special Fund;

(b) The enlargement and liberalization of the 1975 IMF oil facility, i/ especially for all developing countries, in particular those countries most seriously affected by the current economic crisis;

(c) The early setting up of the "third window" of the World Bank to provide loans from additional resources other than the normal financial replenishment of this institution, at an interest rate lower than the World Bank's normal rate of interest;

(d) Furthering co-operation, in addition to co-operation in the existing forms, particularly through the investment of financial resources of the developed countries and developing countries in a position to do so in productive enterprises in developing countries, as well as the supply to technology and equipment by the developed countries and the developing countries in a position to do so;

(e) Measures to facilitate greater access on more favourable terms and conditions for developing countries to world capital markets.

INVISIBLES, INCLUDING SHIPPING

(Section C, 4, of the Strategy)

24. All countries are urged to ratify and implement the Convention on a Code of Conduct for Liner Conferences j/ as a matter of priority.

25. The developed countries and international financial institutions should assist the efforts of developing countries to develop their merchant marines by providing additional finance and softening the terms of their loans for the purchase of ships.

i/ Cf. IMF Survey, vol. 4, No. 2 (20 January 1975).

j/ United Nations Conference of Plenipotentiaries on a Code of Conduct for Liner Conferences vol. II, Final Act (including the Convention and resolutions) and tonnage requirements (United Nations publication, Sales No. E.75.II.D.12).

26. The developing countries should establish shippers' councils, freight booking centres and freight study units in order to strengthen their bargaining position with the shipping lines serving their foreign trade.

27. Developing countries should continue their efforts to promote their national insurance markets and to establish national or regional insurance institutions for this purpose.

SPECIAL MEASURES IN FAVOUR OF THE LEAST DEVELOPED,
LAND-LOCKED AND ISLAND DEVELOPING COUNTRIES

(Sections C, 5 and C, 6 of the Strategy) k/

28. There should be increased flows of financial assistance, in the form of grants or with a very high grant element, as well as increased flows of technical assistance to the least developed, land-locked and island developing countries. Specific measures should be taken in their favour in the multilateral trade negotiations.

29. Intensified efforts should be made towards the formulation, development and review and appraisal of policies and measures in favour of least developed land-locked and island developing countries.

SCIENCE AND TECHNOLOGY

(Section C, 7, of the Strategy)

30. An international code of conduct on the transfer of technology from developed to developing countries on reasonable terms and conditions should be established as early as possible but not later than the end of 1977.

31. Additional policy measures are also needed:

(a) To revise national patent systems and international conventions on patents with a view to safeguarding the special needs of developing countries;

(b) To give access on improved terms to modern technology and to adapt that technology, as appropriate, to specific economic, social and ecological conditions and varying stages of development in developing countries;

(c) To expand significantly the assistance from developed to developing countries in research and development programmes and in the creation of suitable indigenous technology.

32. Developed countries should co-operate with developing countries in the establishment, strengthening and development of their scientific and technological infrastructure.

k/ Island developing countries were not included in the headings of sections C, 5 and C, 6 of the Strategy.

33. Developing countries should endeavour to give priority to enlarging the scope of mutual co-operation among themselves in the field of science and technology.

HUMAN DEVELOPMENT

(Section C, 8, of the Strategy)

34. Adequate food production should be viewed as an essential element of a successful development strategy. Measures should be taken by developing countries to increase food production by all possible means and to enlist the active participation of the people in increasing food production. To this end, developed countries should take measures, and developing countries should co-operate among themselves, in the area of the production of fertilizers and pesticides, with a view to providing fertilizers and pesticides on favourable terms to food-producing developing countries, as envisaged in the world fertilizer fund.

RESOURCES OF THE SEA-BED 1/

35. The sea-bed and ocean floor, and the subsoil thereof, beyond the limits of national jurisdiction and sovereignty, as well as resources of the area, being the common heritage of mankind, shall be managed under an international régime, endowed with appropriate international machinery, for the benefit of mankind as a whole, irrespective of the geographical location of States, whether land-locked or coastal, and taking into particular consideration present and future interests and needs of the developing countries.

36. In particular, the mineral resources of the area shall be exploited under arrangements which form an integral component of an over-all strategy for development; which are designed to contribute to a reduction of the disparity in levels of living between the developed technologically advanced and the developing parts of the world; and which are consistent with the objectives of an international commodity policy for sustaining the prices of commodities of export interest to the developing countries at remunerative, equitable and stable levels. These arrangements should ensure that the future exploitation of the mineral resources of the sea-bed would not damage the interests of the developing countries which produce these minerals.

INTERDEPENDENCE OF PROBLEMS OF TRADE, DEVELOPMENT FINANCE AND THE INTERNATIONAL MONETARY SYSTEM m/

37. Appropriate arrangements should be made to enable UNCTAD to discharge its responsibilities in contributing more effectively to the solution of the interrelated problems in the trade, monetary and development finance fields in a co-ordinated manner.

1/ This heading does not figure in the Strategy.

m/ Idem.

TECHNICAL ASSISTANCE TO DEVELOPING COUNTRIES n/

38. Bilateral and multilateral technical assistance to developing countries individually as well as to regional and subregional groupings, should be increased to meet the requirements in the various sectors pertaining to their economic development.

39. To this end, the Secretary-General of UNCTAD is requested, in consultation with the appropriate international agencies, including UNDP, UNIDO, FAO and others, and in co-operation with all member States, to review and assess bilateral and multilateral technical assistance to developing countries, to explore all possible sources of such assistance with a view to accelerating the transfer and making available improved technical assistance to developing countries within the field of competence of UNCTAD commensurate with their needs for such assistance, in order to assist them in achieving more effectively the goals and objectives of the Strategy. The Secretary-General is requested to report his findings, together with concrete recommendations, to the United Nations Conference on Trade and Development at its fourth session.

n/ Idem.

APPENDIX TO ANNEX A

Observations made by the spokesman for the Group of Seventy-seven at the 425th meeting of the Trade and Development Board on the statistics cited in the document submitted by Group B countries and reproduced in annex B a/

By quoting a few figures, sometimes out of context, the Group B document, and in particular the section entitled "Goals and objectives", presents a highly distorted picture of the actual state of the international economy. A careful study of the detailed information contained in the relevant reports by the Secretary-General of UNCTAD b/ and a detailed examination of the balance of payments of individual developing countries clearly show that the broad objectives of the International Development Strategy have not been achieved.

The Group of Seventy-seven feels that the so-called progress that some developing countries are reported to have made should not be over-emphasized and over-dramatized. There may have been some notable developments affecting the general increase of world prices for some commodities of the developing countries, but it would be shortsighted to over-estimate the beneficial effects of this modest improvement in view of the general depressed levels of world prices for the commodities of these countries over the years and during most of the period under review, and considering the present state of development of the countries concerned.

Any attempt, therefore, to summarize the review and appraisal of the International Development Strategy in the space of a few paragraphs and to quote averages of achievements, as has been done by the Group B countries, would be highly misleading. It is for this reason that the Group of Seventy-seven has refrained from such an effort. However, since the Group B countries have thought fit to quote some figures, albeit erroneously, I feel obliged to set the record straight by presenting a more accurate analysis of the situation with regard to a few key indicators. In this context, I would like to highlight the following points:

1. Two thirds of the developing countries failed to attain the target of 6 per cent average growth of GNP and one third of the developing countries grew at less than 3 per cent per annum during the period 1970-1973, as against the target of 6 per cent stipulated in the International Development Strategy.

2. Half of the developing countries, including most of the poorer developing countries, failed to show any significant increase at all in per capita income. The average for the developing countries as a group was only 3.1 per cent per annum during the period 1970-1973. Obviously, this fell below the target of 3.5 per cent envisaged for the Second United Nations Development Decade.

a/ See annex B below. See also Official Records of the General Assembly, Thirtieth Session, Supplement No. 15 (A/10015/Rev.1), part one, para. 71.

b/ TD/B/530 and Add.1 (Part I), Add.1 (Part II) and Add.1 (part II/Annex (to be issued as United Nations publications)).

3. During the period 1970-1973 both agricultural and food production in the developing countries grew at an annual rate of only 1.5 per cent as compared with the 4 per cent target of the Strategy. In per capita terms, agricultural and food production actually declined by 0.9 per cent per annum and over half the developing countries (with more than two thirds of the total population of those countries) suffered a decline in per capita output.

4. Half of the developing countries showed a gain in purchasing power of exports of less than 3 per cent per annum in 1970-1973 as against the strategy target of 7 per cent.

5. One third of the developing countries (with 60 per cent of the population of those countries and including the poorest among them) showed a growth rate in the value of imports of less than 3 per cent per annum during the period 1970-1973 as against the Strategy target of 7 per cent.

6. As against the target of 0.7 per cent of GNP for official development assistance, the actual performance of developed countries has been one of backsliding from 0.53 per cent in the 1960s to 0.3 per cent in 1973, despite the unprecedented boom in the growth of their GNP in the period 1970-1973. Needless to say, the Group B statement is curiously silent on this fact, as if the target of 0.7 per cent of GNP for official development assistance had been abandoned.

7. The share of developing countries, other than the major petroleum exporters, in world trade declined from 24 per cent in 1950 to 14.6 per cent in 1960 and to 10.7 per cent in 1973.

The reasons for the declining role of the developing countries in the international economy have been the subject of much international discussion and debate, especially since the publication in 1964 by the then Secretary-General of UNCTAD of his report entitled Towards a New Trade Policy for Development. c/ Both the short-term and the long-term forces working against the commodity market are well known. However, although the Group B statement refers obliquely to this sad situation, only lip-service has been paid to the need to transfer technology to the developing countries, in order to accelerate productivity in agriculture, and at the same time to promote imports of primary and processed commodities in the developed countries.

It will thus be seen that the international community has failed both in the provision of increased outlets for the developing countries and in the transfer of real resources to them, facts which have, no doubt, stifled the progress of the developing countries and which the Group B countries sought to overlook or ignore in their approach to the whole exercise of the review and appraisal of the International Development Strategy.

c/ United Nations publication, Sales No. 64.II.B.4.

ANNEX B

Document submitted by Group B countries on the mid-term review and appraisal of the International Development Strategy for the Second United Nations Development Decade a/

I. CURRENT INTERNATIONAL ECONOMIC SITUATION b/

1. The mid-term review and appraisal of the International Development Strategy for the Second United Nations Development Decade c/ is being undertaken in an international economic atmosphere of great uncertainties for both the developing and developed countries. Persistent inflation, monetary instability, falling growth rates, rising unemployment, excessive price fluctuations, and lack of assurance about markets and supplies of materials have affected many countries. This situation has affected the implementation of the Strategy in the first half of the Decade and prospects for the immediate future, particularly for developing country trade, which is closely related to demand in the developed country markets. This highlights the need for further implementation of the Strategy in the second half of the Decade.

2. The succession of unfavourable climatic conditions resulting in severe food shortages and famine has aggravated existing structural imbalances in agricultural production, causing the growth in food supplies to fall considerably behind population growth and diverting resources which might otherwise be available for development.

3. Rapid increases in prices of oil, of some other commodities and of manufactured goods have affected the relative position of various groups of countries. The non-oil-exporting countries find themselves in general confronted with an abrupt and very considerable increase in petroleum prices which has added to existing upward pressures on the prices of imported manufactured goods and, together with other price increases, has created or intensified balance-of-payments difficulties for many developing and developed countries. For the first time, one group of developing countries has at its disposal very large amounts of liquid assets. It must be recognized, however, that a major and welcome contribution to aid flows is now being made by oil-exporting developing countries, although these aid flows only partly alleviate the balance-of-payments difficulties of some developing countries.

4. The economic difficulties experienced during the first half of the Decade have had a particularly negative impact on the poorest countries of the international community and - within nations - on the poorest strata of their population.

a/ This document was originally submitted as three separate documents under the symbols TD/B/L.390, TD/B/L.391 and Rev.1 and TD/B/L.396.

b/ Section I was originally issued as TD/B/L.390.

c/ General Assembly resolution 2626 (XXV) of 24 October 1970.

5. The current downward trend in prices of many commodities, together with the upward trend in prices of manufactured goods would, if it continued, increase the balance-of-payments difficulties of many countries and affect terms of trade, in particular, for a great number of developing countries.

6. Being increasingly aware of the dangers inherent in the present economic situation and conscious of the interdependence of nations, the international community should renew its determination to follow appropriate and effective economic policies at the national and international levels.

II. GOALS AND OBJECTIVES d/

7. An examination of performance during the first half of the Second United Nations Development Decade reveals areas of achievement of the International Development Strategy goals as well as areas where performance did not attain the objectives of the Strategy. According to the latest data, some of the major achievements and shortfalls are as follows:

(a) The target annual growth rate for GNP of 6 per cent was achieved by many developing countries and the majority of the developing countries as a group have increased their total GNP at an annual rate of 5.7 per cent during the period 1970-1973. The major petroleum exporters and fast growing exporters of manufactures attained a growth rate much higher than the target while developing countries with a per capita GNP of less than \$250 fell short of the target by 50 per cent.

(b) The majority of developing countries as a group have increased their per capita GNP at an annual rate of 3.1 per cent during the period 1970-1973, close to the target of 3.5 per cent. All groups of developing countries, except those with per capita GNPs of less than \$250, exceeded the target.

(c) During the period 1970-1973 both agricultural and food production in developing countries grew at an average annual rate of 1.5 per cent or at a per capita rate of minus 0.9 per cent as compared to the 4 per cent target. In contrast to the problems of agriculture, the 8 per cent target for manufacturing output was exceeded during this period.

(d) For the majority of developing countries, the growth rate of the purchasing power of exports more than doubled in the first three years of the 1970s as compared with the 1960s, thus exceeding the target by more than 50 per cent. Non-oil-exporting developing countries attained the 7 per cent goal while countries with per capita GNPs of less than \$250 reached only 1.8 per cent per annum.

(e) It appears likely that population growth in some developing countries continues to exceed the average annual increase of 2.5 per cent on the basis of which the target in the Strategy for growth in average income per head was calculated. This may have affected the ability of some countries to achieve the per capita GNP target.

d/ Section II was originally issued as TD/B/L.391/Rev.1.

III. ISSUES AND PROPOSALS TO BE CONSIDERED DURING THE MID-TERM REVIEW e/

8. The mid-term review and appraisal of the International Development Strategy is being undertaken in an international economic atmosphere of great uncertainty for both the developing and developed countries. At the mid-point of the Decade the broad development objectives of the Strategy have not been fully achieved. The countries members of Group B recognize that a renewed effort directed to the implementation of the Strategy is required of all States. They consider that the review and appraisal of the Strategy should take into account the additional dangers inherent in the present economic situation and recent developments, including the consideration given to the Declaration and the Programme of Action on the Establishment of a New International Economic Order. f/ Group B countries are of the view that the review and appraisal of the Strategy should place emphasis on those areas of the Strategy which will best fulfil the fundamental objective of promoting economic and social progress in developing countries, and to this end recommend that, in the elaboration of the Strategy, the policy measures, issues and proposals set forth in the following subsections be taken into account.

A. International trade

1. Commodity trade

9. Governments will give priority attention to the improvement of the conditions of international trade in primary commodities, taking due account of the interests of both exporting and importing countries, bearing in mind the needs of developing countries. Independently of the efforts to achieve results in the negotiations on certain commodities, new attempts have been made which have led to the emergence of new ideas, responding to changed circumstances, notably proposals for an integrated programme for commodities. Governments should make determined efforts to co-operate in carrying out further work on the proposed integrated programme in accordance with resolution 15 (VIII) of the Committee on Commodities. g/

2. Trade liberalization measures

(a) Improvement in the generalized system of preferences

10. Efforts for further improvements in existing schemes of generalized preferences will be pursued, having regard for the progress already made. These improvements should take into account the interests of the poorest developing countries. Efforts should also be made to provide for an increased utilization of the existing preferential facilities.

e/ Section III was originally issued as TD/B/L.396.

f/ General Assembly resolutions 3201 (S-VI) and 3202 (S-VI) of 1 May 1974.

g/ See Official Records of the Trade and Development Board, Fifteenth Session, Supplement No. 2 (TD/B/543), part one, annex I.

11. A comprehensive review will be held before the end of the initial period of 10 years to determine whether the preferential system should be continued beyond that period, taking into account various developments, including the decision taken by some donor countries to extend their schemes beyond 1980.

(b) Continued assistance and advice to developing countries during the multilateral trade negotiations

12. In order to contribute to the effective participation of developing countries in the multilateral trade negotiations, the Secretary-General of UNCTAD should be encouraged to continue its efforts to provide, in co-operation with the Director-General of GATT, his assistance and advice to all developing countries participating in these negotiations.

3. Trade promotion

(a) Reinforcement of trade promotion activities

13. Effective international assistance for the export promotion efforts of developing countries should include the reinforcement of activities already being undertaken by developed countries, with particular reference to the extension of programmes of technical assistance for trade promotion in both geographical and sectoral fields of application, as well as emphasis on activity to ensure the dissemination of adequate information about the relevant regulations of importing countries.

(b) Support for the International Trade Centre UNCTAD/GATT

14. Developed countries consider that measures to support the export promotion efforts of developing countries, whether taken on a bilateral or multilateral basis, should be seen in the context of a concerted approach to their problems. The developed countries express their continued support for the work of the International Trade Centre UNCTAD/GATT and welcome the increased use made by the developing countries of the facilities available.

4. Diversification, industrial development and co-operation

15. Diversification of production and exports constitutes an integral and dynamic part of the development process. Industrial development, especially in secondary processing related to agriculture and primary products, is of increasing importance in the diversification of the economies of developing countries. Industrial co-operation is therefore an important instrument for economic development with positive implications both for social development and for the international division of labour, especially from the viewpoint of the developing countries. For these reasons, all countries should take all possible measures to bring about effective industrial co-operation, bearing in mind especially the necessity of increasing the industrial activity of those countries where it is most needed.

B. Trade expansion, economic co-operation, and regional integration among developing countries

16. Governments and international organizations should give favourable attention to the scope for economic co-operation among developing countries in fields

such as finance, transport, technological co-operation and trade. Developed countries should continue to give favourable consideration to measures, especially in the field of commercial policy, to facilitate the increase of the export trade of developing countries on a regional and subregional basis.

C. Financial resources for development

1. Increasing and improving the effectiveness of financial flows, including in particular official development assistance

17. The emphasis that the Strategy places on financial resource transfers and, in particular, on the transfer of official resources remains valid. Developed countries are determined to renew their efforts to increase such flows and improve their quality. All other countries in a position to do so should participate in such efforts.

2. The development of triangular forms of co-operation

18. Recent developments might open up new possibilities such as triangular forms of co-operation in which countries in a position to do so contribute to the financing and other countries to the transfer of technology in relation to assistance programmes or projects in receiving countries.

D. Special measures

1. Increasing and improving the effectiveness of assistance

19. In view of the diversity of development situations and needs arising from the wide differences in economic circumstances between various groups of developing countries, special attention should continue to be devoted to measures to increase the effectiveness of assistance to the least-developed countries. Appropriate instruments for development co-operation should be devised to help the least-developed countries to reach their objectives.

20. Such measures should be adapted in each case to the needs of the countries concerned. The particular needs of geographically disadvantaged developing countries should continue to be studied, with a view to identifying areas in which the effectiveness of assistance might be increased, so as to enable those countries to be in a better position to achieve their development objectives.

2. Steps to implement emergency measures to mitigate the difficulties of developing countries most seriously affected by the recent economic crisis

21. The difficulties of the developing countries most seriously affected by the recent economic crisis have been recognized by the international community. The identification of the most seriously affected countries and the introduction of measures to assist them, such as the United Nations Emergency Operation, show concrete recognition of the seriousness of the problems affecting these countries. Developed and developing countries should continue and strengthen measures and programmes intended to assist the most seriously affected countries in coping with their consequent economic and social problems.

E. Science and technology

22. Developed countries should strengthen co-operation with developing countries to encourage:

(a) Increased access to and use of the achievements of modern science and technology through the transfer of technology, taking fully into account the interests of both technology importers and exporters;

(b) The creation of indigenous technology in accordance with procedures and in forms suited to particular economies;

(c) The work programme of UNCTAD in this field.

F. Human development h/

1. Increased support for the efforts of developing countries to improve social conditions, in particular, of the very poor

23. The developed countries should strengthen their support for the developing countries in their efforts to improve social conditions. The need for a drive against mass poverty was recognized in the first over-all review and appraisal of the International Development Strategy, yet there remains the practical problem of finding ways to mobilize resources from developed and developing countries for this purpose. Greater stress should be laid on rural development projects and on labour-intensive forms of industrial development, since both types of development activity can bring immediate benefits to the poorest sections of the population.

2. Progress towards better measurement of social development

24. Developing countries are acutely aware of the need to improve their social and economic conditions and to find better ways of measuring social development. Rates of economic growth cannot give precise information on income distribution or welfare. Present attempts to measure poverty and concepts like "net beneficial product", which seek to provide better information for Governments, should be continued. Meanwhile, greater importance should be attached to simple socio-economic indicators so as to get a better measurement of progress towards the ultimate purpose of development as put forward in paragraph 18 of the Strategy. In this way the international community may be in a better position to make the impact of its common efforts more widely felt.

3. Efforts to overcome hunger and malnutrition

25. The efforts of developed and developing countries to overcome hunger and malnutrition in large parts of the developing world, whilst meeting with some success, have also encountered new and serious problems due to shortages of fertilizer and of other key inputs required for agricultural development. Developing countries should give priority in their development plans to increasing

h/ In so far as this question falls within the competence of UNCTAD.

food production. All donor countries and international institutions should adjust their over-all flow of financial and technical assistance to take account of these vital needs. The purpose of these considerations should be to ensure a per capita increase in the food supply in countries with persistent food shortages. When requested, general support should also be provided for the efforts of developing countries to achieve their demographic objectives.

4. Consideration of relevant environmental issues

26. Developed and developing countries should bear in mind, when considering trade and development matters, implications arising for environmental questions. Regarding the environment, Governments should intensify - nationally and internationally - efforts to arrest the deterioration of the human environment, to take measures towards its improvement and to promote activity that will help to maintain the ecological balance on which human survival depends. Developed countries should take into account in their environment policy the interests of the developing countries, and should in particular examine any repercussions of the measures contemplated under that policy on the economic development of the developing countries and on trade with them, with a view to reducing adverse consequences as far as possible.

G. Mobilization of public opinion i/

27. There should be increased efforts to mobilize public opinion in both developed and developing countries in support of the goals and objectives of the Strategy. Public opinion in the developed countries would be encouraged to increase its support if developing countries could, for their part, give more information about their own development efforts and achievements.

i/ Idem.

ANNEX C

Document containing proposals related to the International Development Strategy for the Second United Nations Development Decade a/ submitted by Bulgaria, Czechoslovakia, the German Democratic Republic, Hungary, Poland, the Ukrainian Soviet Socialist Republic and the Union of Soviet Socialist Republics b/

1. The socialist countries fully understand the problems and difficulties with which the developing countries of Asia, Africa and Latin America are grappling in order to assure their economic advancement. They have always shared the conviction that in present times, difficult social and economic conditions such as those in which hundreds of millions of people are still living and toiling are inadmissible. The socialist countries support the progressive steps taken by the United Nations which contribute to the elimination of this phenomenon.

2. The socialist countries support the idea and the purposes of the Second United Nations Development Decade, as was made clear in their joint statements at the twenty fifth and twenty-eighth sessions of the United Nations General Assembly c/ and at the fifth special session of the Trade and Development Board. d/ International economic relations and economic development trends in the developing countries in recent years bear out the importance and urgency of the principles laid down in those statements. Pursuant to those principles, the socialist countries are making their contribution to the achievement of the goals and targets of the Development Decade.

3. As the experience of recent years shows, development targets, including those of the Second Development Decade, can be attained only if a healthy international situation has been created, if the process of détente is carried further, if general peace and security are strengthened, if all States exert themselves for disarmament, and if all-round co-operation between countries is expanded on the basis of the principles of peaceful co-existence. The socialist countries are making unremitting and consistent efforts in this direction, actively co-operating in the establishment of an equitable international division of labour, in the normalization of international economic and trade relations and in the removal of injustices in international trade, all of which is helping to achieve the targets of the Second Development Decade. It should be the duty of all States, irrespective of the social and economic system to which they belong or the level of development which they have attained, to work for the further strengthening of peace and security, for a solution of urgent international problems in the peoples' interests and for the consolidation of the new international trade and economic relations.

a/ General Assembly resolution 2626 (XXV) of 24 October 1970.

b/ Originally circulated as TD/B/L.392.

c/ For the statement at the twenty-fifth session of the General Assembly, see Official Records of the General Assembly, Twenty-fifth Session, Annexes, agenda item 42, document A/8074. For the statement at the twenty-eighth session, see A/9389.

d/ See Board resolution 94 (S-V), annex C.

4. The positive changes in the political situation create favourable conditions for the large-scale development of constructive relationships in trade and in the economy, in science and technology and in other spheres. This is the more important as the elements of crisis in the capitalist economy have of late been accentuated: production is falling, inflation is proceeding apace, currencies and financial systems are being shaken, protectionism is growing among the developed capitalist countries, the practice of trade and currency restrictions is on the increase and transnational corporations are operating without any control. This has an adverse effect on the process of the developing countries' economic development, on the condition of world trade and on economic co-operation among States.

5. Against the background of the ever-worsening crisis of the capitalist economy, the advantages of the socialist system of management are particularly evident. The socialist system knows no crises and is developing in planned fashion, at a steady and rapid pace, and this in turn helps to speed up economic progress in the developing countries.

6. The socialist countries are making a practical contribution to speeding up the economic growth of the developing countries and to the achievement of the purposes of the Second Development Decade by their consistent and unremitting efforts to expand trade and economic co-operation with the developing countries. This co-operation is intended above all to help the developing countries solve their main problem, which is to achieve genuine economic independence and to strengthen their political independence. The socialist countries base their relations with other countries entirely on the progressive principles of trade and economic links, converting those principles into reality in their day-to-day foreign economic activities.

7. At the present time, the countries members of the Council for Mutual Economic Assistance (CMEA) are assisting 64 countries of Asia, Africa and Latin America. With such assistance about 2,900 economic production units have been or are being built in developing States. In addition to economic, scientific and technical co-operation on a bilateral basis, the socialist countries also support the developing countries through international organizations, and particularly the United Nations system.

8. Specific measures by individual socialist countries to develop their trade and their economic, scientific and technical co-operation with the developing countries are set out in the replies of the socialist countries e/ to the note verbale of the Secretary-General of UNCTAD submitted in preparation for the Board's sixth special session.

9. The socialist countries will continue to expand their trade and economic co-operation with those developing countries of Asia, Africa and Latin America which, for their part, are prepared to accept such co-operation. For this purpose, the socialist countries will employ such forms of co-operation as correspond to their social system and have demonstrated their effectiveness in practice. The implementation of the Comprehensive Programme for the Further Extension and Improvement of Co-operation and the Development of Socialist Economic

e/ See TD/B(S-VI)/Misc. 2, p. 45.

Integration and the successful work on current five-year plans are creating additional opportunities for the further expansion of economic, scientific, technical and other relationships between the members of CMEA and other countries, irrespective of their social system, on the basis of the principles of equality, mutual advantage and respect for sovereignty.

10. At the same time, the development of economic relationships between the socialist and the developing countries is determined not only by the growing economic potential of the socialist countries and their willingness to co-operate; it also depends on the developing countries' own efforts aimed at constructive expansion of their trade with the socialist countries, and the creation of conditions for this purpose which are no less advantageous than those accorded to trading partners among the developed capitalist countries; it depends, further, on the general normalization of all international trade flows.

11. The experience of the socialist countries and of many of the developing countries demonstrates that the efforts made by the developing countries themselves to mobilize their own resources and capabilities on a broad front constitute a decisive factor in the process of strengthening and developing their national economies and speeding up the rate of their economic development. It would certainly be of great importance if the Governments of the developing countries were to introduce radical social and economic changes that helped to eliminate obstacles hampering the development of productive forces and ensured the consolidation of their national sovereignty. Action along those lines would include the strengthening of the State and co-operative sectors of the economy, the strict control of foreign capital and the activities of transnational corporations, measures to prevent the outflow of capital, an expansion of the economic planning base and the improvement of budgetary and tax legislation. The socialist countries support the measures being taken on these matters by a number of developing countries. The adoption of such measures would certainly contribute decisively to a solution of the problem of financing the economic growth of the developing countries.

12. The socialist countries are firmly convinced that international trade is the main outside economic factor promoting the economic progress of all countries, including the developing countries. In the present situation it is most important that everything possible should be done to mobilize efforts to solve current problems of international trade and economic relations and above all, to eliminate discrimination in international trade, to stabilize commodity markets, and to solve commodity trade problems in the light of the interests of producers as well as consumers of raw materials. The socialist countries regard the holding of regular intergovernmental consultations on commodities and the conclusion of international commodity agreements under UNCTAD auspices as the most effective means of stabilizing commodity markets and as the path that UNCTAD should follow in its efforts to achieve the goals of the Second United Nations Development Decade.

13. Part of the funds released through disarmament and a reduction in military budgets could constitute an important additional source of financing for the economic development of States and particularly of the developing countries. Implementation of the proposal made by the USSR, f/ approved by the

f/ See Official Records of the General Assembly, Twenty-eighth Session, Annexes, agenda item 102, document A/9191.

United Nations General Assembly at its twenty-eighth session, g/ that all States permanent members of the Security Council should reduce their military budgets by 10 per cent and that part of the funds thus released should be used to assist the developing countries, would be of great importance.

14. The changes that have taken place in the world not only open up new possibilities but also make it incumbent on UNCTAD, as the most universal body in the United Nations system, constantly to increase its effectiveness and its impact on the process of normalization of international economic relations in all fields.

15. The most important function of UNCTAD in the achievement of the goals of the Second Development Decade should be to contribute to the realization of the "Principles governing international trade relations and trade policies conducive to development", h/ the resolutions of the sixth special session of the United Nations General Assembly i/ aimed at eliminating injustice in international economic relations, and the progressive provisions of the Charter of Economic Rights and Duties of States. j/

16. The socialist and developing countries, by their efforts and on the basis of close and broad co-operation, succeeded in having included in the Charter of Economic Rights and Duties of States a number of important economic provisions and principles, and specifically those relating to peaceful coexistence and the right of every State freely to choose its political, social and economic systems, to exercise full sovereignty over its wealth, natural resources and economic activities, to nationalize foreign property, and to exercise authority over foreign capital and the activities of transnational corporations. The Charter proclaims that international trade should be conducted on the basis of mutual advantage, non-discrimination and the exchange of most-favoured-nation treatment.

17. The socialist countries consider that the fourth session of the United Nations Conference on Trade and Development should play an important part in strengthening the role of UNCTAD in the solution of current problems of international trade and economic relations and the normalization of all trade flows. They resolutely oppose any tactics designed to disassociate UNCTAD from the solution of extremely important problems of international trade and economic relations, and consider that the fourth session of the Conference should constitute a milestone in international trade and economic relations. The agenda for this session should provide for the consideration of urgent problems of vital interest to various groups of countries, including the developing countries; an appropriate place should be accorded to the question of the progress made in the implementation of the progressive recommendations and resolutions of UNCTAD.

g/ General Assembly resolution 3093 (XXVIII) of 7 December 1973.

h/ Annex A.I.1 of the Final Act of the first session of the United Nations Conferences on Trade and Development.

i/ General Assembly resolutions 3201 (S-VI) and 3202 (S-VI) of 1 May 1974.

j/ Adopted by the General Assembly in resolution 3281 (XXIX) of 12 December 1974.

18. The socialist countries will continue to do their utmost to support the developing countries in their efforts to establish an independent economy and to expand their economic co-operation with other countries. They are convinced that the further development of economic co-operation between the socialist, developing and other countries will not fail to contribute to the realization of the goals of the Second United Nations Development Decade, which can and must be a decade of substantial economic and social progress in the world.

OTHER DECISIONS TAKEN BY THE BOARD
at its sixth special session

Treatment of Grenada for purposes of elections 20/

At its 413th meeting on 10 March 1975, the Trade and Development Board decided that, pending action by the Conference at its fourth session in pursuance of paragraph 6 of General Assembly resolution 1995 (XIX), Grenada should, for purposes of elections, be treated as it it were in the group of countries listed in part C of the annex to that resolution, as amended by General Assembly resolution 2904 B (XXVII).

Revised calendar of UNCTAD meetings for the remainder of 1975 21/

At its 424th plenary meeting on 21 March 1975 the Trade and Development Board approved the following revised calendar of UNCTAD meetings for the remainder of 1975:

	<u>Date</u>	<u>Duration</u>	<u>Location</u>
Working Party of the fourteenth session of the Trade and Development Board <u>22/</u>	21-25 April	1 week	Geneva
Trade and Development Board, fourteenth session, second part <u>23/</u>	29 April	1 day	Geneva
United Nations Tin Conference, 1975	20 May-20 June	5 weeks	Geneva
Committee on Manufactures, seventh session	23 June-4 July	2 weeks	Geneva
Advisory Committee to the Board and to the Committee on Commodities, tenth session	July	1-2 weeks	Geneva
Intergovernmental Group on the Least Developed among the Developing countries	7-18 July	2 weeks	Geneva
Committee on Commodities, eighth session, second part	21-25 July	1 week	Geneva

20/ See Official Records of the General Assembly, Thirtieth Session, Supplement No. 15 (A/10015/Rev.1), part one, para. 95.

21/ Ibid., para. 117.

22/ To review the programme budget for the biennium 1976-1977 and the medium-term plan for 1976-1979.

23/ To consider the report of the Working Party of the fourteenth session of the Board.

	<u>Date</u>	<u>Duration</u>	<u>Location</u>
Committee on Tungsten, ninth session . .	28 July-1 August	1 week	Geneva
Trade and Development Board, fifteenth session, first part	5-15 August	2 weeks	Geneva
Trade and Development Board, fifteenth session, second part	September/ October if required	3 days	Geneva
United Nations Cocoa Conference, 1975 .	15 September- 17 October	5 weeks	Geneva
Committee on Invisibles and Financing related to Trade, seventh session	27 October- 7 November	2 weeks	Geneva
Committee on Shipping, seventh session	10-21 November	2 weeks	Geneva
Committee on Transfer of Technology, first session.	24 November- 5 December	2 weeks	Geneva
Committee on Commodities, eighth session, third part	8-19 December	2 weeks	Geneva
Permanent Sub-Committee on Commodities .	If required	1 week	Geneva
Commodity consultations	As required	Up to 5 weeks	Geneva
Working parties, study groups and expert groups	As required	Up to 13 weeks	Geneva

NOTES

The third session of the Intergovernmental Preparatory Group on a Convention on International Intermodal Transport, which was scheduled for 25 August-12 September 1975, has been postponed and is tentatively scheduled for 16 February-5 March 1976.

The seventh session of the Special Committee on Preferences, which was scheduled for 20-31 October 1975, has been postponed and is tentatively scheduled for 5-16 January 1976.

The over-all calendar of meetings for 1976 will be reviewed by the Trade and Development Board at its fifteenth session.

Dates of the seventh special session of the Board and the
fourth session of the Conference 24/

At its 425th meeting on 21 March 1975, the Board decided that the seventh special session of the Trade and Development Board should be held from 8 to 19 March 1976 and that the fourth session of the United Nations Conference on Trade and Development should be held from 3 to 28 May 1976, including the pre-Conference meeting from 3 to 4 May 1976.

24/ See Official Records of the General Assembly, Thirtieth Session, Supplement No. 15 (A/10015/Rev.1), part one, para. 106.

ANNEX II

FINANCIAL IMPLICATIONS OF THE ACTIONS OF THE BOARD

Summary statement submitted by the Secretary-General of UNCTAD

/TD/B/L.395/Rev.1/

1. At its 424th and 425th meetings on 21 March 1975, the Trade and Development Board took decisions involving financial implications as follows:

(a) To postpone the third session of the Intergovernmental Preparatory Group on a Convention on International Intermodal Transport from 1975 to 1976; to postpone the seventh session of the Special Committee on Preferences from 1975 to 1976; to delete from the calendar of meetings for 1975 the tenth session of the Working Group on Tungsten and to reduce the provision in 1975 for commodity consultations from 10 weeks to five;

(b) To convene a conference from 15 September to 17 October 1975 to renegotiate the International Cocoa Agreement, for which financial implications in the amount of \$275,000 were given to the Board in TD/B/L.383/Add.1; a/

(c) To reconvene the Committee on Commodities in a resumed eighth session to be held in two parts, the first from 21 to 25 July 1975, with reduced conference services and without summary records, and the second from 8 to 19 December 1975, with financial implications of \$58,000 and \$215,000 respectively, as spelt out in annex II of TD/B/L.382, a/ which were considered by the Board;

(d) To convene, as soon as possible, a group of experts from developing countries, serving in their individual capacity, to assist the Secretary-General of UNCTAD in the formulation of specific proposals and recommendations to foster co-operation among developing countries. The financial implications, amounting to \$52,000, were given to the Board in TD/B/L.387/Add.1. a/

2. Supplementary estimates will be submitted for the biennium 1974-1975 to the extent that the cost of new meetings called for under (b), (c) and (d) of paragraph 1 above exceed the savings arising from the actions cited under (a) of that paragraph. Revised estimates will be submitted for the biennium 1976-1977 to cover the postponement to 1976 of the meetings mentioned under (a) of paragraph 1. The Board will be informed of the amounts involved in both biennia at its fifteenth session.

3. At its 425th meeting on 21 March 1975, the Board took note of the recommendations of the Ad Hoc Group of Governmental Experts on the Debt Problems of Developing Countries and further noted that the financial implications contained in TD/B/L.384 a/ would be considered at the fifteenth session of the Board.

a/ The detailed statements of financial implications are reproduced in the appendix below.

Appendix

Detailed statements submitted to the Board at its
sixth special session

REVIEW OF THE CALENDAR OF UNCTAD MEETINGS FOR 1975

(a) Convening of a conference to renegotiate the International Cocoa Agreement

Statement of financial implications

/TD/B/L.383/Add.1/

1. The Cocoa Council has requested the Secretary-General of the United Nations to convene a conference in 1975 to renegotiate the International Cocoa Agreement, which is due to expire on 30 September 1976.
2. A second commodity conference is included in the approved 1975 calendar of UNCTAD meetings. As experience had shown that two commodity conferences are rarely held in any one year, the cost of only one commodity conference has been included in the programme budget for 1975 as explained in paragraph 14.162 of UNCTAD's programme budget. b/ However, the Cocoa Conference will be in addition to the Tin Conference already scheduled for 1975.
3. Based on usual requirements for commodity conferences, i.e., two teams and a caucus team of interpreters, 10 pages of in-session documents a day, three conference rooms, 125 pages of pre-session documentation, a 100-page final report to be printed, no summary records, the total cost is estimated to be \$275,000.
4. This additional requirement will be taken into account in supplementary estimates for the biennium 1974-75 to be submitted to the General Assembly at its thirtieth session.

(b) Reconvening of the eighth session of the Committee on Commodities in two parts

Statement of financial implications

/originally circulated as document TD/B/C.1/L.52/Add.1 and
reproduced as annex II to document TD/B/L.382/

1. Paragraph 8 of resolution 15 (VIII) of the Committee on Commodities concerning an integrated programme for commodities recommends to the Trade and Development Board that it convene a resumed eighth session of the Committee on Commodities in two parts, one to be held prior to the fifteenth session of the Board and the other before the end of 1975, in order to consider additional work, have comprehensive discussions and formulate suggestions concerning an integrated programme for commodities. This recommendation has financial implications, since no resumed session of the Committee on Commodities is provided for in the calendar of meetings for 1975.

b/ See Official Records of the General Assembly, Twenty-eighth Session, Supplement No.6 (A/9006).

2. It is assumed that at the first part of the resumed session the Committee could work with reduced conference services, i.e., one team and a caucus team of interpreters, 6-9 pages of in-session documentation a day, and four conference rooms. It is expected that about 60 pages of pre-session documentation would be required and a final report of 20 pages. The services enumerated above, for the duration of one week, and inclusive of summary records, are estimated to cost \$90,000 or, if there are no summary records, \$58,000. However, should a two-week meeting be required, the cost would be respectively \$151,000 and \$80,000.
3. For the second part of the resumed session it is assumed that full services will be required, i.e., two teams and a caucus team of interpreters, up to 15 pages a day of in-session documentation, four conference rooms and summary records for two meetings a day. It is estimated that 150 pages of pre-session documentation would be required, plus a final report of 50 pages, which would be printed. The total cost of the second part of the resumed session is estimated on these assumptions to be \$215,000.
4. The additional work falling upon the secretariat and the consultations called for under paragraphs 4, 5 and 6 of the resolution would require travel, which has not been budgeted for, at an estimated cost of \$25,000.
5. The Committee's attention is drawn to section I of General Assembly resolution 3351 (XXIX) of 18 December 1974, paragraph 3 of which stipulates that "no conferences or meetings other than those covered by the calendar of conferences for 1975 shall be convened, except under special or unusual circumstances". It is assumed that the Trade and Development Board, when acting upon this recommendation of the Committee, will consider whether such circumstances exist, as would appear to be the case.
6. In view of the tight schedule of meetings for 1975, it appears that it would not be possible to accommodate two additional meetings on commodities without rescheduling other meetings. It would therefore be necessary for the Trade and Development Board to revise the calendar of meetings, in order to accommodate two additional meetings on commodities in 1975 without incurring additional costs not budgeted for.

CO-OPERATION AMONG DEVELOPING COUNTRIES

Statement of financial implications

/TD/B/L.387/Add.1/

1. The draft resolution contained in document TD/B/L.387 requests the Secretary-General of UNCTAD in pursuance of decision 121 (XIV) relating to trade expansion, economic co-operation and regional integration among developing countries to convene, as soon as possible, a group of experts from developing countries, serving in their individual capacity, to assist him in the formulation of specific proposals and recommendations to foster co-operation among developing countries.
2. On the assumption that a group of 12 experts would meet for 10 calendar days with interpretation in three languages, have 80 pages of pre-session documentation and a final report of 20 pages, the cost of conference services is estimated to be \$28,000. The experts serving in their individual capacity would, under the terms of General Assembly resolution 1798 (XVII) of 11 December 1962, as amended, be entitled to reimbursement for travel and subsistence estimated to cost \$24,000. The total estimated cost would therefore be \$52,000.

REPORT OF THE AD HOC GROUP OF GOVERNMENTAL EXPERTS ON THE DEBT PROBLEMS OF DEVELOPING COUNTRIES (TD/B/545)

Statement of financial implications

/TD/B/L.384/

1. In chapter III, section B, of its report to the Trade and Development Board, the Ad Hoc Group of Governmental Experts on the Debt Problems of Developing Countries felt that any actual debt negotiations could be preceded by an examination, at the international level, of the debtor countries' situation in a wider development context, drawing on the experience of creditor and debtor countries in past debt renegotiations. To facilitate such examination, it is proposed that a debtor country, acting through and with the assistance of UNCTAD or any other appropriate international institution, could convene an ad hoc meeting, inviting the major creditor countries concerned and a number of developing countries. Secretariats of appropriate international institutions would also participate as observers.

2. The cost of conference services for each debtor country to avail itself of the foregoing procedure is estimated to be \$30,000, on the basis of the following assumptions:

Location:	Geneva
Duration:	a preliminary meeting for five days followed at a later date by a final meeting of five days
Membership:	Government representatives from creditor, debtor and other developing countries and their advisers, and representatives of institutions concerned, totalling some 40 participants
Interpretation:	three languages
Documentation:	(a) UNCTAD pre-session documentation of 100 pages and a final report of 25 pages in three languages; (b) documents submitted by participating institutions in original language only; (c) as all documents are confidential, they would be reproduced only as conference room papers without wider distribution.

3. The experts of the Ad Hoc Group "personally hoped that these costs could be met, as a technical assistance to the debtor country convening the meeting, by the international institution providing logistic support ... However, the group noted that it was not competent to make suggestions in this regard." It is not possible to determine either how many meetings would be convoked or how many would be convened through and with the assistance of UNCTAD.

4. To enable the UNCTAD secretariat to prepare itself substantively for such ad hoc meetings, including participation in debt renegotiations in the customary fora, it is considered essential that a credit be available which would enable contracts to be drawn in any one year for 36 professional and 24 general service man-months at an estimated cost of \$140,000, including travel. Staff so engaged would be stationed at the New York Office of UNCTAD and would need to travel to the countries convoking the meetings and to Geneva for the meetings themselves.

5. Were the special session of the Board to endorse the proposal of the Ad Hoc Group, it would be the intention of the Secretary-General of UNCTAD to refer to the Secretary-General of the United Nations and to the Administrator of UNDP, in order to determine the most appropriate means of meeting the potential financial requirements.

Part Two

REPORT OF THE TRADE AND DEVELOPMENT BOARD ON THE SECOND PART
OF ITS FOURTEENTH SESSION

Held at the Palais des Nations, Geneva,
on 29 April 1975

INTRODUCTION

1. At the first part of its fourteenth session the Trade and Development Board established a Working Party to meet from 21 to 25 April 1975 to review the UNCTAD programme budget for the biennium 1976-1977 and the medium-term plan for 1976-1979, and to report to the Board at the second part of its fourteenth session. 1/ In accordance with Board decision 126 (XIV) concerning the calendar of UNCTAD meetings for 1975, the second part of the fourteenth session was held at the Palais des Nations, Geneva, on 29 April 1975. 2/

2. At its 426th (opening) meeting on 29 April 1975, the Board observed a minute of silence in tribute to the memory of Mr. Jean-Pierre Martin, Director of the UNCTAD Division for Conference Affairs and External Relations, and of Mr. Juan-José Fernández López, an official of that Division, who had died in an automobile accident on 23 March 1975.

A. Opening of the second part of the fourteenth session

3. In the absence of Mr. A. Lukanov (Bulgaria), President of the Board, the second part of the fourteenth session was opened and presided over by Mr. M. Huslid (Norway), Vice-President.

B. Replacement of the Rapporteur

4. At its 426th meeting on 29 April 1975, the Board, having been informed that the Rapporteur, Mr. L. Herman (Canada), was unable to attend the session, designated Mr. R. Tetu (Canada) to replace him as Rapporteur.

C. Membership and attendance 3/

5. The following States members of the Board were represented at the second part of the fourteenth session: Argentina, Australia, Austria, Belgium, Brazil, Bulgaria, Canada, Chile, China, Colombia, Czechoslovakia, Denmark, Ecuador,

1/ For the decision taken by the Board and for the membership of the Working Party, see TD/B/528, paras. 577 and 578.

2/ For a full account of the proceedings during the second part of the fourteenth session, see the summary records of the 426th and 427th meetings (TD/B/SR.426 and 427).

3/ For the list of participants, see TD/B/INF.56.

Ethiopia, Finland, France, Gabon, Germany, (Federal Republic of), Greece, Guatemala, Hungary, India, Indonesia, Iran, Iraq, Ireland, Italy, Japan, Libyan Arab Republic, Netherlands, New Zealand, Nigeria, Norway, Pakistan, Peru, Poland, Romania, Spain, Sri Lanka, Sudan, Sweden, Switzerland, Thailand, Turkey, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, United States of America, Upper Volta, Venezuela, Yugoslavia, and Zaire.

6. The following other States members of UNCTAD not members of the Board also sent representatives: Bangladesh, Cuba, Egypt, German Democratic Republic, Kuwait, Panama and Republic of Korea.

7. The following specialized agency was represented at the session: World Intellectual Property Organization.

8. The following intergovernmental organization was represented at the session: European Economic Community.

9. The following non-governmental organization in the General Category was represented at the session: World Confederation of Labour.

D. UNCTAD programme budget for the biennium 1976-1977
and the medium-term plan for 1976-1979: report of
the Working Party

10. At the 427th meeting of the Board on 29 April 1975, the Chairman of the Working Party on the UNCTAD programme budget for the biennium 1976-1977 and the medium-term plan for 1976-1979 submitted the report on its work, the text of which is reproduced in annex I of the present report.

Action by the Board

11. At the same meeting, the Board took note of the UNCTAD programme budget for the biennium 1976-1977 and the medium-term plan for 1976-1979 and of the report of its Working Party. It requested the Secretary-General of UNCTAD to transmit that report to the appropriate United Nations bodies for their consideration.

E. United Nations export promotion efforts
(Agenda item 13)

12. At the 426th meeting of the Board on 29 April 1975, the representative of the Secretary-General of UNCTAD introducing the report of the Secretary-General of the United Nations entitled "United Nations export promotion and development efforts" (E/5619), ^{4/} explained that the report had been prepared on the basis of contributions received from various organizations within the United Nations system. Unfortunately, the contribution on UNCTAD's activities in this field had been submitted too late for inclusion in the main report, but it would be issued subsequently as an addendum. He further pointed out that the study by the Joint Advisory Group on the International Trade Centre UNCTAD/GATT, requested by the

^{4/} Circulated under cover of a note by the UNCTAD secretariat (TD/B/542).

Economic and Social Council in its resolution 1819 (LV) of 9 August 1973, would be submitted to the Board at its fifteenth session and not, as indicated in paragraph 4 of the report, at the fourteenth session.

13. The representative of a developing country expressed regret that it would be impossible for the study by the Joint Advisory Group to be submitted to the Economic and Social Council at its fifty-ninth session, and that, after consideration by the Board at its fifteenth session, it would be taken up by the Economic and Social Council only at its sixty-first session in 1976, i.e., two years later than originally envisaged.

14. The spokesman for Group B said that, in view of the fact that the main document had only just been received and the section relating to UNCTAD was not yet available, his Group was not in a position to comment on the report.

