

Board on its first session¹⁵ and transmits it to the General Assembly at its twenty-second session.

*1506th plenary meeting,
4 August 1967.*

1270 (XLIII). Export credits and development financing

The Economic and Social Council,

Noting with satisfaction the Secretary-General's report on export credits and development financing¹⁶ which points to the expanding role of medium- and long-term export credits and export credit insurance provided in most industrialized countries for financing the acquisition of capital goods by the developing countries,

Noting also with satisfaction the work undertaken in this field by the International Bank for Reconstruction and Development as presented to the Committee on Invisibles and Financing Related to