15. The President stated that the observations made would be forwarded to the Economic and Social Council at its fifty-ninth session for its consideration of the report of the Secretary-General of the United Nations.

F. International trade and financing: consideration of action arising from the activities of the main Committees, other subsidiary bodies of the Board, intergovernmental and other groups - Shipping

(Agenda item 8 (c))

Action by the Board

16. At its 426th meeting on 29 April 1975, the Board took note of the report of the Committee on Shipping on its sixth session (TD/B/521).

G. Election to membership of main Committees under Conference resolution 80 (III), paragraph 9

(Agenda item 12 (d))

Action by the Board

17. At its 426th meeting on 29 April 1975, the Board elected as members of the Committee on Transfer of Technology the States members of UNCTAD listed in document TD/B/L.401 and, in addition, the following States members of UNCTAD which had also indicated that they wished to participate in the Committee on Transfer of Technology: Algeria, Czechoslovakia, France, Ghana, Greece, Iraq, New Zealand, Poland, Thailand, Turkey, United Republic of Cameroon.

18. At the same meeting, the Board also declared Panama elected to the Committee on Commodities, bringing the total membership to 88 States; to the Committee on Manufactures, bringing the total membership to 79 States; and to the Committee on

Invisibles and Financing Related to Trade, bringing the total membership to 85 States. 5/

H. Appointment of the members of the Advisory Committee to the Board and to the Committee on Commodities

(Agenda item 12 (f))

19. For the consideration of this item, the Board had before it a note by the Secretary-General of UNCTAD (TD/B/L.345) on the question of the membership of the Advisory Committee to the Board and to the Committee on Commodities.

20. The spokesman for Group B stated that the Secretary-General's recommendations in paragraph 5 of TD/B/L.345 were acceptable to the members of his Group. Group B felt, however, that if any proposals by the Secretary-General for changing the terms of reference of the Advisory Committee were to be given adequate consideration at the fifteenth session they would have to be circulated well in advance of that session.

21. The representative of the Secretary-General of UNCTAD said that the Secretary-General intended to circulate, well in advance of the Board's fifteenth session, a paper containing proposals regarding the terms of reference of the Advisory Committee, together with his suggestions concerning arrangements within UNCTAD to enable it to fulfil its role in relation to the interdependence of problems of trade, development finance and the international monetary system (see part one, chap. I, para. 85). He observed that the Secretary-General's recommendations in TD/B/L.345 implied that the Advisory Committee would not now meet before the fifteenth session of the Board.

Action by the Board

22. At its 426th meeting on 29 April 1975, the Board decided to consider, at its fifteenth session, the question of the adequacy of the terms of reference of the Advisory Committee to the Board and to the Committee on Commodities, in the context of its further consideration of the question of the interdependence of problems of trade, development finance and the international monetary system. The Board also decided that, in the meantime, the appointment of members of the Advisory Committee should be held in abeyance.

I. Specialized agencies of the United Nations: World Intellectual Property Organization

(Agenda item 13)

23. At its 426th meeting on 29 April 1975, the Board noted that WIPO, formerly an intergovernmental organization participating in the work of UNCTAD under rule 78 of the rules of procedure of the Board, had become a specialized agency of the United Nations consequent on the agreement between the United Nations and WIPO, approved by the General Assembly in its resolution 3346 (XXIX) of 17 December 1974.

5/ For the complete list of States members of the main Committees, see annex II below.

24. The spokesman for Group B, drawing the Board's attention to WIPO's long experience in the field of patents and to its current work on the revision of the Paris Convention for the Protection of Industrial Property, 6/ welcomed the entry of WIPO into the category of specialized agencies of the United Nations. The spokesmen for the Group of Seventy-seven and for Group D associated themselves with the statement made by the spokesman for Group B.

J. Classification of non-governmental organizations in the Special Category as having a special interest in the work of the Committee on Transfer of Technology and reclassification of non-governmental organizations from the Special to the General Category

(Agenda item 13)

Action by the Board

25. At its 427th meeting on 29 April 1975, the Board, on the recommendation of the Bureau, classified two non-governmental organizations already in the Special Category (Latin American Association of Development Finance Institutions and Council of European and Japanese National Shipowners' Associations) as having a special interest in the work of the Committee on Transfer of Technology.

26. At the same meeting, the Board, on the recommendation of the Bureau, reclassified the Latin American Iron and Steel Institute and the International Organization for Standardization from the Special to the General Category.

27. The Board also noted that the secretariat, as authorized by the decision taken by the Board at the first part of its eighth session, 7/ intended to bring to the attention of the Board, at its sixteenth session, information relevant to the effectiveness of the arrangements under Board decision 43 (VII) for the participation of non-governmental organizations in the activities of UNCTAD.

K. Participation in the work of UNCTAD of the United Nations Council for Namibia

(Agenda item 14)

28. At its 427th meeting on 29 April 1975, the Board was informed that Mr. Lukanov, President of the Board, had received a letter from the President of the United Nations Council for Namibia indicating the Council's desire to participate

6/ Union Convention of Paris for the Protection of Industrial Property, 20 March 1883, revised at Brussels, 14 December 1900, at Washington, D.C., 2 June 1911, at The Hague, 6 November 1925, and at London, 2 June 1934 (League of Nations, Treaty Series, vol. CXII, No. 4459, pp. 17-47).

7/ Official Records of the General Assembly, Twenty-fourth Session, Supplement No. 16 (A/7616), part one, paras. 193 and 194.

in the meetings of the Board and the Conference in accordance with section VI, paragraph 1, of General Assembly resolution 3295 (XXIX) of 13 December 1974. The spokesman for the African Group said that it was the fervent wish of his Group that Namibia should participate in the work of UNCTAD and it therefore fully supported the request made by the President of the Council. The spokesmen for the Asian Group, the Latin American Group and Group D, and the representative of China, associated themselves with the statement made by the spokesman for the African Group. The spokesman for Group B suggested that the matter of the participation of the Council for Namibia should be placed on the agenda of the fifteenth session as a priority item. The spokesman for the Group of Seventy-seven stated that his Group was prepared to accept that suggestion, which would enable Namibia to participate in the work of the fifteenth session of the Board and of subsequent UNCTAD meetings.

Action by the Board

29. At the same meeting, the Board decided to include the matter of the participation of the Council for Namibia as a priority item in the provisional agenda of the fifteenth session, and requested the Secretary-General of UNCTAD to forward to the Council for Namibia all the documentation pertaining to that session.

L. Adoption of the report of the Board on the second part of its fourteenth session

(Agenda item 14)

30. At its 427th meeting on 29 April 1975, the Board authorized its Rapporteur to prepare and finalize the report on the second part of its fourteenth session.

M. Closure of the session

31. At the same meeting, the President declared the second part of the fourteenth session closed.

ANNEX I

REPORT OF THE WORKING PARTY OF THE FOURTEENTH SESSION OF THE BOARD

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Introduction

1. The Working Party of the fourteenth session of the Trade and Development Board was established by the Board at its 404th meeting, on 5 September 1974, for the purpose of reviewing the UNCTAD programme budget for the biennium 1976-1977 and the medium-term plan for 1976-1979 and reporting thereon to the Board at the second part of its fourteenth session. In accordance with that decision, and with the calendar of meetings adopted by the Board in decision 126 (XIV), the Working Party met from 21 to 25 April 1975. a/

2. The Working Party held eight meetings. At its first meeting it elected Mr. T. Awuy (Indonesia) as its Chairman and Mr. H. Wegener (Federal Republic of Germany) as its Vice-Chairman-cum-Rapporteur.

3. The documentation before the Working Party consisted of:

(a) Work programme of UNCTAD for 1973 to 1977 (TD/B/540 and Add.1 and Add.1/Corr.1 and Corr.2);

(b) Section 11 of the proposed programme budget of the United Nations for the biennium 1976-1977 (United Nations Conference on Trade and Development), b/ circulated under cover of TD/B/L.399;

(c) A preliminary version of the United Nations medium-term plan for the period 1976-1979, c/ circulated under cover of TD/B/L.400;

(d) A note by the Secretary-General of UNCTAD on the reorientation and adaptation of the UNCTAD work programme in the light of the Programme of Action on the Establishment of a New International Economic Order adopted by the General Assembly at its sixth special session (TD/B/530/Add.3). This document was before the Board at its sixth special session, when the Board, taking note of the information provided therein, requested the Working Party to consider the question further and to make recommendations thereon to the Board at the second part of its fourteenth session; d/

(e) The annual report of the International Trade Centre UNCTAD/GATT (ITC/AG(VIII)/39, which was submitted to the Joint Advisory Group at its eighth session, and the report of the Joint Advisory Group on its eighth session (ITC/AG(VIII)/44), which would also be before the Board at its fifteenth session.

a/ For the list of States and of intergovernmental and other bodies represented at the Working Party, see the appendix to the present report.

b/ For the printed text, see Official Records of the General Assembly, Thirtieth Session, Supplement No. 6 (A/10006), vol. IV.

c/ Ibid., Supplement No. 6 A (A/10006/Add.1).

d/ Part 1, chap I, para. 76 above.

4. The Working Party decided to undertake first a general review of the programme budget and medium-term plan, to be followed by a consideration of the individual programmes.

A. General review

5. In opening the discussion, the Deputy Secretary-General of UNCTAD said it was expected that the programming and planning exercise would assist in improving management and planning throughout the United Nations Secretariat and facilitate the task of both the programming and budgetary organs of the United Nations. It was premature to say whether the exercise had proved useful, but the Working Party might wish to give its views on possible improvements in present procedures in this respect.

6. Work in the Secretariat on the preparation of the programme budget and medium-term plan had begun almost one year ago. He stated that the Secretary-General of the United Nations might revise his proposals for the programme budget in June 1975 in the light of views expressed by the programming bodies, and it would then go to the budgetary organs.

7. The task of preparing a medium-term plan and a programme budget had once more proved to be a formidable one, and had resulted in delays, for which he apologized. It had proved difficult to carry out simultaneously what were in fact two separate exercises, and the process did not enable the programming bodies to play their full role. It was for that reason that the Secretary-General of the United Nations, in paragraphs 58 to 62 of the preliminary version of the medium-term plan, had suggested a staggering of the time-table whereby the discussion and adoption of the medium-term plan would take place one year before the adoption of the programme budget, thus enabling the bodies responsible for deciding on the plan to discharge fully one of their functions, namely, that of directing the preparatory work of the programme budget, particularly in the setting of priorities. e/

8. If the question of priorities was thus one to be determined by Governments, in the programming bodies of the United Nations, experience had shown that this was not an easy exercise and that it immediately raised the question of the criteria on which priorities should be based.

9. The medium-term plan was available only in a preliminary version, in which the detailed tabulations did not appear. He drew attention to part I of the medium-term plan, stating that the discussion therein of concepts and problems of planning and programming represented a substantial improvement on earlier discussions. One of the achievements of the plan was to bring out clearly the difficulties encountered in medium-term planning of activities which were heavily influenced by economic and political developments. Thus, a large part of the activities of UNCTAD could only be planned meaningfully in detail for relatively short periods, such as the interval between two sessions of a major Committee.

10. That did not mean it was impossible for UNCTAD to participate in the medium-term planning exercise; in fact, individual programmes of UNCTAD had been prepared

e/ TD/B/530/Add.3, annex.

according to the analytical format established centrally, and the Secretary-General of UNCTAD had prepared an introductory statement on the future orientation of work in the area of trade and development. e/

11. As regards the main directions of the UNCTAD work programme in the coming two or three years, he drew attention to the note by the Secretary-General of UNCTAD on the reorientation and adaptation of the work programme in the light of the Programme of Action on the Establishment of a New International Economic Order (TD/B/530/Add.3) and to his opening statement at the sixth special session of the Board. f/

12. Placing the UNCTAD programme budget in the general context of the United Nations, he stressed that full recognition was given to the role that UNCTAD had to play in the restructuring of international economic relations. In his report on priorities in the economic, social and human rights fields, submitted to the Economic and Social Council at its fifty-seventh session, the Secretary-General of the United Nations had listed trade and development as one of the four priority areas in terms of an increment of resources. From the information available so far it appeared that UNCTAD had in fact been given a relatively high priority in the sense that the real growth of its regular budget was somewhat higher than for that of the United Nations as a whole.

13. Many representatives, while expressing appreciation for the documentation prepared by the secretariat, regretted that it had been submitted so late. In consequence, Governments had not had sufficient time to study the documents and delegations were handicapped in commenting on the detailed proposals in TD/B/540/Add.1. The delegation of one developed market-economy country reserved the right to submit further written comments after the session.

14. The representative of one developed market-economy country, commenting on the programme budget, recognized that on the whole the documentation prepared by the UNCTAD secretariat reflected well the decisions of the Board and its subsidiary bodies. However, he wondered whether it would not have been better, in present circumstances, to propose alternatives in order to avoid any budget increase in real terms. One alternative could, for example, be based on redeployment of resources within the UNCTAD secretariat with a view to strengthening priority areas while at the same time cutting down in other areas. He also questioned the method applied for projecting inflation two years in advance. He was supported in substance by the representatives of some other developed market-economy countries, who stressed that indeed more could have been achieved by a reallocation of resources.

15. The representatives of other developed market-economy countries stated that they were not necessarily opposed to an increase in real terms - or an increase for UNCTAD exceeding that for the United Nations programme budget as a whole - but that it was acceptable only within certain limits and under certain conditions. Some of them were not convinced that these conditions had been fulfilled and that the Board had been provided with all the relevant information on which a judgement could be made. The representative of one developed market-economy country added that it was difficult to see why the increase for UNCTAD should be so much higher than for certain other bodies in the United Nations system, including bodies in the economic and social field.

f/ TD/B(S-VI)/Misc.4.

16. The representative of another developed market-economy country said that the new form of presentation raised questions of principle since, if accepted, it could imply greater power for the Secretariat in the determination of programmes and of the size of the various budgets and less for Governments. But these questions should be left to the budgetary organs of the United Nations, notably the Fifth Committee of the General Assembly, when they came to consider the programme budget and medium-term plan at the thirtieth session of the General Assembly in 1975.

17. The representatives of some developed market-economy countries, while agreeing that both the programme budget and the medium-term plan should reflect the new or expanded tasks falling upon the secretariat as a result of recent developments, said it was important that all programmes and projects should be based on specific authorizations of the legislative bodies of UNCTAD. Some of them added that the secretariat should pay due attention to reflecting a broad degree of consensus in deciding on the priority areas among the various projects. The representative of one developed market-economy country added that they should not reflect simply the decisions of other bodies or presumptions of need based on general economic conditions without reviews by the intergovernmental bodies of UNCTAD. Clearly, the secretariat could take new initiatives, but these must first be examined at the intergovernmental level before they found expression in the programme budget.

18. The representatives of developed market-economy countries except one expressed the view that greater efforts could be made to offset increases in expenditure on some programmes by reductions in, or the elimination of, others in the context of a general reallocation of resources and efforts to improve efficiency. One of those representatives said that the documentation showed no evidence of increases being offset by savings. Another added that all programmes seemed to continue at the same level and none ever seemed to come to an end. He referred to Economic and Social Council resolution 1910 (LVII) of 2 August 1974, on priorities in the economic, social and human rights fields, paragraph 3 of which called for a careful review by the Secretary-General of the United Nations of activities in these fields with a view to an appropriate redeployment of resources so as to make available a relatively greater share for activities of higher priority, as recognized in paragraph 5 of the resolution.

19. The representatives of some developed market-economy countries stated that, without prejudice to the substantive programmes, more might be done to effect economies elsewhere, for example, by decisions at the intergovernmental level to abolish summary records and by the secretariat in the production of concise documentation.

20. The representatives of several developed market-economy countries drew attention to the need to ensure greater co-ordination with the work of other bodies, in order to avoid duplication of activities and economize on resources. One of them inquired how such co-ordination was ensured. Another said it was not clear how a division of labour on certain subjects was made between UNCTAD and the secretariats of other bodies in the United Nations system, citing as an example work on transnational corporations. Indeed, even within UNCTAD work on this subject, and on some others, such as environment, was split up among different divisions, and it was difficult to get an over-all view of how UNCTAD fitted into the broader United Nations effort. He requested that this information be specifically provided in all pertinent cases.

21. The representative of one developed market-economy country, supported by the representatives of some others, questioned the justification for the proposed upgrading of some posts, particularly at the higher echelons, saying that this tended to create an unbalanced structure of the secretariat and was potentially damaging to a career system. One of those representatives added that, while the proposals might be justified, the Board would need to be given convincing reasons, and he inquired about the principles behind the proposals. Further, he noted that throughout the secretariat it was proposed to consolidate peak-load posts into regular posts, but without any explanation being given in each case.

22. The representatives of several developed market-economy countries considered that the programme budget provided insufficient information on the use of consultants and the justification for recourse to them. One said that consultants seemed to be employed as substitutes for regular staff, and he requested a tabulation of the consultants employed, the programmes they were associated with and their tenure.

23. The same representative said that only a very fine distinction, if any at all, was made between what was called substantive support for technical co-operation and the actual provision of assistance by the UNCTAD secretariat.

24. The representatives of developing countries stated that, while they recognized the need for budgetary restraint, and that improvements in efficiency and resource allocation might be possible, they did not consider the size of the programme budget to be excessive. Indeed, in relation to the many tasks confronting UNCTAD and in the light of the restructuring of the world economy called for in the Programme of Action on the Establishment of a New International Economic Order, it was manifestly inadequate. One of these representatives pointed out that over the last decade UNCTAD had grown from a one-time Conference into one of the major organs in the United Nations family for achieving the objectives in the economic field laid down in the Charter of the United Nations. Yet the UNCTAD budget accounted for only about 6 per cent of the total expenditure of the United Nations system. It was in this perspective that specific requests of the secretariat for increased staff and other resources should be considered, so that it could be fully appreciated that, compared to the magnitude and importance of its tasks, the budget demands of UNCTAD were extremely modest. He added that the rapid pace of developments in international economic relations, and the consequent transmutation of peak activity into almost continuous activity, fully justified the proposed conversion of some peak-load posts into established posts. The representative of another developing country stated that even though the increase was proportionately greater for UNCTAD than for the United Nations as a whole it was still modest in relation to the increased importance accorded by the Secretary-General of the United Nations to trade and development in the medium-term plan. Another said that it was wrong to look simply at the total of expenditure; the level of expenditure had to be related to the level of inputs and to the results that were likely to be achieved. On this score the programme budget could not be criticized. Moreover, the medium-term plan was an important instrument in this respect.

25. The representatives of developing countries expressed general satisfaction with the programme budget and the priority areas selected by the Secretary-General of UNCTAD. One of them noted that there were some areas of work in which a consensus had emerged or was emerging, and said that in such cases it was particularly important that resources should match requirements. He cited as

examples the integrated approach to commodities and work in shipping, as well as work on drafting a code of conduct for the transfer of technology. He agreed with the developed market-economy countries that this did not exclude the possibility of improvements in efficiency in both substantive and non-substantive fields. He also supported the view of the representative of a socialist country of Eastern Europe (see para. 30 below) that the geographical representation of the UNCTAD staff should be improved, particularly as regards the developing countries. He drew a distinction between UNCTAD's role of policy formulation, its operational activities, and its supporting work in the field of research. All three activities required adequate financial resources. UNCTAD was perhaps intended to be less operational than, for example, UNIDO, but its operational activities needed strengthening, particularly in such fields as shipping (specifically ports), manufactures (specifically the generalized system of preferences), and the transfer of technology (specifically national institutions for its regulation and supervision). If more had not been achieved it was precisely because resources were too small.

26. The representatives of developing countries expressed satisfaction with the co-ordination already achieved with the secretariats of other organizations and with the declared intention of the Secretary-General of UNCTAD to intensify such consultations. One of them said that in a large and dynamic organization like UNCTAD, which dealt with a number of diverse subjects, it was necessary to have suitable co-ordination machinery within the organization to ensure that the different branches worked towards a common purpose within the framework of an established set of priorities under the central guidance and direction of the executive head. In this context, he welcomed the establishment in the Office of the Secretary-General of an Economic Policy Evaluation and Co-ordination Unit to assist him in planning policy, assessing and evaluating developments and co-ordinating and harmonizing the work of the substantive divisions. He particularly commended the Secretary-General's intention to use this unit to initiate new policy approaches.

27. The representative of another developing country stated that he could not agree with the remarks made by developed market-economy countries on the proposal for regrading certain posts, which was fully justified by the new responsibilities given UNCTAD. Nor could he agree with their remarks on the use of consultants; frequently suitable staff were not available and it was more economical to use consultants.

28. The representative of another developing country stressed the importance of the operational activities of UNCTAD, including those carried out through the International Trade Center UNCTAD/GATT, saying that they deserved the fullest financial support.

29. The representative of a developing socialist country of Asia stated that the discussion in, and the conclusions of, the Working Party should be consistent with the introductory statement made by the Secretary-General of UNCTAD on the medium-term plan. g/

30. The representative of a socialist country of Eastern Europe said that the work programme of UNCTAD should be concentrated on activating the progressive activities

g/ TD/B/530/Add.3, annex.

of UNCTAD in the direction of further normalization and expansion of trade in all flows and between all countries, irrespective of differences in social and economic systems as well as in the levels of development, in accordance with General Assembly resolution 1995 (XIX) which laid down the terms of reference and determined the main functions of UNCTAD. It should also be based on an integrated approach to all questions relating to trade. It was necessary to stabilize the level of the budget by reallocating resources and improving efficiency and by cutting out or reducing inessential expenditure. His delegation was not satisfied with the present geographical distribution of the UNCTAD staff and with methods of recruitment. Nationals of the developing countries and of the socialist countries of Eastern Europe were under-represented, and priority should be given to the recruitment qualified specialists from those countries. The present imbalance was unfavourable to the cross-fertilization of ideas within the secretariat and should be remedied. In this connexion, he drew attention in particular to a resolution adopted by the UNESCO General Conference, in which it invited the Director-General to take the necessary steps to ensure that by a specified date under-represented countries had reached a target level of representation in the secretariat, as well as to the other provisions of that resolution on the geographical distribution of staff.

31. The representative of UNIDO referred to the recently held Second General Conference of UNIDO, which had been entrusted with the task of establishing the main principles of industrialization and proposing new forms of international co-operation. The secretariats of UNCTAD and UNIDO had submitted a joint paper to the Conference in which they had attempted to identify and define new guidelines and directions for the mutually supporting and complementary roles of industrialization and trade. Without awaiting intergovernmental decisions as a follow-up to the Conference, UNIDO and UNCTAD, together with the International Trade Centre UNCTAD/GATT (ITC), had strengthened their co-operation at the working level and had started on a number of pilot technical assistance projects. Pursuant to the recommendation of the ITC Joint Advisory Group at its eighth session, UNIDO had already started work on an agreement defining the respective tasks of UNIDO and ITC.

32. Commenting on remarks made during the general discussion, the Deputy Secretary-General of UNCTAD said he could not agree that the present programming and budget exercise of the United Nations represented any shift of power away from Governments to the Secretariat; certainly, that had not been the intention. It was for the programming bodies to review and appraise the various programmes and for the budget organs of the United Nations to take financial decisions in the light of the conclusions reached. However, he considered that the programming bodies did not at the moment have sufficient opportunity to perform their role properly, partly because of problems connected with the time-table for considering the programme budget and medium-term plan, to which he had already alluded. If these problems could be overcome -- for example, in line with the proposals put forward by the Secretary-General of the United Nations -- the programming bodies would be in a more influential position.

33. The problem of priorities had been constantly before the Working Party of the Board and had not yet been solved satisfactorily. The difficulties in getting intergovernmental agreement on priorities should not be underestimated. He agreed that the programme budget before the Working Party did not constitute a fundamental restructuring and redeployment of resources, but it did reflect priorities as

regards the increment of resources to different programmes. For the Secretary-General of UNCTAD to go any further he would need to be given a clear and unambiguous mandate by Governments, and in this connexion he referred to paragraph 12 of the preliminary medium-term plan, in which the Secretary-General of the United Nations had stated that only the legislative bodies of the United Nations had the power to annul a mandate which had been given.

34. The problem of co-ordination was also a perennial one, and the secretariat could not spend more time on co-ordination than on substantive work. Co-ordination at the secretariat level therefore concentrated on the most essential areas, where it was important to ensure a complementarity, and thus avoid duplication, of effort. As regards the related matter of co-ordination within the secretariat on subjects such as transnational corporations, which cut across divisional lines, he fully recognized the need for such co-ordination and stated that the efforts which had been initiated in the summer of 1974 were continuing and would be reinforced.

35. Commenting on the remark that the present world crisis was not a propitious moment for expanding the budget while Governments were themselves pursuing policies of financial restraint, he noted that the strengthening of relevant activities at the international level in order to deal with crisis situations could be as necessary as the strengthening of similar activities at the national level.

36. On the question of the use of consultants he pointed out that in TD/B/540/Add.1 figures were given for each programme of proposed man-months for consultants and that the total for 1976-1977 was lower than that for 1974-1975.

37. As regards the proposed regrading of certain posts, particularly at the higher levels, he stated that all proposals for regrading were first carefully scrutinized by the Secretary-General of UNCTAD and were then reviewed at United Nations Headquarters, including review by the Administrative Management Service. They would not have been accepted if there had not been clear justification in terms of the responsibilities involved and of the expansion of activities called for by the relevant UNCTAD bodies.

38. Referring to the increase in resources in money terms for the biennium 1976-1977, he pointed out that it was partly due to the inclusion of expenditure in 1976 for the fourth session of the Conference. In the programme budget of the Secretary-General of the United Nations, this expenditure was shown separately, as a non-recurring item, for purposes of comparability.

B. Questions concerning specific programmes

1. International trade research

39. The Director of the Research Division made an introductory statement in which he summarized the work programme under four main headings: review and appraisal, research on trade and development, least developed and land-locked developing countries, and statistics and data processing.

40. The representatives of some developed market-economy countries raised the question of the implications of the transfer of three professional posts and one general service post from the Research Division to the proposed new Economic

Policy Evaluation and Co-ordination Unit in the Office of the Secretary-General of UNCTAD. The Director of the Research Division pointed out that to a large extent it represented a transfer of some functions, including substantive co-ordination, to the Office of the Secretary-General and therefore did not in any way imply a weakening of the activities concerned. Furthermore, it was expected that working relations with the proposed new unit would be very close.

41. The representative of a developing country, recalling the statement he had made in the general debate, strongly endorsed the strengthening of the evaluating and co-ordination function within the Office of the Secretary-General.

42. The representative of a developed market-economy country wondered why table I of TD/B/540/Add.1 showed no increase in professional man-months for work on least developed and land-locked countries (activity 1.4), especially since all Governments had agreed that the United Nations system should engage in intensive activity on behalf of the least developed countries. He noted that his own Government would be pursuing efforts to see that the United Nations system devoted greater resources to this area of work.

43. The Director replied that, while the professional man-months allocated for 1976-1977 were at about the same level as in the previous three years, the programme was growing rapidly in terms of technical co-operation activities. He noted that, as indicated in foot-note (b) to table I, support from technical assistance overheads might possibly provide an additional professional post in this important area, since the technical co-operation programme for the least developed and land-locked countries was growing very considerably. In particular, a team of interregional experts to explore, in each of the least developed countries, the requirements for technical assistance in the external sector had just become operational; to date some 17 of the 25 least developed countries had requested early visits by these experts. He was also hopeful that in the case of the land-locked transit situation technical co-operation activities would grow strongly in order to help implement the substantial body of recommendations already endorsed by the Trade and Development Board.

44. The representative of a developed market-economy country asked about the nature of co-ordination with United Nations Headquarters in connexion with the Committee on Development Planning in the area of identification criteria for the least developed countries. The Director replied that Conference resolution 64 (III) of 19 May 1974 and General Assembly resolution 2768 (XXVI) of 18 November 1971 called upon the Committee for Development Planning "in close collaboration with UNCTAD" to review identification criteria for the least developed countries. This work had involved consultations with United Nations Headquarters on the interpretation of the relevant statistics as well as participation in the discussion on this matter in the Committee on Development Planning. This was a good example of productive co-operation and complementarity of effort. The UNCTAD secretariat would continue its work on the important issue of how developing countries were classified for various purposes, because of its implications for UNCTAD in areas of concern to it.

45. The representative of a developed market-economy country wondered why the expanded work on the strengthening of UNCTAD's capacity in the field of commodity trade statistics, in the light of Board resolution 123 (XIV), was not reflected in activity 1.5 (statistical services and data processing) of the Research Division, rather than in the work programme of the Commodities Division. He felt that the

subject was a highly technical one, requiring thorough work on the development of current and accurate statistics, and wondered how the Research Division's work would complement that of the Commodities Division.

46. The Director replied that his Division worked very closely with the Commodities Division on statistical questions of joint interest. He described how, for example, the UNCTAD terms-of-trade model, which was now used extensively in the short-term analysis of current trade trends, had been jointly drawn up by the commodity specialists in the Commodities Division and by the statisticians in the Research Division. The strengthening of data collection in the area of minerals and metals required the close participation of specialists in these fields, who were normally in the Commodities Division.

47. The representative of a developing socialist country of Asia opposed the inclusion of subactivity 1.2.4 (disarmament and development) in the work programme. His Government considered that the super Powers had been expanding armaments and war preparations behind the smokescreen of disarmament and that the application of savings from disarmament to the development of developing countries was nothing but idle talk. The Director pointed out that work in this area was called for in Conference resolution 44 (III) of 17 May 1972, which required the Trade and Development Board to keep this matter "under continuous review".

2. Trade expansion and economic integration among developing countries

48. The representative of the Secretary-General of UNCTAD reviewed past activities and those to be undertaken in the biennium 1976-1977 by the Division for Trade Expansion and Economic Integration, observing that since the creation of a unit within the secretariat specially designed to deal with trade expansion, regional integration and economic co-operation among developing countries, more than 60 studies had been completed, 11 meetings (seminars and expert or working groups) had taken place and some 30 technical assistance projects had been implemented or were in course of implementation on matters relating to that field. He stated that, in view of a number of important resolutions adopted by the General Assembly and the Trade and Development Board, h/ and also in view of the growing interest shown by developing countries in their own fora in increasing mutual economic co-operation, greater emphasis had been given in the work programme for the biennium 1976-1977 to activities relating to economic co-operation among developing countries.

49. The representatives of two developed market-economy countries requested information on the authority for undertaking activities relating to joint marketing arrangements among producer countries. In reply, the representative of the Secretary-General of UNCTAD said that the mandate for these activities could be found in General Assembly resolutions 3177 (XXVIII), in particular paragraphs 1 (d) and 4 (a); and 3202 (S-VI), section VII, paragraph 1 (a); and in Trade and Development Board resolutions 121 (XIV) and 128 (S-VI).

50. The representative of a developed market-economy country stated that his

h/ General Assembly resolutions 3201 (S-VI) and 3202 (S-VI) and Trade and Development Board resolutions 121 (XIV) and 128 (S-VI).

country would probably support the activities proposed regarding assistance to joint marketing and distribution systems for primary commodities, assuming that the eventual systems were to be organized in co-operation with producer and consumer countries but could not support such activities limited to producer countries alone. The representative of another developed market-economy country endorsed those remarks, noting that his country considered that such arrangements should benefit both producers and consumers. The representative of a developing country stated that such arrangements should be viewed as an aspect of the efforts of developing countries to promote their mutual economic co-operation and not in terms of any dichotomy between the interests of consumers and producers.

51. The representatives of one developed market-economy country and two developing countries requested clarification on future work on the role of transnational corporations in the integration process, emphasizing the need to co-ordinate such activities with those being undertaken or to be undertaken in or outside UNCTAD in relation to transnational corporations. The representative of the Secretary-General of UNCTAD stated that work on this topic had been initiated and information was being collected from such corporations on their attitude towards regional economic integration groupings of developing countries. He also stated that efforts were being made to secure appropriate co-ordination among the divisions of UNCTAD whose work touched upon transnational corporations.

52. The representative of a developed market-economy country observed that his country had been providing assistance to the Asian Clearing Union and requested the UNCTAD secretariat to contribute more to the promotion of the Union's activities. The representative of a developing country, expressing the appreciation of his Government for this assistance, stressed the importance of the contribution which UNCTAD could make to regional co-operation in Asia in monetary and other fields.

53. The representative of another developed market-economy country stated that table II of TD/B/540/Add.1 indicated that very little extrabudgetary support was foreseen for the activities of this programme, compared with the considerable amount of technical assistance to be provided. He requested information on the source of financing of the interregional and regional advisers on trade expansion and economic integration attached to the Division, and also on the direct assistance provided by staff of the Division. The representative of the Secretary-General of UNCTAD replied that two interregional advisers and one regional adviser were financed by UNDP and one interregional adviser by the United Nations regular programme of technical assistance. As for the participation of staff members in direct assistance activities, he stated that staff were engaged in substantive backstopping of technical assistance programmes which were financed by UNDP or trust funds.

54. The representatives of three developing countries stated that their countries wished to ensure that enough additional posts were provided for the programme in order to enable it to meet the requests of regional commissions and the objectives formulated in recent resolutions of the General Assembly and the Trade and Development Board. One of these representatives stated that, in his view, it would be a very difficult task for the single additional staff member envisaged in the relevant section of the programme budget to deal with all the new tasks emerging from such resolutions. Another considered that the changes introduced in the work programme for the biennium 1976-1977 properly reflected both

the spirit and the provisions of General Assembly resolution 3202 (S-VI), adding that his country assigned high priority to activities to be undertaken by the UNCTAD secretariat in the field of trade expansion and economic integration among developing countries.

55. The representative of a developing country suggested that, in view of the growing importance of the resources of developing countries in financing related to trade, the Division for Trade Expansion and Economic Integration should draw upon the work carried out under activities 6.1 and 6.2 of the programme on financing related to trade.

3. Commodities

56. The Director of the Commodities Division observed that a number of important developments had taken place subsequent to the preparation of the work programme which were not reflected therein. In particular, he noted the progress made since the first part of the fourteenth session of the Board on the elaboration of an integrated programme. Resolution 15 (VIII) on this subject adopted by the Committee on Commodities at the first part of its eighth session, and subsequently endorsed by the Board at its sixth special session, resolved that further work on the proposed integrated programme should become a major focus of work on commodities in UNCTAD, and provided for the Committee on Commodities to resume its eighth session in two parts in 1975. He noted further that the intensification of work on an integrated programme called for in that resolution was not possible within originally planned resources, and that it had been necessary to seek extrabudgetary resources. He added that the distribution of professional man-months among the various activities of the programme indicated a concentration on an integrated approach to commodity problems, but that did not imply that other areas were being neglected. In fact, much work which would normally have been shown under other activities was listed under the work on an integrated programme (3.2).

57. The representative of a developed market-economy country said he thought the description of programme activities was unclear and gave the impression of duplication of work under different headings, noting in particular that projections and analysis of trends and work on access to markets would be undertaken under several subprogrammes. He also questioned the need for two additional professional posts in connexion with studies on indexation and two additional posts in connexion with the strengthening of activities in the area of minerals and metals. With regard to the former, he was of the opinion that work on indexation should soon be completed and was not a project requiring a permanent input of resources. On the question of the strengthening of activities, he wondered why this was limited to the area of minerals and metals, since Board resolution 123 (XIV) was intended to apply to all areas of commodity trade. That resolution provided for increased activities within existing resources. He observed that Board resolution 124 (XIV), providing, *inter alia*, for work on an integrated programme, made no mention of studies of marketing and distribution systems. In the same context, he asked what arrangements had been made for co-ordination with UNIDO on processing issues in order to avoid duplication of effort. He added that he wished to put on record that the Working Party, in its deliberations, was focusing on the detailed work programme described in TD/B/540/Add.1, and called attention to the fact that the medium-term plan in many points simply did not correspond to the work programme and frequently described UNCTAD's activities in language more contentious than that found in the work programme.

58. In response, the Director stated that there was no no duplication of work between the various subprogrammes: the division into subprogrammes related to the substance of the work, and where a similar item appeared in more than one subprogramme, it referred to different aspects, problems and issues. Thus, under activity 3.2.3, access to markets would be considered as a general economic question and its potential and theoretical benefits assessed, whereas under activity 3.5.1 it would be considered in connexion with concrete problems and individual commodities. As regards the request for two extra professional posts related to indexation, he did not expect a final decision on the issue of indexation this year and foresaw ongoing work. Further, should a positive decision eventually be taken, and to the extent that the integrated programme incorporated as one of its principles a link between commodity prices and other market factors, such as inflation, continuing work related to such aspects as refinement of indices and price adjustments would be necessary.

59. He stated that the two posts requested in the area of minerals and metals represented a recognition of the special responsibilities of UNCTAD for this group of commodities, as there was no other United Nations body dealing with the special trade problems of minerals and metals on a regular basis. He added that while Board resolution (XIV) had called for the strengthening of certain activities within existing resources it had also called upon the Secretary-General to present further proposals. In assessing the situation, the secretariat had found that further work could not be carried out without new resources, in particular for special aspects of work on minerals and metals.

60. Regarding work on processing within the commodities programme, he observed that the secretariat was required to carry out work on aspects of diversification pursuant to decision 5 (VI) of the Committee on Commodities. That work covered such aspects of the subject as identification of commodities in excess supply or facing competition from synthetics, escalation of tariff duties on processed products, as well as other matters, which UNIDO did not necessarily deal with, and no duplication of effort was involved.

61. In connexion with marketing and distribution studies, he referred to the relevant provisions of Conference resolution 78 (III), and noted the request made, in the context of the integrated programme for such work in paragraph 6 (c) of Board resolution 124 (XIV).

62. The representative of a developed market-economy country expressed concern at the apparent reduction of efforts in connexion with the negotiation of international agreements for agricultural commodities, as implied by the year-to-year decline in the allocation of man-months to this activity.

63. In reply, the Director pointed out that the allocation of man-months to the activity in 1973 and 1974-1975 reflected the actual situation, while in 1976-1977 some of the work, which would normally have been shown under the relevant subprogramme, would be incorporated in the work of an integrated programme for commodities.

64. The representative of a developed market-economy country, stating he shared some of the views expressed by representatives earlier in the discussion, requested that a clear statement should be made on new tasks to be undertaken for which provision had not been budgeted, including estimated extra costs, possibilities of redeployment of staff and restructuring of priorities.

65. The Director drew attention to the statement of the financial implications of Board resolution 124 (XIV), reproduced in annex VII of the Board's report on the first part of its fourteenth session. ^{i/} He also noted that the request for extra resources for 1975 had not been approved by the General Assembly. Requirements had been met, however, through maximum redeployment of staff and availability of certain extrabudgetary resources.

66. The representative of a developed market-economy country said that, while he was satisfied with the explanation given regarding the need for additional staff, he would question the need for further work in connexion with mineral production from the sea-bed in view of the activities of the United Nations Conference on the Law of the Sea. In addition, although he recognized the important role which UNCTAD could play in the field of research on mineral and metal resources, he observed that it was important for the UNCTAD secretariat to take all due care to avoid duplication of the work of other organizations of the United Nations system, in particular the work of the Centre for Natural Resources, Energy and Transport at United Nations Headquarters.

67. The Director remarked that UNCTAD was required to continue its assessments of the possible effect on land-based mineral production of potential production from the sea-bed, in pursuance of Conference resolution 51 (III) of 19 May 1972. He added that the secretariat was following closely the proceedings of the Third United Nations Conference on the Law of the Sea and would take them into account in its work. He also pointed out that UNCTAD dealt with aspects of work on minerals and metals, in particular the trade aspects, that were different from those covered by the Centre.

68. The representative of one developing country emphasized the importance of the issue of indexation and expressed the full support of his Government for continued work on this subject and therefore for the additional resources requested. The representative of a developed market-economy country said that, while he recognized the importance of the issue of indexation in this context, he wondered whether it would be possible to meet requirements through redeployment of staff within UNCTAD.

69. The representative of another developing country said he thought the request for extra resources for the commodities programme was eminently reasonable in view of its priority status and the explanations given, and thought the Working Party should approve it. He stressed the importance his Government, and in his opinion the Governments of other developing countries, attached to the issue of indexation - on which much more work was necessary - and to the development of an integrated programme. In this connexion, he observed that, given the decision to make work on an integrated programme the major focus of UNCTAD's activities in this field, it would be more correct, in the description of activities in TD/B/540/Add.1, to show pricing policy under the integrated programme and not vice versa. Noting that the detailed substantive work programme of UNCTAD for 1973 to 1977 (TD/B/540/Add.1) had been prepared prior to the eighth session of the Committee on Commodities, he wondered whether the resource requirements indicated were adequate in view of the decisions taken by the Committee at the

^{i/} Official Records of the General Assembly, Twenty-ninth Session, Supplement No. 15 (A/9615/Rev.1).

first part of the session and the consequent intensification of work on an integrated programme. He stressed that his Government would support any request for additional resources in this context, should it be found necessary.

70. The Director stated that the present programme of work could be undertaken on the basis of the requirements indicated, plus available extrabudgetary funds. He added that, should it be found that additional resources were necessary as a result of any decisions taken at the resumed eighth session of the Committee on Commodities or by the Board at its fifteenth session, this would have to be reflected in the programme of work. In conclusion, he stated that pricing policy was indeed part of the integrated programme and observed that that fact was reflected in the medium-term plan.

4. Manufactures

71. The Director of the Manufactures Division introduced the work programme under this head.

72. The representative of a developed market-economy country raised a number of points. First, he wondered whether the studies on non-tariff barriers and adjustment assistance measures, which were largely matters of concern to the multilateral trade negotiations, would be phased out in due course after the completion of the negotiations. Secondly, he noted that the studies on import régimes of socialist countries of Eastern Europe and the review of trade in manufactures between developing and socialist countries carried out by the Manufactures Division would appear to duplicate work being undertaken by the Division for Trade with Socialist Countries. Thirdly, he asked to what extent work on restrictive business practices by the Manufactures Division was co-ordinated with that of the Transfer of Technology Division and of other international organizations dealing with the subject of transnational corporations, and how duplication of work was avoided. Fourthly, he wished to know how UNCTAD was co-operating with UNIDO in its activities relating to international subcontracting.

73. In response, the Director of the Manufactures Division said that the work programme relating to non-tariff barriers and adjustment assistance included an examination of several long-term problems and pre-dated the multilateral trade negotiations. The negotiations had only just commenced, and if they succeeded in producing satisfactory solutions to the various difficult and complex problems arising in the field of non-tariff barriers, then studies by UNCTAD on the subject could be phased out. Moreover, it was difficult at the present stage to foresee the outcome of the negotiations. The UNCTAD programme in this field included a number of new elements, such as environmental policies and structural adjustments, which could be expected to become more important in the future. In regard to the second point, he observed that the studies by the Manufactures Division on import régimes of socialist countries dealt with technical and administrative aspects and did not overlap with the work done by the Division for Trade with Socialist Countries. Similarly, the review of trade in manufactures relating to trade with socialist countries was essentially a statistical analysis and did not duplicate the policy aspects dealt with by that Division. He added that close co-operation and co-ordination were maintained between the two Divisions.

74. With respect to the third point raised, he stated that the question of restrictive business practices was an important area of work which would grow

further from the point of view of policy issues and operational matters. At its sixth special session, the Board had taken a decision ^{j/} containing a clear demarcation of responsibilities between the Committee on Manufactures and the Committee on Transfer of Technology with respect to restrictive business practices, and the Secretary-General of UNCTAD would ensure effective implementation of this decision at the secretariat level with a view to avoiding duplication. He added that work on restrictive business practices in the Committee on Manufactures at its forthcoming session would be important in the light of the impetus the subject had acquired since the establishment by the Economic and Social Council of the Commission on Transnational Corporations. The UNCTAD secretariat had been represented at the recent session of that Commission and had presented detailed information on its work in this field. The Secretary-General of UNCTAD intended to have discussions with officials of the Information and Research Centre on Transnational Corporations with a view to avoiding duplication.

75. As to the fourth point, he stated that the basis for work by UNCTAD on international subcontracting was Conference resolution 74 (III) of 19 May 1972, under which UNCTAD was to give special regard to the trade and development aspects of the subject. The secretariat had presented a report to the Committee on Manufactures and had also prepared a study on international subcontracting in the electronics industry, while maintaining contacts and co-operation with UNIDO.

76. The representative of a developed market-economy country stated that the secretariat should pay particular attention to the activities of the Economic and Social Council regarding the practices of transnational corporations. Also, there should be harmonious co-ordination with GATT in consonance with the progress of the multilateral trade negotiations. In this connexion, he requested the secretariat to bring section 11.37 (b) of the programme budget more into line with the relevant resolutions adopted by the Board at the first part of its fourteenth session.

77. The representative of a socialist country of Eastern Europe observed that the tasks to be carried out by the Committee on Manufactures and the Committee on Transfer of Technology, with regard to restrictive business practices, had been defined in the Secretary-General's proposal in the matter (TD/B/L.380) which had been adopted by the Board at its sixth special session. He pointed out that Conference resolution 25 (II), adopted seven years previously, was still of very great relevance. It was a fact that restrictive business practices had been engaged in widely by transnational corporations, and there was clearly important work to be done by the Committee on Manufactures in this field.

5. Trade with socialist countries

78. The Director of the Division for Trade with Socialist Countries said that the proposed budget and work programme was a reflection of the marked evolution in the approach of member countries to the role and the objectives of UNCTAD in this field of activity. Recalling the relevant decisions and recommendations of the Conference and the Trade and Development Board, he emphasized, in particular, the resultant quantitative expansion of UNCTAD's functions in this area, owing to the introduction of a series of issues having a comprehensive character and the growing

^{j/} See above, part 1, chap. I, para. 108.

efforts of member countries to make use of UNCTAD in the solution of practical problems of an operational nature. The resources earmarked for the programme should be assessed in the light of these developments. He also pointed out that his Division had been working since its inception without any increase in resources. This, among other reasons, explained the growing use of consultants in recent years and the fact that the Division was unable simultaneously to cover all the various problems assigned to it. Therefore, the provision of one additional Professional post and one General Service post should be regarded as a minimum requirement. He added that appropriate co-ordination as regards work on trade with socialist countries was ensured with the regional commissions and the International Trade Centre UNCTAD/GATT.

79. The representative of a developed market-economy country suggested that the description of activity 5.3 (Expansion of East-West trade and its implications for developing countries) given in TD/B/540/Add.1 should contain a much clearer and more explicit statement of the division of labour and co-ordination between UNCTAD and the Economic Commission for Europe (ECE). The representative of another developed market-economy country, while recognizing the importance of the question of trade with socialist countries in UNCTAD's activities, questioned the need for the proposed relative strengthening of the Division's resources in view of other, higher priorities. The case for additional resources might, he felt, be made stronger if the relevant section (11.39) in the programme budget were appropriately reworded.

80. In response, the Director accepted the suggestion regarding the co-ordination of activities with those of ECE, and described the purpose of the new post provided for in the budget.

81. The representative of a socialist country of Eastern Europe pointed out that, according to General Assembly resolution 1995 (XIX), one of the main functions of UNCTAD was to promote trade between countries having different economic and social systems. The importance of UNCTAD's activities in this field had been underlined in a number of resolutions and decisions. In his view, the resources made available to the UNCTAD secretariat to meet requirements in this field were too modest. He referred to the views expressed by the Secretary-General of UNCTAD at the sixth special session of the Board concerning the importance of UNCTAD's work in this area and supported the proposed strengthening of the Division's resources.

82. The representatives of several developing countries stressed the importance of UNCTAD's activities in the field of trade with socialist countries. They endorsed the proposed strengthening of the Division's resources for the purpose of providing technical assistance in this regard, as such assistance was indispensable for many developing countries. The representative of one developing country referred in this context to the remarkable expansion in his country's trade with the socialist countries of Eastern Europe, which had had positive effects on the structure of his country's economy and had opened up new markets for its non-traditional products not only in the socialist countries, but also in developing and in developed market-economy countries.

6. Financing related to trade

83. The representatives of developed market-economy countries inquired why an increase of two Professional posts in 1976-1977 in table II of TD/B/540/Add.1 was

reflected in an increase of only 12 man-months in table I. They also asked for information concerning the nature of assistance provided to the IMF Interim Committee and to the Group of Twenty-four and whether the man-months shown for substantive support for technical assistance activities (activity 6.4) ought not in fact to be regarded as direct inputs of technical assistance. They further inquired whether certain activities were being phased out, such as work on the debt problems of developing countries and on the United Nations Special Programme and Emergency Operation, noting that these activities were all mentioned in the work programme, and asked about some of the new tasks proposed to be undertaken by the secretariat.

84. The representative of one developed market-economy country said that it was the function of the secretariat to provide Governments with the fullest possible information. He noted that the detailed work programme in TD/B/540/Add.1 did not contain all the necessary information concerning the proposed increase in resources, although that document bore the date of 3 March 1975. He hoped that this matter could be put right when the work programme was submitted to the budget organs of the United Nations, in particular the Fifth Committee of the General Assembly.

85. The Director of the New York Liaison Office of UNCTAD replied that the increase of two Professional posts was matched by a reduction of 12 man-months of consultants, and hence only 12 extra man-months were proposed for activity 6.2 (International monetary issues, including compensatory financing) and none for activity 6.4 (Trade prospects and capital needs of developing countries). The switch from consultants to established posts had been put forward after careful consideration. There was no duplication of work with IMF, since UNCTAD examined international monetary issues in the context of the interdependence of problems of trade, development finance and the international monetary system. Consultations had also taken place with the World Bank/IMF Development Committee so as to avoid duplication of research work. The secretariat did not provide any substantive services to the Group of Twenty-four, but participated in meetings of the Group. While no technical assistance was provided on access to capital markets and to private capital flows, the secretariat was increasingly being asked for information on the trade prospects and capital needs of developing countries and one third of the input under activity 6.4 was earmarked for this purpose and described as technical assistance in TD/B/540/Add.1. Work on the debt problems of developing countries could not be considered as concluded. The report of the Expert Group on this subject had contributed to providing an agreed framework within which the regular review of the external indebtedness of developing countries could be carried out by the Board and the Committee on Invisibles and Financing related to Trade. The Expert Group had proposed certain institutional arrangements for the consideration of the debt problems of a debtor country, the financial implications of which would be considered by the Board at its fifteenth session. Moreover, the phasing out of other activities (such as participation in the work of the United Nations Emergency Operation) would permit the staff (which had not been increased because of the temporary nature of the work) to devote all its time to regular assignments. So far as new activities were concerned, consultations had taken place with the Development Committee and it was expected that UNCTAD's co-operation would be sought.

86. The representative of one developing country stated that his delegation found the proposed work programme fully acceptable, especially in view of the clarifications offered by the Director.

7. Shipping and ports

87. In his introductory statement, the Deputy Director of the Shipping Division referred to new major projects in the work programme, such as studies on economic co-operation in merchant shipping, on international multimodal transport, and on international container standards for multimodal transport. The whole programme could be carried out with existing resources, but recourse was necessary to consultants whenever the requisite expertise was not available within the secretariat. He emphasized that since 1973 only one Professional post had been added to the Division.

88. He stressed the increasing importance of technical co-operation activities in the work of the secretariat, which were carried out in direct response to requests from developing countries and pursuant to decisions of the Committee on Shipping. Such activities were an integral part of the Division's work and were undertaken without prejudice to work on policy formulation and research.

89. Commending the Shipping Division on its work, the representative of one developed market-economy country inquired whether in view of the completion of work on a code of conduct for liner conferences resources previously authorized for that work by the Trade and Development Board at its twelfth session had been released to other divisions. The representatives of some other countries also commented on the description of activities in TD/B/540/Add.1, which in their view was not sufficiently clear. There was need for a more detailed and explicit justification of the allocation of resources.

90. The Deputy Director underlined that although the major work on the code of conduct had been completed some follow-up was necessary, and noted that the provisional agenda of the seventh session of the Committee on Shipping included consideration of the status of the Convention. Furthermore, resources previously engaged in work on a code of conduct were now more than fully occupied in work in the Division on international multimodal transport and on container standards for international multimodal transport, as well as with catching up on arrears of other work, such as on freight-rate studies and commodity studies, caused by the former concentration on the code of conduct.

8. Insurance

91. In the discussion on this programme only two points were raised. The first, in paragraph 11.54 of the programme budget for the biennium, concerned the proposal for an additional P-4 post, and the second, in paragraph 11.53 of the programme, concerned the justification for the upgrading of the post of Chief of the Special Programme on Insurance from P-5 to D-1. Regarding the first proposal, the representative of a developed market-economy country expressed concern that, in the light of the distribution of professional man-months given in table I of TD/B/540/Add.1, the new post was intended to strengthen substantive support for technical co-operation, rather than for policy formulation and research.

92. The secretariat explained that backstopping of technical assistance activities in insurance had hitherto been provided by the four professional staff members on an ad hoc basis, as a sideline to their research work. The addition of one post would enable them to concentrate on research and policy formulation. The representative of a developing country, commenting on this reply, emphasized that

the resources devoted to the insurance programme were small and that it was entirely reasonable to redeploy personnel to achieve a more rational distribution of functions consequent on additions to staff.

93. As regards the upgrading of the post of Chief of the Special Programme, the representative of the Secretary-General of UNCTAD pointed out that the highly specialized former Insurance Branch of the Division for Invisibles was now an independent unit. The Chief of the unit reported directly to the Secretary-General of UNCTAD, and his increased responsibilities, in the view of the Secretary-General of UNCTAD, fully justified the upgrading of the post. Representatives of both developed-market economy countries and developing countries said that while they agreed that the upgrading of the post might well be justified, it would be useful to strengthen the presentation of the reasons for it in the programme budget.

9. Transfer of technology

94. In an introductory statement, the representative of the Secretary-General of UNCTAD described the recent institutional changes within UNCTAD in the field of transfer of technology, and drew attention to the description of the evolution of the work programme in this field contained in section 9 A of TD/B/540/Add.1.

95. The representatives of developed market-economy countries participating in the debate expressed their deep concern regarding the lack of congruency of the programme budget with the existing intergovernmental resolutions and decisions on transfer of technology. It would be improper if the work programme failed to reflect the specific mandates which had been given to the secretariat and also if it were to be based on projections or expectations of possible future decisions. These representatives were disturbed by the apparent lack of proper discipline in this regard.

96. The same representatives emphasized the importance of proper co-ordination of the activities of UNCTAD with those of other international organizations having responsibilities in the field of science and technology. Co-ordination was not simply a matter of generalities, but rather a question of using specific mechanisms which had been established. They voiced regret that the activities of other organizations working in the field of transfer of technology were not even mentioned in the programme budget, so that it was impossible to see what their specific role and contribution, as opposed to those of UNCTAD, were to be. One of those representatives requested that the programme budget be complemented by information indicating the delineation of tasks among the various bodies concerned and the concrete results of co-ordination in terms of a rational division of labour. Several observed that proper co-ordination was particularly important if duplication of activities was to be avoided. Such duplication existed in some areas of the UNCTAD work programme, such as work on patents, which was a field of particular concern to the World Intellectual Property Organization (WIPO).

97. The representative of a developed market-economy country, referring to a joint project to be undertaken by UNCTAD and the United Nations Environment Programme (UNEP), said he would welcome information on the extent to which UNEP was providing funds for the project and the authority under which UNCTAD would devote its own resources to it. He also felt that, with regard to activity 9.3 (new international legislation and revision of the patent system), the wording used in the work programme did not properly reflect the objectives which had been set out

in the relevant decisions. His Government was also very concerned about the work listed under activity 9.4 (national technological infrastructure and the reverse transfer of technology), as it considered that the responsibility of UNCTAD in this field was to supplement the activities of other United Nations bodies - and it was by no means clear whose activities were being supplemented. The representative of the Secretary-General of UNCTAD explained that, while UNEP financed experts and consultants and the requisite general service complement and travel, the joint UNEP/UNCTAD project required substantive backstopping and co-ordination by regular UNCTAD staff and it was this latter element that constituted UNCTAD's contribution to the project. He stated that the term "new international legislation" had been used in Conference resolution 39 (III) of 16 May 1972, and its continued use did not pre-judge the outcome of deliberations on this matter.

98. The same representative of a developed market-economy country, supported by others, said that the work listed under activity 9.5 (Support for technical co-operation activities) appeared excessive. While his country was willing to support such activities, the present programme exceeded all bounds of reasonableness, especially when the work of the Transfer of Technology Division was compared to that of other divisions.

99. The representatives of the developing countries participating in the debate emphasized the importance of transfer of technology for developing countries, a question which fell fully within UNCTAD's competence and which, in their view, should be a priority one in UNCTAD. They accordingly welcomed the inclusion of transfer of technology as the second of the four priority areas listed by the Secretary-General of UNCTAD (TD/B/540, para. 12). They therefore felt that the request for increased resources in this field accorded with the importance that should be attached to the transfer of technology. They did not believe that the proposed work programme was out of line with the legislative authorizations granted by the intergovernmental bodies concerned.

100. These representatives noted with satisfaction that the secretariat had endeavoured to attribute priorities within the programme. Thus, the work programme envisaged a 50 per cent reduction in man-months devoted to work on activity 9.1 (Access to technology). The reduced input into that activity was itself a reflection of the fact that the possibilities for improving, within the existing international framework, conditions for access to technology had largely been exhausted. The time had come to concentrate on methods for changing that framework, and it was for this reason that it was right for the secretariat to focus its efforts on measures for new international legislation and the activities listed under 9.2 and 9.3.

101. The representatives of developing countries welcomed the work of UNCTAD in support of technical assistance activities in the field of transfer of technology. Participation by UNCTAD in such work was long overdue, and the simultaneous pursuit of research and technical assistance activities could not fail to lead to a valuable cross-fertilization of ideas and operational procedures. In view of the small amount of resources which had been devoted to technical co-operation hitherto, the rate of growth of man-months connected with this activity was fully justified, especially in view of the reduction of man-months for activity 9.1.

102. The representatives of some developing countries emphasized that work requirements with regard to studies on an international code of conduct on transfer

of technology and on revision of the patent system in no way pre-judged the final decisions that might be taken on those activities. In their view, there was, in fact, a need for the secretariat to prepare the complex background documentation for a consideration of these items, and it was only once such documentation had been prepared that a proper basis would exist for taking decisions.

103. The representatives of some developing countries stated that the work of UNCTAD on measures for strengthening national scientific and technological capabilities was very valuable, since it could help to reduce the need for developing countries to acquire technology from abroad. This would bring into proper balance the improvement of the terms and conditions under which technology could be obtained from abroad and the strengthening of the bases for domestic production of appropriate technology. The additional man-months requested for this activity should be viewed in the context of the small existing base and the growing importance of UNCTAD's work in this area.

10. Facilitation of trade procedures and documentation (FALPRO)

104. The representative of the Secretary-General of UNCTAD outlined the activities under this programme observing that, according to estimates reported to the Economic Commission for Europe (ECE), some 10 per cent of the value of goods in trade was lost because of unnecessary formalities, procedures and paperwork, and that these losses could be reduced by as much as 75 per cent if only a few simple changes were made in procedures and documentation. Since the attachment to UNCTAD in 1970 of the Advisory Services on Trade Facilitation, requests had been received from some 50 developing countries, with a further 10 in the pipeline, for technical assistance in this area, which pointed to the need to strengthen the resources available for these purposes. In addition, there was a demand from the various divisions within UNCTAD for specialized expertise on facilitation matters. The work programme of FALPRO had accordingly been designed to meet demands in these two areas.

105. The representative of a developed market-economy country stated that, while his country fully supported work in the field of trade facilitation, it found itself faced with a difficult problem of principle with respect to FALPRO in that it could find no legislative authorization stemming from an UNCTAD or higher body for the proposed programme. In his view, the Board was not competent to approve programmes as such; proper legislative authorization was required.

106. The representative of another developed market-economy country endorsed that view, adding that he was somewhat concerned at the risk that FALPRO might duplicate work being done in other organizations concerned with trade, such as GATT and the International Trade Centre UNCTAD/GATT, and even work being done within UNCTAD itself. Clearly, the matter of co-ordination was of particular importance in this respect.

107. The representative of a developing country observed that work by UNCTAD in the field of trade facilitation had received implicit approval in that in August 1969 the Economic and Social Council had taken note of an ECE resolution on the subject and of the agreement between the executive secretaries of the regional economic commissions regarding the attachment to UNCTAD of interregional advisory services on trade facilitation. A unit in this field had thus existed de facto in UNCTAD since 1970. The Trade and Development Board had reviewed the work of the advisory

services on several occasions in the past. The establishment of a Special Programme on Trade Facilitation should accordingly be viewed simply as the continuation of an existing unit in a new form.

108. The Deputy Secretary-General of UNCTAD noted that the programme comprised two specific activities. As regards the first (Development of trade facilitation measures) - activity 10.1 - the legislative authorization for FALPRO's work derived from the authority for the various projects within UNCTAD in which FALPRO was involved, examples of which were given in the description of activities of the programme (TD/B/540/Add.1, sect. 10 A). As to the second (Substantive support for technical assistance) - activity 10.2 - it was a fact that a large number of requests had been received for assistance from developing countries and that UNDP had agreed to finance the post of one interregional adviser and four regional advisers on trade facilitation on the assumption that UNCTAD would provide appropriate backstopping, something which was in line with UNCTAD's status as an executing agency. The bulk of such backstopping had to be financed from the regular budget.

109. The representative of the Secretary-General of UNCTAD added that the matter of co-ordination within UNCTAD and with other bodies was already well taken care of, as FALPRO was designed as a horizontal programme to provide global technical services for developing countries, and for appropriate United Nations and other bodies, in what was an extremely specialized field; indeed, FALPRO had been expressly designated as the focal point for the co-ordination of facilitation activities.

110. The representatives who had participated in the debate suggested that the observations made on legislative authorization by the representative of a developing country, the representative of the Secretary-General of UNCTAD and the Deputy Secretary-General of UNCTAD should be brought to the attention of the Advisory Committee on Administrative and Budgetary Questions by means of a supplement to TD/B/540/Add.1. It was considered that this would assist in settling the question of legislative authorization for a programme which appeared to have the support of the Working Party.

C. Executive direction and management

111. The representative of a developed market-economy country stated that he was unable to say whether his Government would be able to agree with the proposals made by the secretariat in this connexion, since it had not had time to consider them. Although the secretariat had started the preparation of the proposed work programme one year ago, the suggestions made under this heading had come as a surprise to Governments, and he hoped that in future ways would be found, formally or informally, of keeping Governments informed of intentions of this sort. He pointed out that similar proposals in some other organizations of the United Nations system had been put to Governments sufficiently in advance and had subsequently been vigorously discussed in their governing bodies.

112. The representative of another developed market-economy country said that he was not opposed to the establishment of an Economic Policy Evaluation and Co-ordination Unit in the Office of the Secretary-General of UNCTAD, but Governments should have been advised about the proposal earlier. In this connexion, he referred to the way in which a similar proposal had been implemented

recently in the Economic and Social Commission for Asia and the Pacific in consultation with representatives of Governments of the Member States. He agreed with the description of the main tasks of the Executive Direction and Management Programme as contained in paragraph 11.18 of the programme budget, k/ and considered it important that the proposed new unit should pay attention to the co-ordination of work of the substantive divisions with respect to trade policy implications.

113. The representative of a developing country recalled his delegation's earlier statements on this subject in the general debate and the discussion on international trade research and underlined his support for the establishment of the new unit and, in particular, its role in initiating new policy approaches.

114. The representative of a socialist country of Eastern Europe, referring to the proposal to reclassify the post of Deputy Secretary-General of UNCTAD to the level of Assistant Secretary-General, stated that any such proposal required multilateral consideration. It was not simply a question of routine and administration but one of substance, which had major political importance in the general context of the management of the organization, and was in fact central to the whole question of management. It was so important that it required consideration at a high level, for example, in the Fifth Committee of the General Assembly. As regards the proposal to reclassify two P-5 posts to D-1, he did not find the justification given for it convincing and referred specifically to the discussion that had taken place earlier on the post of Chief of the Special Programme on Insurance. He had to reserve his Government's final position on these proposals.

115. The Deputy Secretary-General of UNCTAD, commenting on the foregoing remarks, stated that the establishment of the proposed new unit in the Office of the Secretary-General reflected the need for new policy approaches in UNCTAD and the fact that an increasing number of issues requiring attention of the secretariat and of Governments cut across divisional lines. He stressed that the Secretary-General of UNCTAD took a direct and deep personal interest in the formation of policy proposals for consideration by UNCTAD organs and participated actively in their elaboration.

116. Referring to the explanations given in paragraphs 11.19 to 11.22 of the programme budget, he stressed that the organization of the secretariat was a matter within the prerogative of the Executive and that consultations on this matter had taken place with United Nations Headquarters, including the Administrative Management Service. Of course, the prerogative of the Executive in this respect had to be viewed in the light of the responsibility of Governments for determining the budget of the United Nations. In this respect, he emphasized that the proposed new unit implied a net increase of only one Professional post.

117. Referring specifically to the two functions of the proposed new unit, as spelled out in paragraph 11.21 of the programme budget, he explained that under the first of the two headings it would deal with issues which were of concern to more than one division, such as transnational corporations, economic co-operation among developing countries and the interdependence of trade, monetary and financial questions. It would also have responsibility for the preparation of reports on

k/ Official Records of the General Assembly, Thirtieth Session, Supplement No. 6 (A/10006), vol. IV.

broader policy questions relating to UNCTAD as a whole, such as the recent report by the Secretary-General of UNCTAD to the sixth special session of the Board on review and appraisal of the International Development Strategy. As regards the second function, the unit would be mainly concerned with co-ordination of research into new ways of tackling trade and development problems.

118. The Deputy Secretary-General of UNCTAD stated that the secretariat had expected to justify requests for reclassification before the Advisory Committee on Administrative and Budgetary Questions rather than before the Working Party. He agreed with the representative of a socialist country of Eastern Europe that the question of the appropriate level for the Deputy Secretary-General of UNCTAD was an important one. In this connexion, he recalled that the Advisory Committee had given particular attention to the consideration of requests for reclassification to the level of Assistant Secretary-General in its review of the 1974-1975 programme budget.

119. As regards the proposal for a D.1 post in the Commodities Division, he stressed that this should not be regarded as a simple matter of regrading but as a logical consequence of the reorganization of the Division and the reallocation of assignments in order to enable the Division to cope with its greatly expanding programme resulting from decisions of the Board and the Committee on Commodities. In fact, the Secretary-General of UNCTAD had already put the reorganization into effect.

120. Referring to the proposed D.1 post for the Chief of the Special Programme on Insurance, he stressed that that programme was of a special nature and had no close links with the work of the rest of the UNCTAD secretariat. That was why it needed to be headed by a person at a sufficiently high level who could act independently, report directly to the Secretary-General of UNCTAD and represent him at a variety of international meetings on insurance questions.

D. International Trade Centre UNCTAD/GATT

121. Since the International Trade Centre UNCTAD/GATT (ITC) is a joint subsidiary organ of UNCTAD and GATT under General Assembly resolution 2297 (XXII), and since the Joint Advisory Group on ITC is the primary programming body in which the corresponding interests of the member Governments of both the United Nations and GATT in respect of ITC are represented, the Working Party decided to refer the report of the Joint Advisory Group on its eighth session to the Trade and Development Board at its fifteenth session.

E. Closing statements

122. At the close of the discussion on the work programme and the related documentation which was before the Working Party, statements were made by the representatives of the United States of America (on behalf of Group B), of Brazil, of India (on behalf of the Group of Seventy-seven), and of the USSR (on behalf of the socialist countries of Eastern Europe) and by the Deputy Secretary-General of UNCTAD.

123. The spokesman for Group B said that the members of his Group present looked upon the work of the Working Party as an effort to help the secretariat in what

was clearly a difficult task, owing to the great pressures exerted on it by Governments themselves and also to the frequent difficulties that working relationships with other parts of the United Nations Secretariat entailed. He felt, however, that the entire procedure of preparation and review of the programme budget and the work programme could be improved if prior consultations, whether formal or informal, were held in the future with Governments before the exercise began. Furthermore, the presentation of the work programme would be improved if the secretariat prefaced its documentation with a comprehensive statement reviewing recent events and decisions by governmental bodies since the preceding exercise, drawing conclusions as to the implications for the work programme and for the addition and reallocation of resources and their justification in the context of the over-all direction to be followed by UNCTAD. Unfortunately, owing to the late distribution of the documents, the views of his Group at this time could be considered only as their preliminary reaction, and one member of Group B continued to reserve the right to submit further comments at a later date.

124. In the view of Group B, the Working Party was not the appropriate forum to discuss basic principles of budgeting, such as inflation factors or turnover factors, nor did it feel that the Working Party should operate on a basis of full budgeting, i.e., advance approval of a budget incorporating projected rates of inflation. Furthermore, Group B felt that it was not the Working Party's task either to undertake a substantive revision of given programmes or to control the activities of UNCTAD through the budgetary process.

125. The members of Group B welcomed the establishment of priorities but noted this should be coupled with the principle of redeployment or reallocation of resources. On this basis it should have been possible to make savings in some areas, to redeploy resources and to terminate programmes whose mandates had been completed. They were also concerned regarding the question of duplication and overlapping of work between UNCTAD and other United Nations bodies: resources could not afford to be wasted in a time of budgetary constraint. They noted that the documentation before the Working Party did not describe the relationship of the activities of UNCTAD to the related work in other bodies, an important issue on which the secretariat should take specific and concrete action to ensure that a division of labour in given areas was accomplished among the various elements of the United Nations system. One member of Group B wished to reiterate his request that the documents before the Working Party should be revised to describe these relationships.

126. On the question of legislative authorization, Group B considered that work programmes must be based on prior decisions of appropriate intergovernmental bodies and that the Working Party was not the place to seek approval for new concepts or programmes. As regards personnel matters, Group B felt that the justifications for new posts or for the regrading of existing posts given in the work programme were weak. They also felt that, while many of the technical assistance projects in which UNCTAD was involved were of great value, staff financed under the regular budget in some areas were spending a disproportionate amount of time on activities in support of technical assistance when compared with other areas of activity of UNCTAD. Group B was also concerned regarding the possible use of consultants in lieu of long-term staff, and noted that one member had requested a list of consultants employed by name, programme with which associated and length of tenure, for use by the Working Party.

127. As to evaluation, Group B considered that the Working Party should receive a statement on the implementation of the current work programme when it met to consider the next proposed programme budget, in order to be able to evaluate implementation of the current programme budget and its relationship to the next programme budget period. For future sessions of the Working Party, the secretariat should provide the latest and most accurate information with regard to the work programme and its budgetary implications. The impediments that had arisen in the process of preparation of the work programme should be identified and steps taken to eliminate them.

128. In conclusion, he stated that Group B wished to reaffirm the importance it attached to the work of UNCTAD in solving serious international issues of trade and development. Group B noted the growing importance of UNCTAD within the United Nations budget as a whole and felt that such growth corresponded to the real needs of the international community.

129. The representative of Brazil said that the Working Party had carried out a thorough examination of the different aspects of the proposed work programme. The exercise had been a useful one, and he looked forward to improvements which could be made through the availability of adequate resources. While he recognized that improvements could be made in the presentation of the documentation, these matters of form should not impede the approval by the Working Party of the material contained in the UNCTAD section of the programme budget. The Board had made it clear in resolution 123 (XIV) that the activities of UNCTAD should be strengthened, and it was also widely felt that UNCTAD's special responsibilities in the different fields of its competence called for a substantial restructuring of its institutional machinery. It was only natural that his delegation, bearing in mind the legislative authorizations of the proposed programmes, should support the work programme submitted by the secretariat, particularly in new areas in which UNCTAD had an important role to perform, such as the transfer of technology and an integrated programme for commodities.

130. The spokesman for the Group of Seventy-seven said he would respond in the same spirit which had characterized the concluding remarks of Group B. His Group agreed that improved procedures and presentations could lead to better understanding by all concerned of the planning exercise as a means of achieving the objectives set by the policy-making organs of UNCTAD. They therefore agreed that the Board must be given full and up-to-date information on the legislative authorizations for specific activities and that the documentation should be available in good time.

131. They could also entertain the suggestion for prior informal consultations with representatives of member States, provided it did not impinge on the right, and indeed the duty, of the Secretary-General of UNCTAD to submit his own proposals regarding the optimal use of available resources and the additional resources he required.

132. The Working Party was not the place for holding substantive discussions on policy matters or commenting on the merits of established programmes, and if the spokesman for Group B had intended to imply that attempts of that nature had been made, his Group had no evidence to that effect. The discussions had revealed that authorizations had indeed been given for each of the proposed activities.

133. His Group considered that the documentation prepared by the secretariat did indeed contain the broad overview which Group B felt would be useful. Anything more detailed would have been repetitive and cumbersome, and it could be expected that members of the Working Party were familiar with the decisions of the permanent machinery of UNCTAD. Equally, it was for the legislative bodies, rather than the secretariat, to prevent duplication of activities in the United Nations system. The UNCTAD secretariat was implementing governmental decisions and, in the view of his Group, had succeeded in complementing the work done elsewhere and in avoiding duplication of effort.

134. As regards the use of regular staff for backstopping technical assistance programmes, his Group considered it normal that this should be more prevalent in some areas of work than in others. Unless additional staff were provided specifically to man technical assistance programmes only, regular staff would have to be used for this purpose, subject to their availability in the particular Division and the requests for technical assistance. In any case, cross-fertilization between operational and substantive research activities was surely to be encouraged.

135. On the related questions of priorities, additional staff, the up-grading of posts, and the use made of consultants, the Group of Seventy-seven was constrained to reject the view that the establishment of priorities necessarily involved the scaling down of other activities, particularly since only 6 per cent of the United Nations budget was appropriated for UNCTAD, which was the principal instrument of international co-operation for development and had a major responsibility for implementing the Declaration and the Programme of Action on the Establishment of a New International Economic Order. Moreover, development was an integrated process covering a wide range of activity; simultaneous progress must be made on all fronts. The establishment of priorities could not imply the highlighting of some activities and cutbacks in others but rather the acceleration of some activities while maintaining the tempo of others. Therefore, in the field of trade and development, which was of such vital importance to millions of deprived human beings, priorities must be seen in terms of additional resources, and not just of the redeployment of existing resources. The strengthening of UNCTAD implied the strengthening of its resource base - and that was the primary justification for the requests made for additional staff, the consolidation of some peakload posts, up-grading where warranted by the creation of new divisions or the undertaking of new activities, and the use of consultants where the extremely limited regular staff were unable to fulfil all the demands that legislative bodies placed upon them.

136. In conclusion, the Group of Seventy-seven wished to state that they had noted with deep satisfaction the reaffirmation by Group B of the importance which that Group attached to the work of UNCTAD in solving serious international issues of trade and development, and its view that the growth of the UNCTAD budget corresponded to the real needs of the international community. It trusted that this position of principle would be translated in the Advisory Committee on Administrative and Budgetary Questions and in the Fifth Committee of the General Assembly into an endorsement of the UNCTAD work programme and an acceptance of its budget demands.

137. The spokesman for the socialist countries of Eastern Europe stated that those countries, which had urged the creation of the United Nations Conference on Trade and Development, were in favour of intensifying and increasing the efficiency of UNCTAD's progressive work on a universal basis with a view to the further normalization and development of equitable trade and economic relations among all

States, regardless of differences in their socio-economic systems and levels of development, and also with a view to strengthening the economic independence of developing countries.

138. The socialist countries expected UNCTAD's activities, particularly its work programme for the period 1973-1977, to be directed increasingly towards furthering the process of the normalization and expansion of international trade relations, the development of trade among all countries, particularly among countries with different social and economic systems and countries at various levels of development, the elimination of discrimination, protectionism and non-tariff barriers, and the prevention of the introduction of new barriers. The socialist countries supported proposals aimed at increasing the efficiency and economy of UNCTAD's work, eliminating or reducing unjustifiable expenditure and stabilizing UNCTAD's budgetary expenditure in general.

139. During the meetings of the Working Party, it had become clear that the recommendations and proposals of the Secretary-General of UNCTAD for increases in budgetary appropriations were due, in particular, to inflation, currency instability and changes in the exchange rates of the currencies of capitalist countries. The socialist countries were in no way responsible for currency instability and inflation, and should not therefore bear the additional United Nations costs resulting from them.

140. For the above-mentioned reasons, the socialist countries of Eastern Europe reserved their final position on the section relating to the budgetary appropriations for UNCTAD for 1976-1977.

141. The Deputy Secretary-General of UNCTAD stated that while it was easy to determine the main questions which were before the Working Party, a more detailed discussion of its task would reveal at least two fairly complicated issues.

142. The first concerned the relationships between the programming bodies and budgetary organs. The programme budget could be looked upon as one account, or a series of accounts, with the programmes listed on the left-hand side of the account and the costs on the right-hand side. The programming body should not ignore the right-hand side; nor should a budgetary organ disregard the left-hand side. Yet each had its specific function, and a number of issues arising in the process of programming and budgeting should be identified as being the primary responsibility of either one or the other.

143. The second concerned the level of aggregation of activities for examination by programming bodies such as the Board. On account of at least two factors a relatively high level of aggregation was desirable: the possibility of reaching a consensus and the time constraint. Since UNCTAD was primarily concerned with international policy issues, a consensus was difficult, and perhaps impossible, to achieve, but it was probably easier to achieve at a relatively high level of aggregation than at a lower one. As regards the time factor, if the work programme were to be examined in great detail there might not be sufficient time for the Board to make a general appraisal. However, the issue of aggregation raised in turn questions related to the role of the subsidiary organs of the Board in the programming process.

144. The secretariat was painfully aware that the documentation for the Working

Party had been late, and it recognized that even when circulated in good time, it was difficult to digest. That was because, inter alia, the information provided had not always been compiled at the same time and different kinds of information appeared in different documents. Thus, the problems to be tackled in UNCTAD, in the light of current economic developments, were discussed in the medium-term plan, which also contained a section on co-ordination; the objectives of the work programme were presented explicitly in the medium-term plan for 1976-1979 and the programme budget for the biennium 1976-1977; while the main purpose of the documents prepared by the UNCTAD secretariat itself (TD/B/540 and Add.1 and Add.1/Corr.1 and 2) was to supplement the UNCTAD section of the programme budget. It would have been possible to bring all the relevant information together in a single document. However, there was also need for documentation concerning the activities of the United Nations as a whole, which had to be centrally prepared at United Nations Headquarters. Rightly or wrongly, the UNCTAD secretariat had not wished to duplicate these documents. There was, on the other hand, a need for consistency between the documentation prepared centrally and the supplementary documents prepared by the UNCTAD secretariat.

145. He did not wish to elaborate on a number of other problems, such as those arising from activities which could be considered both as part of individual programmes and as a programme in their own right, but drew attention to the need for both Governments and the secretariat to avoid engaging in programming beyond the point of positive returns to the important substantive work of UNCTAD.

146. In conclusion, he said that the Working Party, with the assistance of the secretariat, should not only provide programme guidance for the benefit of the budgetary organs but also contribute to the efficiency of UNCTAD. There seemed to be a consensus that this contribution was still not as effective as it ought to be, and further consideration should therefore be given to ways and means of improving the exercise, and to the suggestion regarding informal consultations on the matter.

F. Adoption of the report of the Working Party

147. At its concluding meeting, on 25 April 1975, the Working Party adopted, with a number of amendments, the draft report (TD/B(XIV)/WP/L.1 and Add.1-4) and authorized the Rapporteur to complete the report as appropriate.

Appendix

ATTENDANCE AT THE WORKING PARTY a/

1. The following States members of the Working Party attended the session: Australia, Brazil, Bulgaria, China, Finland, France, Germany (Federal Republic of), India, Indonesia, Iraq, Japan, Nigeria, Peru, Poland, Union of Soviet Socialist Republics, United States of America, Venezuela.
2. The following other States members of UNCTAD also participated in the session: Cuba, Ethiopia, German Democratic Republic, Guatemala, Italy, Libyan Arab Republic, Mongolia, Republic of Korea, Switzerland, Thailand.
3. The United Nations Industrial Development Organization was represented.
4. The following specialized agencies were also represented: Food and Agriculture Organization of the United Nations, International Monetary Fund, World Intellectual Property Organization.
5. The following non-governmental organization in the General Category was represented: World Confederation of Labour.

a/ For the list of participants, see TD/B(XIV)/WP/INF.1 and Corr.1.

ANNEX II

MEMBERSHIP OF THE MAIN COMMITTEES OF THE BOARD^{a/}

Committee on Commodities

Algeria	Ireland
Argentina	Israel
Australia	Italy
Austria	Ivory Coast
Bangladesh	Jamaica
Belgium	Japan
Bolivia	Kenya
Brazil	Libyan Arab Republic
Bulgaria	Madagascar
Burundi	Malaysia
Canada	Mauritius
Central African Republic	Mexico
Chad	Netherlands
Chile	New Zealand
China	Nigeria
Colombia	Norway
Costa Rica	Pakistan
Cuba	Panama
Czechoslovakia	Peru
Democratic People's Republic of Korea	Philippines
Denmark	Poland
Dominican Republic	Republic of Korea
Ecuador	Republic of Viet-Nam*
Egypt	Romania
El Salvador	Rwanda
Ethiopia	Saudi Arabia
Finland	Senegal
France	Spain
Gabon	Sri Lanka
German Democratic Republic	Sudan
Germany, Federal Republic of	Sweden
Ghana	Switzerland
Greece	Syrian Arab Republic
Guatemala	Thailand
Guinea	Togo
Honduras	Trinidad and Tobago
Hungary	Tunisia
India	Turkey
Indonesia	Uganda
Iran	Union of Soviet Socialist Republics
Iraq	

^{a/} See paras. 17 and 18 above.

* Now known as the Republic of South Viet-Nam

Committee on Commodities (continued)

United Kingdom of Great Britain and Northern Ireland	Uruguay
United States of America	Venezuela
Upper Volta	Yugoslavia
	Zaire

Committee on Manufactures

Algeria	Jamaica
Argentina	Japan
Australia	Kenya
Austria	Libyan Arab Republic
Bangladesh	Madagascar
Belgium	Malaysia
Bolivia	Mali
Brazil	Mauritius
Bulgaria	Mexico
Canada	Netherlands
Central African Republic	New Zealand
Chile	Nigeria
China	Norway
Colombia	Pakistan
Costa Rica	Panama
Cuba	Peru
Czechoslovakia	Philippines
Democratic People's Republic of Korea	Poland
Denmark	Republic of Korea
Dominican Republic	Republic of Viet-Nam*
Ecuador	Romania
Egypt	Saudi Arabia
El Salvador	Senegal
Ethiopia	Singapore
Finland	Spain
France	Sri Lanka
German Democratic Republic	Sweden
Germany, Federal Republic of	Switzerland
Greece	Thailand
Guatemala	Trinidad and Tobago
Honduras	Tunisia
Hungary	Turkey
India	Union of Soviet Socialist Republics
Indonesia	United Kingdom of Great Britain and Northern Ireland
Iran	United States of America
Iraq	Upper Volta
Israel	Uruguay
Italy	Venezuela
Ivory Coast	Yugoslavia
	Zaire

Committee on Invisibles and Financing
related to trade

Algeria	Jamaica
Argentina	Japan
Australia	Kenya
Austria	Kuwait
Bangladesh	Lebanon
Belgium	Libyan Arab Republic
Bolivia	Madagascar
Brazil	Malaysia
Bulgaria	Mali
Burundi	Mexico
Canada	Netherlands
Central African Republic	New Zealand
Chad	Nicaragua
Chile	Nigeria
China	Norway
Colombia	Pakistan
Costa Rica	Panama
Cuba	Peru
Czechoslovakia	Philippines
Democratic People's Republic of Korea	Poland
Denmark	Republic of Korea
Dominican Republic	Republic of Viet-Nam*
Ecuador	Romania
Egypt	Saudi Arabia
El Salvador	Senegal
Ethiopia	Spain
Finland	Sri Lanka
France	Sweden
German Democratic Republic	Switzerland
Germany, Federal Republic of	Syrian Arab Republic
Ghana	Thailand
Greece	Trinidad and Tobago
Guatemala	Tunisia
Guinea	Turkey
Honduras	Uganda
Hungary	Union of Soviet Socialist Republics
India	United Kingdom of Great Britain and
Indonesia	Northern Ireland
Iran	United States of America
Iraq	Upper Volta
Israel	Venezuela
Italy	Yugoslavia
Ivory Coast	Zaire

Committee on Shipping

Algeria	Italy
Argentina	Ivory Coast
Australia	Jamaica
Bangladesh	Japan
Belgium	Kenya
Bolivia	Kuwait
Brazil	Libyan Arab Republic
Bulgaria	Madagascar
Canada	Malaysia
Central African Republic	Mauritius
Chile	Mexico
China	Netherlands
Colombia	New Zealand
Costa Rica	Nicaragua
Cuba	Nigeria
Czechoslovakia	Norway
Democratic People's Republic of Korea	Pakistan
Denmark	Peru
Dominican Republic	Philippines
Ecuador	Poland
Egypt	Republic of Korea
El Salvador	Republic of Viet-Nam*
Ethiopia	Romania
Finland	Senegal
France	Spain
Gabon	Sri Lanka
German Democratic Republic	Sweden
Germany, Federal Republic of	Thailand
Ghana	Trinidad and Tobago
Greece	Turkey
Guatemala	Uganda
Guinea	Union of Soviet Socialist Republics
Honduras	United Kingdom of Great Britain and Northern Ireland
Hungary	United States of America
India	Upper Volta
Indonesia	Venezuela
Iran	Yugoslavia
Iraq	Zaire
Israel	

Committee on Transfer of Technology

Algeria	Libyan Arab Republic
Argentina	Malaysia
Australia	Mauritius
Belgium	Mexico
Bolivia	Netherlands
Brazil	New Zealand
Bulgaria	Nigeria
Canada	Pakistan
Chile	Panama
Colombia	Peru
Cuba	Philippines
Czechoslovakia	Poland
Democratic People's Republic of Korea	Republic of Korea
Ecuador	Romania
Egypt	Saudi Arabia
Finland	Sierra Leone
France	Spain
German Democratic Republic	Sri Lanka
Germany, Federal Republic of	Sweden
Ghana	Switzerland
Greece	Thailand
Hungary	Trinidad and Tobago
India	Turkey
Indonesia	Union of Soviet Socialist Republics
Iran	United Kingdom of Great Britain and Northern Ireland
Iraq	United Republic of Cameroon
Israel	United States of America
Italy	Upper Volta
Jamaica	Venezuela
Japan	Yugoslavia
Kenya	Zaire
Kuwait	

Part Three

REPORT OF THE TRADE AND DEVELOPMENT BOARD ON THE FIRST PART OF ITS
FIFTEENTH SESSION

Held at the Palais des Nations, Geneva,
from 5 to 16 August 1975

INTRODUCTION

1. The Trade and Development Board held the first part of its fifteenth session at the Palais des Nations, Geneva, from 5 to 16 August 1975, the proceedings of which are summarized in the present report. 1/
2. The session was opened by Mr. Andrey Lukanov (Bulgaria), President of the Board during its fourteenth session. 2/
3. At the 428th (opening) meeting, Mr. Kenneth Dadzie (Ghana) was elected President of the Board by acclamation. 3/
4. At the same meeting, the Board observed a minute of silence in tribute to the memory of Mr. W. Malinowski, former Director of the UNCTAD Division for Invisibles, who had died on 24 May 1975.
5. At its 437th meeting, on 12 August 1975, the Board observed a minute of silence in tribute to the memory of Mr. E. N. Muanya, a member of the Nigerian delegation to the present session of the Board, who had died on 11 August 1975.

1/ For a full account of the proceedings during the first part of the fifteenth session, see the summary records of the 428th to 441st meetings (TD/B/SR.428-441).

2/ For an account of the statement made by the outgoing President, see paragraphs 6-8 below.

3/ For an account of the statement made by the President of the Board, see paragraphs 9-14 below.

CHAPTER I

STATEMENTS MADE AT THE OPENING OF THE SESSION

A. Statement by the outgoing President

6. At the 428th meeting of the Board, on 5 August 1975, Mr. Andrey Lukanov (Bulgaria), President of the Board during its fourteenth session, in opening the fifteenth session, referred to the unprecedented difficulties caused by the economic crisis affecting the developed market-economy and many developing countries and said that these difficulties could be overcome only through greater international co-operation based on equality, mutual respect and mutual advantage. It was essential to recognize that international understanding was the only sound alternative to destructive confrontation. The way to such greater co-operation and understanding had been pointed by the historic achievement of the signing of the Final Act of the Conference on Security and Co-operation in Europe at Helsinki, which could have a profound and positive impact on international co-operation at large.

7. The question remained as to what type of institutional machinery would best further such co-operation with a view to seeking mutually acceptable solutions to common problems in the field of trade and development. There were, in this regard, two opposing tendencies: one towards the dispersion of international efforts and the dilution of responsibilities among many bodies; the other towards excessive and unwarranted centralization of economic and social activities within the United Nations system.

8. Both these tendencies seemed to disregard the fact that there already existed, in the form of UNCTAD, a broadly representative international organ for trade and development co-operation. It was his deep conviction that in the present circumstances UNCTAD should be duly strengthened and equipped to play an increasingly important role. It should strive to achieve greater universality not only in terms of membership, but also in terms of the services which all its members, regardless of their levels of development or their economic and social systems, could expect from it. Only thus could UNCTAD mobilize sufficient political support to carry out successfully the enormous tasks before it.

B. Statement by the President of the Board

9. In his opening statement at the 428th meeting, on 5 August, the President observed that the world economy had entered a phase of slowdown, compounded by persistent inflation, deteriorating employment prospects, increasing payments problems, and far-reaching changes in price relationships. The recession in the industrialized market-economy countries, accentuated by measures to control their oil deficits, had depressed prices of primary products and limited the export possibilities of the developing countries. The resulting growth in the latter's external resources requirements was in sharp contrast to the inadequacy - in relation even to previously accepted targets - of concessionary financial flows

from developed countries. These phenomena reflected an underlying disequilibrium in the international economy and a lack of readiness to come to terms with the processes of demographic, political, social and economic change. The world was enmeshed in a crisis of development, a crisis of international economic relations and a crisis of institutional adaptability.

10. Progress in defusing that multiple crisis would depend on the determination of Governments to reach agreement on policies and courses of action in an atmosphere of reciprocal respect and confidence. Fortunately, there was substantial evidence that that consideration had not been lost to view; the series of intensive multilateral discussions taking place during 1975 attested to the concern of Governments to make progress.

11. UNCTAD itself had been deeply involved in the current search for structural accommodation. Having secured wider recognition of the scope for resource transfers through trade, it was engaged in developing new approaches in the form of an over-all integrated programme for commodities. In that connexion, some success had been achieved in working out a basis for further policy discussions and for the negotiation of concrete schemes. There had also been progress in developing new orientations in the fields of trade in manufactures and the transfer of technology, in the promotion of economic co-operation among developing countries in the context of collective self-reliance, and in the realm of money and finance. Furthermore, the Convention on a Code of Conduct for Limer Conferences was likely to come into force shortly, a new Tin Agreement had been negotiated, and the 1972 Cocoa Agreement was soon to be renegotiated.

12. The impending seventh special session of the General Assembly was a unique opportunity to synthesize and build upon all these processes at the highest policy-making level and there was no doubt as to the importance of the contribution expected of UNCTAD at that session. Within the United Nations system, UNCTAD was the initiator of far-reaching policy concepts and proposals which, seemingly audacious at the outset, had passed into the canon of international economic relationships or were engaging the attention of the international community. Indeed, in many places, the Declaration and the Programme of Action on the Establishment of a New International Economic Order merely reiterated themes and objectives originally developed within UNCTAD. UNCTAD should now extend its role from the generation of conceptual innovations and policy initiatives to the negotiation of specific binding agreements on relevant policy issues. Given its special expertise and unique experience of negotiating mechanisms, UNCTAD could become an important instrument for giving practical meaning to the Declaration and the Programme of Action. It was to be hoped, therefore, that the current session of the Board might be viewed not only as a preparation for the fourth session of the Conference, but as part of the process of securing a new commitment to the development objective, of identifying new directions to be pursued and of providing the necessary political thrust towards the solution of outstanding issues.

13. Underlying the concern for a revitalization of development co-operation and the restructuring of the framework of international economic relations was a general acceptance of the need for a comprehensive and integrated approach to development, as well as a desire to reduce the tendency for vital economic decisions to be taken in less representative multilateral fora outside the United Nations system. Accelerated progress towards the economic and social goals of the United Nations called for greatly strengthened machinery for ensuring coherence and effective co-ordination in research policies and programmes throughout the system. Particular importance therefore attached to the enhancement of the policy co-ordinating role

of the Economic and Social Council and to the capacity of the central structure of the United Nations to assist the Council in its tasks. That was not inconsistent with a parallel reinforcement of UNCTAD's role as the generator of new ideas and an agency for the negotiation of binding agreements and recommendations. On the contrary, any sound institutional design for improving the coherence of the United Nations system, regardless of such functional rearrangements as may be necessary, must imply an improvement of the effectiveness of its various elements and their ability to work together towards common goals.

14. It was to be hoped that such common positions on these institutional questions as might emerge from the current session of the Board would be developed in full understanding of their implications for the system as a whole. In any event, the special session of the General Assembly would constitute the beginning rather than the final decision-making phase of the process of structural reform.

C. Statement by the Secretary-General of UNCTAD 4/

15. At the 429th meeting, on 5 August, the Secretary-General of UNCTAD made an introductory statement in which he referred to the sombre world economic situation evoked by the President of the Board at the previous meeting and said that the Board should not lose sight of the compelling urgency for measures to initiate a speedy recovery in the world economy and enlarge the flow of resources needed by the developing countries in their present plight. Documents before the Board drew attention to the need for a global counter-cyclical policy comprising measures to assist those countries; the current work of UNCTAD in areas such as commodities could contribute to its formulation.

16. The world faced a threefold crisis - that of development, international economic relations and institutional adaptability - which reflected basic defects of the international economic system. It was not surprising therefore, that the current spate of international meetings, which would culminate in the fourth session of the Conference at Nairobi, should be concerned with the basic restructuring of that system. There was a close link between the fourth session of the Conference and the seventh special session of the General Assembly which, it was hoped, would underline issues and generate the political will to effect change. The fourth session of the Conference could provide an occasion for preparing programmes of action on them and the Board could thus assist the Assembly by indicating the issues that might be discussed at the Conference.

17. The note by the Secretary-General of UNCTAD (TD/B/L.404) listed a number of such issues indicating the sort of action that appeared possible at the present stage. The issues in question ranged from those which were sufficiently advanced to permit specific operational decisions and which called for almost immediate action by the international community, to those of a conceptual character on which major initiatives could be launched with far-reaching implications for the future. Taken as a whole, they reflected UNCTAD's dual role as a forum for specific negotiations and as a source of new concepts and ideas.

18. The subject of commodities was relatively well advanced. The Committee on Commodities had authorized him to contact Governments and other bodies regarding

^{4/} The text of the statement by the Secretary-General of UNCTAD was subsequently circulated under the symbol TD/B(XV)/Misc.5, pursuant to a decision taken by the Board at its 429th meeting, on 5 August 1975, the Board having first noted the financial implications of its decision.

the further development of the integrated programme. Not only technical studies but political decisions and a sharper focus on policy-making were now required in this area.

19. In the broad field of money and finance, there were three issues in respect of which the Conference could make a significant contribution: the external debt problem affecting many developing countries, on which decisive action was needed early, the flow of external capital resources between developed and developing countries, and the reform of the international monetary system.

20. The Second General Conference of UNIDO had set far-reaching goals for the industrialization of the developing countries which had important implications for their trade in manufactures and semi-manufactures. There was a need for UNCTAD to respond by adopting a new comprehensive approach going beyond the earlier emphasis on access to markets and trade liberalization alone.

21. In the field of the transfer of technology, the Conference could take major decisions regarding the code of conduct on the transfer of technology, on which work was proceeding, and certain aspects of a possible revision of the international patent system. It could also initiate a wide-ranging programme of action aimed at strengthening the entire technological base of the developing countries.

22. The theme of collective self-reliance had loomed large in the Declaration and the Programme of Action on the Establishment of a New International Economic Order, and the Conference could provide an opportunity for launching a comprehensive strategy for co-operation among developing countries reflecting the principle of collective self-reliance as a dimension of a broader global strategy for development.

23. The subject of trade between countries with different economic and social systems was another area in which the Conference might wish to take decisions on new orientations which might call for multilateral action.

24. Lastly, there was the question of the future role of UNCTAD. The Conference would provide an opportunity for taking stock of UNCTAD's achievements, as well as for making recommendations for increasing its effectiveness. The issue needed to be placed in the wider setting of the current debate on the need for structural changes in the United Nations system as a whole. In the report of the Secretary-General of UNCTAD (TD/B/573), an attempt had been made to distinguish between two types of activities with which the United Nations was intimately concerned. First, there were activities relevant to development strategies adopted by member States requiring action at the national level, which required the conceptual, analytical, technical and financial support of the United Nations but did not call for major negotiations on international economic relations. Secondly, there were activities pertaining to the international framework for development, which impinged upon the relationships between States and called for negotiations and agreements between them. UNCTAD should be strengthened and transformed into an instrument for refining the development framework internationally and conducting specific negotiations. When Governments so decide, such a strengthened UNCTAD could then evolve into a wider institution and, as had been suggested since its inception, take the form of a comprehensive trade organization.

25. In addition to the specific issues listed above, the Conference would presumably wish to review the current world economic situation, especially in the context of the interrelationship between problems of money, trade and finance. The Board might also wish to decide whether the very important questions of the least developed countries, the land-locked developing countries and developing island countries should be included as specific items in the Conference agenda or whether they should be dealt with in relation to each of the other substantive items. Having in mind the fact that the permanent machinery of UNCTAD would continue to be actively concerned with such important matters as shipping and insurance, they had not been included in document TD/B/L.404 as matters requiring the attention of the Conference itself.

26. Once the subject areas for consideration by the Conference were determined, it would be important to utilize the intervening period to advance the various issues as far as possible. He hoped that the Board would instruct its subsidiary bodies meeting before the Conference to act as preparatory sessions in regard to the issues selected, so that Governments could give consideration to the preparation of their responses. The same applied in the case of the regional group meetings. He recalled that the process of preparation for the Conference should reach its climax not at the Conference itself but in time for the Board's seventh special session, which was intended as a pre-Conference negotiating session at which an initial exchange of views could take place on the resolutions to be submitted at the Conference.

27. It was most important that the issues to be dealt with by the Conference should engage the attention of public opinion in the developing countries, the market-economy countries and the socialist countries. UNCTAD was trying to mobilize non-governmental organizations and research institutes to contribute to that process.

28. The Conference at Nairobi would be a political opportunity to achieve a breakthrough in international economic relations and to put an end to the impasse that appeared to prevail in relation to the subject of development and co-operation for development. It could constitute the successful culmination of the past months of debate and discussion and prove to be a truly historic occasion.

CHAPTER II

FOURTH SESSION OF THE UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT: OBJECTIVES, PROVISIONAL AGENDA, PREPARATORY WORK AND ORGANIZATION 5/

(Agenda item 2)

29. The Board had before it a note by the Secretary-General of UNCTAD on the objectives, provisional agenda, preparatory work and organization of the fourth session of the Conference (TD/B/L.404), which was welcomed as a practical contribution to the Board's consideration of this item.

30. The representative of Kenya informed the Board of the progress of the physical preparations for the fourth session of the Conference, observing that his Government would do all in its power to ensure a climate conducive to the success of the deliberations at the Conference on the important issues before it. The Interministerial Co-ordinating Committee established earlier in the year had already had consultations with a task force from the UNCTAD secretariat, and had set up a number of sub-committees to deal with such specific matters as accommodation, transport, conference facilities, security and other appropriate services. A questionnaire on hotel accommodation was soon to be dispatched to all participants through the UNCTAD secretariat.

31. The representatives of a number of developing countries indicated their agreement with the procedure outlined in paragraphs 3 to 5 of the Secretary-General's note (TD/B/L.404). One of these representatives said that, in establishing the provisional agenda for the fourth session of the Conference, the Board should concentrate on those issues for which a firm basis for agreement existed and on those which required special treatment. He observed that particular attention was required regarding the wording of items, noting that, as worded in the Secretary-General's note, the issue of manufactures and semi-manufactures would appear to exclude consideration of such topics as improvement of the generalized system of preferences and the liberalization of tariff and non-tariff barriers. He felt that the question of special measures for the least developed, land-locked and island developing countries should be included as a separate item, and that the area of shipping should also be covered in the agenda. An important additional item his Government would like to see included concerned the relationship between trade and development policies and employment policies in the developing countries.

32. Another of these representatives said that the fourth session would mark the culminating stage of an irreversible trend towards a new international economic order and should be a landmark in the search for solutions to the pressing problems of trade and development. In establishing the provisional agenda for the session,

5/ The Board considered this item at its 430th and 432nd meetings, on 6 and 7 August, and at its 441st meeting on 16 August 1975. Several references to the item were also made by representatives speaking under agenda item 3.

the Board should be guided by the need to select only the most fundamental issues. The documentation for the Conference should be clear, concise and action-oriented, and should be made available by the end of 1975. His Government felt that the seventh special session of the Board could be considered as constituting the first part of the Conference at which agreement should be sought on as many proposals as possible, leaving open for negotiation at the Conference itself only those issues on which agreement had not been reached. As to the inclusion of a separate item on special measures in favour of the least developed, land-locked and island developing countries, he felt that the wishes of the countries concerned should be deferred to in any decision by the Board in that regard.

33. The representative of another developing country said that the Conference should consider the important matter of the role of UNCTAD as a forum for negotiations, with equal rights and on an equal footing, between members of the world community. The question of special measures for the least developed, land-locked and developing island countries should be included as a separate item, for reasons well known to the international community. Other main areas of concern which should be covered in the agenda included: the industrialization of third world countries to enable them to benefit from GSP schemes; the debt problems of developing countries; and the question of the flow of capital and financial resources to the developing world. The fourth session of the Conference should provide an opportunity for the international community to improve upon its expressions of goodwill and to translate them into action for the benefit of the third world.

34. The representative of another developing country indicated the usefulness of pre-Conference negotiations to enable the Conference to take decisive measures. He stated that it was important, moreover, that subsidiary bodies meeting this autumn or early next year should concentrate on examining, clarifying and conducting preliminary negotiations on measures which it was envisaged would be negotiated at Nairobi, and in that respect guidance from the Board at the present session, or at its resumed session, would be highly desirable.

35. The representative of a developing socialist country of Asia said that, at its fourth session which was to be held at a time when international economic relations had undergone profound changes, the Conference should first and foremost aim at opposing monopoly, control, plunder, exploitation and the shift of economic crises by imperialism, colonialism and hegemonism, and at putting into effect the positive spirit of the Declaration and the Programme of Action on the Establishment of a New International Economic Order. The agenda for the fourth session should therefore include such items as: the rights of all States to exercise permanent sovereignty over their natural resources and all internal economic activities, including control of the activities of transnational corporations; the establishment of associations of producers of raw materials and primary products by developing countries; the right of all States to equal participation in solving economic, financial and monetary problems; the establishment of a link between the prices of developing countries' exports and imports; and an integrated programme for commodities. The issue of special measures for the least developed among the developing countries was also important and should be considered by the Conference. His delegation did not consider it necessary, however, to include the topic of trade among countries having different economic and social systems as a separate item on the agenda. The provisional agenda of the Conference would have to be adjusted in the light of the principles adopted by the General Assembly at its seventh special session.

36. The spokesman for Group B said that his Group fully supported the idea of a selective approach, as regards both the length and coverage of the agenda for the fourth session, and the extent of the documentation. While his Group felt that a large measure of general agreement could be reached at the Board's present session on the main themes to be discussed - and it would indeed be valuable for the General Assembly to be aware of these themes at its forthcoming special session - it would be premature to take any final decision as to their selection and wording, as this would have to await the outcome of the seventh special session of the General Assembly. Accordingly, the headings proposed by the Secretary-General in his note must remain provisional, although most of the important issues were included. In its consideration of the matter at its present session, the Board should ensure that the wording of the items proposed did not anticipate possible decisions or measures to be taken at the Conference itself.

37. The spokesman for Group D, speaking on behalf of a number of socialist countries of Eastern Europe, said that these countries supported the structure and sequence of the priority areas proposed by the Secretary-General in his note (TD/B/L.404) in their entirety. They considered, furthermore, that the question of trade among countries having different economic and social systems must be dealt with by the Conference as an important issue, in a spirit of universality and in proportion to the relative importance of such trade in world trade. The encouragement of such trade was provided for in General Assembly resolution 1995 (XIX) as one of the fundamental tasks of UNCTAD, and its normalization as stipulated by the Final Act of the Conference on Security and Co-operation in Europe would open up new possibilities for the benefit of all. Treating this question separately as a special problem area would not mean a departure from the global approach but simply a recognition that, in view of its impact on world trade as a whole, such trade required special attention in the interests of the majority of countries, in particular the developing countries. He added that any basic change in the balance of the Secretary-General's proposal would, of course, have a direct bearing on the attitude of these countries to the agenda itself.

38. At the 432nd meeting, on 7 August, the Board decided to refer agenda item 2 to the President's Contact Group (see para. 272 below) in order to expedite its consideration of the matter.

39. At the 441st meeting, on 16 August, the President introduced a draft consensus of the Board on a list of selected broad policy areas, with an indication of the specific issues to be taken up in each policy area at the fourth session of the Conference (TD/B/L.425), and a draft decision on this item (TD/B/L.426), which he had submitted as a result of his informal consultations.

Action by the Board

40. At the same meeting, the Board adopted the draft consensus submitted by the President. ^{6/} It also adopted a draft decision, whereby it decided to bring to the attention of the General Assembly at its seventh special session its consensus on agenda item 2, together with its report on that item. The Board trusted that these would be of assistance to the General Assembly in its deliberations, and that the decisions and recommendations arising from the General Assembly would be

^{6/} For the text of the consensus adopted by the Board, see annex II below.

useful for the preparatory work for the fourth session of the Conference. In the light of the results of the seventh special session of the General Assembly, the Trade and Development Board would finalize, during the second part of its fifteenth session, the provisional agenda for the fourth session of the Conference.

41. At the same meeting, the Board endorsed the proposals made by the Secretary-General of UNCTAD in paragraph 14 of his note (TD/B/L.404) concerning the documentation for the fourth session of the Conference, and expressed the hope that the provisional deadlines would be met. It also endorsed the proposals contained in paragraph 16 concerning the organization of the Conference, noting, however, that the final endorsement of the organizational structure would depend on the kind of agenda finally adopted for the Conference. With respect to the objectives of the Conference, the Board noted with satisfaction the types of results envisaged by the Secretary-General in paragraphs 6, 7 and 8 of his note.

42. The representative of the United States of America said that his delegation had been happy to participate in the consensus reached by the Board on the list of selected broad policy areas. That list would form the basis for further discussions with a view to finalization, at the second part of the fifteenth session, of the provisional agenda for the fourth session of the Conference. In view of the fact that there were still eight months before the Conference was to meet in Nairobi, it was hardly surprising that all delegations could not agree completely on the specific issues indicated, and even less on the wording of those issues. His delegation welcomed, however, the constructive atmosphere of active co-operation that had prevailed at the present session, and was confident that, if the same spirit prevailed at the seventh special session of the General Assembly, at the forthcoming sessions of the Board and at the fourth session of the Conference, important progress would be made in resolving the difficult problems in the field of trade, development and international economic co-operation.

43. The spokesman for the Group of Seventy-seven expressed his appreciation for the co-operative attitude displayed by other delegations in reaching the consensus adopted by the Board. The very nature of a consensus made it inevitable that no country or group of countries was completely satisfied with the results, and the countries members of the Group of Seventy-seven had made a number of concessions in the same spirit of co-operation. While further progress should be achieved at the second part of the fifteenth session, in the light of the results of the seventh special session of the General Assembly, in his view the consensus just adopted by the Board would remain the corner-stone of any future agreement.

CHAPTER III

REVIEW OF THE IMPLEMENTATION OF THE RECOMMENDATIONS OF THE CONFERENCE;
IMPLEMENTATION OF THE DECLARATION AND THE PROGRAMME OF ACTION ON THE
ESTABLISHMENT OF A NEW INTERNATIONAL ECONOMIC ORDER; MID-TERM REVIEW
AND APPRAISAL OF THE INTERNATIONAL DEVELOPMENT STRATEGY; SPECIAL
SESSION OF THE GENERAL ASSEMBLY DEVOTED TO DEVELOPMENT AND
INTERNATIONAL ECONOMIC CO-OPERATION 7/

(Agenda item 3)

44. The representatives of the developing countries expressed grave disappointment over the action taken by the international community to implement the recommendations of the Conference and the provisions of the Declaration and the Programme of Action on the Establishment of a New International Economic Order. The mid-term review and appraisal of the International Development Strategy, both at the sixth special session of the Trade and Development Board and at the fifty-ninth session of the Economic and Social Council, had highlighted the disappointing results that had been achieved to date. The fifteenth session of the Board was meeting against a sombre background in a period of multiple crises - the breakdown of the international monetary system, continued world-wide inflation combined with recession in developed market economy countries, a continual declining trend in the terms of trade of the developing countries and the ever-widening gap between the rich and poor countries of the world.

45. In the last two years, the question of development in all its aspects had been examined at the highest level by the different organs of the United Nations and also outside the United Nations system, and members of the international community had agreed on the magnitude of the problem and the urgent need to resolve it. In this connexion, the representatives of developing countries drew particular attention to the Declaration and the Programme of Action on a New International Economic Order, the Charter of Economic Rights and Duties of States, the provisions of decision 256 (XII) adopted at the Ministerial Meeting of the Economic Commission for Africa, and the recommendations of the World Food Conference, the Dakar Conference of Developing Countries on Raw Materials, and the Second General Conference of UNIDO. It was on the basis of these and the recommendations made by UNCTAD in the field of finance, the international monetary system, shipping and the transfer of technology that a revised International Development Strategy should be drawn up to provide the basis for a new international economic order conducive to the progress of all mankind.

46. They stated that at the mid-point of the Second United Nations Development Decade the world was in a period of crises which thwarted international co-operation and development. Though some developing countries had for some time benefited by the commodity boom, most developing countries had not done so. The continuing rise in the prices of manufactured goods had offset any gains achieved,

7/ The Board considered this item at its 429th to 434th meetings, from 5 to 8 August 1975, and at its 441st meeting on 16 August 1975.

and the purchasing power of exports of developing countries was now below the 1970 level. The long-run deterioration in the terms of trade had been more rapid than ever and had had a crippling effect on the development of many developing countries, which were faced with chronic balance-of-payments difficulties and serious debt problems. Average figures were misleading when assessing the results of policies of international assistance and urgent and immediate action should be taken to provide aid to those countries which had been most severely affected by the present economic crisis. In this connexion, the representatives of several developing countries described the serious conditions prevailing in their countries and it was pointed out that the very fact that the Committee for Development Planning had recommended the inclusion of four other countries in the category of the least developed among the developing countries illustrated only too clearly to what extent the position of the developing countries had worsened.

47. The representatives of several developing countries said that a review of developments since the first session of the Conference illustrated only too clearly that it was the lack of political will that was responsible for the minimal progress made. They emphasized the need to reach global solutions for equitable, stable and just economic relations on the basis of dialogue and consensus rather than of sterile confrontation, and expressed the hope that future resolutions adopted in UNCTAD would be backed by political will.

48. The representatives of several developing countries observed that one of the optimistic features of the present situation was the increasing recognition of the reality of interdependence between rich and poor countries. Interdependence was no longer an academic concept, but the only way to progress in the future. This recognition might lead perhaps to greater success in implementing the decisions of UNCTAD IV than those of the previous sessions.

49. One of these representatives said that the fundamental problem lay in the solving of unequal trade relations between developed and developing countries. He pointed out that very little progress had been made in achieving the goals set as early as 1964 and that the various escape clauses that had been introduced by developed countries had annulled many of the efforts that had been made. The developed countries apparently failed to realize that prosperity, like peace, was indivisible and that, by pursuing obsolete policies, they were blocking progress. It was in the interests of all countries that rapid results should be obtained.

50. Another of these representatives pointed out that the third world was now well aware that there was no inevitability in its present plight, that the situation could be rectified and that adequate means were available. What was lacking, however, was the will to translate these measures into action. While developing countries had been gratified at the magnitude of the efforts made in international fora to rectify and improve their condition, they were disillusioned with the results that had been achieved to date. The present session of the Board, although held in a period of crisis, could provide a useful point of departure and a challenge, and an opportunity to deal more effectively with the obstacles in the way of economic co-operation and development.

51. Representatives of developing countries drew particular attention to a number of problems which required urgent action. One of these representatives stressed that, in the field of commodities and in the light of the wide agreement on the need for action, what was required was speedy agreement on the type of action required to obtain a substantial improvement in the terms of trade of developing

countries and the restoration, protection and promotion of their purchasing power. The techniques had been spelt out in the proposed integrated programme for commodities. The impact of this programme on the imports of developing countries had to be carefully studied and appropriate measures to neutralize any adverse effects would have to be included as an essential element of the programme. While the generalized system of preferences was one of UNCTAD's signal successes, there was considerable scope for improvement of the scheme. There was need also for a new concept on rules of the most-favoured nation clause to meet the requirements of developing countries. Industrialized countries should respond in a bold and imaginative manner to the dynamics of change in international comparative advantage and adopt forward-looking policies on adjustment assistance to promote imports of manufactures and semi-manufactures from developing countries. UNCTAD should study the trade implications of the Lima Declaration and Plan of Action on Industrial Development and Co-operation (A/10112, chap. IV). In view of the balance-of-payments problems of many developing countries there was urgent need to meet the targets of ODA, which had fallen seriously behind. Within the context of the international monetary system, an organic link between the creation of new SDRs and the need for development finance should be established at an early date. He expressed the hope that, in view of the problems faced by developing countries as a result of floating rates of exchange, efforts would be made to return to a system of stable but adjustable exchange rates.

52. The representative of one developing country referred to the efforts made by his Government to ease the critical problems facing the world by making considerable amounts of foreign exchange - amounting in all to some \$2-4 billion in 1974/75, and representing 5.8 per cent of the country's gross national income - available to help meet the balance-of-payments problems of other developing countries and in the form of loans to developed countries and foreign investment. In the field of foreign trade imports had been fully liberalized, including imports of all types of textiles, and import duties and charges had been reduced or eliminated.

53. The representative of another developing country pointed out that, with regard to the impact of regional economic groupings of developed countries on the trade and economies of developing countries, the position had not improved despite the recommendations contained in General Principle Nine of the first session of the Conference and part two, section E, paragraph 3, of the Charter of Algiers. ^{8/} However, the Lomé Convention had introduced a new element in relations between developed and developing countries which constituted a useful example of the type of treatment that must be accorded to all developing countries, provided that such treatment signified a decisive step towards the liberalization of international trade and that it did not run counter to the interests of the rest of the developing countries. He also attached great importance to the forthcoming World Employment Conference (to be held from 4 to 17 June 1976), the subject of which had an important bearing on the trade and development of developing countries. UNCTAD should give close attention to the links between employment and trade and development and should make a significant contribution to that Conference.

^{8/} Proceedings of the United Nations Conference on Trade and Development, First Session, vol. I, Final Act and Report (United Nations publication, Sales No. : 64.II.B.11), annex A.I.3.

54. The representatives of several developing countries expressed the hope that the present session of the Board, meeting on the eve of the seventh special session of the General Assembly, would make a valuable contribution to that session by giving an impetus to further consideration of the whole problem of economic development and co-operation, in which UNCTAD had a vital role to play. The seventh special session would also be dealing with the problem of the restructuring of the entire United Nations system. It was accordingly necessary for the Board to ensure that such a process would preserve and strengthen the role of UNCTAD in the field of trade and development and finance. The representative of one of these countries pointed out that it was essential that institutional reform should follow, and not precede, the identification of the structural changes required in international economic relations.

55. The representative of another of these countries said that the seventh special session of the General Assembly should not be a mere repetition of the sixth special session in reaffirming principles. It should identify problems and set guidelines and perhaps adopt a time-table. This procedure would, in its turn, help the Board in its preparations for the fourth session of the Conference. The seventh special session of the General Assembly, through the mid-term review, could contribute to the implementation of the International Development Strategy by incorporating the provisions of the Declaration and the Programme of Action and the Charter of Economic Rights and Duties.

56. The representative of another developing country said that, in the light of the disappointing results and frustrations since the first session of the Conference, developing countries should not expect any spectacular successes from the seventh special session of the General Assembly. It would be better to accept a more pragmatic approach and seek to attain results which, though less ambitious, were within grasp.

57. The representative of a developing socialist country of Asia, referring to the changes in the international situation which had occurred since the fourteenth session of the Board, said that one of the outstanding features of the new situation was the irresistible momentum which had developed within the countries of the third world to transform old international economic relations and to establish a new international economic order. Action had been taken by these countries to safeguard their sovereignty, protect their natural resources and develop their own national economies. The strength acquired by the oil-producing countries through their unity of action had inspired a number of other developing countries to follow their example in forming producers' associations of raw materials and trying to break imperialism's monopoly control over certain primary commodities. The positive recommendations of the Conference of Developing Countries on Raw Materials, held at Dakar in February 1975, had also contributed to the unity and co-operation of the third world. He also mentioned the fact that some countries of the second world were gradually moving towards a dialogue on the basis of equality in their trade relations with developing countries.

58. Despite these favourable features, great obstacles still stood in the way of transforming the old pattern of international economic relations. This was mainly because of the activities of the two super-Powers which, by obstinately protecting the old system of economic relations, based on plunder, exploitation and control of the developing countries, continued to obstruct the establishment of a new international economic order. The performance of one super-Power further

revealed its ugly social imperialist features. In the field of international trade relations, this super-Power, under the signboard of "socialism", mouthed concern about the trade position of developing countries while openly coercing them into granting it trade terms not inferior to those granted to the developed market economy countries. This was, in the final analysis, a copy of the "open door and equal opportunity" once trumpeted by the old-line imperialists. It also sought selfish interests under the guise of "non-discrimination".

59. In the field of commodities, imperialism, colonialism and hegemonism had in recent years continued to try to shift the consequences of their economic crisis on the developing countries and, through the manipulation of commodities by monopolistic policies in the international market, had caused a further deterioration in the terms of trade of developing countries, thereby increasing these countries' already severe debt problem and damaging their national economies. The series of intensive intergovernmental consultations on 14 commodities, organized by the Trade and Development Board, had failed to achieve the expected results. He supported the recommendations put forward by the Dakar Conference and the implementation of the over-all integrated programme for commodities, so as to safeguard State sovereignty, promote the export of primary commodities from developing countries and obtain equitable and remunerative prices for producers.

60. He expressed the support of his Government for industrial development in the developing countries and the expansion of their exports of manufactures and semi-manufactures. He stressed the need for the elimination and reduction of tariff and non-tariff barriers and restrictive business practices, and for improvement of market access for the products of developing countries. The principles laid down in the Programme of Action relating to international shipping, the reform of the monetary system and the transfer of technology should be effectively implemented and the right of developing countries to participate, on an equal footing, in the decision-making process on all these issues should be safeguarded. His Government also supported the need for special measures in favour of the least developed countries to assist them in defending their independence and sovereignty and developing their own national economies.

61. The same representative supported the proposal of the developing countries that the Declaration and the Programme of Action on the Establishment of a New International Economic Order, and the Charter of Economic Rights and Duties of States should be taken as the starting point for the preparations for the seventh special session of the General Assembly. The aim of the seventh special session should be the implementation of the principles enunciated in those documents, which should also be adhered to when considering the objectives, provisional agenda and preparations for the fourth session of UNCTAD. While pointing out that there would be many difficulties and obstacles in the road ahead to change the old international economic order, he expressed his conviction that, as long as the third world countries continued to strengthen their unity and adhered to the principles of independence and self-reliance and united with all those countries which wished to see the establishment of a new international economic order based on equality and justice, these objectives could be attained.

62. The representative of one developed market economy country said that the Declaration and the Programme of Action on the Establishment of a New International Economic Order, and the Charter of Economic Rights and Duties of States, together with the International Development Strategy, were of major importance in the

regulation of international economic relations. In the view of his Government, these texts, which recognized the crucial importance of interdependence as a basis for relations between sovereign nations, should constitute the three pillars on which world-wide economic co-operation should be founded in the future. Where political will existed, differing political interests could be accommodated and common objectives could be reached. This, in his view, had been clearly demonstrated in the signing of the Final Act of the Conference on Security and Co-operation in Europe at Helsinki. This Agreement, as the outgoing President of the Board had remarked in his opening statement, could have a profound and positive impact not only on one continent but on international co-operation as a whole. This impact should also be felt when multilateral solutions were sought. He then cited the opening statement by the President of Finland at the final stage of the Helsinki Conference, in which the President had stated, inter alia, that the strengthening of security in Europe on the basis of détente was not directed against any State or country but should make an important contribution to world peace and security.

63. With regard to the seventh special session of the General Assembly, the same representative observed that progress towards the establishment of a new international economic order would be the central issue at that session at which he hoped agreement would be reached on action towards the early implementation of the common goals of the Programme of Action. Since much of the work in this field fell within the competence of UNCTAD, this fact, together with the current economic problems which beset the international community, added a heightened urgency to the deliberations at the present session.

64. The representative of another developed market economy country, referring to the problem of commodities, said that, as the Secretary-General of UNCTAD had stated, there was widespread agreement on the need for action in this field. While opinions were very close regarding the objectives set out in the integrated programme, the measures to implement such a programme would have to be studied in much greater detail before any decisions could be taken. Trade in manufactures and semi-manufactures was also an important issue and, as the Secretary-General of UNCTAD had pointed out, the achievement of the goals for accelerated industrial development adopted at the Second General Conference of UNIDO would have far-reaching implications and consequences for the world pattern of production and trade. At its fourth session UNCTAD should act as a major catalyst for reaching agreement on elements of a comprehensive policy to strengthen and diversify developing countries' exports of manufactures and semi-manufactures.

65. Referring to the question of the restructuring of the United Nations and institutional reform and to the report of the Secretary-General of UNCTAD (TD/B/573), the same representative said that changes of that nature should not be viewed as a panacea for problems of substance, which could be solved only if the necessary political will existed. He hoped that the intergovernmental group to be established by the seventh special session of the General Assembly would have at its disposal documents containing a complete analysis of the existing decision-making processes and machinery. It would then be able to identify the extent to which those processes and machinery were capable of solving the problems of international trade and related problems now facing the world community. Any suggestions aimed at strengthening and improving the existing instruments should receive priority consideration. He reaffirmed that his country's approach to

the different issues would be framed in the context of the over-all aim of improving the relative economic situation of the developing countries and of increasing their participation in international trade.

66. Representatives of the socialist countries of Eastern Europe referred to the new prospects for international relations which had been created by the signing of the Final Act of the Conference on Security and Co-operation in Europe, an instrument that could provide a good basis for agreement between all countries on the basis of equality and mutual benefit and peace. They stressed that only in an atmosphere of peace and security could the countries of the world fully concentrate on the solution of social and economic problems and on the utilization to that end of the advantages of an international division of labour, based on the principles of equal rights and mutually advantageous co-operation of all States, irrespective of their social systems and levels of development. The successful conclusion of that Conference and the continuation of détente created a political climate propitious for a serious attempt to solve economic problems at the seventh special session of the General Assembly and the fourth session of the Conference, since that could only be done in a spirit of mutual trust and co-operation based on international peace and security. It was therefore necessary for all countries, regardless of their social and economic systems, to spread the spirit of détente to all continents and to transform it into an irreversible process. Political détente should also lead to military détente. It was necessary to stop the arms race and to cut military budgets - this would help strengthen peace and would release funds for economic and social progress and also to assist developing countries.

67. Representatives of the socialist countries of Eastern Europe laid great stress on the importance of taking action to implement the progressive recommendations of UNCTAD, the Charter of Economic Rights and Duties of States, the Declaration and the Programme of Action on the Establishment of a New International Economic Order and the Dakar Declaration. They also stressed the importance for the international community of implementing the Principles adopted at the first session of the Conference, on which the international relations of countries should be based. The representative of one of these countries said that, if other countries had implemented these Principles, many of the difficulties now being encountered in international economic relations would not have arisen.

68. The representatives of a number of socialist countries of Eastern Europe drew attention to the important role that UNCTAD could play in the normalization of trade relations among countries having different economic and social systems. In this connexion, they referred to the progress recently made in the field of East-West trade, which represented an important step towards the normalization of world trade. They also provided information on the steps their countries had taken to expand their trade and economic co-operation with other groups of countries and on the assistance rendered by them to developing countries in the field of trade and development, referring in particular to the increase in their imports of manufactures and semi-manufactures from the developing countries and the provision of economic, scientific and technological co-operation under bilateral agreements. However, the prospects for further development of that trade were determined not only by the socialist countries but also by the reciprocal efforts of the developing countries, reflected in their consistent application of the provision of the Charter of Economic Rights and Duties of States to the effect that the

socialist countries should be granted no less favourable treatment than that which was accorded to Western countries.

69. The same representatives said that, at the seventh special session of the General Assembly in which UNCTAD, which was concerned with many of the items on the agenda, should play an important role, the Declaration and the Programme of Action on the Establishment of a New International Economic Order, the Charter of Economic Rights and Duties of States and other important instruments adopted by the United Nations should be taken into account.

70. These representatives, referring to the negative aspects of the present economic situation, made particular reference to the instability of the capitalist system, deepening inflation, the negative effects of the activities of transnational corporations, and the breakdown of the international monetary system. The devaluation of the major reserve currencies had caused the developing countries serious losses, forcing them to reduce vital imports, thus delaying implementation of their national development programmes. The worsening of the crisis had also had an adverse effect on international co-operation. International trade, which should promote development, had unfortunately been used by certain countries as an instrument of discrimination.

71. The representatives of several socialist countries of Eastern Europe said that the main efforts to accelerate development were incumbent upon the developing countries themselves, which should take all steps to mobilize their own resources. External sources of finance must be regarded as complementary to the efforts of the developing countries themselves. Such measures as strengthening the State and co-operative sectors of the economy; controlling the activities of foreign capital, including those of transnational corporations; regulating the outflow of capital; broadening the planned sector of the economy; and improving budgetary and tax legislation could be conducive to economic and social progress and assist in removing obstacles to development. On the question of commodity trade, these representatives observed that their countries were in favour of solutions which would take into account the interests of both consumers and producers. International commodity stocks could be used only as an ancillary component of a whole set of measures for market stabilization, the most effective of which were international commodity agreements based on the provisions of recommendation A.II.1 adopted at the first session of the Conference. UNCTAD, as the most universal and experienced body dealing with such problems, should be responsible for the conclusion of such arrangements.

72. The representative of one of these countries noted with satisfaction the interregional UNCTAD/UNDP project for the development of trade between the socialist countries of Eastern Europe and the developing countries and the information study tour of senior Philippines government officials undertaken as part of a project to develop and diversify the export trade of that country with socialist countries.

73. The representative of one socialist country of Eastern Europe stated that, in his view, the unjustified insinuations and attempts at slander by a certain delegation (see para. 58 above) jeopardized the normal functioning of the Board.

74. The representative of a socialist country of Eastern Europe stated that his country, as a developing country, supported the other developing countries in their fight against inequality and their efforts to be masters of their own destiny. The present session of the Board was part of a series of international meetings dealing with development problems on a new basis. He reaffirmed his country's support for the position of the Group of Seventy-Seven in connexion with the seventh special session of the General Assembly, and expressed concern for the lack of progress in the implementation of the Programme of Action which had led to a very serious situation and cast doubts on the political will of developed countries. It was to be hoped that there would be a change in their attitude. The problems identified as requiring urgent action - the integrated programme for commodities, the problem of manufactures and market access, the transfer of technology, the transfer of financial resources and the reform of the international monetary system - were all important issues to which solutions would have to be found if the new international economic order was to be established.

75. The same representative emphasized that the signing of the Final Act of the Conference on Security and Co-operation in Europe had opened a new and decisive stage, that of the implementation, through concrete actions, of the commitments assumed. He also stressed that co-operation should put the relations between all peoples, whether of the West, East, North or South, on a new basis. To this end, the European countries should enlarge their co-operation with the developing countries with a view to implementing the new international economic order.

76. The representative of the European Economic Community said that at its present session the Board would be discussing important issues, many of which would be taken up at the seventh special session of the General Assembly. The present international economic situation had accentuated the need for the international community to take measures to establish a more equitable relationship between industrialized and developing countries, taking into account the special needs of the poorer countries. The EEC, which had historic ties with developing countries, recognized the extent of the mutual interdependence of developed and developing countries.

77. The same representative described the action taken by EEC with regard to the generalized system of preferences, its participation in commodity negotiations, its expanded food-aid programme, its contribution to the United Nations Special Fund for the most seriously affected countries and its agreement to provide financial and technical assistance to countries outside the various regional arrangements between EEC and groups of developing countries. He made particular reference to the signature of the Lomé Convention between the nine member States of the Community and 46 African, Caribbean and Pacific (ACP) States (see A/AC.176/7), the negotiation of which provided an example of the way in which common problems could be tackled. The Lomé Convention was a comprehensive co-operation agreement incorporating co-operative action in the fields of commerce, stabilization of export earnings for raw materials, industrial, financial and technical co-operation.

78. The EEC was playing an active part in the review and appraisal exercise and in the preparations for the seventh special session of the General Assembly with a view to making real progress towards a more balanced and equitable structure of international economic relations aimed at strengthening the position of developing

countries. In this connexion, the Community recognized the cardinal importance of raw materials for a great number of developing countries. It believed that the stabilization of export receipts and the increase of foreign exchange earnings should be seen in the context of an over-all approach. Measures should be directed towards restricting fluctuations in the prices of raw materials and stabilizing export earnings, including special measures for the poorest developing countries. With regard to an integrated programme for commodities, the aim should be to reach an agreement in principle at the fourth session of the Conference.

79. As regards the multilateral trade negotiations, the Tokyo Declaration had recognized the need to take into account the interests of developing countries, particularly in relation to tropical products. The Community intended to take action to improve substantially the conditions of access for primary and processed products of interest to developing countries. With regard to the transfer of financial resources, EEC saw this as part of a balanced approach to development co-operation, particularly for the poorest developing countries which were not producers of raw materials. The Community believed that discussions currently under way on the reform of the international monetary system should be speeded up. The functioning of this system must be improved and the interests of developing countries be taken into account. As far as the transfer of technology was concerned, EEC had participated within UNCTAD in discussions on an international code of conduct on the transfer of technology, taking into account the needs of developing countries. It was also prepared to discuss means and projects to ensure easier dissemination of technological information, to improve the general understanding of the industrial property market and to widen and facilitate the technological choices of developing countries.

80. The representative of the International Chamber of Commerce said that his organization had recognized the challenge implied in the recommendations contained in the Programme of Action on the Establishment of a New International Economic Order to the developed nations to allow developing countries to participate in world growth on more equal terms. In order to achieve the objectives of the Programme of Action the transfer of expertise and knowledge and financial aid must be so organized as to produce concrete results, and the industrialized world must open its markets to the products of developing countries without endangering its own social structure and economic stability. This would be possible only if there was political will to promote the new economic order, which in turn depended on the economic stability of developed countries. In view of the fact that market-economy countries and private enterprises accounted for more than two thirds of world trade, the business community should be closely associated in all discussions on these issues within the United Nations system.

81. With regard to the question of commodity price fluctuations, he said that very little had been achieved despite the efforts made and that any action taken in this field should protect the interests of both producers and consumers. Apart from tropical products, developing countries were not the only producers of commodities, nor the only exporters; it was not therefore in their interest to view international trade in commodities solely from the producers' angle. With regard to indexation, he believed that this question raised insoluble problems and that it was practically impossible to establish a scientific index or to determine objectively the reference prices on which to base indexation. The ICC was convinced that it was in the interests of all nations to combine their efforts and to avoid the difficulties and sufferings which could be caused in the future by

inadequate production of food-stuffs, raw material and energy in relation to mankind's growing needs. He believed that a commodity-by-commodity approach was more suitable than an integrated programme and stressed that the role of private entrepreneurs must be preserved. He also referred to the need for increased co-operation between UNCTAD and ICC. He referred in this connexion to the work within the Liaison Committee of ICC for the development of North/South trade through tripartite industrial co-operation agreements among market-economy countries, socialist countries and developing countries. Co-operation in the field of international shipping was also important.

82. The representative of UNIDO said that, despite the slow and disappointing progress to date, industrialization still remained one of the main engines of growth. If industrialization was to have a broad impact on living conditions it had to be closely interwoven with the development of all other branches of the economy. One of the disappointing aspects of industrial development was the fact that the share of developing countries in world industrial production had remained virtually stable at around 7 per cent over the last 20 years. The Lima Plan of Action on Industrial Development and Co-operation, adopted at the Second General Conference of UNIDO, had set up a target relating to the share of developing countries in world industrial activity and had made a number of recommendations to help implement this target, including co-operation among developing countries as well as co-operation between developed and developing countries. This would involve the redeployment of certain productive capacities in developed countries and the creation of new industrial facilities in developing countries for industries in which they had a potential comparative advantage. Developed countries could help developing countries to overcome the obstacles to establishing these industries and could also help with regard to transfer of technology, know-how, product design and improved market access. Developed countries would also need to adopt adjustment policies to bring about a rapid and smooth restructuring of their own economies.

83. The industrialization of developing countries was closely linked with changes in the pattern of international trade involving a larger proportion of finished goods, processed and semi-processed goods in the total exports of developing countries, a larger proportion of interregional trade among the various developing countries and regions and an increase in the total value of exports to the developed countries. Such changes could not occur without conscious action on the part of both developed and developing countries and both UNCTAD and UNIDO had an important role to play. Trade liberalization on the part of developed countries was essential if the goals of the new international economic order were to be realized. In the present world situation industrial activity would have to rely on exports being economically feasible and for many countries there could be no industrial expansion without expanded trade. While a century ago expanded trade was the engine of growth, today economic growth would have to come from carefully planned industrial development, and trade policies and programmes would have to reflect very closely industrial objectives. Many of the tools for implementing the new international economic order with reference to industry had been mentioned in the Lima Plan of Action: identification of priority industrial sectors, programmes of technical assistance, and policy harmonization between developing countries in the field of foreign investment technology and industrial processing. Joint industrial planning, as undertaken by the Andean Group, and joint

international ventures and subcontracting could also be helpful tools. UNIDO had already started work on elaborating some of these alternatives and would depend heavily on UNCTAD's support and contribution.

84. At the 438th meeting of the Board, on 12 August 1975, the spokesman for the Group of Seventy-seven introduced a draft decision (TD/B/L.418), 9/ submitted by Argentina on behalf of the Group, entitled "Impact on employment of international policy measures in the field of trade and development". At the same meeting, the representative of Pakistan introduced a draft resolution (TD/B/L.417), submitted by Indonesia on behalf of the Asian Group, 10/ entitled "Special measures in favour of the most seriously affected countries".

85. At the 441st meeting, on 16 August, the President introduced a draft resolution on special measures in favour of the most seriously affected countries (TD/B/L.423), and a draft decision on the impact on employment of international policy measures in the field of trade and development (TD/B/L.422), which he had submitted as a result of informal consultations. Draft resolution TD/B/L.417 and draft decision TD/B/L.418 were withdrawn.

Action by the Board

86. At the same meeting, the Board adopted draft resolution TD/B/L.423 (see annex I below, resolution 133 (XV)) and draft decision TD/B/L.422 (see annex I below, decision 134 (XV)).

87. The Board also decided to defer consideration of the draft resolution on the impact of regional economic groupings of the developed countries on international trade, including the trade of developing countries (TD/L.66 and Corr.1-3) until its sixteenth regular session (see annex III below).

88. The representative of Iraq stated that his delegation was prepared to support the concept of the resolution just adopted by the Board on special measures in favour of the most seriously affected countries, on the understanding that the recommendation in the operative part of the resolution should be construed as relating exclusively to the developed countries. The oil-producing developing countries had already given generous aid to the most seriously affected countries, and it was now up to the developed countries to redeem the consequences of past colonial exploitation by increasing their financial aid flows to the developing countries.

89. The representatives of Venezuela, the Libyan Arab Republic and Jordan associated themselves with the statement by the representative of Iraq.

90. The spokesman for the Group of Seventy-seven said that the Group as a whole was willing to support the resolution, on the understanding that the measures referred to would be of a temporary nature and designed specifically to meet the short-term needs of the countries in question. It was also the understanding of

9/ Romania subsequently became a co-sponsor of draft decision TD/B/L.418.

10/ Romania subsequently became a co-sponsor of draft resolution TD/B/L.417.

the Group of Seventy-seven that no permanent category of most seriously affected countries would be established, on the grounds that such countries were seriously affected by international economic problems that were of a short-term nature.

91. The representative of India pointed out that the most seriously affected countries were urgently in need of emergency relief and development assistance to help them to overcome their difficulties and to achieve self-sustaining economic development, as contemplated in the Special Programme adopted by the General Assembly at its sixth special session. The flow of such assistance would clearly have to be of an order of magnitude that was commensurate with the needs of these countries and would have to continue as long as those needs were not fully met.

CHAPTER IV

INTERDEPENDENCE OF PROBLEMS OF TRADE, DEVELOPMENT FINANCE AND THE INTERNATIONAL MONETARY SYSTEM AND FURTHER EVOLUTION OF THE INSTITUTIONAL ARRANGEMENTS IN UNCTAD

(Agenda items 4 and 13)

A. Interdependence of problems of trade, development
finance and the international monetary system 11/

(Agenda item 4)

92. For its consideration of this item, the Board had before it a report by the Secretary-General of UNCTAD on this issue (TD/B/571 and Add.1); an interim report on the multilateral trade negotiations (TD/B/572); a report containing the Secretary-General's suggestions concerning the role of UNCTAD in a new United Nations structure for global economic co-operation (TD/B/573 and Add.1); and a report on the influence of inflationary processes on world trade and economic relations (TD/B/558 and Corr.1).

93. The representative of the Secretary-General, introducing the item, stated that even though the idea of interdependence had received general acknowledgement it had yet to find its way into international economic negotiations. He pointed out that the unprecedented recession and inflation in the developed market economies, and the consequent plight of the developing economies, demonstrated the need for concerted action in the spheres of trade, money and finance. He then outlined a number of policy measures to alleviate the dual problem of balance-of-payments deficits associated with the world recession and containment of inflationary processes in the world economy.

94. The representatives of developing countries speaking on this subject referred to the sombre and pessimistic economic outlook for the developing economies as a result of recession and inflation in the developed market economies. Some of these representatives stated that there had been a progressive deterioration of the terms of trade as a result of the cyclical fluctuations in the industrial countries and that this had adversely affected the growth and growth potential of the developing economies.

95. The representatives of several developing countries, referring to certain fundamental weaknesses in the existing machinery governing the international monetary and trade systems and the impact these weaknesses had on the developing economies, emphasized the need for co-ordinated and interrelated steps in the area of trade, money and finance designed to pull the international economy out of recession while at the same time giving a new boost to development efforts.

11/ The Board discussed these items at its 433rd, 434th, 435th and 437th meetings on 8, 11 and 12 August, and at its 441st meeting on 16 August 1975.

96. The representative of one developing country suggested that the international measures to be taken to offset the adverse effects experienced by the developing countries should not be confined only to critically affected countries but should cover all developing economies. He further stated that aid flows should be untied and that market access for the exports of developing countries should be liberalized.

97. The representatives of several developing countries stressed the importance of the question of interdependence and stated that it was pointless to try to find radical solutions to the trade and growth problems of developing economies without at the same time overhauling the monetary system.

98. The representative of one developing country pointed out that the time had come for the international monetary system to gear itself up to deal with the development issue, and suggested that equitable treatment should be given to unequal partners in the international community, observing that the eradication of disparities in incomes should be an objective of any reform of the international monetary system. Commenting on the policy measures involved in the reform of the international monetary system, he stated that any such reform should address itself to the problem of liquidity and that the burden of changes in the exchange rate should not be borne by developing countries. He noted that the present distribution of special drawing rights was unjust and arbitrary, and emphasized that not only should more SDRs be allotted to developing countries but also that the resources provided under such a link mechanism should be additional to existing aid flows, adding that an additional allocation of SDRs of that kind should help expand demand for the exports of the industrial countries. He also referred to the importance of the participation of developing countries in the formulation of international monetary measures, such as changes in exchange rates.

99. The representative of another developing country stressed that the concept of interdependence was the very basis for the existence of UNCTAD. This fact had not been recognized for a long time, and the consequence had been the failure of actions taken in several areas independently of one another, since actions taken in financing, for example, had neutralized those taken in trade. As a result of the breakdown of the international monetary system in 1971 and the crisis situations in their balances of payments in recent years, the industrial countries had now also recognized the importance of interdependence. As a result, the various groups of industrial countries had been able to evolve co-ordinated and integrated approaches to solve their problems. He emphasized the need for a similar co-ordinated approach among the countries members of the Group of Seventy-seven, adding that the various groups of countries in the international community should try to negotiate and solve their problems within a global framework.

100. The same representative noted that for a long time it had been considered the rule that the country facing a deficit should adjust; but in recent balance-of-payments crises, the industrial countries had been adopting financing, rather than adjusting, as a rule. This rule should also apply to the developing economies. In conclusion, he observed that the work being done in UNCTAD on interdependence should continue with particular vigour.

101. The representative of another developing country stated that there was a marked absence of machinery that would help alleviate the impact on the developing countries of the fluctuations in the developed market economies. He suggested two special measures to assist the most seriously affected countries. First,

tariffs on the exports of these countries should be waived; secondly, IMF should sell its gold over a period and use the profits for the provision of concessionary assistance. He further stated that attempts by developing countries to restructure their economies would be futile unless trade barriers were removed and adequate rates of return assured.

102. The representative of another developing country indicated that the work of UNCTAD, particularly in the field of manufactures, must take account of developments elsewhere which had a direct bearing on world trade in those products. In this connexion, the multilateral trade negotiations provided another opportunity for trade liberalization, and it was essential for UNCTAD to keep the progress made in these negotiations under constant review. He added that the developing countries had noted at a recent meeting of the Trade Negotiations Committee that the progress achieved thus far in the negotiations had been rather disappointing. Urgent initiatives needed to be taken in the various areas of the negotiations if the objective embodied in the Tokyo Declaration of additional benefits for developing countries was to be fulfilled. He expressed the hope that, by the fourth session of the Conference, effective movements would have taken place as regards expanding the share of the developing countries in world trade, as well as structural changes in the trading system designed to promote such expansion. Such changes were required in order to achieve, inter alia, the objectives of the Lima Declaration. To that end, it would be advisable for the work of representatives in GATT and UNIDO to be co-ordinated.

103. The representative of a socialist country of Eastern Europe stressed that the aggravation of the economic situation of the developing countries was a result of the deepening crises in the economies of the Western countries and of the negative effects of the activities of transnational corporations. The international economic organizations had so far made no substantial contribution to neutralizing the negative effects of the activities of these corporations, which had had a destructive influence upon the system of international economic relations. In this respect, he suggested that the Secretary-General of UNCTAD should prepare a study on the restrictive business practices of transnational corporations to enable the Board to elaborate appropriate measures.

104. The representative of the International Monetary Fund gave a brief description of the steps the Fund had taken to assist developing countries to meet their balance-of-payments problems.

Action by the Board

105. At its 441st meeting, on 16 August, the Board agreed that the question of the interrelationship of issues and policies in the areas of trade, money and finance should be kept under continuous review. It further agreed to instruct the Committee on Invisibles and Financing related to Trade to examine at its seventh session the issues contained in documents TD/B/558 and Corr.1, TD/B/571 and TD/B/579 and to report on its deliberations to the Board at its seventh special session.

106. The Board decided that the draft resolution on interdependence of problems of trade, development finance and the international monetary system (TD/B/L.360) should be considered by the Board at its seventh special session, on the

understanding that the question should also be considered by the Conference at its fourth session under the appropriate heading concerning institutional issues.

B. Further evolution of the institutional arrangements
in UNCTAD: Conference resolution 80 (III) 12/

(Agenda item 13)

107. The Board had before it in connexion with this item a report by the Secretary-General of UNCTAD entitled "The role of UNCTAD in a new United Nations structure for global economic co-operation" (TD/B/573). Also, in accordance with its decision at its sixth special session (part one, chap. I, para. 85 above), the Board had before it the draft resolution contained in TD/B/L.360.

108. The Representatives of two developing countries advocated the establishment of a comprehensive international trade organization as an institutional objective in the field of trade and development. They considered that progress towards this aim could be achieved by the adaptation and strengthening of UNCTAD to make it an effective instrument of negotiation for the implementation of the new international economic order. They agreed that UNCTAD should be recognized as the central forum of the United Nations for deliberations and negotiations on policies affecting international economic relations. They considered that the fourth session of the Conference would provide an opportunity for Governments to take action along these lines.

109. One of these representatives drew attention to the need to reduce the duality between UNCTAD and GATT, so as to avoid the risk of conflicting decisions being taken in the two organizations. He further supported the proposal in draft resolution TD/B/L.360 for the establishment of a high-level standing committee of the Board.

110. The representative of another developing country considered that the report of the Group of Experts on the Structure of the United Nations System 13/ contained a fundamental weakness in that it had put forward certain proposals for structural reform without prior agreement on the objectives to be attained by the reformed system. He proposed that the Board should recommend to the General Assembly that there should be no discussion of the question of institutional reform until agreement had been reached on the structural changes required in international economic relations. He emphasized that concern with institutional reform should not be allowed to weaken efforts to promote the economic development of developing countries within the existing institutional framework.

111. In the view of the representative of another developing country, the immediate institutional need in UNCTAD was for a system to monitor the implementation of past resolutions and decisions so as to ensure that these were translated into reality.

12/ The Board considered this item at its 433rd, 435th, 437th and 441st meetings on 8, 11, 12 and 16 August 1975. Reference was also made to the subject by the Secretary-General of UNCTAD in his opening statement and by representatives speaking on other items of the agenda.

13/ United Nations publication, Sales No.: E.75.II.A.7.

He felt that the practice of accumulating resolutions which had no effect on the way in which economic relations were actually conducted should be stopped.

112. The spokesman for Group B considered that it would be premature to enter into a detailed discussion of institutional questions at the present session of the Board. Although members of his Group would be interested in hearing views on these issues, they felt that the issues themselves could not be resolved at the present session but would have to be considered in the light of the report of the Group of Experts and of the outcome of the fifty-ninth session of the Economic and Social Council. He stated that some of the ideas advanced by the Secretary-General of UNCTAD in his report would pose serious difficulties for members of his Group, for example, in so far as those ideas concerned the possible future relationship between the role of UNCTAD and that of other related bodies.

113. The representative of a socialist country of Eastern Europe reiterated his Government's support for increasing the efficiency and role of UNCTAD in the normalization and expansion of all flows of trade and economic co-operation, as established in General Assembly resolution 1995 (XIX). He considered that a strengthened and more effective UNCTAD would pave the way for the establishment within the United Nations of a comprehensive international trade organization, the legatee of all progressive decisions and activities of UNCTAD, to deal with all problems relating to trade. Such an organization would have to be universal in character and promote just and equitable relations among all countries, irrespective of differences in levels of development and economic and social systems. His country had always supported this objective and considered that the present détente in international relations should facilitate its achievement. It was also in favour of merging UNCTAD and GATT and recalled that, at the Board's thirteenth session, ^{14/} his delegation had drawn attention to the need to study ways of merging the two organizations as an eventual approach to the creation of a comprehensive international trade organization, universal in its membership and in its terms of reference.

Action by the Board

114. At its 441st meeting, on 16 August 1975, the Board took note with appreciation of the report of the Secretary-General of UNCTAD entitled "The role of UNCTAD in a new United Nations structure for global economic co-operation" (TD/B/573). Owing to the late circulation of that document, the Board was not able to discuss it thoroughly. However, it considered that the ideas outlined therein by the Secretary-General were of particular relevance to decisions on the future role of UNCTAD and made a useful contribution to the debate on the need for structural reform in the United Nations system. It therefore decided to transmit his report, together with the views expressed thereon during its session, to the General Assembly at its seventh special session and its thirtieth regular session, in connexion with the consideration by the Assembly of the question of structural reform.

^{14/} See Official Records of the General Assembly, Twenty-eighth Session, Supplement No. 15 (A/9015/Rev.1), part three, para. 495.

CHAPTER V

MATTERS REQUIRING ACTION BY THE BOARD ARISING FROM OR RELATED TO REPORTS OF ITS SUBSIDIARY BODIES 15/

(Agenda item 5)

A. Commodity trade

115. In addition to the report of the Committee on Commodities on the first part of its eighth session 16/ the Board had before it:

- A note by the UNCTAD secretariat on matters arising from the second part of the eighth session which required action by or the attention of the Board (TD/B/L.409); 17/
- A report of the Secretary-General of UNCTAD on negotiations and consultations on individual commodities (TD/B/565), supplementing the review of current activities in the international commodity councils and other specialized commodity bodies in TD/B/C.1/185 and Add.1, and containing also a brief review of follow-up work on the recommendations of a number of intensive ad hoc intergovernmental consultations held pursuant to Conference resolution 83 (III) and resolution 7 (VII) of the Committee on Commodities, as well as an account of UNCTAD assistance to developing countries in the context of the multilateral trade negotiations;
- A note by the UNCTAD secretariat on diversification (TD/B/574);
- A note by the UNCTAD secretariat on the discussion at the third United Nations Conference on the Law of the Sea on the reports by the UNCTAD secretariat 18/ which had been made available to that Conference in accordance with agreed conclusion 10 (VIII) of the Committee on Commodities (TD/B/564);
- A note by the UNCTAD secretariat (TD/B/562), circulated in accordance with agreed conclusion 11 (VIII) of the Committee on Commodities, on the progress of studies and of the implementation of Conference resolution 50 (III) in respect of natural products facing competition from synthetics;

15/ This item was discussed in the Sessional Committee (see para. 272).

16/ TD/B/543 (provisionally circulated as TD/B/C.1(VIII)/Misc.4). For the printed text, see Official Records of the Trade and Development Board, Fifteenth Session, Supplement No. 2.

17/ The note was circulated pending issuance of the report of the Committee on the second part of its eighth session (TD/B/C.1(VIII)/Misc.5).

18/ TD/B/C.1/170 and Corr.1 and 2 and TD/B/C.1/172.

- A report on indexation by the Secretary-General of UNCTAD (TD/B/563), prepared pursuant to General Assembly resolution 3308 (XXIX);
- A report by the UNCTAD secretariat on the improvement and expansion of the collection, analysis and dissemination of information on commodities (TD/B/566), pursuant to Board resolution 123 (XIV);
- A note by the Secretary-General of UNCTAD (TD/B/572) attaching his interim report on the multilateral trade negotiations submitted to the Preparatory Committee for the seventh special session of the General Assembly.

116. The reports of the Committee on Commodities on the first and second parts of its eighth session were introduced by its Chairman, who recalled that at the first part of the session the Committee had singled out for priority action the elaboration of an integrated programme for commodities and had agreed that further work on the proposed programme should become the focus of UNCTAD's work on commodities. The thorough discussion of the various elements of the proposed integrated programme which had taken place at the second part of the session was indicative of the common desire of Governments to move ahead towards the shared objective of concrete and meaningful action in the field of commodities.

117. Introducing the documentation, the representative of the Secretary-General of UNCTAD stated that while the Committee on Commodities had given priority consideration at the first and second parts of its eighth session to the integrated programme, it had also taken up other issues. Referring to the report by the Secretary-General of UNCTAD on individual commodity consultations and negotiations (TD/B/565), he stated that the first part of the report contained the usual account of activities in the field of commodities in UNCTAD as well as in other international fora, but that it was relatively brief, since a detailed report had been submitted to the Committee on Commodities at the second part of its eighth session. The second part of the report related to follow-up action on the intensive ad hoc intergovernmental consultations requested in paragraphs 2 and 5 of resolution 14 (VIII) of the Committee, and to the Committee's agreed conclusion 13 (VIII) on tungsten. Since the adoption of that agreed conclusion, the Committee on Tungsten had held its ninth session and had agreed that a working group should be convened early in 1976 to consider arrangements for market stabilization and to report to the Committee on Tungsten, which should meet as early as possible in 1976. The third part of the secretariat's report related to resolution 12 (VIII) of the Committee on Commodities, which requested the Secretary-General of UNCTAD to consult with interested Governments on how best the secretariat could assist them in their participation in the multilateral trade negotiations. The interim report of the Secretary-General of UNCTAD, submitted to the Preparatory Committee for the seventh special session of the General Assembly, and circulated under cover of TD/B/572, summarized the situation in this respect.

118. On diversification, for reasons explained in TD/B/574, it had not been possible to prepare the report requested by the Committee in its agreed conclusion 9 (VIII).

119. As regards natural products facing competition from synthetics, he said that the work in progress was outlined in TD/B/562, and stressed that the results would be incorporated, to the extent possible and appropriate, in recommendations which would be made within the framework of the integrated programme.

120. Outlining the background to the question of the strengthening of UNCTAD activities, he noted the improvements made to the Monthly Commodity Price Bulletin since the adoption of Board resolution 123 (XIV) and also the further unavoidable delay in resuming regular publication of the Commodity Survey. He hoped, however, that publication of the Survey could be resumed in 1976. Referring to further action for strengthening UNCTAD's activities, proposed in the report by the UNCTAD secretariat on this subject (TD/B/566), he explained that, while consideration was being given to other ways of implementing Board resolution 123 (XIV), much would depend on the final outcome of present efforts concerning the elaboration of the integrated programme and its implementation. Any further proposals which might be formulated by the Secretary-General of UNCTAD would be submitted in due course to the Board or to the Committee on Commodities, as appropriate.

121. On the question of indexation he said that in preparing his report (TD/B/563) the Secretary-General of UNCTAD had taken into account the views expressed by Governments on the subject at earlier meetings, as well as the views of the members of the Expert Group on Indexation, whose main conclusions were annexed to the report. The report took the position that there were two aspects to the question of indexation: one was whether there was a problem of deterioration in the terms of trade of commodities exported by developing countries and the other was whether, and to what extent, if such a problem existed, indexation could be an effective solution to it. The statistical studies by the secretariat showed that, since the Second World War, there had been such a problem for many of the commodities exported by developing countries. The Expert Group, moreover, had recognized that these terms of trade were subject to substantial short-term fluctuations.

122. In considering indexation as a possible solution to these problems, a distinction had to be made between direct and indirect indexation, which had to be considered separately. Indirect indexation could, in principle, provide a comprehensive and effective solution, but it would require new and elaborate international institutional arrangements and would be subject to the danger that income transfers effected under the arrangements would divert existing aid flows and would not represent net additions to existing aid. Direct indexation could not provide a comprehensive solution, but it could be attempted for any commodity for which an international arrangement was established. In this regard, the Secretary-General of UNCTAD had concluded that in any commodity arrangement established for the purpose of defending a target price or price range it would seem appropriate, particularly in conditions of prospective rapid inflation, that the target price or price range should be specified in real terms, and not in nominal money terms, even though the target might have to be modified in the light of experience.

123. The representative of a developing country stated that the informal meetings of representatives of Governments which the Committee on Commodities, at the second part of its eighth session, had invited the Secretary-General of UNCTAD to convene, in connexion with the integrated programme on commodities, should be open to all interested Governments and that the results should be made available to all Governments. Commenting on this suggestion, the representative of the Secretary-General of UNCTAD pointed out that it would not be possible to prepare and distribute any records of these consultations, since they would be of a purely informal character designed to facilitate a free and frank exchange of views. Hence, any attempt to produce records of the discussions would defeat their purpose.

124. The representative of another developing country, noting with concern the continuing decline of commodity prices, stated that the time had come to conclude agreements for implementing some of the suggestions contained in the proposed integrated programme. He said that an agreement in principle was possible for the establishment of a network of commodity buffer stocks which would stabilize commodity prices for the benefit of all. So far that had not been possible because of the lack of political will in developed countries.

125. The representatives of several developing countries stated that the stabilization of commodity prices through a network of buffer stocks would benefit both producing and consuming countries. It was therefore appropriate that both groups of countries contribute to the financing of commodity buffer stocks. With regard to the Fifth International Tin Agreement, recently concluded, the representative of a developing country hoped that the developed countries members of the Agreement would also contribute to the financing of the tin buffer stock.

126. The representatives of several developing countries stated that in its further work on the integrated programme the UNCTAD secretariat should take into account not only the possibility of holding buffer stocks, but also all other possible measures to solve the commodity problem, including in particular access to the markets of developed countries, wherever possible on a preferential basis, the possibility of undertaking other forms of market intervention when buffer stocks were not feasible, and compensatory financing. Suitable means for financing such operations should also be worked out. The commodity coverage of the integrated programme should also be as wide as possible. For this purpose commodities of importance to developing countries but exported by both developing and developed countries should be considered, and appropriate measures devised. One of these representatives stressed that, when assessing the costs and benefits of stocking operations, the UNCTAD secretariat should also take into account benefits that could not be measured quantitatively.

127. The representative of a developing country stated that the studies of the marketing and distribution systems for commodities were important and relevant to his country and that work by the UNCTAD secretariat in this area deserved the same priority as the integrated programme. He requested the UNCTAD secretariat to extend its assistance to developing countries in the field of commodities by formulating practical proposals which might be the subject of negotiation within the framework of the multilateral trade negotiations. He also stressed the necessity for the secretariat to continue its work in the field of competition between natural products and synthetic substitutes. The representatives of several other developing countries stressed the need for the secretariat to continue its marketing and distribution studies.

128. The representative of a developing country considered that the problems faced by certain commodities could be solved by efforts to increase their consumption, particularly by developing countries. He suggested that methods should be devised to maintain the level of imports of these commodities by developing countries, particularly of those commodities meeting their essential needs. Specific proposals should be made in the future regarding international action for these commodities. He also stressed that the documentation prepared by the UNCTAD secretariat for the third part of the eighth session of the Committee on Commodities should be available in good time.

129. The representative of a developing country stated that the establishment of producers' associations among developing countries would contribute to the achievement of collective self-reliance among these countries.

130. The representative of a developing socialist country of Asia supported this view.

131. The representative of a socialist country of Eastern Europe stressed the importance of the forthcoming informal consultations of the Secretary-General of UNCTAD with Governments and with other international bodies for speeding up the elaboration of the proposed integrated programme for commodities, which, in his view, should be based on the progressive principles of the Programme of Action on the Establishment of a New International Economic Order (General Assembly resolution 3202 (S-VI)), as well as of the Charter of Economic Rights and Duties of States (General Assembly resolution 3281 (XXIX)). He added that the proposed integrated programme should also take into account the multitude of forms and methods applied in commodity trade, in particular in stabilizing commodity markets. He referred in this connexion to long-term agreements and contracts between producers and consumers as a means of stabilizing and expanding trade. He emphasized that international commodity agreements should, as envisaged in recommendation A.II.1 of the Conference, be an essential element of the proposed integrated programme and supported the suggestion that access to markets should likewise be an integral part of the programme.

132. The representative of a developing socialist country of Asia stated that his Government supported the reasonable demand and just proposition of the developing countries on the integrated programme for commodities. He maintained that it was necessary to formulate an integrated programme and adopt effective measures on the basis of the principles of the respect of sovereignty and equality among States, irrespective of their size, so as to enable the developing countries to obtain remunerative prices for their export commodities. He hoped that UNCTAD would continue its efforts in this area and make practical progress.

133. The representative of FAO, noting that the 1973-1974 commodity price boom was over, stressed the need for a concerted attack by the international community on the commodity front. He welcomed the integrated programme for commodities proposed by the Secretary-General of UNCTAD and gave an account of relevant FAO activities. He mentioned in particular that the Director-General of FAO was making proposals to the next session of the FAO Conference, through its Committee on Commodity Problems, on a comprehensive strategy for agricultural commodities which would complement the work undertaken in UNCTAD on an integrated programme.

134. Referring to the note by the UNCTAD secretariat on natural products facing competition from synthetics (TD/B/562), the representative of a developing country said that the UNCTAD secretariat should not give up its competence and mandate in the field. It should present concrete proposals to improve the competitive position of natural products vis-à-vis their synthetic substitutes, including proposals for both technical and financial assistance. His delegation awaited with interest the more detailed studies to be prepared on the integrated programme.

135. The representative of a developing country, expressing regret at the lack of action on access to markets and pricing in response to the recommendations made by

the various intensive ad hoc intergovernmental consultations on commodities, said that the time had come to move from the level of further studies to negotiations. Although some aspects of the problems could be dealt with elsewhere, such as in the multilateral trade negotiations, they should be negotiated under UNCTAD auspices, in view of the breadth of the issues involved.

136. The representative of a developing country conveyed the view of his Government that for price indexation to be effective it had to be considered within the context of the proposed integrated programme for commodities, and specifically of compensatory financial arrangements, arrangements for buffer stocks and multilateral contracts. His Government supported the secretariat's efforts to improve statistics of the prices of manufactured goods entering into world trade, which formed a part of its programme of work on indexation.

137. The representative of another developing country stated that his Government believed that the report by the Secretary-General of UNCTAD on indexation (TD/B/563) had demonstrated the practicability of price indexation, and hoped that the appropriate elements of such indexation would be incorporated into the proposed integrated programme for commodities. He requested the UNCTAD secretariat to provide a report on all the elements of the proposed integrated programme, bearing in mind the stages of work reached in each area, so that the Committee on Commodities could make concrete suggestions on the programme as a whole, at the third part of its eighth session, for consideration by the Board and adoption by the Conference at its fourth session. His Government recognized the importance of diversification to the economies of developing countries and of its adoption by the international community as an integral part of commodity policy. It therefore believed that a progress report on work on detailed studies on the problems of commodity diversification of a number of developing countries should be made available to the Committee on Commodities at the third part of its eighth session.

138. The representative of a developing socialist country of Asia stated that his Government fully supported the reasonable demand and just proposal of the developing countries for a system of price indexation to safeguard their economic interests. His Government believed that price indexation would be an important element in the establishment of a new international economic order, as called for in the Declaration and the Programme of Action adopted by the General Assembly, which had clearly sanctioned the principle of indexation. In his view, UNCTAD was the responsible body to implement General Assembly resolution 3202 (S-VI) in this respect, and the Trade and Development Board should therefore make its contribution to the establishment of a system of price indexation. His Government recognized that in the implementation of indexation certain technical problems relating, for example, to the range of commodities to be considered or to the initial level to be chosen for the reference price, would arise. It considered, however, that these problems could be overcome if all countries concerned demonstrated proper goodwill and did not invoke such problems as an excuse to avoid action.

139. The representative of a developed market economy country stated that his Government had examined the issue of indexation very carefully and had concluded that it posed the most serious economic and technical difficulties. He emphasized the need to concentrate efforts on the over-all export earnings of developing countries rather than merely on the prices of their commodity exports. He also

noted that if the proposed commodity arrangements were to work effectively, it would be necessary to make frequent reviews of the price ranges specified, in order to ensure a proper balance between total demand for and supply of the commodities in question. Such reviews would obviously have to take into account, inter alia, changing costs of production and the prices at which, as a result, producers would be willing to sell their output.

140. The representative of a developed market economy country, recalling his country's export interest in a wide range of agricultural commodities and raw materials, queried whether, in relation to the search for solutions to the problems of commodities, the basic dichotomy was one of developing country producers on the one hand and developed country consumers on the other. In his view, in order for solutions to attract widespread support to make them workable, any approach should take into account the interests of all producers and consumers, developed and developing alike.

Action by the Board

141. At its 440th meeting, on 15 August 1975, the Board took note of the note by the UNCTAD secretariat on matters arising from the second part of the eighth session of the Committee on Commodities which required action by or the attention of the Board (TD/B/L.409).

B. Trade in manufactures and semi-manufactures

142. The report of the Committee on Manufactures on its seventh session 19/ was introduced by the Chairman of that Committee.

143. The representative of the Secretary-General of UNCTAD reported on the consultations that the Secretary-General had held with the Executive Director of UNIDO, pursuant to decision 8 (VII) of the Committee, on procedures and arrangements for close co-operation between the two organizations on measures within their respective areas of competence, including the implementation of the Lima Plan of Action. The consultations, which had also covered co-operation and co-ordination between the two organizations in the field of industrial restructuring, and in which senior officials of both secretariats had participated, were to be followed by more detailed discussions on these matters in the near future, and the results would be communicated to Governments in due course. He stated that the UNCTAD secretariat would proceed further with its studies of the possibilities for industrial restructuring, including the feasibility and implications of international industrial collaboration arrangements. Such studies would be carried out in close co-operation and co-ordination with UNIDO.

144. The representatives of several developing countries stressed the importance of expanding and diversifying exports of manufactures as a means of promoting economic development and industrialization in developing countries and emphasized the need for a comprehensive approach in this regard. One of these representatives stressed that the economic history of Europe showed that the present developed

19/ TD/B/576 (provisionally circulated as TD/B/C.2 (VII)/Misc.3).

countries had benefited greatly from their overseas dependencies as a source of cheap raw materials and a market for manufactured exports based on those materials. He added that the industrialization of developing countries was essential for an improvement of living standards and that it was only right that developed countries should assist them in the industrialization process. Another such representative stressed that a decline in prices of primary products relative to those of manufactures strengthened the incentive to industrialize and to export manufactures. UNCTAD should investigate the supply problems involved in industrialization and also examine the obstacles to increasing the exports of manufactures by developing countries.

145. The representative of another developing country welcomed the adoption by the Committee on Manufactures of resolution 11 (VII) on international trade in textiles and hoped that future action in this field would aim at full and early liberalization of imports of textiles from developing countries, the inclusion of textiles in the schemes of generalized preferences without the imposition of ceilings and, where bilateral arrangements existed, application on a duty-free basis of the full quotas and a recognition of the need for developed countries to withdraw from production in those areas where the comparative advantage had shifted to the developing countries.

146. Referring to the target in the Lima Declaration of a 25 per cent share for developing countries of world manufacturing output by the year 2000, the representative of a developing country stated that, since UNIDO had included trade in its targets, it was perfectly proper for UNCTAD to consider industrial output in relation to the UNIDO targets for trade. Indeed, UNCTAD should investigate fully the obstacles to achieving the trade target of the Lima Declaration.

147. The representative of a developing country regretted that the Committee on Manufactures had not yet reached agreement on export incentives and countervailing duties and the reduction or elimination on a preferential basis of tariff and non-tariff barriers to the exports of developing countries. Another such representative expressed the hope that tariff reclassification would be given high priority in the Customs Co-operation Council and that the developed countries would take necessary measures for tariff reclassification so as to provide improved access, and on a duty-free basis.

148. The representative of another developing country expressed the hope that in the multilateral trade negotiations special consideration would be given to the problems of developing countries with respect to tariff and non-tariff barriers in order to achieve the objectives of the negotiations. He also hoped that a code of conduct would be evolved with respect to countervailing duties and export subsidies that would give special exemptions to developing countries.

149. The representative of another developing country stressed the importance of the safeguard measures being discussed in the multilateral trade negotiations, adding that if the proposed measures were agreed upon a definition would be provided of "domestic injury". He suggested that an international surveillance body be set up to supervise the application of any agreed measures. He expressed the view that the developed countries, when contemplating adjustment assistance measures, should bear in mind the need for measures relating to imports of manufactures and semi-manufactures from developing countries, particularly with respect to products in which the developing countries had a comparative advantage.

He pointed out that there was a close relationship between an integrated approach to commodity problems and the comprehensive approach to trade in manufactures suggested by the Secretary-General of UNCTAD, since raw materials were important inputs in the industrial process.

150. The representative of a developing country, referring to the discussion in the Committee on Manufactures on industrial restructuring and adjustment assistance measures to be taken by developed countries, stressed that an international adjustment assistance fund should be set up to facilitate trade liberalization. The representative of another developing country, referring to the draft resolution on international co-operation for industrial restructuring which had been remitted to the Board, 20/ stressed the interest of his country in the recommendations contained in the draft resolution and expressed the hope that the Board would adopt the draft resolution at its present session. He also urged the adoption of a time-bound programme of adjustment assistance as a priority item for the fourth session of the Conference.

151. The representatives of some developing countries, as well as of some socialist countries of Eastern Europe, emphasized the importance of resolution 9 (VII) of the Committee on Manufactures, which called for the convening of another group of experts on restrictive business practices. The representatives of developing countries looked forward to the recommendations of the Group, particularly on the manner in which multilaterally acceptable principles on restrictive business practices could be negotiated and adopted by the international community. One of them stressed that the activities of transnational corporations were often harmful to the export interests of developing countries, saying that such abuses should be eliminated in the future.

152. The representative of a socialist country of Eastern Europe stated that his country had neither tariff nor non-tariff obstacles to trade with developing countries and that its efforts to expand trade with those countries were made on a planned basis. Future increases in such trade would also include the possibility of purchases of the export products of developing countries made in factories and with equipment supplied by the socialist countries. He added that mutual goodwill, the mutual efforts of the trading partners concerned and an increasing normalization of world trade in all its flows would greatly enhance the trade of developing countries with socialist countries. In this connexion, he referred to the need for due implementation of the provisions of the Charter of Economic Rights and Duties of States, in particular article 20.

153. Commenting on the discussion, the representative of the Secretary-General of UNCTAD noted that there was a close relationship between a comprehensive strategy for exports of manufactures from developing countries and the proposed integrated programme for primary commodities. He also noted the link between production and trade and the suggestion that UNCTAD should pay more attention to industrial production in relation to trade. The various suggestions which had been made in this connexion concerning the establishment of adjustment assistance programmes and a special fund, and on other matters relating to the work of the secretariat in the field of manufactures, had been carefully noted and would be taken fully into account.

20/ TD/B/C.2/L.79. See annex III.A of the report of the Committee on Manufactures on its seventh session.

154. As a result of informal consultations on draft resolution TD/B/C.2/L.79, the Chairman of the Sessional Committee submitted a revised draft resolution on international co-operation for industrial restructuring (TD/B(XV)/SC/L.4), and draft resolution TD/B/C.2/L.79 was withdrawn.

Action by the Board

155. At its 440th meeting, on 15 August 1975, the Board adopted draft resolution TD/B(XV)/SC/L.4 (see annex I, resolution 131 (XV)).

156. The representative of the United States said that his delegation was happy to join in the consensus on the resolution, but it should be clearly understood that there had been no change in the position of his Government concerning the resolutions referred to in the preambular paragraphs. With respect to the operative paragraphs of the resolution, in view of the private enterprise nature of United States industry, his country could not enter into negotiations for the purpose of deploying in developing countries those industries in which they considered they had a comparative advantage. With regard to the study requested in paragraph 3 of the resolution, he considered that the UNCTAD secretariat should give prior attention to consultations aimed at exchanging information to facilitate the industrial development of the developing countries, which was an objective subscribed to by all.

157. Taking note of the report of the Committee on Manufactures, the Board took the following action with respect to other draft resolutions remitted to it by the Committee:

Draft resolutions on export subsidies and countervailing duties 21/ on adjustment assistance measures 22/ and on safeguards and standstill 23/

(a) The Board decided to transmit these draft resolutions to its seventh special session for consideration as appropriate (see annex III below).

Draft resolution on restrictive business practices 24/

(b) The Board decided to bring the relevant portions of the report of the Committee on Manufactures on its seventh session to the attention of the Group of Experts on Restrictive Business Practices to be convened in accordance with resolution 9 (VII) of the Committee on Manufactures. It further decided that the draft resolution would be considered by the permanent machinery of UNCTAD, taking into account the progress made by the Group of Experts.

21/ TD/B/C.2(VII)/SC/L.2.

22/ TD/B/C.2/L.70.

23/ TD/B/C.2/L.71.

24/ TD/B/C.2/L.80/Rev.1.

C. Financing related to trade

158. For the consideration of this item the Board had before it:

- A report by the UNCTAD secretariat entitled "Financial flows of developing countries" (TD/B/556), which was supplemented by more detailed information in a further report entitled "Financial flows to and from developing countries" (TD/B(XV)/Misc.3);
- The report of the Ad Hoc Group of Governmental Experts on the Debt Problems of Developing Countries on its third session (TD/B/545);
- The report of the Expert Group on Export Credits as a Means of Promoting Exports from Developing Countries (TD/B/552 and Corr.1);
- A note by the Secretary-General of UNCTAD on fluctuating exchange rates and the developing countries (TD/B/555) and a study on the same subject by Professor Fred Hirsch, University of Warwick, United Kingdom (TD/B/555/Add.1).

159. In addition, the Board had before it a draft resolution on compensation for losses occasioned by the realignment of major currencies, consideration of which it had deferred from its thirteenth session and subsequently from its fourteenth session. 25/

160. The representative of the Secretary-General of UNCTAD made an introductory statement.

1. Financial flows to developing countries

161. The representatives of several developing countries deplored the fact that official development assistance (ODA) from the developed market economy countries had declined by 7 per cent in real terms in 1974, at a time when many developing countries were facing severe balance-of-payments problems owing to world economic conditions; their development plans had been disrupted, their reserves had declined and their borrowing had increased, accentuating their already serious external debt problems. One of these representatives cited a recent study by the World Bank in which it was calculated that in the period 1976-1980 the additional external capital requirements of developing countries would increase by more than \$30 billion per year.

162. These representatives called for an early attainment of the 0.7 per cent ODA target by the developed countries as soon as possible; one of them, commending the Government of Sweden for having attained the target, suggested that the target should be attained by all other countries by 1976. Some representatives called for a fresh look at the adequacy of the target in view of the problems now facing developing countries.

25/ TD/B/L.308. For the text, see Official Records of the General Assembly, Twenty-seventh Session, Supplement No. 15 (A/8715/Rev.1 and Rev.1/Corr.1), part one, annex V. See also ibid., Twenty-eighth Session, Supplement No. 15 (A/9015/Rev.1), para. 282.

163. The representatives of several developing countries drew attention to the increasing recourse their countries were obliged to have to private sources of financing, which added considerably to their external debt problems. They also pointed out that the balance of private capital flows had increased significantly and it was possible that there was even a net transfer from developing countries to developed countries.

164. The representatives of several developing countries, commenting upon the present concept of aid and flow targets, suggested that the 1 per cent target should not be regarded as an aid target but rather should be viewed as an "index" of financial co-operation. They suggested that the Secretary-General of UNCTAD keep the matter under review and submit appropriate documentation to the next sessions of the Committee on Invisibles and Financing related to Trade and of the Group of Governmental Experts on the Concepts of the Present Aid and Flow Targets, with a view to action on the matter, particularly on the question of the automaticity and dependability of financial flows. One of these representatives suggested that the UNCTAD secretariat should present data on the basis of the net availability of resources (i.e., net of all outflows) and that the recommendations of the Group of Governmental Experts should be borne in mind when presenting all data on financial flows.

165. The representative of one developing country stated that the least developed countries did not receive an adequate share of official development assistance and suggested that a fixed percentage of such assistance should be allocated to those countries.

166. Several representatives made specific suggestions for improving and enlarging upon the present facilities available to developing countries for financing their external payments gap; in particular, support was expressed for the United Nations Special Fund; enlargement of the IMF oil facility, its extension beyond 1975 and the establishment of an interest subsidy fund; the establishment of a "third window" by the World Bank; and the establishment of a trust fund.

167. The representatives of some developing countries stressed the importance of the reform of the international monetary system in the provision of financial resources for development. One of them emphasized that the floating of exchange rates should not be legalized, since it increased the need for reserves. He also stated that no arrangement on gold should be entered into unless it resulted in an increase in the flow of resources to developing countries. He expressed support for the link between special drawing rights and additional development finance and for all other proposals made by the Group of Twenty-four, emphasizing the importance of channelling short-term funds into long-term investments.

168. Several representatives commended the oil-exporting countries for the generosity of their aid to developing countries in order to ease their critical problems relating to the balance of payments and economic development.

169. The representative of a developed market economy country who spoke on the subject singled out some of the facts mentioned in the report by the UNCTAD secretariat (TD/B(XV)/Misc.3) which, in his view, clearly underlined that information provided under present aid and flow targets was misleading. In particular, he stressed that if interest payments and profit remittances were taken into account, which was not the case today, the net resource transfer in

1973 was only about \$8 billion, while under the net flow of resources definition as presently used the figure was \$23 billion. He also mentioned that, besides the performance under an ODA target, net of amortization and interest payments, of about \$8 billion, the reverse flow of profit remittances over private direct investment flows was barely compensated by other private and official net resources transfers, thereby constituting nothing more than a zero performance. He emphasized that the 1 per cent target as presently constituted did not represent an aid target, since it included private flows which were commercial in nature; in addition, private flows were outside governmental control. The 1 per cent target also could not even partly indicate the extent of burden sharing among developed countries.

170. The same representative suggested that the 0.7 per cent target was the only relevant aid target. Its attainment would imply a doubling of the present aid flows and would considerably lighten the debt burden of developing countries. However, he expressed concern at the declining trend of total ODA flows and stressed that in the present situation it was important to direct all efforts to attaining the target rather than to fixing a new target. He also suggested that ODA should be measured net of both amortization and interest payments; its terms should be softened; loans should be untied; the proportion of grants to loans should be greatly increased; the assistance should be provided on a long-term and continuing basis; and the terms and conditions for different recipient countries should be harmonized. Moreover, the least developed countries should receive ODA in the form of grants only.

2. External debt problems of developing countries

171. The representatives of several developing countries drew attention to the growing debt problems of developing countries, which had reached critical proportions in many cases. They pointed to the general support which now existed for resolving these debt problems in a wider development context and in the framework of international discussion on issues of trade and aid. In particular, such discussion had highlighted the need for a greater flow of resources to developing countries on concessional terms. The representatives of many developing countries expressed appreciation and support for the recommendations of the Group of Governmental Experts on the Debt Problems of Developing Countries, with regard both to criteria governing solutions to the debt problem and to the recommendations made by the Group on institutional arrangements. The representative of a developing country expressed the hope that the institutional arrangements would provide appropriate bargaining power to the developing countries in regard to debt relief negotiations. In that connexion, another representative of a developing country stressed the importance of new institutional measures, particularly for those countries which were not served by consortia.

172. In view of the critical debt-service ratio of many developing countries, the representatives of several developing countries stressed the need for urgent action and the contribution that immediate debt relief could make towards alleviating the present problems of many developing countries. One of them suggested that the possibility of a *bisque* clause being inserted in all debt negotiation agreements should be thoroughly examined. Another said that all outstanding debt of the least developed countries should be converted into grants. The representative of another developing country suggested that a portion of the profits of the IMF gold sales should be used to reduce the debt servicing burden of developing countries.

173. The representative of a developing socialist country of Asia expressed support for the reasonable views of many developing countries on an increase in financial aid and a reduction in their debt burden. He emphasized, however, that assistance to developing countries should be realistic and effective. Furthermore, aid to developing countries should be without any strings; loans should either be interest-free or should carry low rates of interest; if necessary, delay in repayments should be allowed, and even the debt itself should be reduced or cancelled. He emphasized that this would be in conformity with the provisions of the Programme of Action adopted by the General Assembly at its sixth special session.

174. The representative of a developed market economy country emphasized that the attainment of the ODA target, together with the adoption of an internationally agreed commodity policy, would greatly lighten the debt burden of developing countries. He pointed to the particularly acute debt-servicing problems of the poorest developing countries - e.g. the least developed and most seriously affected countries - in the face of the existing decline in commodities prices and the resulting further aggravation of their balance-of-payments problems. He therefore raised the possibility of relieving the poorer developing countries - e.g. the least developed and most seriously affected countries - of their debt-service on ODA loans through an internationally negotiated settlement. As possible measures, he mentioned total remission or a debt moratorium, including postponement, e.g. of 10 years of interest and amortization payments.

175. The representatives of several socialist countries of Eastern Europe emphasized the need to solve the debt problems of developing countries and for further study of the many issues involved. They stressed, however, that the debt problems were the result of many years of inequitable relations between the developed market economy countries and developing countries and that implementation of the Programme of Action on the Establishment of a New International Economic Order would considerably help to alleviate the problems. One of these representatives emphasized the importance of mobilizing domestic resources in the developing countries, and another urged that greater attention be paid to the outflow of profits from developing countries.

176. The representatives of several socialist countries of Eastern Europe emphasized that debt problems had to be examined on an individual basis. In their view, this was necessary because of the different degree of responsibility for the debt problems and the different capabilities of different creditor countries.

177. The representatives of several socialist countries of Eastern Europe stated that the views of their Governments were contained in the report of the Ad Hoc Group of Governmental Experts (TD/B/545), in particular in paragraphs 51 to 53 of the report. As regards the financing of the institutional arrangements proposed by the Group, as set out by the secretariat in its statement of financial implications to the Board (see part one, annex II, appendix above), they considered that the proposals were not applicable to their countries.

178. A draft resolution on the increasing burden of debt servicing in developing countries was submitted by Argentina on behalf of the Group of Seventy-seven (TD/B(XV)/SC/L.2). 26/

179. As a result of informal consultations, the Chairman of the Sessional Committee submitted a revised text of the draft resolution (TD/B(XV)/SC/L.5), and draft resolution TD/B(XV)/SC/L.2 was withdrawn.

Action by the Board

180. At its 440th meeting, on 15 August 1975, the Board adopted the draft resolution (see annex I below, resolution 132 (XV)).

181. Before its adoption, the Board noted an oral statement by the secretariat of the financial implications of the revised draft resolution. 27/ The secretariat further stated that it was understood that should such a meeting not be held, or fewer meetings be held than assumed in the statement of financial implications, the corresponding credits available for this purpose would, of course, be surrendered.

182. The representative of France stated that, since his country presided over one of the most active bodies concerned with debt renegotiation, namely, the Paris Club, the responsibility of that office obliged it to take as neutral a position as possible. Had there been a vote on the draft resolution, his delegation would therefore have been obliged to abstain for this reason of principle, but that did not imply any disapproval either of the report of the Expert Group or of the resolution that endorsed it.

183. The spokesman for the socialist countries of Eastern Europe reiterated the position of those countries that the resolution was not applicable to them.

3. Export credits as a means of promoting exports from developing countries

184. The representatives of several developing countries emphasized the importance of international support for the export efforts of the developing countries and the role that export credits could play in this regard, bearing in mind that the grant of export credits involved the postponement of foreign exchange receipts and a reduction of the net capital inflow. In particular, they supported the two major recommendations of the Expert Group which had been convened to consider this issue: the need for refinancing the outstanding export credits of developing countries and the need to undertake a technical study on a possible multilateral guarantee facility. Several representatives emphasized the important role of the World Bank and of the regional development banks in this regard. The practical solutions adopted by IDB were also commended. The representative of one developing country emphasized the need to strengthen export credit facilities in the

26/ Subsequently, Romania became a co-sponsor of the draft resolution. The secretariat circulated a statement of financial implications of the draft resolution (TD/B(XV)/SC/L.2/Add.1).

27/ Subsequently circulated as TD/B(XV)/SC/L.5/Add.1 (see annex VI, appendix below).

developing countries themselves. The representative of another developing country stated that the risk element in granting export credits by developing countries consisted in failure to repay on schedule or failure to repay at all. The representative of another developing country suggested that it would be appropriate to obtain the view of the World Bank on the report of the Expert Group and requested the representative of the World Bank to advise the Board in particular of the Bank's view of the feasibility of establishing a special fund in the Bank for refinancing export credits, the possible initial amount of such a fund and a time table for implementation.

185. The spokesman for Group B also emphasized the importance of expanding the exports of developing countries and the role that export credits could play in promoting such exports. He stated, however, that Governments had not yet had time to study the report of the Expert Group (TD/B/552 and Corr.1) and suggested that the report be considered by the Committee on Invisibles and Financing related to Trade at its seventh session. The issue had many implications, one of which was the question of priorities in the allocation of the resources of multilateral institutions.

186. A draft resolution on export credits as a means of promoting exports from developing countries was submitted by Argentina on behalf of the Group of Seventy-seven (TD/B(XV)/SC/L.1). 28/

Action by the Board

187. At its 444th meeting, on 15 August 1975, the Board decided to remit the draft resolution to the seventh session of the Committee on Invisibles and Financing related to Trade (see annex III below), together with the report of the Group of Experts on Export Credits as a Means of Promoting Exports from Developing Countries. It also decided to request the Secretary-General of UNCTAD to bring the report of the Group of Experts to the attention of the executive heads of the World Bank and the regional and subregional development and financial institutions, to hold consultations with them on that basis and to report to the Committee on Invisibles and Financing related to Trade at its seventh session. The Board further decided to request the Committee on Invisibles and Financing related to Trade to consider at its seventh session the report of the Group of Experts, the draft resolution and the report of the Secretary-General of UNCTAD on his consultations referred to above, and to make recommendations which would be transmitted to the Board at its seventh special session.

188. The representative of China stated that his delegation agreed with the text of the draft resolution but wished it to be noted that mention was made therein of the World Bank, that the Chiang Kai-shek clique, rejected by the Chinese people and the international community, was still in that organization and this was a kind of "two-China policy" which could not be tolerated. His Government condemned that organization, which continued its policy against the Chinese people, and would not participate in its activities.

28/ Subsequently Romania became a co-sponsor of the draft resolution.

4. Currency realignments and floating exchange rates

189. The representatives of several developing countries emphasized the adverse impact of floating exchange rates on developing countries and supported a return to the system of fixed, but adjustable, exchange rates. They advocated specific measures to alleviate the burden of currency realignment on developing countries, including compensation for losses of reserves, internationally agreed guidelines on floating and automaticity of financial resource flows to developing countries, for example, through the link. One of these representatives suggested the setting up of a facility within IMF to facilitate hedging by developing countries against fluctuations in exchange rates.

Action by the Board

190. At its 444th meeting, on 15 August 1975, the Board decided to remit draft resolution TD/B/L.308 to the Committee on Invisibles and Financing related to Trade at its seventh session (see annex III below), together with the two reports on fluctuating exchange rates and the developing countries (TD/B/555 and Add.1).

CHAPTER VI

OTHER PARTICULAR MATTERS IN THE FIELD OF TRADE AND DEVELOPMENT

(Agenda item 6)

A. Trade expansion, economic co-operation and regional integration among developing countries 29/

191. The representatives of all countries participating in the debate on this item observed that trade expansion, economic co-operation and regional integration among developing countries were important aspects of the efforts towards collective self-reliance of the third world. The representatives of several developing countries and the representative of a developing socialist country of Asia stated that the developing world was conscious of its responsibility for furthering and strengthening economic co-operation among developing countries and that such co-operation should contribute to the establishment of a new international economic order. The representative of one of these countries, while referring to the need to deal with the serious problems besetting the world and to fulfil the pledge made by the developed countries to move towards a new international economic order, stated that the developing countries were prepared to assume their responsibilities, both nationally and internationally, by strengthening their mutual co-operation and taking vigorous and joint action.

192. The representative of a developing socialist country of Asia stated that developing countries should be on their guard against the propaganda of a super-Power relating to the so-called experience of "economic integration" and "the international division of labour". In his country's view, such propaganda was merely an attempt to reduce the developing countries of Asia, Africa and Latin America to sources of cheap raw materials, affiliated processing mills, and markets for capital exports and outmoded equipment.

193. The spokesman for Group B stated that the countries of Group B reaffirmed their support for the concept of increased co-operation among developing countries and would continue to support that endeavour. They considered, however, that the implementation of that concept should take place within the framework of world-wide multilateral relationships, involving the developed and the developing countries, and taking into account the interdependence of all economies.

194. The representatives of all countries who spoke on this subject observed that the note by the Secretary-General of UNCTAD on a strategy for strengthening economic co-operation among developing countries (TD/B/557) provided a useful analytical framework for future action in this field. The representative of a developing country agreed with the conclusion drawn in that document that only those initiatives that were acceptable to Governments should be taken up for further study, since any decision to go more deeply into certain aspects of

^{29/} The Board considered this subitem at its 434th, 436th and 441st meetings on 8, 11 and 16 August 1975.

co-operation must have their full support. He hoped that UNCTAD, which had already made an important contribution to the development effort, would support the initiatives of the developing countries in this field through its institutional infrastructure.

195. The representative of another developing country stated that many constructive ideas and initiatives had emerged in the process of regional and subregional economic co-operation among developing countries and what was now required was a cross-fertilization of these ideas to raise co-operation to the interregional and global levels. UNCTAD could play a valuable role in this connexion by periodically reviewing the progress achieved and by providing the required institutional support. In this respect document TD/B/557 contained some preliminary proposals and he would await with interest the final report by the Secretary-General of UNCTAD in response to Board resolution 128 (S-VI), hoping that it would place emphasis on industrial and technological co-operation, payments and monetary unions, shipping and agricultural research, particularly in relation to the production of fertilizers and pesticides.

196. The representative of another developing country stated that the proposal to convene a group of experts to examine in depth the ideas contained in document TD/B/557 and to assist in the formulation of new initiatives designed to strengthen economic co-operation among developing countries deserved special commendation and support. The representative of another developing country said that his delegation wondered whether the analytical framework set out in document TD/B/557 might not restrict the work of the group of experts. In order to obviate such a possibility it might be better if, instead of being presented as a strategy for strengthening economic co-operation among developing countries, the note by the Secretary-General of UNCTAD were submitted to the experts as a working paper to be used in conjunction with section VII of General Assembly resolution 3202 (S-VI), the Dakar Programme of Action and the findings of the intergovernmental group and council mentioned in economic resolutions 4 and 6, respectively, of the Dakar Conference of Developing Countries on Raw Materials. He added that the group of experts should also examine other relevant texts, such as section E of chapter II of the report by the Secretary-General of UNCTAD entitled "New directions in international trade and development policies" (TD/B/530), decision 24 of the Cartagena Agreement, other decisions relating to the treatment of foreign capital, transfer of technology and monetary agreements in Latin America and Asia, as well as information on subregional, regional and interregional measures taken to strengthen co-operation among developing countries. He suggested that the group of experts should examine the following subjects: (a) the establishment of multinational enterprises to promote specialization and the use of indigenous technology in developing countries; (b) the provisions of the Dakar Declaration concerning support to producers' organizations; (c) projects aimed at the restructuring of the economies of the developing countries; (d) the preparation of payments arrangements for the third world; and (e) projects designed to ensure better use of the developing countries' natural resources and development of their technological capacity.

197. The representative of Spain stated that, although some of the ideas set forth in document TD/B/557 were not wholly acceptable to his delegation, it found most of the measures advocated to be both sound and practicable. His country had reservations, however, regarding the possibility that cartels could be set up to restrict exports. If developing countries asked for better access to the markets of developed countries, it was logical that the developed countries should ask for

security of supplies to their markets. It should also be taken into consideration that since the developing countries were substantial importers of raw materials, restrictions on commodity exports could have a direct adverse effect on their balances of payments, as well as an indirect one due to the inflationary process and its repercussions on the prices of imported machinery and equipment vital for the development of these countries. He supported the views set forth on shipping and, in particular, on transfer of technology. With regard to the transfer of financial as well as technological resources, he noted with satisfaction the idea of triangular arrangements propounded in paragraph 53 of the document. He stated that one of the chief merits of the many proposals was that they could be carried out by the developing countries themselves.

198. The spokesman for Group B stated that the countries of the Group had not had enough time to study document TD/B/557 in sufficient detail. At first sight, some of the many proposals contained therein seemed to require clarification or qualification. The Group B countries had noted the ideas expressed in the document with regard to joint action on supplies and purchases, and wished to emphasize that any such arrangements should take into consideration the mutual interests of producer and consumer countries. He stated that specific proposals with regard to preferential arrangements among developing countries went beyond what had already been agreed to in connexion with trade and invisibles and would therefore require further examination in the Board, and other appropriate fora, on the basis of experience already acquired. The countries of Group B recommended that the group of experts, which they expected to have balanced geographical representation, should study the important questions raised in the document objectively and constructively, taking into account the aforesaid views and working in close co-ordination with other international bodies.

199. On the subject of trade preferences for the mutual trade of developing countries, the representative of one of these countries pointed to the need for the more advanced of the developing countries to grant such preferences to the least developed countries in accordance with the provisions of the Charter of Economic Rights and Duties of States. He added that in this connexion account should also be taken of the Lima Declaration and Plan of Action on Industrial Development and Co-operation. The representative of Spain stated that the more developed of the developing countries should co-operate with and assist the least developed countries and recalled that, at the third session of UNCTAD, his country had advocated a "cascade" scheme of preferences for developing countries at different stages of development. ^{30/} Moreover, at the Tokyo Ministerial Meeting it had put forward the idea that the developing countries should enter into negotiations parallel to the multilateral trade negotiations, on the basis of the GATT Protocol relating to Trade Negotiations among Developing Countries, in an effort to establish broader objectives. His country had offered to apply the principle of relative non-reciprocity to any country that had not yet reached its own level of development in an endeavour to move towards a more equitable international economic order.

^{30/} Proceedings of the United Nations Conference on Trade and Development, Third Session, vol. 1, Report and annexes (United Nations publication, Sales No.: E.73.II.D.4), annex VI. H, para. 32.

Action by the Board

200. At its 441st meeting, on 16 August 1975, the Board took note of the note by the Secretary-General of UNCTAD entitled "A strategy for strengthening economic co-operation among developing countries" (TD/B/557) and of the statement by the representative of the Secretary-General of UNCTAD on the preparations being made for the convening of a meeting of a Group of Experts on Economic Co-operation among Developing Countries. This meeting will be convened under the decision 121 (XIV) and resolution 128 (S-VI) of the Board, and will take place at Geneva from 27 October to 5 November 1975. Its deliberations will be assisted by the broad framework provided in document TD/B/557 and section E of the report of the Secretary-General of UNCTAD (TD/B/530) and in papers currently being prepared with the assistance of consultants from developing countries.

201. The Board took note of the report of the Group of Experts on measures of support by the socialist countries of Eastern Europe for regional economic integration among developing countries (TD/B/539) and, in this connexion, requested comments from the representatives of these countries as to what follow-up action they deemed advisable.

B. Export promotion 31/

202. The Chairman of the Joint Advisory Group of the International Trade Centre UNCTAD/GATT introduced the report of the Group on its eighth session (TD/B/553) and stated that the Group had agreed to recommend to the governing bodies of GATT and UNCTAD the work programme of the Centre as outlined in the annual report of the International Trade Centre (ITC/AG(VIII)/39). He noted that the report reflected the new legal status that ITC had acquired vis-à-vis the United Nations and GATT, since it had been recognized by the United Nations General Assembly and by the Contracting Parties of GATT in December 1974 as a joint subsidiary organ of the United Nations and of GATT; similarly, new administrative arrangements for ITC's technical assistance activities had been made. The major themes of discussion in the Group had been the over-all target of ITC assistance and its programme delivery, including the need for general market research; assistance to the least developed countries; recruitment of experts for field projects; and the monitoring and evaluation of the Centre's technical assistance projects. Another important subject of discussion had been the report of the Group on resolution 1819 (LV) of the Economic and Social Council, submitted to the Board under cover of document TD/B/554. He reported, in conclusion, that his efforts to achieve a feasible and equitable system of participation in the Technical Committee, under the mandate he had received from the Board at its thirteenth session, had not met with success. He therefore requested the Board to be relieved of the above mandate, especially in view of the fact that he would be leaving Geneva in the autumn of 1975.

203. The representative of one developing country commended the report of the Group and requested its endorsement by the Board. He indicated his satisfaction with the clarification of ITC's legal and administrative status. He also recommended the transmission by the Board to the Economic and Social Council of

^{31/} The Board considered this subitem at its 434th, 436th, 438th and 441st meetings on 8, 11, 12 and 16 August 1975.

the Group's report on Council resolution 1819 (LV), and further stated that his delegation intended to table a draft resolution dealing with the selection of products for future ITC market studies.

204. The representative of another developing country noted the enhanced importance of the ITC for the developing countries in the face of the current adverse world economic and trading situation. He underlined the need to follow up the main recommendations of the report of the Group on Economic and Social Council resolution 1819 (LV), which he believed were all designed to make ITC the focal point of United Nations activities in the field of trade promotion. He expressed his Government's satisfaction with regard to the existing arrangements for collaboration between ITC and the specialized agencies, such as the ILO and FAO, to avoid overlapping in the field of trade promotion. He regretted, however, that the co-operation between ITC and UNIDO was not effective in view of the fact that ad hoc decisions at the headquarters level did not always reach the field officers, with the result that undesirable duplication and overlapping of activities continued to occur in the field of promotion of the exports of manufactures and semi-manufactures of developing countries. He therefore recommended that a formal written understanding of the ITC/FAO type should be concluded between ITC and UNIDO. As to the relations between ITC and the United Nations regional commissions, he fully supported the recommendation by the Joint Advisory Group that the collaboration between ITC and these commissions could be more effective if similar agreements could be concluded with these commissions, as had already been done with the Economic and Social Commission for Asia and the Pacific (ESCAP). In this connexion, he underlined the need for regular budget financing to be sought for the post of ITC liaison officers with the regional commissions. As regards the composition of the members of the Technical Committee of the Joint Advisory Group, he endorsed the suggestion made by another developing country that the present membership be maintained for its next session in January 1976.

205. The representative of another developing country expressed his highest regard for the work of ITC in promoting the exports of developing countries and said that this work compared most favourably on a cost/benefit basis with the activities of UNCTAD. He noted the new legal status now accorded to ITC within the United Nations system and felt confident that the Board would consider, as requested by the Economic and Social Council, all measures that would permit ITC to discharge its responsibilities as the focal point of United Nations trade promotion assistance activities. He urged the Board to endorse the recommendations made by the Joint Advisory Group that would help ITC to discharge more effectively these responsibilities. He particularly supported the proposal that ITC should develop a programme of basic studies to be financed from its regular budget; he acknowledged the importance of extrabudgetary support for the ITC work programme and was confident that this support would continue. He also expressed the hope that ITC would be active in complementing the work of UNCTAD in the field of commodity trade.

206. At the 438th meeting of the Board, on 12 August 1975, the spokesman for the Group of Seventy-seven introduced a draft resolution on export promotion (TD/B/L.415), submitted by Argentina on behalf of the Group. 32/

207. At the 441st meeting, on 16 August, the President introduced a draft resolution on export promotion (TD/B/L.419), which he had submitted as a result of informal consultations, and draft resolution TD/B/L.415 was withdrawn.

32/ Romania subsequently became a co-sponsor of the draft resolution.

Action by the Board

(i) Report of the Joint Advisory Group on the International Trade Centre UNCTAD/GATT on its eighth session

208. At the same meeting, the Board adopted draft resolution TD/B/L.419 (see annex I below, resolution 135 (XV)).

209. Also at the 441st meeting, the Board took note of the report of the Joint Advisory Group of the International Trade Centre UNCTAD/GATT on its eighth session (TD/B/553) and of the statement by the Chairman of the Joint Advisory Group on his consultations regarding the membership and size of the Technical Committee.

210. The Board agreed to relieve the Chairman of the mandate given to him at its thirteenth session, 33/ and to invite representatives of regional groups to take concerted action to resolve the question of the membership and size of the Technical Committee and to report their conclusions to the Board at its sixteenth session. In the meantime, it decided that the Technical Committee would meet from 5 to 9 January 1976 with its present membership.

211. The Board endorsed the proposal of the Joint Advisory Group to hold its ninth session from 13 to 16 January 1976.

(ii) United Nations export promotion efforts (Economic and Social Council resolution 1819 (LV))

212. At its 441st meeting, on 16 August 1975, the Board took note of the report of the Joint Advisory Group on Economic and Social Council resolution 1819 (LV) (ITC/AG(VIII)/43/Rev.1) circulated under cover of document TD/B/554, together with the comments on this report received from other agencies and regional organizations within the United Nations system having responsibility for trade promotion (TD/B/554/Add.1).

213. With reference to paragraph 1 of the resolution, the Board endorsed the report of the Joint Advisory Group and approved the recommendations made therein for improvements in the operational relationships between the International Trade Centre and other bodies in the United Nations system (pp. 14-18), and in the ITC's work programme (pp. 19-20).

214. The Board requested that, pursuant to paragraph 5 of the resolution, the report, together with its endorsement, be transmitted to the Economic and Social Council for consideration at its sixty-first session.

215. The Board attached particular importance to the statements in the last paragraph of page 20 of the report regarding implementation of its recommendations. While noting the corrections submitted by FAO in TD/B/554/Add.1, the Board considered that these did not affect the recommendations of the report, which were the essential elements for further action by the Economic and Social Council.

33/ Official Records of the General Assembly, Twenty-eighth Session, Supplement No. 15 (A/9015/Rev.1), part three, para. 541.

C. Impact of environment policies on trade and development,
in particular of the developing countries

216. At its 441st meeting, on 16 August 1975, the Board took note of the progress report by the UNCTAD secretariat on the impact of environment policies on trade and development, in particular of the developing countries (TD/B/567), and requested the Secretary-General of UNCTAD to continue to keep the matter under review as called for in Conference resolution 47 (III).

217. With respect to international co-operation to combat desertification, the Board took note of General Assembly resolution 3337 (XXIX) and of the recommendation of the Governing Council of UNEP in its decision 30 (III). The UNCTAD secretariat, in view of its work on behalf of least developed countries, many of which are among the countries most subject to desertification, will endeavour, within its available means, to assist the UNEP task force on desertification in respect of matters relating to the foreign trade sector of the countries concerned.

D. Dissemination of information and mobilization
of public opinion 34/

218. Referring to the report by the Secretary-General of UNCTAD on this subject (TD/B/570), the representative of a developing country suggested that the secretariat should devote greater efforts to making the mass information media in the developed countries aware of the problems of the third world.

219. The representative of a developed market economy country emphasized the necessity of disseminating information and promoting the fourth session of UNCTAD. He commended the UNCTAD secretariat for the considerable effort it had made to inform and mobilize public opinion, as outlined in the report by the Secretary-General, and said that the Information Unit maintained an excellent contact with the media within its modest resources. He urged, in conclusion, that more encounters and seminars be organized and said that representatives of Governments as well as members of the secretariat should do their utmost to disseminate information about the activities of UNCTAD.

Action by the Board

220. At its 441st meeting, on 16 August 1975, the Board took note of the report by the Secretary-General of UNCTAD on the dissemination of information and mobilization of public opinion (TD/B/570) and requested him to intensify further such activities, as resources permit and in co-operation as necessary and appropriate with the United Nations Office of Public Information and its Centre for Economic and Social Information, so as to achieve a maximum beneficial effect on the negotiations and discussions at the fourth session of the Conference to be held at Nairobi in 1976.

^{34/} The Board considered this subitem at its 436th and 441st meetings on 11 and 16 August 1975.

E. Trade and economic aspects of disarmament 35/

221. The representative of a developing socialist country of Asia recalled that at the last session of the Board he had proposed the deletion of this item from the provisional agenda for the fifteenth session 36/ and stated that facts had shown that discussion of the item contributed nothing to the economic development of the developing countries. It was merely an issue put forward by one super-Power to cover arms expansion and war preparations. It was relevant to ask how much money had been saved by disarmament and which developing countries had been assisted in that way. There had in fact been no slowing down of the arms race and one of the super-Powers had developed both nuclear and conventional weapons on an unprecedented scale and increased its tonnage of nuclear submarines and other warships. The proposal of a 10 per cent reduction in military expenditure to assist developing countries could not be taken seriously from a country which was not even prepared to be the first to undertake not to use nuclear weapons, while it was at the same time pressing the developing countries for payment in respect of arms purchases. His Government was in favour of real disarmament, namely, by the super-Powers, which were incurring astronomical military expenditures, not by the third world countries whose defence capabilities were already insufficient in the face of the military threat from the super-Powers.

222. Regarding the praise by that super-Power for the Conference on Security and Co-operation in Europe, it was merely for the purpose of harping on the old tunes of so-called "security", "co-operation" and "détente" as a smoke-screen to cover up its fierce contention with the other super-Power in Europe, its hegemonistic, aggressive and expansionist designs, and its frenzied arms expansion and war preparations. It was attempting to use this to divide Europe and to lull the peoples of Europe and of the world into a false sense of security in order to reach its devious goals. His Government maintained that discussion in UNCTAD of the question of the so-called trade and economic aspects of disarmament had no real meaning in the endeavour to establish a new international economic order.

223. The spokesman for Group D, speaking on behalf of a number of socialist countries of Eastern Europe, stated in reply that the item on trade and economic aspects of disarmament had been included in the agenda as a result of the unanimous wish of all the developing countries. The socialist countries of Eastern Europe had willingly supported that wish because they, too, were aware of the political and economic importance of the problems. If there had been any machinations, they were the machinations of an absolute majority of the Board, with the exception of one country. He expressed his conviction that the results of the Conference on Security and Co-operation in Europe and the work to be done in future in the spirit of that Conference would contribute to the development of peaceful coexistence, to which the only alternative was world war. For those political, practical and ideological reasons, he wished to express his unequivocal disapproval of the irresponsible remarks made by the delegation in question.

35/ The Board considered this subitem at its 434th, 436th and 441st meetings on 8, 11 and 16 August 1975.

36/ Official Records of the General Assembly, Twenty-ninth Session, Supplement No. 15 (A/9615/Rev.1), para. 585.

224. The representatives of several socialist countries of Eastern Europe reiterated their support for further discussion of the trade and economic aspects of disarmament within the framework of UNCTAD, as provided for in the resolutions adopted by the Conference.

Action by the Board

225. At its 441st meeting, on 16 August 1975, the Board took note of the annotations to item 6 (e) of the agenda (TD/B/551) and requested the Secretary-General of UNCTAD to continue to keep the matter under review, as called for in Conference resolution 44 (III).

F. Progressive development of the law of international trade: eighth annual report of the United Nations Commission on International Trade Law

226. At its 438th meeting, on 12 August 1975, the Board took note with appreciation of the report of the United Nations Commission on International Trade Law (UNCITRAL) on the work of its eighth session (TD/B/575). 37/

37/ Ibid., Thirtieth Session, Supplement No. 17 (A/10017).

CHAPTER VII

SPECIAL MEASURES IN FAVOUR OF THE LEAST DEVELOPED AMONG THE DEVELOPING COUNTRIES, THE LAND-LOCKED DEVELOPING COUNTRIES AND DEVELOPING ISLAND COUNTRIES 38/

(Agenda items 7, 8 and 9)

A. Least developed among the developing countries

(Agenda item 7)

227. The Rapporteur of the Intergovernmental Group on the Least Developed Countries introduced the report of this Group (TD/B/577) and referred to the three resolutions adopted during its meeting held from 7 to 18 July 1975. He stated that the Board would have to take action on resolution 1 which recommended that four additional countries - Bangladesh, the Central African Republic, Democratic Yemen and the Gambia - should be included in the list of least developed countries. The Board would also have to take action on resolution 2, which recommended special measures for the least developed countries, including new proposals on technical and financial assistance, a special fund, shipping and the transfer of technology. The Board would also have to take action on resolution 3, which recommended reconvening the Intergovernmental Group within the next two years with the same terms of reference, i.e., those provided in Board resolution 119 (XIV).

228. The representatives of least developed countries indicated that the economic situation in their countries, generally recognized in the past as extremely serious by the international community, had recently been exacerbated. They underlined the importance of the findings by the UNCTAD secretariat in the documentation for the Intergovernmental Group that several countries had actually experienced negative growth and that their terms of trade had further deteriorated. The representative of one of these countries pointed out that several least developed countries had been forced to shelve their development plans and reorder their priorities in order to cope with urgent balance-of-payments problems.

229. The representatives of least developed countries agreed that the general subject of measures in favour of these countries should receive the highest priority from the Board. While these representatives voiced enthusiastic support for the work of the UNCTAD secretariat and the resolutions of the recent Intergovernmental Group, one of them cautioned that progress had been extremely slow and said that the results of the Intergovernmental Group could be considered disappointing, and even retrogressive, in comparison with the attention that the subject had received at the third session of the Conference in 1972. In noting that agreement could not be reached on measures related to commercial policy, transfer of technology and shipping, the same representative urged the appropriate committees of UNCTAD and GATT to pursue the matter with a sense of urgency. In

38/ The Board considered these items at its 434th, 436th, 437th, 438th and 441st meetings, on 8, 11, 12 and 16 August 1975.

this respect, the representatives of least developed countries urged a recommitment to measures in their favour through the immediate establishment of a special fund and through a focusing on their problems at the seventh special session of the General Assembly. They urged that this recommitment be fostered within UNCTAD itself by establishing a permanent Intergovernmental Group and by including a separate item on the urgent needs of their countries in the agenda for the fourth session of the Conference.

230. The representatives of several developing countries expressed their concern that, in spite of the increasing discussion of the problems of the least developed countries, little progress had been made in eliminating the structural handicaps inhibiting self-sustained growth. They noted that the global economic crises as well as several natural catastrophes had inflicted suffering on the populations of the least developed countries. They thus supported special measures in favour of these countries, including the Programme of Action adopted at the sixth special session of the General Assembly and the recommendations of the Intergovernmental Group.

231. The representatives of several developing countries noted that, although the primary responsibility for alleviating the plight of the least developed fell upon the developed countries, those developing countries with the financial or human resources to help the least developed among them should do so. In this respect, they pointed to several projects of co-operation between developing and least developed countries on both a bilateral and a multilateral basis. They stressed that all special measures in favour of least developed countries must supplement, and not replace, measures for all developing countries, and emphasized the need to restructure the world economy with measures adapted to the needs of all categories of developing countries. In this respect, one of these representatives suggested that the seventh special session of the General Assembly should not begin with a discussion of institutional changes but rather with negotiations about substantive economic interests.

232. The representatives of developed market economy countries voiced general support for efforts in favour of the least developed countries, and several of these representatives indicated that their Governments had been in the forefront of the movement to emphasize the needs of these countries. In this connexion, some of these representatives noted that their Governments were reorienting technical and financial assistance - in terms of counterpart requirements as well as the kind, quantity, quality, and terms of aid - to stress the urgent needs and special circumstances of the least developed countries and also the most seriously affected countries. The representatives of several developed market economy countries said that aid should be given to such countries on the softest possible terms, and one of them indicated that his Government attached particular priority to the needs of the poorest countries and would provide all future aid to countries with a per capita income of under \$200 on a grant basis. These representatives noted that the Intergovernmental Group had begun some useful work and hoped that adequate follow-up would be rapidly forthcoming. One of them stressed that consideration of the unagreed sections of resolution 2 of the Intergovernmental Group should be continued in the appropriate specialized organs of UNCTAD. Some of them supported the addition of the four new countries to the list of least developed countries, and others the reconvening of the Intergovernmental Group when due preparations had been made. Because of the potential contribution of trade to improving the economic position of all developing countries, the representative of one developed

market economy country emphasized that the Lomé Convention would also serve the development needs of least developed countries.

233. The representative of a socialist country of Eastern Europe mentioned that his country had always treated the specific problems of the least developed countries with comprehension. In his view, it was important that UNCTAD should concentrate its attention upon those problems. Further studies and measures undertaken should have due regard for the necessity of strengthening the State sectors of the economies of least developed countries. He noted that the need for special measures in favour of least developed countries to a great extent reflected their colonial past. The socialist countries had always supported the special measures elaborated in UNCTAD, including the progressive recommendations of the Intergovernmental Group. He also noted that in the practice of his country's trade and economic co-operation with the least developed countries bilateral trade and aid agreements had proved to be an effective instrument for assisting these countries to increase their productive capacities. That co-operation had the objective of creating and strengthening the key sectors in the economy of the least developed countries and had taken into consideration the development plans of these countries. His country particularly favoured the exploration and development of the natural resources of the least developed countries for the purpose of achieving their economic independence, increasing their productive capacities and expanding their export possibilities.

234. The representative of another socialist country of Eastern Europe stated that his country, as a developing country, had always supported special measures in favour of the least developed countries. Despite the frequent discussion of the problems of these countries at the international level, too few concrete actions had been taken. It was necessary to make maximum use of the internal human and economic resources of the least developed countries.

235. At the 438th meeting of the Board, on 12 August 1975, the spokesman for the Group of Seventy-seven introduced a draft resolution on special measures in favour of the least developed among the developing countries (TD/B/L.416), submitted by Argentina on behalf of the Group. 39/

236. At the 441st meeting, on 16 August 1975, the President introduced draft resolution TD/B/L.424, which he had submitted as a result of informal consultations, and draft resolution TD/B/L.416 was withdrawn.

Action by the Board

237. At the same meeting, the Board adopted draft resolution TD/B/L.424 (see annex I below, resolution 136 (XV)), having noted the financial implications set out in TD/B/577, annex II. 40/

39/ Romania subsequently became a co-sponsor of the draft resolution.

40/ For the statement of financial implications, see annex VI below, appendix.

B. Land-locked developing countries

(Agenda item 8)

238. The representative of one developing country said that his country, in addition to being one of the least developed among the developing countries, was also land-locked, which made its economic position very vulnerable, particularly in the light of the present economic crises. He expressed his appreciation of the work being done by the UNCTAD secretariat, as indicated in its progress report (TD/B/568), and in particular of the UNCTAD special programme on trade facilitation, which had been of benefit to his country. He hoped that a comprehensive programme would be set up to deal with the transit problems of the East African Community and that, where countries so requested, country programmes would be widened. His country, although land-locked itself, had to provide transit facilities for its neighbours and the difficulties of the land-locked and transit countries were compounded by the shortage of railways, rolling-stock and port facilities. He thanked the countries and agencies which had assisted with the development of ports in neighbouring transit States, and emphasized that what was required was an integrated transport system rather than a piecemeal approach.

239. The same representative, referring to the comprehensive study on the transit problems of the land-locked developing countries and the study on the establishment of a fund in favour of these countries which, pursuant to General Assembly resolution 3311 (XXIX), were to be submitted to the General Assembly at its seventh special session, expressed the hope that the reports would be action-oriented so that the problems could be discussed in depth and solutions found for them in co-operation with other countries. The representative of another land-locked developing country expressed the hope that the study on transit problems would be truly comprehensive and cover the interests of all land-locked developing countries.

240. This latter representative described the serious difficulties faced by his country because of its special geographical situation, which hindered the full mobilization of its social and economic resources and had thus led to economic stagnation. Referring to the particular problems arising in relation to transit and transport costs, he said that, while bilateral agreements between transit and land-locked countries had an important role to play, the problems faced by his country went beyond the question of transit and were related to the whole question of economic development, with the result that action by the international community was also required.

241. Referring to General Principle Fifteen adopted at the first session of the Conference, 41/ and to the special measures relating to land-locked countries recommended at the recent meeting of the Intergovernmental Group on the Least Developed Countries, the same representative emphasized that he was not asking for any privileges or special rights but only for the implementation of actions in favour of these countries which had been repeatedly recognized in such resolutions as Conference resolution 63 (III) and General Assembly resolution 3311 (XXIX). He pointed out that none of the special measures referred to in Conference

^{41/} Proceedings of the United Nations Conference on Trade and Development, First Session, vol. I, Final Act and Report (United Nations publication, Sales No.: 64.II.B.11), annex A.I.3.

resolution 63 (III) had been applied to his country. No progress had been made in setting up import substitution industries; no action had been taken to improve the quality or value of exports through assistance in the field of processing and packaging; no steps had been taken to assist in the development of mineral and energy resources or to assist in the development of transport or infrastructural projects. Very limited credits had been provided to his country. While his country was entering into bilateral agreements with other countries in such areas as the development of iron ore deposits, the marketing of gas and the development of petrochemical industries, assistance from the international community in this regard was also required.

242. The same representative requested that, in implementing the recommendations contained in the report of the Expert Group on the Transport Infrastructure for Land-locked Developing Countries (TD/B/453/Add.1/Rev.1), ^{42/} all aspects of transport and transit problems should be covered. He pointed out that problems persisted for land-locked developing countries whether they were among the least developed or not, and that definite political decisions were required if a foundation was to be laid for the inauguration of a new international economic order. He stated, in conclusion, that the question of special measures for land-locked countries should appear as a separate item on the agenda for the fourth session of the Conference.

243. The representatives of several developing countries which were not land-locked, but which served as transit States for land-locked countries, emphasized that the geographical situation of these latter countries created special problems for them, and endorsed the need for urgent action to find constructive solutions to these problems. These representatives gave details of the assistance their Governments had provided, as transit countries, to their land-locked neighbours on the basis of bilateral arrangements which were revised periodically to ensure their satisfactory working. Two of these representatives said that bilateral negotiations were a more satisfactory method of dealing with the problems of land-locked countries than measures taken at the international level.

244. The representative of a developing transit country drew attention to the complexities introduced by the difficulties of geographical location and said that the problems of land-locked countries differed considerably from one to another because of the multiplicity of variables - distance from the sea, forms of transport available, customs arrangements, export/import régimes, administrative systems, etc. It was thus not possible to draw up any simple or universal solution. Each pair of land-locked and transit countries had to work out individual solutions. He noted that, as stated in the progress report by the UNCTAD secretariat (TD/B/568), the Customs Co-operation Council was to include in its future work the possibility of drawing up a model transit bilateral agreement. While welcoming this, he emphasized that it was virtually impossible to draw up a model agreement that would cater for all situations and circumstances. He recognized that it was necessary that urgent action should be taken to assist in the development of the transport systems and the trade infrastructure of land-locked developing countries.

245. The representatives of two developed market economy countries said that the problems with regard to land-locked and developing island countries were somewhat different from those relating to the least developed countries. The former had

^{42/} A transport strategy for land-locked developing countries (United Nations publication, Sales No.: E.74.II.D.5).

problems, but some of them also had a relatively high level of income. Thus the fact that countries were land-locked or were islands did not in itself merit priority attention; such attention should be directed to countries in those categories which were in greatest need. However, there was value in the study of the common problems of these groups of countries. While the unique geographical situation of these countries needed to be studied, this factor need not be isolated from each country's over-all need for assistance. One of these representatives expressed support for the suggestions that had been made for studies and the continuation of work on the special problems of these groups of countries within UNCTAD, and stated that the aid programme of his Government took into account the geographical situation of developing countries.

246. The representative of a socialist country of Eastern Europe stated that his country was fully aware of the particular problems of the land-locked developing countries and the developing island countries, and referred to the efforts made to assist such countries, particularly in the development of their own domestic resources, in building up industries and assisting in development plans on the basis of bilateral agreements.

Action by the Board

247. At its 441st meeting, on 16 August 1975, the Board took note of the report by the UNCTAD secretariat on the implementation of Conference resolution 63 (III) and its resolution 109 (XIV), and requested the Secretary-General of UNCTAD to continue to give attention to the problems of the land-locked developing countries in the work of the secretariat, as called for in these resolutions.

C. Developing island countries (Agenda item 9)

248. The representative of a developing island country said that agenda items 7, 8 and 9 had of necessity to be considered together, since special measures for these groups of countries constituted a global problem. Describing the agonizing problems of developing island countries, he pointed out that, as a result of three devastating cyclones and typhoons during the first three months of 1975, States in the Indian Ocean had suffered irreparable damage and destruction, and social and economic disaster. Such natural calamities set up a vicious circle which struck at the very basis of the economic development of these countries. Short-term help aimed at assisting these countries to overcome bottle-necks which retarded development were of no avail by themselves. What was required was a revolution in the ways of thinking and the elaboration of balanced long-term measures. The Indian Ocean had been declared a zone of peace by the General Assembly and without peace there was no possibility of setting up a new international economic order.

249. The representative of a developed market economy country, referring to the progress report by the UNCTAD secretariat (TD/B/569), expressed his disappointment at the response to the appeal that had been made by the Board on behalf of the developing island countries. Conference resolution 65 (III) had given international recognition to the problems of these countries, and since then a number of resolutions on the subject had been adopted in the Board, the Economic and Social Council, and the General Assembly. It was his view that UNCTAD was in

the best position to advise these countries on their problems, particularly those related to shipping. However, the action taken by UNCTAD did not seem to reflect the need to intensify efforts to assist these countries. While the ESCAP project had worth-while objectives it was unfortunate that it would not come into operation until the 1977-1981 cycle of UNDP - a full five years after recognition of the need for action to help these countries. He would be grateful if the UNCTAD secretariat could provide information on the assistance that it would give to these countries in the interim, and on the reaction of UNDP to the ESCAP project. He expressed the hope that more concrete action would emerge and that more efforts would be made to seek out measures to assist the developing island countries.

Action by the Board

250. At its 441st meeting, on 16 August 1975, the Board took note of the report of the UNCTAD secretariat on the implementation of its resolutions 101 (XIII) and 108 (XIV), and requested the Secretary-General of UNCTAD to continue to give attention to the problems of the developing island countries in the work of the secretariat and in the co-operation of UNCTAD with other international organizations within and outside the United Nations system, as called for in these resolutions.

CHAPTER VIII

TRADE RELATIONS AMONG COUNTRIES HAVING DIFFERENT ECONOMIC AND SOCIAL SYSTEMS 43/

(Agenda item 10)

251. For its consideration of this item, the Board had before it the following documentation: "Review of trends and policies in trade between countries having different economic and social systems" (TD/B/560); "UNCTAD technical assistance activities in the field of expansion and diversification of trade between developing countries and the socialist countries of Eastern Europe" (TD/B/561); and "Documents received from the Council for Mutual Economic Assistance" (TD/B/581).

252. Introducing the item, the representative of the Secretary-General of UNCTAD highlighted major developments in this flow of international trade, observing that the increasing change-over from purely commercial methods to integrated trade and economic co-operation justified new approaches based on the concept of "co-operation promotion" as distinct from more limited export promotion techniques. Since countries belonging to different systems were now ready to use on a wider scale than hitherto the various multilateral methods that existed to foster development of their mutual relations, the role of UNCTAD in this respect should be fully recognized, in particular with regard to trade between developing and socialist countries. He added that the scope for multilateral action within UNCTAD in this field was defined by the need to concentrate on promoting new policy approaches and on elaborating appropriate instruments and arrangements, in particular in the following problem areas: the introduction of long-term methods; the identification of future possibilities for economic co-operation and international specialization; the promotion of industrial co-operation including tripartite co-operation; wider application of multilateral methods in trading practices; improving knowledge of practices in trade relations, as well as of existing and future trade opportunities; correlating economic integration within the Council for Mutual Economic Assistance (CMEA) with trade between countries having different systems; the need to strengthen the facilities within UNCTAD for bilateral and multilateral consultations; and the need to accelerate the diversification of the geographical structure of this flow of trade.

253. The representatives of a number of countries participating in the debate stressed that the present session of the Board was being held in a period of profound changes in the international economy and of crises and instability in world markets. They noted, however, that the process of improvement of the political climate in relations among countries having different economic and social systems provided the basis for the fruitful solution of outstanding problems and for further development of international economic relations.

43/ The Board considered this item at its 433rd, 434th, 435th and 441st meetings, on 8, 11 and 16 August 1975.

254. In this connexion, these representatives referred in particular to the successful conclusion of the Conference on Security and Co-operation in Europe, which had created a new impetus for economic co-operation among countries having different economic and social systems - not only in Europe, but in the world at large. The representatives of several socialist countries of Eastern Europe emphasized that further normalization of such co-operation would have a positive influence on political relations among States.

255. The importance and the role of trade among countries having different economic and social systems in the solution of a number of basic problems in international trade was generally recognized in the course of the debate. Reference was made to the work carried out in this field by other international organizations. Representatives who participated in the discussion on this item observed, however, that as this was an important issue for the international community it should be examined at the fourth session of the Conference in order to provide new guidelines for expanding this particular sector of trade and economic relations, a position which coincided with that of the Secretary-General of UNCTAD in this respect. It was generally recognized in the discussions that various possibilities existed which had not yet been fully utilized and which called for multilateral action within UNCTAD.

256. In this connexion, the representatives of several socialist countries of Eastern Europe emphasized that UNCTAD was the only universal organization dealing with the questions of this flow of trade, pursuant to General Assembly resolution 1995 (XIX) and Conference resolutions 15 (II) and 53 (III).

257. Representatives of the socialist countries of Eastern Europe and of developing countries stated that the high rates of increase in trade figures between these two groups of countries, which were due not only to the rise in commodity prices but also to the diversification and growth in the volume of their trade, represented a particularly important and encouraging feature in the otherwise difficult conditions prevailing in world trade. Commenting on this positive situation, they referred to the usefulness of long-term agreements as an element of stability and expansion, as well as of new policy measures aimed at diversifying and promoting their mutual economic and trade relations.

258. The representatives of several developing countries and socialist countries of Eastern Europe observed that co-operation with the socialist countries had been recognized as an important factor in the development and industrialization of the developing countries, and gave examples of the implementation of joint projects covering various economic fields.

259. The representative of a developing country, analysing the prospects for further expanding economic co-operation, stated that the socialist countries of Eastern Europe should make provision in their plans for supplying the developing countries with raw materials and semi-manufactures to be finished in the developing countries and conclude long-term agreements to this end. He also suggested that the socialist countries should guarantee long-term purchases of goods from the developing countries, thus enabling the latter to organize their investment, production and deliveries in a planned manner.

260. The representatives of the socialist countries of Eastern Europe expressed their readiness to continue to co-operate with the developing countries in order to strengthen the economic independence and development of these countries, in conformity with the principles adopted in various United Nations bodies and other international forums.

261. The representatives of some socialist countries of Eastern Europe referred to the growing use of multilateral payments arrangements in trade between their countries and the developing countries. The representatives of some developing countries considered the multilateralization of payments to be an important issue. The representative of one of these countries thought that the socialist countries should evolve procedures for clearing the trade surplus balances accumulated by the developing countries among the socialist countries. The representative of another developing country proposed that multilateral payments modalities should be studied at a future seminar of experts to be organized by UNCTAD.

262. The representatives of several developing countries and socialist countries of Eastern Europe stressed the importance of increasing efforts to achieve a wider geographical and structural diversification of trade between their two groups of countries. The positive results already achieved in this direction were described by representatives of the socialist countries of Eastern Europe.

263. The representatives of developed market economy countries participating in the debate and the representatives of socialist countries of Eastern Europe felt that the expansion of East-West trade and economic co-operation was favoured by conditions of détente and peaceful coexistence. The representatives of several socialist countries of Eastern Europe, however, regretted that a number of discriminatory obstacles stood in the way of even greater expansion in this area. The representative of a developing country, while welcoming developments in East-West trade and co-operation, said that existing and potential opportunities for trading with the developing countries should not thereby be displaced.

264. The representatives of some developing countries and socialist countries of Eastern Europe welcomed the meeting of experts to be convened by the Secretary-General of UNCTAD on ways and means of promoting industrial specialization through various forms of multilateral co-operation, including tripartite co-operation, between countries having different economic and social systems. The representative of the International Chamber of Commerce (ICC), expressing his support for the initiative of UNCTAD in this respect, said that ICC welcomed the invitation for it to participate in the meeting of experts.

265. The representatives of several developing countries and socialist countries of Eastern Europe welcomed the new activities of UNCTAD in the field of technical assistance aimed at improving knowledge of practices and opportunities in trade with socialist countries. They considered the seminars and study tours organized by UNCTAD and UNDP in the socialist countries of Eastern Europe an important means of assisting the developing countries in establishing and promoting their economic and commercial relations with these countries. The representatives of several developing countries expressed the hope that UNCTAD would pursue such activities in the future to enable more developing countries to benefit from them.

266. The representative of the secretariat of CMEA, referring to the results of the twenty-ninth session of the Council concerning the co-ordination of national plans and the elaboration of a plan of multilateral integration measures, reaffirmed that the CMEA member countries were continuing to expand their trade and economic co-operation with other countries, in particular with the developing countries. He stressed the growing importance of the multilateral co-operation arrangements established recently between CMEA and a number of third countries, in particular the developing countries, and referred to the establishment within CMEA of facilities designed to promote economic relations with third countries, such as the special fund to finance economic and technical assistance to developing countries; the scholarship fund to help developing countries in the training of specialists at universities in CMEA countries; and the possibility of using transferable rouble accounts in trade with countries other than CMEA member countries.

Action by the Board

267. At its 441st meeting, on 16 August 1975, the Board took note of the information provided by the secretariat concerning the recent trends and developments in trade among countries having different economic and social systems as well as concerning technical assistance activities of UNCTAD in this area. It invited the Secretary-General of UNCTAD, in the period leading up to the fourth session of the Conference, to elaborate on appropriate orientations in UNCTAD's activities in this field in the light of decisions, observations and comments made during the Board's deliberations.

CHAPTER IX

INSTITUTIONAL, ORGANIZATIONAL, ADMINISTRATIVE AND OTHER MATTERS

A. Opening of the session

268. The first part of the fifteenth regular session of the Trade and Development Board was opened on 5 August 1975 by Mr. Andrey Lukanov (Bulgaria), President of the Board during its fourteenth session.

B. Election of officers

(Agenda item 1 (a))

269. At its 428th meeting, on 5 August 1975, the Board elected Mr. Kenneth Dadzie (Ghana) as its President and Mr. Stefan Wolnik (Poland) as its Rapporteur for the period from the beginning of its fifteenth session to the beginning of its sixteenth session.

270. At the same meeting, the Board elected the following representatives as Vice-Presidents for the same period: Mr. C. Alzamora (Peru), Mr. M. W. Berhanu (Ethiopia), Mr. A. Biasi (Italy), Mr. T. G. Elio (Bolivia), Mr. M. R. Ghannadian (Iran), Mr. J. Nyerges (Hungary), Mr. L. Putnam (Belgium), Mr. I. M. Thajeb (Indonesia), Mr. T. G. R. Tscherning (Sweden), and Mr. M. K. Tsurumi (Japan).

C. Adoption of the agenda and organization of work of the session

(Agenda item 1 (b))

271. At its 428th meeting, the Board adopted without change the provisional agenda contained in document TD/B/551. The agenda, as adopted (TD/B/580), reads as follows:

1. Procedural and organizational matters:

- (a) Election of officers
- (b) Adoption of the agenda and organization of the work of the session
- (c) Adoption of the report on credentials
- (d) Election to membership of main Committees
- (e) Provisional agenda for the seventh special session and the sixteenth regular session and organization of the work of the sessions

2. Fourth session of the United Nations Conference on Trade and Development: objectives, provisional agenda, preparatory work and organization
3. Review of the implementation of the recommendations of the Conference; implementation of the Declaration and the Programme of Action on the Establishment of a New International Economic Order; mid-term review and appraisal of the International Development Strategy; special session of the General Assembly devoted to development and international economic co-operation
4. Interdependence of problems of trade, development finance and the international monetary system
5. Matters requiring action by the Board arising from or related to reports of its subsidiary bodies:
 - (a) Commodity trade:* report of the Committee on Commodities on the first and second parts of its eighth session
 - (b) Trade in manufactures and semi-manufactures: report of the Committee on Manufactures on its seventh session
 - (c) Financing related to trade
6. Other particular matters in the field of trade and development:
 - (a) Trade expansion, economic co-operation and regional integration among developing countries
 - (b) Export promotion:
 - (i) Report of the Joint Advisory Group on the International Trade Centre UNCTAD/GATT on its eighth session
 - (ii) United Nations export promotion efforts (Economic and Social Council resolution 1819 (LV))
 - (c) Impact of environment policies on trade and development, in particular of the developing countries
 - (d) Dissemination of information and mobilization of public opinion
 - (e) Trade and economic aspects of disarmament
 - (f) Progressive development of the law of international trade: eighth annual report of the United Nations Commission on International Trade Law
7. Special measures in favour of the least developed among the developing countries

* Including, to the extent appropriate, the questions of an over-all integrated programme for commodities and of indexation of prices.

8. Special measures related to the particular needs of land-locked developing countries
9. Developing island countries
10. Trade relations among countries having different economic and social systems
11. Review of the calendar of meetings
12. Financial implications of the actions of the Board
13. Other business
14. Adoption of the report of the Board to the General Assembly

272. At the same meeting, the Board considered, and broadly endorsed, the secretariat's suggestions for the organization of the work of the session, including a tentative time-table of meetings (TD/B/551/Add.1). The Board decided to set up a sessional committee of the whole to consider and report on agenda item 5, and to establish a contact group of limited size to expedite the Board's consideration of agenda item 2. It further decided that the remaining items, including agenda item 7, 44/ should be dealt with in plenary.

273. The Sessional Committee held six meetings, from 6 to 13 August 1975.

274. At its first meeting, on 6 August, it elected Mr. Robert B. Allen (United States of America) as its Chairman and Mr. Diego Luis Castellanos (Venezuela) as its Vice-Chairman-cum-Rapporteur.

275. The report of the Sessional Committee (TD/B(XV)/SC/L.3 and Add. 1-2, and TD/B/L.420) was considered and adopted by the Board at its 440th meeting, on 15 August 1975.

D. Participation in the work of UNCTAD of the United Nations Council for Namibia

(Agenda item 13)

276. At its 428th meeting, on 5 August 1975, the Board had before it a note by the UNCTAD secretariat on the question of the participation in the work of UNCTAD of the United Nations Council for Namibia (TD/B/L.403).

Action by the Board

277. At the same meeting, the Board decided, pursuant to General Assembly

44/ The Board, in its decision 100 (XIII), requested the Secretary-General of UNCTAD, after consultation with the President of the Board and interested Governments, to propose where to discuss the problem of the hard-core least developed countries, i.e. whether in plenary or in a sessional committee of the Board, whenever a regular session takes place.

resolution 3295 (XXIX) of 13 December 1974, to invite the United Nations Council for Namibia to participate in the work of UNCTAD, without the right to vote (see annex I below, "Other decisions").

278. At the 440th meeting, on 15 August, the representative of the United Nations Council for Namibia, welcoming the decision taken by the Board at its 428th meeting to invite the Council to participate in the work of UNCTAD, said that the Council had been set up to prepare the people of Namibia for independence and self-determination.

279. The Council had reported to the General Assembly at its twenty-ninth session, ^{45/} on the deplorable economic situation which existed in Namibia, despite the country's wealth of natural resources. The economy of Namibia was divided into a subsistence sector and a monetary economy which corresponded to two distinct geographical regions, with the former prevailing in the "bantustans" where most of the Africans lived. The living conditions of the Africans were very poor and their wages were often below the poverty line, but the Africans were prevented by the racist régime of Pretoria from seeking to improve their lot by forming unions and other industrial workers' associations.

280. Although the Government of South Africa was in illegal possession of Namibia, its status enabled it to usurp the natural resources of the country, which were being despoiled by foreign investors on a massive scale entirely for their own benefit. That state of affairs had been condemned by the General Assembly in its resolution 3295 (XXIX), which had also invited all international bodies to ensure that the rights and interests of Namibia were protected and to elaborate programmes of assistance and for the dissemination of information, and requested Member States to take appropriate measures to ensure the application of the Decree on the Natural Resources of Namibia promulgated by the United Nations Council for Namibia on 27 September 1974 to protect Namibia's natural resources. He cherished the hope that the Namibian people would have the support of the Board in its struggle for self-determination, the protection of its natural resources and its economic and social development.

E. Adoption of the report on credentials

(Agenda item 1 (c))

281. At its 439th meeting, on 13 August 1975, the Board adopted the report of the Bureau on credentials (TD/B/582).

F. Membership and attendance ^{46/}

282. The following States members of the Board were represented at the first part of the fifteenth session: Argentina, Australia, Austria, Belgium, Bolivia, Brazil, Bulgaria, Canada, Chile, China, Colombia, Czechoslovakia, Denmark,

^{45/} See Official Records of the General Assembly, Twenty-ninth Session, Supplement No. 24 (A/9624).

^{46/} For the list of participants in the session, see TD/B/INF.57.

Ecuador, Ethiopia, Finland, France, Gabon, Germany (Federal Republic of), Ghana, Greece, Guatemala, Hungary, India, Indonesia, Iran, Iraq, Ireland, Italy, Japan, Jordan, Kenya, Libyan Arab Republic, Madagascar, Malaysia, Mauritius, Mexico, Nepal, Netherlands, New Zealand, Nigeria, Norway, Pakistan, Peru, Philippines, Poland, Romania, Rwanda, Senegal, Spain, Sri Lanka, Sudan, Sweden, Switzerland, Syrian Arab Republic, Thailand, Turkey, Uganda, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, United States of America, Upper Volta, Uruguay, Venezuela, Yugoslavia, Zaire.

283. The following other States members of UNCTAD also sent representatives: Algeria, Bangladesh, Cuba, Democratic People's Republic of Korea, Egypt, El Salvador, German Democratic Republic, Holy See, Honduras, Israel, Ivory Coast, Jamaica, Kuwait, Malta, Mongolia, Nicaragua, Oman, Panama, Portugal, Republic of Korea, Singapore, Trinidad and Tobago, Tunisia.

284. The United Nations Industrial Development Organization was represented at the session. The United Nations Council for Namibia was also represented at the session. 47/

285. The following specialized agencies were represented at the session: International Labour Organisation, Food and Agriculture Organization of the United Nations, World Bank, International Monetary Fund, Inter-Governmental Maritime Consultative Organization, World Intellectual Property Organization. The General Agreement on Tariffs and Trade was also represented.

286. The following intergovernmental organizations were represented at the session: Commonwealth Secretariat, Council for Mutual Economic Assistance, East African Community, European Economic Community, European Free Trade Association, Intergovernmental Council of Copper Exporting Countries, International Bank for Economic Co-operation, International Investment Bank, International Wheat Council, Latin-American Free Trade Association, Organisation for Economic Co-operation and Development, Organization of African Unity, Organization of American States, Permanent Secretariat of the General Treaty on Central American Economic Integration.

287. The following non-governmental organizations were represented at the session: General category: International Bar Association, International Chamber of Commerce, International Council of Voluntary Agencies, International Law Association, International Organization for Standardization, World Confederation of Labour.

Special category: Council of European and Japanese National Shipowners' Associations, International Air Transport Association, Latin-American Association of Development Finance Institutions.

288. The Pan Africanist Congress was also represented at the session. 48/

47/ Invited to participate by decision of the Board at its 428th meeting, on 5 August 1975 (see para. 277 above).

48/ The Pan-Africanist Congress was invited to participate by the secretariat pursuant to paragraph 6 of General Assembly resolution 3280 (XXIX) (see TD/B/L.410).

G. Election to membership of main Committees

(Agenda item 1 (d))

289. At its 439th meeting, on 13 August 1975, the Board confirmed the membership of its main Committees, as listed in its report on the second part of its fourteenth session (see part two, annex II above), and declared Jordan elected to the Committee on Manufactures, bringing the total membership to 80 States; Uruguay elected to the Committee on Invisibles and Financing related to Trade, bringing the total membership to 86 States; Uruguay elected to the Committee on Shipping, bringing the total membership to 78 States; and Ethiopia, Honduras, Ivory Coast, Malta, Sudan and United Arab Emirates to the Committee on Transfer of Technology, bringing the total membership to 69 States. 49/

H. Designation of intergovernmental bodies for the purposes of rule 78 of the rules of procedure of the Board

(Agenda item 13)

290. At its 439th meeting, on 13 August 1975, the Board considered the applications (TD/B/R.8 and Add.1-2 (derestricted)) from the South Pacific Bureau for Economic Co-operation and the Mano River Union for designation for the purposes of rule 78 of the rules of procedure.

Action by the Board

291. At the same meeting, the Board decided to designate these two intergovernmental bodies for the purposes of rule 78 of its rules of procedure and rule 80 of the rules of procedure of the Conference (see annex I below, "Other decisions").

I. Designation and classification of non-governmental organizations for the purposes of rule 79 of the rules of procedure of the Board

(Agenda item 13)

292. At its 439th meeting, on 13 August 1975, the Board considered the recommendations of the Secretary-General of UNCTAD (TD/B/583), with which the Bureau concurred, that the three non-governmental organizations which had applied for designation under rule 79 of the rules of procedure should be so designated and classified.

Action by the Board

293. At the same meeting, the Board decided to designate the three non-governmental organizations in question, and to classify them in the manner suggested (see annex I below, "Other decisions").

49/ For the complete list of States members of the main Committees, see annex VII below.

J. Terms of reference of the Advisory Committee to the Board and to the Committee on Commodities 50/

(Agenda item 13)

294. The Board had before it in this connexion a note by the Secretary-General of UNCTAD (TD/B/573/Add.1) containing suggestions concerning the modification of the name, terms of reference and composition of the Advisory Committee to the Board and to the Committee on Commodities.

295. The representatives of those developing countries which participated in the discussion supported the suggestions of the Secretary-General of UNCTAD; they agreed that there was a need for a body with a broad mandate which would permit it to advise the Board or the Secretary-General on any matter within the competence of UNCTAD. Some of these representatives expressed the hope that further explanations would be furnished by the secretariat concerning certain detailed aspects of those suggestions, such as the number and term of office of the members of the transformed Advisory Committee and its methods of work. One of these representatives stated that the new advisory body should consider the effect on the development process of action, or the lack of action, in other organizations such as UNIDO, the World Bank, IMF and GATT. In his view, the question of the transformation of the Advisory Committee was of sufficient importance for the Board to take action upon it at its current session.

296. The spokesman for Group B welcomed the Secretary-General's suggestions as further evidence of his forward-looking thinking about the work of UNCTAD. He observed, however, that the members of his Group had not had sufficient opportunity to reflect upon them. He considered that they, and the representatives of other countries, might better appreciate how the new advisory body would operate if the Secretary-General were to develop his proposals further, either at the current session of the Board or subsequently. It was the view of his Group that the question should be thoroughly examined and reviewed at a later date.

Action by the Board

297. At its 441st meeting, on 16 August 1975, the Board welcomed the suggestions made by the Secretary-General of UNCTAD concerning the modification of the name, terms of reference and composition of the Advisory Committee to the Board and to the Committee on Commodities (TD/B/573/Add.1). It decided to consider this question further at the second part of its fifteenth session.

K. Discussion in depth of the use of the words "as adopted"

(Agenda item 13)

298. At its 441st meeting, on 16 August 1975, the Board agreed with the secretariat analysis contained in document TD/B/L.351 and recommended that this agreement should serve as guidelines for the main Committees of the Board and its subsidiary bodies.

50/ The Board considered this question at its 434th, 435th, 437th and 441st meetings, on 8, 11, 12 and 16 August 1975.

299. The Board noted in particular that, as stated in paragraph 6 of the above-mentioned note by the secretariat, the fact that Governments may not judge it necessary to reiterate reservations previously stated did not mean that such reservations had been withdrawn.

L. Consideration of decision 65 (ORG-75) of the
Economic and Social Council

(Agenda item 13)

300. The Board had before it a note by the UNCTAD secretariat (TD/B/L.406) concerning the request of the Economic and Social Council that the Board consider the advisability of holding its regular sessions at a time which would allow it to report to the General Assembly through the Council at the Council's second regular session each year.

301. At the 438th meeting, on 12 August 1975, the President informed the Board that, in response to a similar request addressed to the World Bank, the International Finance Corporation and the International Monetary Fund, those organizations had agreed to have their reports considered at either of the regular sessions of the Council.

Action by the Board

302. At the same meeting, the Board decided to advise the Economic and Social Council that it would defer consideration of the request of the Council until its first regular session after the fourth session of the Conference.

M. Review of the calendar of meetings

(Agenda item 11)

303. At the 439th meeting of the Board, on 13 August 1975, the representative of the Secretary-General of UNCTAD introduced a note by the UNCTAD secretariat (TD/B/L.405 and Add.1) containing a revised calendar of UNCTAD meetings for the remainder of 1975 and for 1976 and a tentative calendar of meetings for 1977, and drew the attention of the Board to the financial implications thereof (TD/B/L.405/Add.2 and TD/B/L.411). ^{51/} In his remarks, he made reference to the problems which would arise from such a heavy programme, particularly in the field of documentation.

304. The representative of a developed market economy country stated that, in view of the late issuance of the documentation for the meeting of the Group of Governmental Experts on the Role of the Patent System in the Transfer of Technology, scheduled to begin on 1 September 1975, her delegation would have preferred that meeting to be postponed.

^{51/} TD/B/L.411 was subsequently superseded by TD/B/L.421 and Corr.1.

Action by the Board

305. At the 439th meeting, the Board, having first noted the financial implications, 52/ adopted the revised calendar of meetings for the remainder of 1975 and for 1976 and the tentative calendar of meetings for 1977. 53/ The Board further noted that it might be necessary in 1976 to convene conferences to renegotiate the International Wheat Agreement and the International Sugar Agreement, and requested the Secretary-General of UNCTAD, in consultation with the commodity councils concerned, to arrange the dates for such conferences should they be required.

306. At its 440th meeting, on 15 August 1975, the Board approved an addition to the calendar of meetings for 1976 consequent upon its adoption of resolution 132 (V) on the increasing burden of debt servicing in developing countries (see para. 180 above).

307. At its 441st meeting, on 16 August 1975, the Board approved a proposal by the spokesman of the Group of Seventy-seven to extend the duration of the second part of its fifteenth session by one to two days.

308. At the same meeting, the representative of the United States of America reiterated his delegation's concern about the timing of the meeting of the Group of Governmental Experts on the Role of the Patent System in the Transfer of Technology. He said that, although the meeting was due to begin only two weeks later, some of the documentation was still not available, and pointed out that this was contrary to the requirements of rule 29 of the rules of procedure of the Board. He doubted the usefulness of holding a meeting for which the experts would be unable to familiarize themselves with the documentation, and he proposed that the documents in question should play no part in the considerations of the Group of Experts. While he did not know what the final reaction of his authorities would be, he was sure that the late issuance of the documentation would virtually preclude the most constructive possible debate and would certainly create great difficulties in arriving at any agreement before the first session of the Committee on Transfer of Technology.

309. He further stated that the meeting of the Group of Experts was not the only UNCTAD meeting for which documentation had been issued late and suggested that, at some future date, the Board should consider taking action similar to that taken by the Economic and Social Council and decide that, when documentation could not be issued in conformity with the six-weeks rule, the item concerned should automatically be deleted from the agenda.

310. The spokesman for the Group of Seventy-seven pointed out that the only basic document that the experts would be required to consider, in accordance with resolution 2 (III) of the Intergovernmental Group on Transfer of Technology, was the report on the role of the patent system in the transfer of technology to

52/ For the statements of financial implications, see annex VI below, appendix.

53/ For the calendar of meetings as adopted, and subsequently amended, see annex I below, decision 130 (XV).

developing countries (TD/B/AC.11/19), which had been available to Governments for some 16 months. The late issuance of documentation should not, therefore, be used as a pretext for prejudging the results of the forthcoming meeting of the Group of Experts.

311. The representative of the United States of America stated in reply that the documents to which he was referring were those listed in the annotated agenda for the meeting circulated by the UNCTAD secretariat (TD/B/C.6/AC.2/1).

312. The representatives of Canada, Australia and the Federal Republic of Germany associated themselves with the statement made by the representative of the United States of America regarding the difficulties caused by the late issuance of documentation in general, and for the meeting of the Group of Governmental Experts on the Role of the Patent System in the Transfer of Technology in particular.

313. The spokesman for Group D stated that, in general, documentation in Russian was always late, and requested the secretariat to take the necessary steps to ensure that documents in Russian were issued on time.

N. Financial implications of the actions of the Board

(Agenda item 12)

314. At its 441st meeting, on 16 August 1975, the Board took note of a summary statement submitted by the Secretary-General of UNCTAD (TD/B/L.421 and Corr.1) of the financial implications of its actions at the first part of its fifteenth session and at its sixth special session (see annex VI below).

O. Provisional agenda for the seventh special session and the sixteenth regular session of the Board and organization of the work of the sessions

(Agenda item 1 (e))

315. At its 441st meeting, on 16 August 1975, the Board considered the draft provisional agenda for its seventh special session (TD/B/L.412) and the draft provisional agenda for its sixteenth regular session (TD/B/L.413), which had been submitted by the UNCTAD secretariat.

316. The spokesman for the Group of 77 proposed that an item entitled "Interdependence of problems of trade, development finance and the international monetary system" should be included in the provisional agenda for the sixteenth regular session.

Action by the Board

317. At the same meeting, the Board adopted the provisional agenda for its seventh special session (see annex IV below), on the understanding that the wording of item 2 would be completed by the secretariat in the light of the Board's discussions on the provisional agenda for the Conference at the second part of its fifteenth session. It requested the Secretary-General of UNCTAD to consult with

delegations regarding the organization of the work of the seventh special session and to circulate his suggestions thereon.

318. The Board also adopted the provisional agenda for its sixteenth regular session, as amended by the spokesman for the Group of Seventy-seven (see annex V below). It requested the Secretary-General of UNCTAD to consult with delegations regarding the organization of the work of the sixteenth regular session and to circulate his suggestions thereon.

319. The spokesman for Group D reserved his Group's position on the provisional agenda for the sixteenth regular session.

P. Adoption of the report of the Board to the General Assembly
(Agenda item 14)

320. The Board considered the draft report on the first part of its fifteenth session (TD/B/L.414 and Add.1-7) at its 440th and 441st meetings, on 15 and 16 August 1975. At its 441st meeting, it adopted the draft report as a whole, as amended, and authorized its Rapporteur to complete the report as appropriate and make any necessary editorial changes.

Q. Adjournment of the session

321. At the 441st meeting, on 16 August 1975, the President declared the first part of the fifteenth session closed.

ANNEX I

RESOLUTIONS AND DECISIONS ADOPTED BY THE TRADE AND DEVELOPMENT BOARD AT THE FIRST PART OF ITS FIFTEENTH SESSION

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RESOLUTIONS AND DECISIONS ADOPTED BY THE TRADE AND DEVELOPMENT BOARD
at the first part of its fifteenth session

RESOLUTIONS

131 (XV). International co-operation for industrial restructuring

The Trade and Development Board,

Recalling the Declaration and the Programme of Action on the Establishment of a New International Economic Order, adopted by the General Assembly in resolutions 3201 (S-VI) and 3202 (S-VI) of 1 May 1974, which call, inter alia, for new industrial capacities to be set up in developing countries with a view to bringing about a new international economic structure which should increase the share of the developing countries in world industrial production, and for appropriate adjustments to be made by the developed countries in their economies so as to facilitate the expansion and diversification of imports from developing countries,

Recalling further the Lima Declaration and Plan of Action on Industrial Development and Co-operation, adopted on 26 March 1975 at the Second General Conference of the United Nations Industrial Development Organization, which recommends, inter alia, that the share of developing countries in total world industrial production should be increased to the maximum possible extent and as far as possible to at least 25 per cent of world industrial production by the year 2000, while making every endeavour to ensure that the industrial growth so achieved is distributed among the developing countries as evenly as possible,

Recognizing that the measures envisaged in the Programme of Action on the Establishment of a New International Economic Order and in the Lima Plan of Action would have significant and far-reaching consequences for trade in manufactures and semi-manufactures, particularly for the developing countries and for the reorientation of their trade patterns and policies,

Emphasizing that the Programme of Action on the Establishment of a New International Economic Order and the Lima Plan of Action call for vigorous and comprehensive implementation efforts by UNCTAD to accelerate the expansion of trade in industrial products of developing countries,

Taking into account that the Committee on Manufactures is the organ of the Trade and Development Board charged, inter alia, with promoting general and consistent policies to expand and diversify the export trade of developing countries in manufactured and semi-manufactured articles,

Reaffirming that industrial restructuring is a dynamic element in the achievement of the objectives of industrial development of the developing countries,

Reaffirming further that, in order to facilitate the realization of industrial restructuring, a substantial and continuing expansion and diversification of exports of manufactures and semi-manufactures of developing countries should be achieved through appropriate international co-operation,

1. Considers that such co-operation could take the form, inter alia, of industrial collaboration arrangements aimed particularly at promoting, in developing countries, the production of and trade in a large number of manufactures and semi-manufactures, including those involving the use of advanced technology in their production;

2. Recognizes that such arrangements could serve to facilitate effective co-operation among developing countries, or groups thereof of different regions, and to complement the integration efforts of developing countries at the regional and subregional levels;

3. Decides to request the Secretary-General of UNCTAD to undertake a study relating to the formulation and operation of appropriate arrangements for industrial co-operation and collaboration, as referred to in paragraph 1 above, including possible institutional arrangements, taking into account the progress of work of the group of experts referred to in paragraph 2 of Trade and Development Board resolution 128 (S-VI) of 21 March 1975;

4. Recommends that this study should be carried out in all its phases bearing in mind section II, paragraph 29, of General Assembly resolution 2152 (XXI) of 17 November 1966, and requests the Secretary-General of UNCTAD to consult with the Executive Director of the United Nations Industrial Development Organization with a view to working out the appropriate co-operative and co-ordinating arrangements;

5. Requests the Secretary-General of UNCTAD to transmit to Governments the study referred to in paragraphs 3 and 4 above in sufficient time for it to be available to the appropriate forums and subsequently to the Trade and Development Board at its seventh special session.

440th meeting
15 August 1975

132 (XV). The increasing burden of debt servicing in developing countries

The Trade and Development Board,

Recalling resolution 59 (III), adopted by the United Nations Conference on Trade and Development on 19 May 1972, and particularly paragraph 6 thereof,

Recalling also General Assembly resolution 3039 (XXVII) of 19 December 1972, and General Assembly resolution 3202 (S-VI) of 1 May 1974, particularly section II, 2, paragraph g thereof,

Recalling further resolution 5 (VI) adopted by the Committee on Invisibles and Financing related to Trade on 13 July 1973,

Taking note with appreciation of the report of the Ad hoc Group of Governmental Experts on the Debt Problems of Developing Countries on its third session, 1/

Bearing in mind the mounting debt burden and the critical debt problems of many developing countries,

1. Urges the Governments of the developed and the developing countries to take appropriate measures, in the light of the recommendations of the Ad hoc Group of Governmental Experts on the Debt Problems of Developing Countries, 2/ to avoid debt-servicing difficulties;

2. Recommends that, in the event of debt-servicing difficulties, creditor countries should consider taking immediate debt-relief measures and that debt renegotiations should be guided by the common elements identified by the Ad hoc Group of Governmental Experts while bearing in mind that the particular circumstances of individual debtor countries, when considered on a case-by-case basis, may well require modifications of and exceptions to these common elements;

3. Endorses the recommendation of the Ad hoc Group of Governmental Experts that, on the initiative of debtor developing countries, ad hoc meetings may be convened, with the participation of major creditor countries concerned and of interested developing countries, to examine at the international level a debtor country's situation in a wider development context, prior to debt renegotiations in the customary forums;

4. Authorizes the Secretary-General of UNCTAD to provide appropriate assistance to debtor countries in relation to the holding of such ad hoc meetings, if and when he is so requested by a debtor country;

5. Recommends to the other competent international institutions that they also assist debtor countries in relation to the holding of ad hoc meetings, if and when they are so requested by the debtor country, and also recommends them to invite the Secretary-General of UNCTAD to such meetings, as an observer;

1/ Debt problems of developing countries: report of the Ad hoc Group of Governmental Experts on its third session (United Nations publication, Sales No.: E.75.II.D.14).

2/ Ibid., chap. II.

6. Urges the participants in debt renegotiations to take fully into account in these renegotiations the deliberations and the reports of the ad hoc meetings;

7. Requests the developed countries to give special attention to the grave and urgent difficulties facing developing countries, taking into account the special needs of the least developed and most seriously affected countries, and to consider, as appropriate, providing prompt and adequate debt relief to these countries;

8. Endorses the recommendation of the Ad hoc Group of Governmental Experts that the Secretary-General of UNCTAD or his representative, at the request of the debtor country or creditor countries involved, be invited to participate in the multilateral debt renegotiations on the same basis as the representatives of other international organizations participating as observers in the meeting;

9. Requests the Secretary-General of UNCTAD to keep the question of the debt problems of developing countries under continuous review, taking into account the world economic situation;

10. Instructs the Committee on Invisibles and Financing related to Trade to make the necessary preparations so as to enable the United Nations Conference on Trade and Development to take appropriate decisions in this field at its fourth session.

440th meeting
15 August 1975

133 (XV). Special measures in favour of the developing countries
most seriously affected by economic crisis

The Trade and Development Board,

Recalling General Assembly resolution 3202 (S-VI) of 1 May 1974 on the Programme of Action on the Establishment of a New International Economic Order, and in particular the Special Programme adopted by the General Assembly in section X of the said resolution,

Mindful of the difficult and deteriorating economic situation of the most seriously affected countries,

Conscious of the need to take immediate short-term measures to help the most seriously affected countries to tide themselves over the existing difficulties,

Recommends that all countries in a position to do so take urgent measures to increase the flow of financial resources to the most seriously affected countries, including early contributions, as appropriate, to the funds established to remedy the situation faced by those countries.

441st meeting
16 August 1975

The Trade and Development Board,

Recognizing that the International Trade Centre UNCTAD/GATT has become the focal point in the United Nations system for development assistance in trade promotion (Economic and Social Council resolution 1819 (LV) of 9 August 1973), and that, in this connexion, the Centre has, over the years, accumulated considerable expertise in the field of market information, market development and research related to products,

Taking note with appreciation of the report of the Joint Advisory Group on the International Trade Centre UNCTAD/GATT on its eighth session, 3/

Affirming that the Joint Advisory Group should examine in detail and deliberate upon the programme of market development and research related to products carried out yearly by the International Trade Centre UNCTAD/GATT,

1. Decides that, subject to the concurrence of the GATT Council, as from its ninth session the Joint Advisory Group shall have before it, in due time for examination, a comprehensive list of possible studies, relating to products, markets and subjects for technical manuals, based on suggestions from Governments, that the International Trade Centre UNCTAD/GATT may consider for inclusion in its subsequent yearly programme of work, and that the Joint Advisory Group shall be responsible for advising on the final selection of priority studies to be carried out;

2. Requests the International Trade Centre UNCTAD/GATT to use also expertise from developing countries in the elaboration of marketing surveys and technical manuals;

3. Urges the International Trade Centre UNCTAD/GATT to examine as soon as possible the feasibility of extending marketing surveys to include more advanced manufactured goods of specific interest to groups of countries which could be mainly financed from United Nations Development Programme regional and interregional funds or trust fund contributions;

4. Invites traditional and other trust fund contributors to continue to support these activities in the best possible manner.

441st meeting
16 August 1975

136 (XV). Special measures in favour of the least developed
among the developing countries

The Trade and Development Board,

Bearing in mind its resolution 119 (XIV) of 13 September 1974,

Recalling resolution 62 (III), adopted unanimously by the United Nations Conference on Trade and Development on 19 May 1972, on special measures in favour of the least developed among the developing countries,

Recalling also Conference resolution 63 (III) of 19 May 1972 on special measures related to the particular needs of the land-locked developing countries, and noting the relevance of this resolution to the needs of the land-locked least developed countries,

Recalling further General Assembly resolutions 3201 (S-VI) and 3202 (S-VI) of 1 May 1974 on the Declaration and the Programme of Action on the Establishment of a New International Economic Order,

Recalling article 25 of the Charter of Economic Rights and Duties of States, 4/

Taking note of decision 30 (LVII) adopted by the Economic and Social Council on 2 August 1974 on special measures in favour of the least developed countries,

Recalling the International Development Strategy for the Second United Nations Development Decade, adopted by the General Assembly in its resolution 2626 (XXV) of 24 October 1970, in which, inter alia, provision is made for special measures in favour of the least developed among the developing countries, in order to enhance their capacity to benefit fully and equitably from the policy measures for the Decade,

Recognizing that the international community has a particular responsibility to assist the least developed countries in all their efforts, although the primary responsibility for their development rests upon these countries themselves,

Noting that there is an urgent need to initiate more effective commercial policy measures in favour of the least developed among the developing countries and to provide greater financial and technical assistance flows, under more favourable and flexible norms than in the past, to these countries so as to overcome structural bottle-necks and to generate the required levels of growth rates in their economies,

Taking note of the report of the Intergovernmental Group on the Least Developed Countries on its first session, 5/

4/ Adopted by the General Assembly in its resolution 3281 (XXIX) of 12 December 1974.

5/ See Official Records of the Trade and Development Board, Fifteenth Session (first part), Annexes, agenda item 7, document TD/B/577.

1. Endorses, as recommended by the Intergovernmental Group on the Least Developed Countries in its resolution 1 (I), 6/ the addition of Bangladesh, the Central African Republic, the People's Democratic Republic of Yemen and the Gambia to the list of least developed countries, and recommends to the General Assembly to approve this addition;

2. Endorses the recommendations of the Intergovernmental Group in its resolution 2 (I), entitled "Special measures in favour of the least developed among the developing countries", 7/ taking into account the statements and positions taken by groups and delegations and recorded in the report of the Intergovernmental Group; 8/

3. Invites the General Assembly at its thirtieth session to take fully into account the strong desire of the developing countries, expressed at the session of the Intergovernmental Group, to establish immediately a special fund for the least developed countries, and also to take fully into account the views expressed by the countries members of the Economic and Social Council at the fifty-seventh session of the Council;

4. Instructs its Committees, within their respective fields of competence, to give consideration at the earliest possible opportunity to the measures in favour of the least developed countries proposed by the countries members of the Group of 77 in paragraph 13 of resolution 2 (I) of the Intergovernmental Group, to enable the Trade and Development Board to consider the progress made at its sixteenth session;

5. Endorses also the requests and invitations by the Intergovernmental Group addressed to the Secretary-General of UNCTAD in paragraphs 4, 6, 10, 11, 12 and 13 of resolution 2 (I);

6. Decides, as recommended by the Intergovernmental Group in its resolution 3 (I), 9/ to reconvene the Intergovernmental Group on the Least Developed Countries within the next two years, and under the terms of reference as specified in paragraph 1 of Board resolution 119 (XIV).

441st meeting
16 August 1975

6/ Ibid., annex I.

7/ Ibid.

8/ Ibid., chap. I, sect. F, paras. 112-119.

9/ Ibid., annex I.

DECISIONS

130 (XV). Calendar of UNCTAD meetings for the remainder of 1975 and 1976 and tentative schedule of meetings for 1977 10/

1975

	<u>Date</u>	<u>Duration</u>	<u>Location</u>
United Nations Cocoa Conference, 1975	22 September- 17 October	4 weeks	Geneva
Trade and Development Board, fifteenth session, second part	30 September- 3/4 October	4-5 days	Geneva
Committee on Invisibles and Financing related to Trade, seventh session	27 October- 7 November	2 weeks	Geneva
Committee on Shipping, seventh session	10-21 November	2 weeks	Geneva
Committee on Transfer of Technology, first session	24 November- 5 December	2 weeks	Geneva
Committee on Commodities, eighth session, third part	8-19 December	2 weeks	Geneva
Advisory Committee to the Board and to the Committee on Commodities, tenth session	To be determined	1-2 weeks	Geneva
Permanent Sub-Committee on Commodities	If required	1 week	Geneva
Commodity consultations	As required	Up to 5 weeks	Geneva
Working parties, study groups and expert groups	As required	Up to 9 weeks	Geneva

1976^{11/}

	<u>Date</u>	<u>Duration</u>	<u>Location</u>
Technical Committee of the Joint Advisory Group on the International Trade Centre UNCTAD/GATT, fifth session	5-9 January	1 week	Geneva

10/ This text incorporates the amendments to the calendar of meetings made by the Board at its 440th and 441st meetings, on 15 and 16 August 1975. See Official Records of the General Assembly, Thirtieth Session, Supplement No. 15 (A/10015/Rev.1), part three, paras. 306-307.

11/ The calendar of meetings following the fourth session of the United Nations Conference on Trade and Development in 1976 and in 1977 may have to be adjusted in the light of the recommendations and decisions of the Conference.

1976 (continued)

	<u>Date</u>	<u>Duration</u>	<u>Location</u>
Special Committee on Preferences, seventh session	5-16 January	2 weeks	Geneva
Working Group on International Shipping Legislation, fifth session, first part	5-16 January	2 weeks	Geneva
Joint Advisory Group on the International Trade Centre UNCTAD/GATT, ninth session	13-16 January	4 days	Geneva
Working Group on Tungsten, tenth session	19-23 January	1 week	Geneva
Intergovernmental Preparatory Group on a Convention on International Intermodal Transport, third session	16 February- 5 March	3 weeks	Geneva
Trade and Development Board, seventh special session	8-19 March	2 weeks	Geneva
United Nations Conference on Trade and Development, fourth session	3-28 May (including pre-Conference meeting on 3 and 4 May)	4 weeks	Nairobi
Working Group on International Shipping Legislation, fifth session, second part	26-30 July	1 week	Geneva
Intergovernmental Group on Container Transport, first session	2-13 August	2 weeks	Geneva
Trade and Development Board, sixteenth session, first part	17 August- 10 September	4 weeks <u>12/</u>	Geneva
Committee on Tungsten, tenth session	25-29 October	1 week	Geneva
Intergovernmental Preparatory Group on a Convention on International Intermodal Transport, fourth session	1-19 November	3 weeks	Geneva
Special Committee on Preferences, eighth session	22 November- 3 December	2 weeks	Geneva
Permanent Group on Synthetics and Substitutes, seventh session	6-10 December	1 week	Geneva

12/ Duration to be reviewed by the fourth session of the Conference.

1976 (continued)

	<u>Date</u>	<u>Duration</u>	<u>Location</u>
Advisory Committee to the Board and to the Committee on Commodities, eleventh session	To be determined	1-2 weeks	Geneva
Permanent Sub-Committee on Commodities	If required	1 week	Geneva
Commodity conferences	As required	Up to 10 weeks	Geneva
Commodity consultations	As required	Up to 10 weeks	Geneva
Working parties, study groups and expert groups	As required	Up to 16 weeks	Geneva
Conference services for holding <u>ad hoc</u> meetings on debt problems of developing countries	If required	Up to 4 weeks	Geneva

1977

	<u>Date</u>	<u>Duration</u>	<u>Location</u>
Working Group on International Shipping Legislation, sixth session	January	2 weeks	Geneva
Technical Committee of the Joint Advisory Group on the International Trade Centre) UNCTAD/GATT, sixth session)	January	2 weeks	Geneva
Joint Advisory Group on the International Trade Centre UNCTAD/GATT, tenth session)			
Committee on Commodities, ninth session	February	2 weeks	Geneva
Committee on Shipping, eighth session	March	2 weeks	Geneva
Committee on Manufactures, eighth session	March/April	2 weeks	Geneva
Trade and Development Board, eighth special session <u>13/</u>)	April/May	2 weeks	Geneva
Trade and Development Board, sixteenth session, second part <u>14/</u>)		1 day	

13/ A working party of the sixteenth session of the Board will meet during the eighth special session to review the programme budget and the medium-term plan. The sixteenth session will reconvene towards the end of the eighth special session to consider the report of the working party.

14/ See preceding foot-note.

1977 (continued)

	<u>Date</u>	<u>Duration</u>	<u>Location</u>
Committee on Invisibles and Financing related to Trade, eighth session	May/June	2 weeks	Geneva
Committee on Transfer of Technology, second session	June	2 weeks	Geneva
Intergovernmental Group on the Least Developed Countries, second session	June/July	2 weeks	Geneva
Trade and Development Board, seventeenth session	23 August-16 September	4 weeks	Geneva
Special Committee on Preferences, ninth session	November	2 weeks	Geneva
Committee on Tungsten <u>or</u> Working Group on Tungsten	November	1 week	Geneva
Advisory Committee to the Board and to the Committee on Commodities, twelfth session	To be determined	1-2 weeks	Geneva
United Nations Conference on a Convention on International Intermodal Transport <u>15/</u>	To be determined	4 weeks	Geneva
Permanent Sub-Committee on Commodities	If required	1 week	Geneva
Commodity conferences	As required	Up to 10 weeks	Geneva
Commodity consultations	As required	Up to 10 weeks	Geneva
Working parties, study groups and expert groups	As required	Up to 16 weeks	Geneva

439th meeting
13 August 1975

15/ Subject to decision by the General Assembly.

134 (XV). Impact on employment of international policy measures in the field of trade and development

The Trade and Development Board

1. Notes that the Governing Body of the International Labour Office agreed at its 196th session to convene at Geneva in June 1976 a Tripartite World Conference on Employment, Income Distribution, Social Progress and the International Division of Labour and that the items on the agenda of that Conference are relevant to the work of UNCTAD;

2. Recalls Economic and Social Council resolution 1968 (LIX) of 30 July 1975, which requests the competent bodies of UNCTAD to collaborate with the International Labour Organisation in readiness for the participation of UNCTAD in the said Tripartite World Conference;

3. Realizes the increasingly serious and growing problems of unemployment and poverty in many developing countries;

4. Requests the Secretary-General of UNCTAD, after consulting with the Director-General of the International Labour Office, to submit a report on the impact on employment of international policy measures in the field of trade and development to the Tripartite World Conference on Employment, Income Distribution, Social Progress and the International Division of Labour, and to endeavour to make this report available to the Trade and Development Board at its seventh special session.

441st meeting
16 August 1975

OTHER DECISIONS TAKEN BY THE BOARD

at the first part of its fifteenth session

Participation in the work of UNCTAD of the United Nations
Council for Namibia 16/

At its 428th meeting, on 5 August 1975, the Board decided, pursuant to General Assembly resolution 3295 (XXIX), to invite the United Nations Council for Namibia to participate in the work of UNCTAD, without the right to vote.

16/ See Official Records of the General Assembly, Thirtieth Session, Supplement No. 15 (A/10015/Rev.1), part three, paras. 276-277.

Designation of intergovernmental bodies for the purposes of
rule 78 of the rules of procedure of the Trade and
Development Board 17/

At its 439th meeting, on 13 August 1975, the Board approved the applications of the following two intergovernmental organizations for designation for the purposes of rule 78 of its rules of procedure and rule 80 of the rules of procedure of the Conference:

Mano River Union

South Pacific Bureau for Economic Co-operation.

Designation and classification of non-governmental organizations
for the purposes of rule 79 of the rules of procedure of the
Trade and Development Board 18/

At its 439th meeting, on 13 August 1975, the Board approved the applications of the following three non-governmental organizations and decided that they should be classified as follows:

Special category for the UNCTAD organ (other than the Board) indicated:

	<u>UNCTAD organ</u>
International Container Bureau	Committee on Shipping
International Association of Insurance and Reinsurance Intermediaries	Committee on Invisibles and Financing related to Trade
International Federation of Beekeepers' Associations	Committee on Commodities

DECISION TAKEN BY THE BOARD

at the second part of its fifteenth session

Treatment of the Republic of Cape Verde, the Democratic Republic
of Sao Tome and Principe and the People's Republic of Mozambique
for purposes of elections 19/

At its 442nd meeting, on 30 September 1975, the Board decided that, pending action by the Conference at its fourth session in pursuance of paragraph 6 of General Assembly resolution 1995 (XIX), the Republic of Cape Verde, the Democratic Republic of Sao Tome and Principe and the People's Republic of Mozambique should, for purposes of elections, be treated as if they were in the group of countries listed in part A of the annex to that resolution, as amended.

17/ Ibid., paras. 290-291.

18/ Ibid., paras. 292-293.

19/ Ibid., part four, chap. II, sect. D.

Annex

AGENDA OF THE FIFTEENTH SESSION OF THE BOARD

as adopted by the Board at its 428th meeting on 5 August 1975

1. Procedural and organizational matters:
 - (a) Election of officers;
 - (b) Adoption of the agenda and organization of the work of the session;
 - (c) Adoption of the report on credentials;
 - (d) Election to membership of main Committees;
 - (e) Provisional agenda for the seventh special session and the sixteenth regular session and organization of the work of the sessions.
2. Fourth session of the United Nations Conference on Trade and Development: objectives, provisional agenda, preparatory work and organization.
3. Review of the implementation of the recommendations of the Conference; implementation of the Declaration and the Programme of Action on the Establishment of a New International Economic Order; mid-term review and appraisal of the International Development Strategy; special session of the General Assembly devoted to development and international economic co-operation.
4. Interdependence of problems of trade, development finance and the international monetary system.
5. Matters requiring action by the Board arising from or related to reports of its subsidiary bodies:
 - (a) Commodity trade:* report of the Committee on Commodities on the first and second parts of its eighth session;
 - (b) Trade in manufactures and semi-manufactures: report of the Committee on Manufactures on its seventh session;
 - (c) Financing related to trade.
6. Other particular matters in the field of trade and development:
 - (a) Trade expansion, economic co-operation and regional integration among developing countries;

* Including, to the extent appropriate, the questions of an over-all integrated programme for commodities and of indexation of prices.

- (b) Export promotion:
 - (i) Report of the Joint Advisory Group on the International Trade Centre UNCTAD/GATT on its eighth session;
 - (ii) United Nations export promotion efforts (Economic and Social Council resolution 1819 (LV));
 - (c) Impact of environment policies on trade and development, in particular of the developing countries;
 - (d) Dissemination of information and mobilization of public opinion;
 - (e) Trade and economic aspects of disarmament;
 - (f) Progressive development of the law of international trade: eighth annual report of the United Nations Commission on International Trade Law.
7. Special measures in favour of the least developed among the developing countries.
 8. Special measures related to the particular needs of land-locked developing countries.
 9. Developing island countries.
 10. Trade relations among countries having different economic and social systems.
 11. Review of the calendar of meetings.
 12. Financial implications of the actions of the Board.
 13. Other business.
 14. Adoption of the report of the Board to the General Assembly.

ANNEX II

CONSENSUS OF THE BOARD ON A LIST OF SELECTED BROAD POLICY AREAS, WITH AN INDICATION OF THE SPECIFIC ISSUES TO BE TAKEN UP IN EACH POLICY AREA AT THE FOURTH SESSION OF THE CONFERENCE

The following text represents the consensus of the Board on a list of selected broad policy areas, with an indication of the specific issues to be taken up in each policy area at the fourth session of the Conference. It is understood that the Board would finalize the provisional agenda at the second part of its fifteenth session.

1. COMMODITIES

Action on commodities, including decisions on an integrated programme, in the light of the need for change in the world commodity economy.

2. MANUFACTURES AND SEMI-MANUFACTURES

Measures, including the elaboration of and decision on a comprehensive strategy to expand and diversify the export trade of the developing countries in manufactures and semi-manufactures, with a view to the attainment of the generally accepted goals for their accelerated industrial development.

3. RECENT TRENDS IN INTERNATIONAL TRADE AND DEVELOPMENT

- Review and evaluation of progress made in the multilateral trade negotiations and other actions and decisions taken at the international level;
- Review of developments in the international monetary field.

4. MONEY AND FINANCE AND TRANSFER OF REAL RESOURCES FOR DEVELOPMENT

- Decisions on measures to alleviate the critical debt problems of many developing countries;
- Measures to increase net capital flows to developing countries to meet their long-term external financing needs;
- Measures to improve, on appropriate terms and conditions, the financial and monetary situation of developing countries, commensurate with their development needs and to facilitate and improve the financing of their exceptional deficits;
- Review of requirements for evolving an international monetary system that would foster development and world trade, having particular regard to the interests of the developing countries.

5. TRANSFER OF TECHNOLOGY

- Action to strengthen the technological capacity of developing countries;
- Decisions on a code of conduct for the transfer of technology and, in the light of those decisions, a decision on the modalities for its establishment;
- Actions to be undertaken by UNCTAD with respect to the economic, commercial and development aspects of the international patent system in the context of the ongoing revision of that system.

6. LEAST DEVELOPED AMONG DEVELOPING COUNTRIES, DEVELOPING ISLAND COUNTRIES AND DEVELOPING LAND-LOCKED COUNTRIES

- Action on special measures in favour of these countries.

7. INSTITUTIONAL ISSUES

- Recommendations on the future role of UNCTAD, and decisions on future institutional arrangements within UNCTAD.

8. ECONOMIC CO-OPERATION AMONG DEVELOPING COUNTRIES

Action to support, where appropriate, measures and initiatives taken by the developing countries to strengthen economic co-operation among themselves.

9. TRADE RELATIONS AMONG COUNTRIES HAVING DIFFERENT ECONOMIC AND SOCIAL SYSTEMS

Multilateral action for expanding the trade and economic relations between countries with different economic and social systems, in particular action which would contribute to the development of developing countries.

ANNEX III

DRAFT RESOLUTIONS REMITTED FOR FURTHER CONSIDERATION
BY THE BOARD OR ITS SUBSIDIARY BODIES

A. Draft resolutions remitted for further consideration
by the Board at its seventh special session

Export subsidies and countervailing duties^{a/}

Draft resolution submitted by Sri Lanka on behalf of the
Group of Seventy-seven

/TD/B/C.2(VII)/SC/L.2/

Adjustment assistance measures^{b/}

Draft resolution submitted by Pakistan on behalf of the
Group of Seventy-seven

/TD/B/C.2/L.70/

Safeguards and standstill^{c/}

Draft resolution submitted by Pakistan on behalf of the
Group of Seventy-seven

/TD/B/C.2/L.71/

Interdependence of problems of trade, development
finance and the international monetary system d/

Draft resolution submitted by Ethiopia, Gabon, Ghana, Kenya,
the Libyan Arab Republic, Madagascar, Mauritius, Nigeria,
Rwanda, Senegal, the Sudan, Uganda, the Upper Volta, Zaire

/TD/B/L.360/

a/ The text of this draft resolution is contained in the report of the Committee on Manufactures on its seventh session (TD/B/576 - provisionally circulated as TD/B/C.2(VII)/Misc.3), annex III, sect. A.

b/ The text of this draft resolution is contained in the report of the Board on the first part of its fourteenth session, Official Records of the General Assembly, Twenty-ninth Session, Supplement No. 15 (A/9615/Rev.1), annex II.

c/ See foot-note b above.

d/ See foot-note b above.

B. Draft resolution remitted for further consideration
by the Board at its sixteenth regular session

Impact of regional economic groupings of the developed
countries on international trade, including the trade
of developing countries e/

Draft resolution submitted by Afghanistan, Argentina, Bhutan,
Bolivia, Brazil, Burma, Ceylon, Chile, Colombia, Costa Rica,
Democratic Yemen, Dominican Republic, Ecuador, El Salvador,
Ghana, Guatemala, Guinea, Haiti, Honduras, India, Indonesia,
Iran, Iraq, Jordan, Khmer Republic,* Kuwait, Laos, Lebanon,
Lesotho, Malaysia, Mexico, Nepal, Nicaragua, Nigeria,
Pakistan, Panama, Paraguay, Peru, Philippines, Republic of
Korea, Republic of Viet-Nam,** Sierra Leone, Swaziland,
Thailand, Trinidad and Tobago, United Arab Emirates, Uruguay,
Venezuela and Yugoslavia

/TD/L.66 and Corr.1-3/

C. Draft resolutions remitted for further consideration
by the Committee on Invisibles and Financing related
to Trade and its seventh session

Export credit as a means of promoting exports
from developing countries

Draft resolution submitted by Argentina on behalf of the
Group of Seventy-seven

/TD/B(XV)/SC/L.1/

The Trade and Development Board,

Noting with appreciation the report of the Group of Experts on Export Credits
as a Means of Promoting Exports from Developing Countries (TD/B/552 and Corr.1),

Bearing in mind the efforts made by developing countries to diversify and
expand their exports,

Considering that the promotion of exports of developing countries requires
those countries to be in a position to offer credit on terms comparable to those
being offered by competitors in developed countries,

* Now Cambodia.

** Now the Republic of South Viet-Nam.

e/ The text of this draft resolution is contained in the report of the Board
on the first part of its twelfth session, Official Records of the General Assembly,
Twenty-seventh Session, Supplement No. 15 (A/8715/Rev.1 and Corr.1), part one,
annex V.

Considering further that gross disbursements of credits are likely to increase rapidly and substantially,

Recognizing that the granting of export credits involves a postponement of foreign exchange receipts that developing countries can ill afford to bear,

Recognizing further that exports of manufactures entail the granting of export credits with relatively long maturities,

1. Considers that international measures to assist developing countries with these problems constitute an important component of international financial co-operation;

2. Calls upon the World Bank and regional development institutions to establish or expand facilities for the direct refinancing of export credit portfolios of developing countries, including that part arising from the granting of short-term export credits and credits granted to importers in developed countries;

3. Invites the above-mentioned institutions to inform the Board at its seventh special session about the progress made in establishing direct refinancing facilities in these institutions;

4. Considers that the establishment of a multilateral guarantee facility that would allow developing countries to refinance export credits directly in international financial markets on more favourable terms would be an additional measure to assist developing countries in their efforts to promote exports;

5. Requests the Secretary-General of the United Nations Conference on Trade and Development to prepare, in consultation with multilateral institutions and with the assistance of experts, as he deems appropriate, a technical study of the proposal to establish a multilateral guarantee facility and to submit his conclusions to the Trade and Development Board at its sixteenth session;

6. Further requests the Secretary-General of the United Nations Conference on Trade and Development to continue and expand the technical assistance of the Conference to developing countries with regard to their efforts to establish and strengthen national, regional and interregional export credit financing and insurance schemes.

Compensation for losses occasioned by the
realignment of major currencies f/

Draft resolution submitted by Ethiopia, Gabon, Ghana, Guinea,
Kenya, the Libyan Arab Republic, Madagascar, Mauritius,
Nigeria, Rwanda, Senegal, the Sudan, Uganda, the Upper Volta,
Zaire

/TD/B/L.308/

f/ The text of this draft resolution is contained in the report of the Board on the first part of its fourteenth session (Official Records of the General Assembly, Twenty ninth Session, Supplement No. 15 (A/9615/Rev.1) annex III).

- D. Draft resolution remitted for further consideration
by the permanent machinery of UNCTAD

Restrictive business practices^{g/}

Draft resolution submitted by Sri Lanka on behalf of
the Group of Seventy-Seven

/TD/B/C.2/L.80/Rev.1/

^{g/} See foot-note a above.

ANNEX IV

PROVISIONAL AGENDA FOR THE SEVENTH SPECIAL
SESSION OF THE BOARD a/

1. Procedural matters
 - (a) Adoption of the agenda and organization of the work of the session
 - (b) Adoption of the report on credentials
2. Consideration of proposals for action by the Conference at its fourth session
 - (a)-() /Here would be listed the items of the provisional agenda for the Conference./
3. Other business
4. Adoption of the report of the Board

a/ Adopted by the Board at its 441st meeting, on 16 August 1975
(see para. 317 above).

Note: It is presumed that formal action on the reports of expert groups, etc., and on the reports of the Committee on Commodities on the second and third parts of its eighth session, the report of the Committee on Invisibles and Financing related to Trade on its seventh session, the report of the Committee on Shipping on its seventh session, the report of the Committee on Transfer of Technology on its first session, and the report of the Special Committee on Preferences on its seventh session will be completed by the Board under item 3 at its seventh special session.

ANNEX V

PROVISIONAL AGENDA FOR THE SIXTEENTH REGULAR
SESSION OF THE BOARD a/

1. Procedural matters
 - (a) Election of officers
 - (b) Adoption of the agenda and organization of the work of the session
 - (c) Adoption of the report on credentials
 - (d) Establishment of the working party on the UNCTAD programme budget for the biennium 1978-1979 and the medium-term plan for 1978-1981
 - (e) Provisional agenda for the eighth special session and the seventeenth regular session of the Board and organization of the work of the sessions
2. Specific matters arising from the resolutions, recommendations and other decisions adopted by the Conference at its fourth session requiring attention or action by the Board at its sixteenth session
3. Matters requiring action by the Board arising from or related to reports of its subsidiary bodies
 - (a) Commodity trade
 - (b) Financing related to trade
 - (c) Shipping
 - (d) International intermodal transport
4. Interdependence of problems of trade, development finance and the international monetary system
5. Other particular matters in the field of trade and development
 - (a) Export promotion
 - (i) Report of the Joint Advisory Group on the International Trade Centre UNCTAD/GATT on its ninth session
 - (ii) United Nations export promotion efforts (Economic and Social Council resolution 1620 (LI))

a/ Adopted by the Board at its 441st meeting, on 16 August 1975 (see para. 318 above).

- (b) Progressive development of the law of international trade: ninth annual report of the United Nations Commission on International Trade Law
- (c) International trade in educational and scientific materials: study submitted by the Director-General of UNESCO

/(d)-() Matters not covered under item 2 which the Board is required to keep under review

6. Institutional, organizational, administrative and related matters

- (a) Treatment of new States members of UNCTAD for purposes of elections
- (b) Election to membership of main Committees
- (c) Appointment of the members of the Advisory Committee to the Board /and to the Committee on Commodities
- (d) Designation of intergovernmental organizations for the purposes of rule 78 of the rules of procedure
- (e) Designation and classification of non-governmental organizations for the purposes of rule 79 of the rules of procedure
- (f) Review of the effectiveness of the arrangements, under Board decision 43 (VII), for the participation of non-governmental organizations in the activities of UNCTAD
- (g) Review of the calendar of meetings
- (h) Consideration of decision 65 (ORG-75) of the Economic and Social Council
- (i) Financial implications of the actions of the Board

7. UNCTAD programme budget for the biennium 1978-1979 and the medium-term plan 1978-1981: report of the working party of the sixteenth session (scheduled to meet April/May 1977)

8. Other business

9. Adoption of the report of the Board to the General Assembly

ANNEX VI

FINANCIAL IMPLICATIONS OF THE ACTIONS OF THE BOARD

Summary statement submitted by the Secretary-General of UNCTAD

(TD/B/L.421 and Corr.1)

1. In accordance with rule 31 of its rules of procedure, the Board has been advised, in the course of its discussions, of the administrative and financial implications of any proposals that involve expenditure.
2. To facilitate the Board's consideration, the financial implications of actions taken by the Board at its present session are summarized below under part A. Part B of the summary lists for ease of reference the financial implications of actions taken by the Board at its sixth special session.
3. The figures given in the summary do not make provision for Chinese language services, although such services may be requested, because the UNCTAD secretariat has not sufficient information concerning the availability of such staff in the two biennia under consideration. Such services will continue to be provided for centrally by United Nations Headquarters.

SUMMARY OF ACTIONS WITH FINANCIAL IMPLICATIONS
(In thousands of US dollars)

1974 - 1975 Biennial Budget

1976 - 1977 Biennial Budget

Agenda Item	Document containing detailed financial statement	Summary of subject matter	Temporary assistance for meetings	Ad Hoc expert groups (travel and subsistence)	Reproduction supplies	Total	Consultants and temporary assistance	Temporary assistance for meetings	Ad Hoc expert groups (travel and subsistence)	Reproduction supplies	Travel of staff	Total
A. ACTIONS TAKEN BY THE BOARD AT THE FIRST PART OF ITS FIFTEENTH SESSION												
5(a)	TB/B/L.409, annex II	Trade in commodities: To convene informal meetings of representatives of governments on the integrated programme on commodities.	19.7		0.3	20.0						
5(a) and 11	TB/B/L.409/Add.2	Trade in commodities: To convene the Working Group on Pangsten for one week early in 1976.						19.6		0.4		20.0
5(b)	TB/B/576, annex II	Trade in manufactures: Possible reconvening of the Inter-governmental Group of Experts on Tariff Reassessment.						17.9		0.1		18.0
5(b)	TB/B/576, annex II	Trade in manufactures: To convene another Ad Hoc Group of Experts on Restrictive Business Practices consisting of governmental experts in 1975 and to reconvene, if necessary, the meeting of the Expert Group in 1976.	16.9		0.1	17.0		40.8		0.2		41.0
5(c)	TB/B/(XV)/BC/L.5/ Add.1	Financing related to trade: To convene up to four Ad Hoc meetings on debt servicing of five days duration each in 1976/77 if and when requested by developing debtor countries.					125.0 ^{a/}	75.6		0.4	35.0	216.0
7	TB/B/577, annex II	International trade research: To convene if deemed necessary by the Secretary-General of UNCTAD and subsequently approved by the Board, groups of experts for implementing specific parts of the work programme. Estimated cost of one group.						37.6	24.0	0.2		62.0
7	TB/B/577, annex II	International trade research: To reconvene the Intergovernmental Group on the Least Developed Countries within the next two years.						140.6		3.2	24.0	168.0
11	TB/B/L.405/Add.2	Shipping: To convene a fourth session of the Intergovernmental Preparatory Group on a Committee on International Intermodal Transport.						121.8		2.2		124.0
11	TB/B/L.405/Add.2	Shipping: To reconvene the fifth session of the Working Group on International Shipping Legislation for one week.						41.0		1.0		42.0
B. ACTIONS TAKEN BY THE BOARD AT THE SIXTH SPECIAL SESSION												
12	TB/B/547, annex II	Shipping: To postpone the third session of the Intergovernmental Preparatory Group on a Convention on International Intermodal Transport from 1975 to 1976.	(109.9)		(2.3)	(112.0)		115.8		2.2		118.0
12	TB/B/547, annex II	Trade in manufactures: To postpone the seventh session of the Special Committee on Preferences from 1975 to 1976.	(139.5)		(0.5)	(140.0)		146.5		0.5		147.0
12	TB/B/547, annex II	Trade in commodities: To reduce the provision in 1975 for commodity consultations from ten weeks to five.	(99.5)		(0.5)	(60.0)						
12	TB/B/547, annex II	Trade in commodities: To convene a conference for five weeks in September/October 1975 to renegotiate the International Cocoa Agreement.	272.1		2.9	275.0 ^{b/}						
12	TB/B/547, annex II	Trade in commodities: To reconvene the Committee on Commodities in a resumed eighth session to be held in two parts - the first for one week in July 1975 with reduced conference services and without summary records, and the second for two weeks in December 1975.	261.6		11.4	273.0						
12	TB/B/547, annex II	Trade expansion and economic integration: To convene a group of experts from developing countries, serving in their individual capacity, to assist the Secretary-General of UNCTAD in the formulation of specific proposals and recommendations to foster co-operation among developing countries.	27.6	24.0	0.4	52.0						

^{a/} Consisting of \$100,000 for consultants and \$25,000 for temporary assistance.

^{b/} Although the calendar of meetings provided for two commodity conferences, budgetary provision was made for only one. This provision was used for the United Nations Tin Conference which was held during May and June of 1975. It is therefore necessary to make a budgetary provision for this second commodity conference.

Appendix

Detailed statements before the Board at the first part of its fifteenth session

COMMODITY TRADE

Financial implications of the action taken by the Committee on Commodities at the second part of its eighth session

/TD/B/L.409, annex II/

1. In document TD/B/C.1/L.54/Add.1 a draft decision is submitted for adoption by the Committee whereby the Secretary-General of UNCTAD is invited to convene informal meetings of representatives of Governments and, where appropriate, to undertake direct consultations with Governments, commodity bodies and other interested intergovernmental and regional organizations during the course of the further work in preparation for the third part of the eighth session.

2. It is assumed that not more than five meeting days would be needed for these consultations, with interpretation in four languages for two meetings per day, one conference room and a total of 50 pages of documentation. On this basis the financial implications of the proposal are estimated to be \$20,000. Additional expenditures for travel of staff in connexion with the suggested direct consultations with Governments, commodity bodies and interested intergovernmental organizations might also be required.

TRADE IN MANUFACTURES AND SEMI-MANUFACTURES

Financial implications of the actions of the Committee on Manufactures at its seventh session

/TD/B/576, annex II/

Resolution 7 (VII) Tariff reclassification a/

1. Draft resolution TD/B/C.2/L.76 requests the Secretary-General of UNCTAD to reconvene, after consultation with interested Governments, the Intergovernmental Group of Experts on Tariff Reclassification to examine the question of identification and separate classification of products which are of export interest to developing countries.

a/ Text of TD/B/C.2/L.76/Add.1, circulated in connexion with draft resolution TD/B/C.2/L.76. The resolution as adopted (resolution 7 (VII)) requests the Secretary-General of UNCTAD, in paragraph 4, to continue his consultations with a view to the possible reconvening of the Intergovernmental Group of Experts. It is assumed that a meeting, if convened, could not be held in 1975.

2. On the assumption that a group of experts representing their Governments would meet for five calendar days in 1976 with interpretation in four languages, have 30 pages of pre-session documentation, excluding any annexes, and a final report of 30 pages, the cost of conference services is estimated to be \$18,000.

Resolution 9 (VII) Convening of another Ad Hoc Group of Experts
on Restrictive Business Practices b/

1. The draft resolution contained in document TD/B/C.2/L.87 reaffirms the Committee's earlier request to the Secretary-General of UNCTAD to convene another Ad Hoc Group of Experts on Restrictive Business Practices consisting of an adequate number of governmental experts to be nominated by him and notes in this connexion that the Secretary-General of UNCTAD has tentatively scheduled such a meeting from 20 to 24 October 1975. The draft resolution further calls upon the Secretary-General of UNCTAD to make provision for, and to reconvene if necessary, the meeting of the Group of Experts as early as possible in 1976 in the event that the Group is unable to complete its work at the meeting scheduled in 1975.

2. On the assumption that a group of 18 governmental experts would meet in 1975 for one week, with interpretation in four languages, have 30 pages of pre-session documentation (in addition to the documentation on restrictive business practices already submitted to the Committee on Manufactures) and a final report of 30 pages, the cost of conference services is estimated to be \$17,000.

3. If a further meeting is required in 1976, the cost of conference services is estimated to be \$41,000 on the same assumptions as in paragraph 2 above, except that (a) the duration of the meeting would be two weeks and (b) pre-session documentation would amount to 100 pages.

FINANCING RELATED TO TRADE

Statement of financial implications submitted by the UNCTAD
secretariat concerning draft resolution TD/B(XV)/SC/L.5

[TD/B(XV)/SC/L.5/Add.1]

1. Draft resolution TD/B(XV)/SC/L.5 recommends that, in the event of debt servicing difficulties, the Secretary-General of UNCTAD be authorized, if and when he is so requested by a developing debtor country, to provide appropriate assistance to debtor countries in relation to the holding of ad hoc meetings, with the participation of the major creditor countries concerned and of interested developing countries, to examine at the international level a debtor country's situation in a wider development context, prior to debt renegotiations in the customary fora.

2. If the draft resolution were adopted, it is estimated that the cost of conference service in 1976-1977 would be \$76,000 on the basis of the following assumptions:

b/ Text of TD/B/C.2/L.87/Add.1, circulated in connexion with draft resolution TD/B/C.2/L.87.

- (a) Number of ad hoc meetings: four
- (b) Venue: Geneva
- (c) Duration: each meeting to consist of a preliminary session of two days, followed at a later date by a final session of three days
- (d) Interpretation: into three languages
- (e) Documentation:
 - (i) UNCTAD pre-session documentation of 50 pages and a final report of 25 pages, in three languages;
 - (ii) documentation submitted by participating institutions and circulated in the languages made available by these institutions;
 - (iii) all documents would be confidential and as such would be reproduced only as conference room papers without any wider distribution.

3. The draft resolution requests the Secretary-General of UNCTAD to keep the question of the debt problems of developing countries under continuous review and provides that he or his representative would, at the request of the debtor or creditor countries involved, be invited to participate as an observer in ad hoc meetings which may be convened in other fora as well as in the multilateral debt renegotiations. To enable the UNCTAD secretariat to prepare substantively for such ad hoc meetings, including participation in debt renegotiations in the customary fora, it is considered essential that provision be made in 1976-1977 for an additional 36 months of consultants' services and 24 months of general service temporary assistance, at a cost of \$125,000, plus \$15,000 for related travel.

4. The total estimated cost for 1976-1977 is therefore \$216,000.

SPECIAL MEASURES IN FAVOUR OF THE LEAST DEVELOPED AMONG THE DEVELOPING COUNTRIES

Financial implications of the resolutions adopted by the Intergovernmental Group on the Least Developed Countries

/TD/B/577, annex II/

A. Special measures in favour of the least developed among the developing countries (resolution 2) c/

1. Resolution 2 requests the Secretary-General of UNCTAD to propose to the Trade and Development Board the convening, as necessary, of groups of experts for implementing specific parts of the work programme.
2. Should the Secretary-General of UNCTAD deem it necessary, and should the Board subsequently approve the convening of a group of experts for implementing specific

c/ Substance of text of TD/B/AC.17/L.7/Add.1, circulated in connexion with draft resolution TD/B/AC.17/L.7.

parts of the work programme, the cost would be \$62,000 per group, based on the assumption that each group would be composed of 12 members serving in their individual capacity d/ (\$24,000) who would meet for 10 calendar days, would require interpretation in four languages, 100 pages of pre-session documentation, and a final report of 30 pages (\$38,000).

B. Reconvening of the Intergovernmental Group on the Least Developed Countries (resolution 3) e/

1. Resolution 3 recommends to the Trade and Development Board the reconvening of the Intergovernmental Group on the Least Developed Countries within the next two years and under the terms of reference as specified in Board resolution 119 (XIV).
2. On the assumption that the Intergovernmental Group would meet for two weeks in 1977 with interpretation in four languages, have 300 pages of pre-session documentation, and a final report of 50 pages, the cost of conference services is estimated to be \$144,000 in 1977.
3. The secretariat would need to make on-the-spot studies on the progress and the difficulties encountered in the carrying out of the policy measures designed to assist the least developed among the developing countries and in order to submit a report to the Intergovernmental Group. On the assumption that there would be annually two trips of one month's duration each to Africa and one trip of one month's duration each to Asia and Latin America, the estimated cost of travel is \$12,000 per year in 1976 and 1977.

REVIEW OF THE CALENDAR OF MEETINGS

Statement of financial implications submitted by the secretariat

/TD/B/L.405/Add.2/

1. The Intergovernmental Preparatory Group on a Convention on International Intermodal Transport decided, at its second session in November 1974, to recommend to the Trade and Development Board that its third session be postponed from 1975 to 1976 and a fourth session of the Intergovernmental Preparatory Group be convened in the latter part of 1976 (TD/B/533, paras. 116-118). When considering the calendar of UNCTAD meetings for 1975 at its sixth special session, the Trade and Development Board postponed from 1975 to early 1976 the third session of the Intergovernmental Preparatory Group. As the fifteenth session of the Board is now to approve the UNCTAD calendar of meetings for 1976 and 1977 it would have to consider the recommendation of the Intergovernmental Preparatory Group to convene a fourth session, which in document TD/B/L.405 is provisionally scheduled to

d/ Experts serving in their individual capacity are entitled to reimbursement of travel and subsistence under the terms of General Assembly resolution 1798 (XVII) as amended.

e/ Substance of text of TD/B/AC.17/L.8/Add.1, circulated in connexion with draft resolution TD/B/AC.17/L.8.

be held in November 1976. Should the Board accept the recommendation of the Intergovernmental Preparatory Group the financial implications would amount to \$124,000, as explained in detail in the statement of financial implications submitted to that Group and reproduced in annex VI to the report of the Group on its second session (TD/B/533).

2. As stated in paragraph 6 of document TD/B/L.405 the United Nations Commission on International Trade Law is expected to finalize the draft convention on the carriage of goods by sea for submission to the General Assembly at its thirty-first session. If the Board decides that its views on the draft convention should be available to the General Assembly when it considers this matter, it might wish to make provision for the Working Group on International Shipping Legislation to resume its fifth session for one week in July 1976. The inclusion of this additional meeting in the calendar would have financial implications amounting to \$42,000. This estimate is based on the usual servicing requirements for the Working Group, i.e. one team and one caucus team of interpreters, three conference rooms, up to a maximum of 10 pages in-session documentation per day and a total of 100 pages of pre- and post-session documents.

3. At its ninth session, the Committee on Tungsten agreed to request the Secretary-General of UNCTAD to bring to the attention of the Trade and Development Board its recommendation that arrangements be made for the Working Group on Tungsten to meet as early in 1976 as possible and that, in addition, provision be made for the Committee itself to hold its tenth session later in 1976. A meeting of the Committee on Tungsten is scheduled and budgeted for in 1976 but no meeting of the Working Group on Tungsten had been foreseen. The financial implications of a one-week meeting of the Working Group on Tungsten are estimated to be \$20,000, on the assumption that it would require full interpretation services, a maximum of 5 pages of in-session documents per day, two conference rooms, and a total of 40 pages of pre- and post-session documentation.

ANNEX VII

MEMBERSHIP OF THE MAIN COMMITTEES OF THE BOARD a/

Committee on Commodities

Algeria	Ireland
Argentina	Israel
Australia	Italy
Austria	Ivory Coast
Bangladesh	Jamaica
Belgium	Japan
Bolivia	Kenya
Brazil	Libyan Arab Republic
Bulgaria	Madagascar
Burundi	Malaysia
Canada	Mauritius
Central African Republic	Mexico
Chad	Netherlands
Chile	New Zealand
China	Nigeria
Colombia	Norway
Costa Rica	Pakistan
Cuba	Panama
Czechoslovakia	Peru
Democratic People's Republic of Korea	Philippines
Denmark	Poland
Dominican Republic	Republic of Korea
Ecuador	Republic of South Viet-Nam
Egypt	Romania
El Salvador	Rwanda
Ethiopia	Saudi Arabia
Finland	Senegal
France	Spain
Gabon	Sri Lanka
German Democratic Republic	Sudan
Germany, Federal Republic of	Sweden
Ghana	Switzerland
Greece	Syrian Arab Republic
Guatemala	Thailand
Guinea	Togo
Honduras	Trinidad and Tobago
Hungary	Tunisia
India	Turkey
Indonesia	Uganda
Iran	Union of Soviet Socialist Republics
Iraq	United Kingdom of Great Britain and Northern Ireland

a/ See para. 289 above.

Committee on Commodities (continued)

United States of America
Upper Volta
Uruguay

Venezuela
Yugoslavia
Zaire

Committee on Manufactures

Algeria
Argentina
Australia
Austria
Bangladesh
Belgium
Bolivia
Brazil
Bulgaria
Canada
Central African Republic
Chile
China
Colombia
Costa Rica
Cuba
Czechoslovakia
Democratic People's Republic
of Korea
Denmark
Dominican Republic
Ecuador
Egypt
El Salvador
Ethiopia
Finland
France
German Democratic Republic
Germany, Federal Republic of
Greece
Guatemala
Honduras
Hungary
India
Indonesia
Iran
Iraq
Israel
Italy
Ivory Coast
Jamaica

Japan
Jordan
Kenya
Libyan Arab Republic
Madagascar
Malaysia
Mali
Mauritius
Mexico
Netherlands
New Zealand
Nigeria
Norway
Pakistan
Panama
Peru
Philippines
Poland
Republic of Korea
Republic of South Viet-Nam
Romania
Saudi Arabia
Senegal
Singapore
Spain
Sri Lanka
Sweden
Switzerland
Thailand
Trinidad and Tobago
Tunisia
Turkey
Union of Soviet Socialist Republics
United Kingdom of Great Britain and
Northern Ireland
United States of America
Upper Volta
Uruguay
Venezuela
Yugoslavia
Zaire

Committee on Invisibles and Financing
related to Trade

Algeria	Jamaica
Argentina	Japan
Australia	Kenya
Austria	Kuwait
Bangladesh	Lebanon
Belgium	Libyan Arab Republic
Bolivia	Madagascar
Brazil	Malaysia
Bulgaria	Mali
Burundi	Mexico
Canada	Netherlands
Central African Republic	New Zealand
Chad	Nicaragua
Chile	Nigeria
China	Norway
Colombia	Pakistan
Costa Rica	Panama
Cuba	Peru
Czechoslovakia	Philippines
Democratic People's Republic of Korea	Poland
Denmark	Republic of Korea
Dominican Republic	Republic of South Viet-Nam
Ecuador	Romania
Egypt	Saudi Arabia
El Salvador	Senegal
Ethiopia	Spain
Finland	Sri Lanka
France	Sweden
German Democratic Republic	Switzerland
Germany, Federal Republic of	Syrian Arab Republic
Ghana	Thailand
Greece	Trinidad and Tobago
Guatemala	Tunisia
Guinea	Turkey
Honduras	Uganda
Hungary	Union of Soviet Socialist Republics
India	United Kingdom of Great Britain and Northern Ireland
Indonesia	United States of America
Iran	Upper Volta
Iraq	Uruguay
Israel	Venezuela
Italy	Yugoslavia
Ivory Coast	Zaire

Committee on Shipping

Algeria	Italy
Argentina	Ivory Coast
Australia	Jamaica
Bangladesh	Japan
Belgium	Kenya
Bolivia	Kuwait
Brazil	Libyan Arab Republic
Bulgaria	Madagascar
Canada	Malaysia
Central African Republic	Mauritius
Chile	Mexico
China	Netherlands
Colombia	New Zealand
Costa Rica	Nicaragua
Cuba	Nigeria
Czechoslovakia	Norway
Democratic People's Republic of Korea	Pakistan
Denmark	Peru
Dominican Republic	Philippines
Ecuador	Poland
Egypt	Republic of Korea
El Salvador	Republic of South Viet-Nam
Ethiopia	Romania
Finland	Senegal
France	Spain
Gabon	Sri Lanka
German Democratic Republic	Sweden
Germany, Federal Republic of	Thailand
Ghana	Trinidad and Tobago
Greece	Turkey
Guatemala	Uganda
Guinea	Union of Soviet Socialist Republics
Honduras	United Kingdom of Great Britain and Northern Ireland
Hungary	United States of America
India	Upper Volta
Indonesia	Uruguay
Iran	Venezuela
Iraq	Yugoslavia
Israel	Zaire

Committee on Transfer of Technology

Algeria	Libyan Arab Republic
Argentina	Malaysia
Australia	Malta
Belgium	Mauritius
Bolivia	Mexico
Brazil	Netherlands
Bulgaria	New Zealand
Canada	Nigeria
Chile	Pakistan
Colombia	Panama
Cuba	Peru
Czechoslovakia	Philippines
Democratic People's Republic of Korea	Poland
Ecuador	Republic of Korea
Egypt	Romania
Ethiopia	Saudi Arabia
Finland	Sierra Leone
France	Spain
German Democratic Republic	Sri Lanka
Germany, Federal Republic of	Sudan
Ghana	Sweden
Greece	Switzerland
Honduras	Thailand
Hungary	Trinidad and Tobago
India	Turkey
Indonesia	Union of Soviet Socialist Republics
Iran	United Arab Emirates
Iraq	United Kingdom of Great Britain and Northern Ireland
Israel	United Republic of Cameroon
Italy	United States of America
Ivory Coast	Upper Volta
Jamaica	Venezuela
Japan	Yugoslavia
Kenya	Zaire
Kuwait	

Part Four

REPORT OF THE TRADE AND DEVELOPMENT BOARD ON THE SECOND PART
OF ITS FIFTEENTH SESSION

Held at the Palais des Nations, Geneva,
from 30 September to 2 October 1975

INTRODUCTION

At the first part of its fifteenth session, the Trade and Development Board decided to finalize the provisional agenda for the fourth session of the Conference at the second part of its fifteenth session, in the light of the results of the seventh special session of the General Assembly (part three, chap. I, para. 40). In accordance with Board decision 130 (XV) concerning the calendar of UNCTAD meetings for the remainder of 1975, the second part of the fifteenth session was held at the Palais des Nations, Geneva, from 30 September to 2 October 1975.

CHAPTER I

FOURTH SESSION OF THE UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT: OBJECTIVES, PROVISIONAL AGENDA, PREPARATORY WORK AND ORGANIZATION

(Agenda item 2)

1. In his opening statement, at the 442nd meeting on 30 September 1975, the President of the Trade and Development Board observed that the major task before the Board was to draw up in final form the provisional agenda for the fourth session of the Conference, together with related organizational arrangements, in the light of the results of the seventh special session of the General Assembly. Referring to the atmosphere of mutual understanding and accommodation which had pervaded that session and the spirit of conciliation and co-operation shown by the participants, he noted that the negotiations at that session had been characterized by innovative methods and mechanisms, based on UNCTAD precedent and experience, which combined the flexibility inherent in small contact group arrangements with the authenticity deriving from the involvement of all delegations in the development of common positions. The significance of the seventh special session, however, was that, within the essential framework of the Declaration and the Programme of Action on the Establishment of a New International Economic Order and the Charter of Economic Rights and Duties of States, the results achieved represented an important first step towards the progressive removal of the wide economic and social disparities between different sections of mankind, and towards assuring fuller participation for the developing countries in the associated decision-making processes.

2. In regard to the future work of UNCTAD, including the fourth session of the Conference, he said that the relevance of the special session lay not so much in the identification of new directions to be followed, but rather in its confirmation of the role of UNCTAD in the shaping of the new international economic order; in the political thrust it had provided to the working out by UNCTAD of solutions to outstanding issues; and in the impetus it had given to orientations already under way within UNCTAD.

3. Of specific interest to UNCTAD in the area of international trade were those provisions of General Assembly resolution 3362 (S-VII) of 16 September 1975 concerning measures to sustain the real incomes of the developing countries and to improve their terms of trade. These covered not only the improvement of market structures in the field of raw materials and commodities of export interest to developing countries, but also called for studies and proposals for consideration by the Conference at its fourth session on the impact of an integrated programme for commodities, on indexation schemes and other options for preserving the purchasing power of developing countries, and on the relation between the producer and the final consumer prices of raw materials and commodities exported by developing countries. Relevant also was the question of the transfer of real resources on a predictable, assured and continuous basis - in which context the General Assembly had asked UNCTAD to consider the convening of a conference of major donor, creditor and debtor countries with a view to mitigating the burden of debt on developing countries. UNCTAD was further expected to complete - in time

for decisions at the fourth session of the Conference - its work on an international code of conduct on the transfer of technology corresponding to developing country needs, and in addition to give priority to its other activities as regards the transfer and diffusion of technology. In the field of industrialization, the resolution had given encouragement to the efforts of UNCTAD to develop tripartite co-operation among countries having different economic and social systems. The competence of UNCTAD was also engaged in the provisions concerning appropriate trade policy measures to increase agricultural production and export earnings deriving therefrom. Lastly, proper recognition had been extended to the contribution that UNCTAD could make to the process of restructuring the United Nations system, in order to make it more responsive to the requirements of the new international economic order.

4. He said that it was his belief, based on informal consultations, that by and large, the results of the General Assembly's seventh special session did not call for any expansion or abridgement of the list of selected broad policy areas on which the Board had reached a consensus at the first part of its session, for consideration by the Conference. Moreover, the indications given in that list of the specific issues to be taken up at the Conference in each of these policy areas appeared flexible enough to accommodate most of the elements to which he had referred, as did the arrangements made by the UNCTAD secretariat for the preparation of pre-Conference documentation. On the other hand, the text could no doubt be given greater precision and its scope and substance improved by the incorporation of some elements from General Assembly resolution 3362 (S-VII). There was, however, the risk that attempts to impart greater strength or refinement to the formulation of those issues might upset the delicate balance that had already been achieved and reopen time-consuming controversies, and it might therefore be more prudent to endeavour to minimize such changes of substance as were likely to be contentious.

5. The Secretary-General of UNCTAD endorsed the President's remarks concerning the results of the seventh special session of the General Assembly, noting that the session had amply succeeded in fulfilling the hope he had expressed at the first part of the Board's fifteenth session, that the Assembly would succeed in identifying and imparting a political thrust to the issues with which UNCTAD would be concerned in the coming period and would establish guidelines helpful in negotiating those issues in such forums as the fourth session of the Conference.

6. In his view, the results of the seventh special session could not be viewed as reflecting comprehensive agreement on the substance of problems or regarding the implementation of past decisions but, essentially, as reflecting an agreement by the international community to negotiate issues in the period ahead. That in itself was a very significant and constructive advance which could help to break the recent stalemate between developing and developed countries over development issues. The real significance of what had been achieved at the seventh special session would only emerge, however, once the processes of negotiation for which it had paved the way were completed.

7. On the institutional side, the special session had been of great assistance to UNCTAD since it had identified it as the appropriate forum for the negotiation of many key issues, and the continued study and elaboration of other relevant issues. The deliberations of the seventh special session had thus done much to ensure that the fourth session of the Conference would be constructive and successful.

8. He observed that much of the success of the negotiations at the seventh special session had been due to the extremely valuable contribution made by a number of representatives who had been associated with discussions and negotiations within UNCTAD on many of the issues taken up by the General Assembly.

9. He agreed with the President that, in the light of the deliberations at the seventh special session, no major restructuring of the Board's consensus on the list of selected broad policy areas would appear to be required, as all the areas identified by the Board had been endorsed in one way or another by the General Assembly. As for the indication of the specific issues falling within each policy area in that consensus, which he believed provided a useful aid to discussions, he also felt that no major changes were called for, although it was possible that some improvements might be made in order to bring more precision to the text.

10. He observed that, once the provisional agenda was finalized by the Board, the secretariat would be able to proceed with the work of preparing the documentation for the Conference. It was hoped to submit no more than one relatively brief document on each of the selected broad policy areas, and possibly also on each of the specific issues, which would pinpoint the matters for discussion and decision. Any supplementary material would be available in the form of background reference documents. He added that the adoption of the provisional agenda for the fourth session of the Conference would also facilitate the work of the regional and group meetings, including the Ministerial Meeting of the Group of Seventy-seven, to be held in preparation for the Conference.

11. He viewed the fourth session of the Conference as a unique political opportunity for the international community, through negotiation, to translate into specific measures many of the broad policy issues that had been under discussion, both within the United Nations system and elsewhere, for some considerable time. The Board's earlier decisions to reduce the length of the Conference, to give it a more selective agenda, and to make provision for a pre-Conference negotiating session, should help to ensure that its proceedings were effective, constructive and businesslike.

12. He observed that there was a need to harmonize work in UNCTAD, and the issues for decision at the Conference, with the discussions and negotiations in other forums on similar issues, in particular the meeting of producers and consumers in Paris. It was important to ensure, especially since the Paris dialogue was to continue after the end of the fourth session of the Conference, that work in the two forums should be mutually complementary rather than repetitive, and that efforts at decision-making and negotiation were convergent and not parallel.

Action by the Board

13. At its 443rd meeting, on 2 October 1975, the Board noted with satisfaction that the discussions of the General Assembly at its seventh special session had covered the broad policy areas in the list drawn up by the Board at the first part of its fifteenth session (part three, annex II). The Board considered that the adoption by the General Assembly of resolution 3362 (S-VII) had given additional impetus to the current work of UNCTAD, in particular with respect to the issues to be taken up at the fourth session of the Conference, and would thus facilitate the preparations for the Conference by Governments and by the UNCTAD secretariat. The Board requested the Secretary-General of UNCTAD to take into account the provisions of

General Assembly resolution 3362 (S-VII) in the preparatory work for the Conference.

14. Having taken account of the results of the seventh special session of the General Assembly, the Board adopted the draft provisional agenda for the fourth session of the Conference as contained in document TD/B/L.429/Rev.1 (see annex II below) and decided to transmit the provisional agenda to the Conference for its consideration. It endorsed the arrangements for the organization of the work of the Conference, contained in document TD/B/L.428/Rev.1 (see annex III below), and decided that the document should be transmitted to the pre-Conference meeting and to the Conference itself for consideration, subject to such further decisions as might be taken by the Board at its seventh special session.

15. The representative of the United States of America expressed his delegation's satisfaction at the consensus reached by the Board on the provisional agenda for the fourth session of the Conference, and welcomed the spirit of co-operation and genuine dialogue that had prevailed both in the Board and during the seventh special session of the General Assembly. He was confident that the same spirit would prevail in the meetings to be held in the period before the Conference and at the Conference itself, making it possible to reach true consensus that would result in the changes needed to inject greater vitality into the international economic system to the mutual benefit of all countries, developing and developed alike.

16. In his delegation's understanding, the provisional agenda adopted by the Board provided a clear outline of the areas of discussion which called for decisions on actions, without in any way prejudging the nature of such decisions. While some of the proposals would undoubtedly be adopted, others would undoubtedly be rejected after objective consideration. In the field of manufactures, his Government regarded a comprehensive strategy as requiring considerably more elaboration and study before it could be given serious consideration. It welcomed the work under way on the difficult question of the debt problems of developing countries, interpreting the actions to be taken as covering measures by both borrowers and lenders, in line with the recommendations of the Ad hoc Group of Governmental Experts. As regards the item on the monetary situation, while his Government believed that the present monetary system had promoted trade and development, it supported the efforts of IMF - which had decision-making power in that area - towards agreement on reform measures that would take appropriate account of the interests of all the countries.

CHAPTER II

INSTITUTIONAL, ORGANIZATIONAL AND ADMINISTRATIVE MATTERS

A. Opening of the second part of the fifteenth session

17. The second part of the fifteenth session of the Trade and Development Board was opened on 30 September 1975 by Mr. K. Dadzie (Ghana), President of the Board.

B. Replacement of three Vice-Presidents

18. Three Vice-Presidents, who had been previously elected, had indicated that they would be unable to attend the session. 1/ The Board, at its 442nd meeting on 30 September 1975, on the nomination of the groups concerned, unanimously elected Mr. T. Fábián (Hungary) to replace Mr. J. Nyerges (Hungary) and Mr. T. Awuy (Indonesia) to replace Mr. I. M. Thajob (Indonesia), and at its 443rd meeting on 2 October 1975, on the nomination of the group concerned, it unanimously elected Mr. S. Siassi (Iran) to replace Mr. M. R. Ghannadian (Iran).

C. Organization of the work of the second part of the fifteenth session

19. At its 442nd (opening) meeting, on 30 September 1975, the Board broadly endorsed the secretariat's suggestions concerning the organization of the work of the session (TD/B/586). It decided that further consideration of agenda item 2 ("Fourth session of the United Nations Conference on Trade and Development: objectives, provisional agenda, preparatory work and organization") should be resumed within the Contact Group established for that purpose at the first part of the fifteenth session (part three, para. 272). It further decided that a working group of the Contact Group should be established to consider the question of the terms of reference of the Advisory Committee to the Board and to the Committee on Commodities under agenda item 13.

D. Treatment of new States members of UNCTAD for purposes of elections

20. At its 442nd meeting, the Board decided that, pending action by the Conference at its fourth session in pursuance of paragraph 6 of General Assembly resolution 1995 (XIX), Cape Verde, Mozambique and Sao Tome and Principe, which

1/ In accordance with the procedure established at the Board's third session, a notification stating that a vice-president will be unable to attend a session during his term of office is construed as a resignation and the substitute elected by the Board serves for the remainder of his unexpired term (see Official Records of the General Assembly, Twenty-first Session, Supplement No. 15 (A/6315/Rev.1), part two, para. 183).

had become members of UNCTAD on 16 September 1975, should for the purposes of elections be treated as if they were in the group of countries listed in part A of the annex to that resolution, as amended (see annex I below, "Other decisions").

E. Election to membership of main Committees

(Agenda item 1(d))

21. At its 442nd meeting, the Board confirmed the membership of its main Committees, as listed in its report on the first part of its fifteenth session, 2/ and declared the United Republic of Cameroon elected to the Committee on Commodities, the Committee on Manufactures, the Committee on Invisibles and Financing related to Trade and the Committee on Shipping. The total membership of the main Committees is thus: Committee on Commodities: 89; Committee on Manufactures: 81; Committee on Invisibles and Financing related to Trade: 87; Committee on Shipping: 79; and Committee on Transfer of Technology: 69. 3/

F. Adoption of the report on credentials

(Agenda item 1(c))

22. At its 443rd meeting, on 2 October 1975, the Board adopted the report of the Bureau on credentials (TD/B/588).

G. Membership and attendance 4/

23. The following States members of the Board were represented at the second part of the fifteenth session: Argentina, Australia, Austria, Belgium, Bolivia, Brazil, Bulgaria, Canada, Chile, China, Colombia, Czechoslovakia, Denmark, Ecuador, Ethiopia, Finland, France, Gabon, Germany (Federal Republic of), Ghana, Greece, Guatemala, Hungary, India, Indonesia, Iran, Iraq, Ireland, Italy, Japan, Jordan, Kenya, Libyan Arab Republic, Madagascar, Malaysia, Mauritius, Mexico, Netherlands, New Zealand, Nigeria, Norway, Pakistan, Peru, Philippines, Poland, Romania, Senegal, Spain, Sri Lanka, Sudan, Sweden, Switzerland, Syrian Arab Republic, Thailand, Turkey, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, United States of America, Uruguay, Venezuela, Yugoslavia, Zaire.

24. The following other States members of UNCTAD not members of the Board also sent representatives: Afghanistan, Algeria, Bangladesh, Cuba, Cyprus, Dominican Republic, Egypt, German Democratic Republic, Holy See, Honduras, Israel, Ivory Coast, Jamaica, Kuwait, Lebanon, Luxembourg, Malta, Mongolia, Nicaragua, Oman, Panama, Portugal, Republic of Korea, Singapore, Trinidad and Tobago, Tunisia, United Republic of Cameroon.

2/ Part three, annex VII.

3/ For the complete lists of States members of the main Committees, see annex VI below.

4/ For the list of participants in the session, see TD/B/INF.60.

25. The Economic Commission for Africa and the United Nations Industrial Development Organization were represented at the session.

26. The following specialized agencies were represented at the session: International Labour Organisation, Food and Agriculture Organization of the United Nations, World Bank, International Monetary Fund, Inter-Governmental Maritime Consultative Organization, World Intellectual Property Organization. The General Agreement on Tariffs and Trade was also represented.

27. The following intergovernmental organizations were represented at the session: Commonwealth Secretariat, European Economic Community, European Free Trade Association, League of Arab States, Organisation for Economic Co-operation and Development, Organization of African Unity, Permanent Secretariat of the General Treaty on Central American Economic Integration.

28. The following non-governmental organizations were represented at the session: General category: International Chamber of Commerce, International Confederation of Free Trade Unions, International Council of Voluntary Agencies; Special category: Latin-American Association of Development Finance Institutions.

29. The African National Congress 5/ was also represented at the session.

H. Provisional agenda for the sixteenth regular session of the Board
(Agenda item 1(e))

30. At the 442nd meeting of the Board, on 30 September 1975, the spokesman for Group D, recalling that his Group had reserved its position on the provisional agenda for the sixteenth regular session of the Board at the time of its adoption at the first part of the fifteenth session (part three, para. 319), proposed that an item entitled "Trade relations among countries having different economic and social systems" should be included in the provisional agenda for the sixteenth session.

31. At the 443rd meeting, on 2 October 1975, the spokesman for the Group of Seventy-seven said that his Group had no objection to the proposal by Group D, on the understanding that inclusion of the item in the provisional agenda did not prejudice any decision on substance or organization at the sixteenth session itself. The Group of Seventy-seven hoped that the orientation given to that item in the provisional agenda for the fourth session of the Conference would also guide the Board's consideration of the item at its sixteenth session.

32. The representative of China stated that his delegation saw no need to add any item to the provisional agenda adopted at the first part of the fifteenth session. However, if the majority of the members of the Board wished to see the item included, his country shared the view of the Group of seventy-seven that the orientation to be given to the item should be in conformity with that given to the item for the fourth session of the Conference. His delegation suggested that the wording follow that of item 15 of the provisional agenda for the Conference. He requested the secretariat to take the full wording of the

5/ Invited to participate by the secretariat pursuant to para. 6 of General Assembly resolution 3280 (XXIX) (see TD/B/L.410).

Conference item into account when preparing the annotations to the provisional agenda for the sixteenth session of the Board.

Action by the Board

33. At the same meeting, the Board decided to include an item entitled "Trade relations among countries having different economic and social systems" as item 5 of the provisional agenda for the sixteenth regular session of the Board and to renumber the remaining items accordingly (see annex V below).

I. Terms of reference of the Advisory Committee to the Board and to the Committee on Commodities

(Agenda item 13)

34. At the first part of its fifteenth session, the Trade and Development Board had decided to consider further at the second part of the session the suggestions of the Secretary-General of UNCTAD concerning the modification of the name, terms of reference and composition of the Advisory Committee to the Board and to the Committee on Commodities (part three, para. 297 above). Informal consultations were held on this question during the second part of the session. The alternative of terminating the Advisory Committee and replacing it by a new advisory body was also considered during those consultations. A working paper containing the elements of a possible decision on each of these alternatives was circulated.

Action by the Board

35. At its 443rd meeting, on 2 October 1975, the Board decided to deal with this question at its seventh special session, in the context of its consideration on that occasion of proposals for action by the Conference on institutional issues, ^{6/} taking account of the working paper reproduced in annex IV below. It requested the Secretary-General of UNCTAD to make available well in advance of that session supplementary explanations in response to questions raised during the consultations.

J. Adoption of the report of the Board to the General Assembly

(Agenda item 14)

36. At its 443rd meeting, the Board authorized its Rapporteur to prepare and finalize the report on the second part of its fifteenth session. At the same meeting, it adopted its report to the General Assembly at its thirtieth session, consisting of the reports on the sixth special session (held from 10 to 21 March 1975), the second part of its fourteenth session (held on 29 April 1975), the first part of its fifteenth session (held from 5 to 16 August 1975) and the second part of its fifteenth session (held from 30 September to 2 October 1975).

K. Closure of the session

37. At the 443rd meeting, on 2 October 1975, the President declared the fifteenth session of the Board closed.

^{6/} Item 16 of the provisional agenda for the fourth session of the Conference.

ANNEX I

DECISION TAKEN BY THE BOARD AT THE SECOND PART OF ITS
FIFTEENTH SESSION

Treatment of Cape Verde, Mozambique and Sao Tome and Principe for
purposes of elections a/

At its 442nd meeting, on 30 September 1975, the Board decided that, pending action by the Conference at its fourth session in pursuance of paragraph 6 of General Assembly resolution 1995 (XIX), Cape Verde, Mozambique and Sao Tome and Principe should, for purposes of elections, be treated as if they were in the group of countries listed in part A of the annex to that resolution, as amended.

a/ See para. 20 above.

ANNEX II

PROVISIONAL AGENDA FOR THE FOURTH SESSION OF THE CONFERENCE a/

1. Opening of the Conference
2. Election of the President
3. Constitution of the General Committee
4. Election of Vice-Presidents and the Rapporteur
5. Credentials of representatives to the Conference:
 - (a) Appointment of the Credentials Committee
 - (b) Report of the Credentials Committee
6. Adoption of the agenda
7. General debate: Statements by heads of delegations
8. Commodities
 - Action on commodities, including decisions on an integrated programme, in the light of the need for change in the world commodity economy
9. Manufactures and semi-manufactures
 - Measures, including the elaboration of and decision on a comprehensive strategy to expand and diversify the export trade of the developing countries in manufactures and semi-manufactures, with a view to the attainment of the generally accepted goals for their accelerated industrial development
10. Recent trends in international trade and development
 - Review and evaluation of progress made in the multilateral trade negotiations and other actions and decisions taken at the international level
 - Review of developments in the international monetary field
11. Money and finance and transfer of real resources for development
 - Decisions on measures to alleviate the critical debt problems of many developing countries

a/ Adopted by the Board at its 443rd meeting (see para. 14 above).

- Measures to increase net capital flows to developing countries to meet their long-term external financing needs
 - Measures to improve, on appropriate terms and conditions, the financial and monetary situation of developing countries, commensurate with their development needs and to facilitate and improve the financing of their exceptional deficits
 - Review of requirements for evolving an international monetary system that would foster development and world trade, having particular regard to the interests of the developing countries
12. Transfer of technology
- Action to strengthen the technological capacity of developing countries
 - Decisions on a code of conduct for the transfer of technology and, in the light of those decisions, a decision on the modalities for its establishment
 - Action to be undertaken by UNCTAD with respect to the economic, commercial and development aspects of the international patent system in the context of the ongoing revision of that system
13. Least developed among developing countries, developing island countries and developing land-locked countries
- Action on special measures in favour of these countries
14. Economic co-operation among developing countries
- Action to support, where appropriate, measures and initiatives taken by the developing countries to strengthen economic co-operation among themselves
15. Trade relations among countries having different economic and social systems
- Multilateral action for expanding the trade and economic relations between countries with different economic and social systems, in particular action which would contribute to the development of developing countries
16. Institutional issues
- Recommendations on the future role of UNCTAD, and decisions on future institutional arrangements within UNCTAD
17. Election of members of the Trade and Development Board
18. Other business
19. Adoption of the report of the Conference to the General Assembly

ANNEX III

ORGANIZATION OF THE FOURTH SESSION OF THE CONFERENCE

At the first part of its fifteenth session, the Board endorsed the proposals of the Secretary-General of UNCTAD, in paragraph 16 of document TD/B/L.404, concerning the organization of the fourth session of the Conference. In the light of this decision, as well as of the experience of previous sessions of the Conference, the Board endorsed the following arrangements concerning the organization of the fourth session of the Conference: a/

- (i) The fourth session of the Conference will be held at Nairobi, Kenya, from 5 to 28 May 1976;
- (ii) A pre-Conference meeting of representatives of all States members of UNCTAD will be held on 3 and 4 May 1976, also at Nairobi, to settle as many as possible of the organizational, administrative and procedural matters of the Conference, subject to final decision by the Conference itself;
- (iii) The Credentials Committee to be established under rule 14 of the rules of procedure of the Conference would be composed of the same nine States as were members of the Credentials Committee of the General Assembly at its thirtieth session;
- (iv) The composition of the Bureau of the Conference to be established in accordance with the provisions of rule 22 of the rules of procedure of the Conference, would follow the same geographical distribution as that of the Bureau of the third session of the Conference, b/ with the understanding that the President of the Conference will be the head of the host country's delegation;
- (v) Only one main committee would be established under rule 62 of the rules of procedure of the Conference, to be known as the General Committee, which in accordance with paragraph 2 of rule 62 would be open to participation of all members of the Conference; all items of the agenda, except those which the plenary decides to reserve to itself, would be referred to the General Committee for consideration and report;
- (vi) The General Committee would immediately set up negotiating groups, open to all interested members in accordance with UNCTAD practice, for the consideration of concrete proposals, it being understood that several items might be referred to the same group in order to keep the total number of groups reasonably small;

a/ See para. 14 above.

b/ See appendix below.

- (vii) In accordance with rule 65 of the rules of procedure of the Conference the General Committee would in addition to its Chairman designate a Vice-Chairman and a Rapporteur, in such a way as to ensure an equitable geographical distribution;
- (viii) In designating the chairmen of negotiating groups due account would be taken of the need to ensure an equitable geographical distribution;
- (ix) The total meeting facilities would be distributed as required among the plenary, the General Committee, and negotiating groups, it being understood that a maximum of six meetings with interpretation can be held simultaneously;
- (x) In accordance with the decision of the Board to that effect at its fourteenth session, summary records would be provided for plenary meetings only;
- (xi) At the beginning of the proceedings, the Conference would adopt a time-table to which it should adhere as strictly as possible in order to utilize as fully as possible the available resources and facilities; this time-table would make adequate allowance for meetings of regional groups;
- (xii) Governments would, if possible, designate as heads of delegations persons of ministerial or equivalent rank, and a schedule for their participation would be established at the seventh special session of the Board, so that their presence could be used to best advantage;
- (xiii) The reports of the Board to the General Assembly on its twelfth, c/ thirteenth, d/ fourteenth, e/ and fifteenth f/ sessions and on its fifth, g/ sixth, h/ and seventh special sessions would be deemed to constitute the report of the Board to the Conference at its fourth session.

c/ Official Records of the General Assembly, Twenty-seventh Session, Supplement No. 15 (A/8715/Rev.1 and Corr.1), and ibid., Twenty-eighth Session, Supplement No. 15 (A/9015/Rev.1), part two.

d/ Ibid., part three.

e/ Ibid., Twenty-ninth Session, Supplement No. 15 (A/9615/Rev.1), and ibid., Thirtieth Session, Supplement No. 15 (A/10015/Rev.1), part two.

f/ Ibid., parts three and four.

g/ Ibid., Twenty-eighth Session, Supplement No. 15 (A/9015/Rev.1), part one.

h/ Ibid., Thirtieth Session, Supplement No. 15 (A/10015/Rev.1), part one.

Appendix

Composition of the Bureau of the Conference

1. Pursuant to rule 22 of the rules of procedure of the Conference, the Bureau of the Conference shall consist of:

- (a) The President of the Conference;
- (b) The Rapporteur of the Conference;
- (c) The Chairmen of the main committees;
- (d) A number of Vice-Presidents, bringing the membership of the Bureau to a total of 35.

2. If paragraph (v) of the organizational proposals is adopted, only one main committee of the Conference will be established. There would consequently be need to elect 32 Vice-Presidents. In order to ensure the desired geographical distribution, their election should take place after the election of the Rapporteur of the Conference and of the Chairman of the General Committee.

3. The geographical distribution of the Bureau at the third session of the Conference was as follows:

Africa	7	(Rapporteur, 1 Chairman, 5 Vice-Presidents)
Asia	7	(1 Chairman, 6 Vice-Presidents)
Group B	10	(2 Chairmen, 8 Vice-Presidents)
Latin America	6	(President, 1 Chairman, 4 Vice-Presidents)
Group D	4	(1 Chairman, 3 Vice-Presidents)
China	1	(Vice-President)
Total:	<hr/> 35 <hr/>	

ANNEX IV

TEXTS OF ALTERNATIVE DRAFT DECISIONS BY THE BOARD ON THE QUESTION OF THE TERMS OF REFERENCE OF THE ADVISORY COMMITTEE TO THE BOARD AND TO THE COMMITTEE ON COMMODITIES a/

ALTERNATIVE A: Termination of ACBCC and establishment of new
Advisory Committee, requiring action by the
General Assembly

The Trade and Development Board,

Recalling General Assembly resolution 1995 (XIX) and Board decision 8 (I),
whereby it established the Advisory Committee to the Board and to the Committee
on Commodities,

Considering that, while there would continue to be a need within UNCTAD for
ad hoc expert groups to discuss specific issues in order to refine them for
intergovernmental consideration, it would be desirable to have a source of
independent advice and new ideas about broad objectives and policy needs in
the field of trade and development, taking account of the interrelationship of
problems and policies in the fields of trade, money and finance,

1. Recommends to the General Assembly that it amend its resolution 1995 (XIX)
by deleting the second sentence of paragraph 23 (a) thereof, b/ thus permitting
the termination of the Advisory Committee to the Board and to the Committee on
Commodities;

2. Decides, subject to the approval by the General Assembly of the
recommendation in paragraph 1 above and with effect from the date of that action by
the General Assembly, to terminate the Advisory Committee to the Board and to the
Committee on Commodities and to establish a new subsidiary body to be known as the
"Advisory Committee to the Board", which shall have the following terms of
reference and composition:

a/ See paras. 34 and 35 above.

b/ The text in question reads as follows:

"23. The Board shall establish such subsidiary organs as may be necessary
to the effective discharge of its functions. It shall establish, in
particular, the following committees:

(a) A committee on commodities which, inter alia, will carry out
the functions which are now performed by the Commission on International
Commodity Trade and the Interim Co-ordinating Committee for International
Commodity Arrangements. In this connexion, the Interim Co-ordinating
Committee shall be maintained as an advisory body of the Board;"

The ACBCC was established by Board decision 8 (I) "to replace the
former Interim Co-ordinating Committee for International Commodity
Arrangements".

(a) Terms of reference

The Advisory Committee to the Board shall advise the Board or the Secretary-General of UNCTAD, upon their request, on any matter within the competence of UNCTAD. It shall meet as required in response to such requests. The reports of the Advisory Committee shall be communicated to the Board by the Secretary-General of UNCTAD. The main committees of the Board may request the Board to refer questions to the Advisory Committee, and reports of the Advisory Committee may be transmitted by the Board to its main Committees for information and for appropriate action. c/

(b) Composition

(i) Members

The Board shall appoint as members of the Advisory Committee /12/ eminent persons, recommended by the Secretary-General of UNCTAD, having a wide experience in problems of trade and development, taking account of the interrelationship of problems and policies in the fields of trade, money and finance. The Board shall endeavour to ensure the necessary range of expertise among the members and shall take account of the need for adequate geographical representation. The Board shall designate one of the members as Chairman of the Advisory Committee. The members of the Advisory Committee shall serve in their personal capacities. They shall have a term of office of three years and shall be eligible for reappointment.

(ii) Representatives of international organizations

The Secretary-General of UNCTAD shall notify interested international organizations of the sessions and the agenda of the Advisory Committee to the Board and shall invite them to be represented by observers.

* * *

ALTERNATIVE B: Transformation of the Advisory Committee to the Board and to the Committee on Commodities, not requiring action by the General Assembly

The Trade and Development Board,

Recalling General Assembly resolution 1995 (XIX) and Board decision 8 (I), whereby it established the Advisory Committee to the Board and to the Committee on Commodities.

c/ It should be understood that reports of the Advisory Committee could be made available to Committees concerned if they were scheduled to meet before the sessions of the Board to which those reports were to be submitted.

Considering that, while there would continue to be a need within UNCTAD for ad hoc expert groups to discuss specific issues in order to refine them for intergovernmental consideration, it would be desirable to have a source of independent advice and new ideas about broad objectives and policy needs in the field of trade and development, taking account of the interrelationship of problems and policies in the fields of trade, money and finance,

Decides accordingly to modify the name, terms of reference and composition of the Advisory Committee as follows:

(a) Name

The Advisory Committee shall henceforth be known as "the Advisory Committee to the Board";

(b) Terms of reference

The Advisory Committee to the Board shall advise the Board or the Secretary-General of UNCTAD, upon their request, on any matter within the competence of UNCTAD. It shall meet as required in response to such requests. The reports of the Advisory Committee shall be communicated to the Board by the Secretary-General of UNCTAD. The main Committees of the Board may request the Board to refer questions to the Advisory Committee, and reports of the Advisory Committee may be transmitted by the Board to its main Committees for information and for appropriate action. c/

(c) Composition

(i) Members

The Board shall appoint as members of the Advisory Committee /twelve/ eminent persons, recommended by the Secretary-General of UNCTAD, having a wide experience in problems of trade and development, taking account of the interrelationship of problems and policies in the fields of trade, money and finance. The Secretary-General of UNCTAD shall invite the Directors-General of FAO and GATT each to indicate some possible candidates to be one of the members to be appointed to the Advisory Committee. The Board shall endeavour to ensure the necessary range of expertise among the members and shall take account of the need for adequate geographical representation. The Board shall designate one of these members as Chairman of the Advisory Committee. The members of the Advisory Committee shall serve in their personal capacities. They shall have a term of office of three years and shall be eligible for reappointment.

(ii) Representatives of international organizations

The Secretary-General of UNCTAD may invite interested international organizations to be represented by observers at sessions of the Advisory Committee.

ANNEX V

PROVISIONAL AGENDA FOR THE SIXTEENTH REGULAR
SESSION OF THE BOARD a/

1. Procedural matters
 - (a) Election of officers
 - (b) Adoption of the agenda and organization of the work of the session
 - (c) Adoption of the report on credentials
 - (d) Establishment of the working party on the UNCTAD programme budget for the biennium 1978-1979 and the medium-term plan for 1978-1981
 - (e) Provisional agenda for the eighth special session and the seventeenth regular session of the Board and organization of the work of the sessions
2. Specific matters arising from the resolutions, recommendations and other decisions adopted by the Conference at its fourth session requiring attention or by action by the Board at its sixteenth session
3. Matters requiring action by the Board arising from or related to reports of its subsidiary bodies
 - (a) Commodity trade
 - (b) Financing related to trade
 - (c) Shipping
 - (d) International intermodal transport
4. Interdependence of problems of trade, development finance and the international monetary system
5. Trade relations among countries having different economic and social systems
6. Other particular matters in the field of trade and development
 - (a) Export promotion
 - (i) Report of the Joint Advisory Group on the International Trade Centre UNCTAD/GATT on its session

a/ As adopted by the Board at the first part of its fifteenth session (see part three, annex V above) and amended at its 443rd meeting on 2 October 1975 (see para. 33 above).

- (ii) United Nations export promotion efforts (Economic and Social Council resolution 1620 (LI))
 - (b) Progressive development of the law of international trade: ninth annual report of the United Nations Commission on International Trade Law
 - (c) International trade in educational and scientific materials: study submitted by the Director-General of UNESCO
 - /(d) - () Matters not covered under item 2 which the Board is required to keep under review
7. Institutional, organizational, administrative and related matters
 - (a) Treatment of new States members of UNCTAD for purposes of elections
 - (b) Election to membership of main Committees
 - (c) Appointment of the members of the Advisory Committee to the Board /and to the Committee on Commodities/
 - (d) Designation of intergovernmental organizations for the purposes of rule 78 of the rules of procedure
 - (e) Designation and classification of non-governmental organizations for the purposes of rule 79 of the rules of procedure
 - (f) Review of the effectiveness of the arrangements, under Board decision 43 (VII), for the participation of non-governmental organizations in the activities of UNCTAD
 - (g) Review of the calendar of meetings
 - (h) Consideration of decision 65 (ORG-75) of the Economic and Social Council
 - (i) Financial implications of the actions of the Board
 8. UNCTAD programme budget for the biennium 1978-1979 and the medium-term plan 1978-1981; report of the working party of the sixteenth session (scheduled to meet April/May 1977)
 9. Other business
 10. Adoption of the report of the Board to the General Assembly

ANNEX VI

MEMBERSHIP OF THE MAIN COMMITTEES OF THE BOARD^{a/}

Committee on Commodities

Algeria	Ivory Coast
Argentina	Jamaica
Australia	Japan
Austria	Kenya
Bangladesh	Libyan Arab Republic
Belgium	Madagascar
Bolivia	Malaysia
Brazil	Mauritius
Bulgaria	Mexico
Burundi	Netherlands
Canada	New Zealand
Central African Republic	Nigeria
Chad	Norway
Chile	Pakistan
China	Panama
Colombia	Peru
Costa Rica	Philippines
Cuba	Poland
Czechoslovakia	Republic of Korea
Democratic People's Republic Of Korea	Republic of South Viet-Nam
Denmark	Romania
Dominican Republic	Rwanda
Ecuador	Saudi Arabia
Egypt	Senegal
El Salvador	Spain
Ethiopia	Sri Lanka
Finland	Sudan
France	Sweden
Gabon	Switzerland
German Democratic Republic	Syrian Arab Republic
Germany, Federal Republic of	Thailand
Ghana	Togo
Greece	Trinidad and Tobago
Guatemala	Tunisia
Guinea	Turkey
Honduras	Uganda
Hungary	Union of Soviet Socialist Republics
India	United Kingdom of Great Britain and Northern Ireland
Indonesia	United Republic of Cameroon
Iran	United States of America
Iraq	Upper Volta
Ireland	Uruguay
Israel	Venezuela
Italy	Yugoslavia
	Zaire

^{a/} See para. 21 above.

Committee on Manufactures

Algeria
Argentina
Australia
Austria
Bangladesh
Belgium
Bolivia
Brazil
Bulgaria
Canada
Central African Republic
Chile
China
Colombia
Costa Rica
Cuba
Czechoslovakia
Democratic People's Republic
of Korea
Denmark
Dominican Republic
Ecuador
Egypt
El Salvador
Ethiopia
Finland
France
German Democratic Republic
Germany, Federal Republic of
Greece
Guatemala
Honduras
Hungary
India
Indonesia
Iran
Iraq
Israel
Italy
Ivory Coast
Jamaica
Japan

Jordan
Kenya
Libyan Arab Republic
Madagascar
Malaysia
Mali
Mauritius
Mexico
Netherlands
New Zealand
Nigeria
Norway
Pakistan
Panama
Peru
Philippines
Poland
Republic of Korea
Republic of South Viet-Nam
Romania
Saudi Arabia
Senegal
Singapore
Spain
Sri Lanka
Sweden
Switzerland
Thailand
Trinidad and Tobago
Tunisia
Turkey
Union of Soviet Socialist Republics
United Kingdom of Great Britain and
Northern Ireland
United Republic of Cameroon
United States of America
Upper Volta
Uruguay
Venezuela
Yugoslavia
Zaire

Committee on Invisibles and Financing
related to trade

Algeria	Jamaica
Argentina	Japan
Australia	Kenya
Austria	Kuwait
Bangladesh	Lebanon
Belgium	Libyan Arab Republic
Bolivia	Madagascar
Brazil	Malaysia
Bulgaria	Mali
Burundi	Mexico
Canada	Netherlands
Central African Republic	New Zealand
Chad	Nicaragua
Chile	Nigeria
China	Norway
Colombia	Pakistan
Costa Rica	Panama
Cuba	Peru
Czechoslovakia	Philippines
Democratic People's Republic of Korea	Poland
Denmark	Republic of Korea
Dominican Republic	Republic of South Viet-Nam
Ecuador	Romania
Egypt	Saudi Arabia
El Salvador	Senegal
Ethiopia	Spain
Finland	Sri Lanka
France	Sweden
German Democratic Republic	Switzerland
Germany, Federal Republic of	Syrian Arab Republic
Ghana	Thailand
Greece	Trinidad and Tobago
Guatemala	Tunisia
Guinea	Turkey
Honduras	Uganda
Hungary	Union of Soviet Socialist Republics
India	United Kingdom of Great Britain and Northern Ireland
Indonesia	United Republic of Cameroon
Iran	United States of America
Iraq	Upper Volta
Israel	Uruguay
Italy	Venezuela
Ivory Coast	Yugoslavia
	Zaire

Committee on Shipping

Algeria	Italy
Argentina	Ivory Coast
Australia	Jamaica
Bangladesh	Japan
Belgium	Kenya
Bolivia	Kuwait
Brazil	Libyan Arab Republic
Bulgaria	Madagascar
Canada	Malaysia
Central African Republic	Mauritius
Chile	Mexico
China	Netherlands
Colombia	New Zealand
Costa Rica	Nicaragua
Cuba	Nigeria
Czechoslovakia	Norway
Democratic People's Republic of Korea	Pakistan
Denmark	Peru
Dominican Republic	Philippines
Ecuador	Poland
Egypt	Republic of Korea
El Salvador	Republic of South Viet-Nam
Ethiopia	Romania
Finland	Senegal
France	Spain
Gabon	Sri Lanka
German Democratic Republic	Sweden
Germany, Federal Republic of	Thailand
Ghana	Trinidad and Tobago
Greece	Turkey
Guatemala	Uganda
Guinea	Union of Soviet Socialist Republics
Honduras	United Kingdom of Great Britain and Northern Ireland
Hungary	United Republic of Cameroon
India	United States of America
Indonesia	Upper Volta
Iran	Uruguay
Iraq	Venezuela
Israel	Yugoslavia
	Zaire

Committee on Transfer of Technology

Algeria	Libyan Arab Republic
Argentina	Malaysia
Australia	Malta
Belgium	Mauritius
Bolivia	Mexico
Brazil	Netherlands
Bulgaria	New Zealand
Canada	Nigeria
Chile	Pakistan
Colombia	Panama
Cuba	Peru
Czechoslovakia	Philippines
Democratic People's Republic of Korea	Poland
Ecuador	Republic of Korea
Egypt	Romania
Ethiopia	Saudi Arabia
Finland	Sierra Leone
France	Spain
German Democratic Republic	Sri Lanka
Germany, Federal Republic of	Sudan
Ghana	Sweden
Greece	Switzerland
Honduras	Thailand
Hungary	Trinidad and Tobago
India	Turkey
Indonesia	Union of Soviet Socialist Republics
Iran	United Arab Emirates
Iraq	United Kingdom of Great Britain and Northern Ireland
Israel	United Republic of Cameroon
Italy	United States of America
Ivory Coast	Upper Volta
Jamaica	Venezuela
Japan	Yugoslavia
Kenya	Zaire
Kuwait	

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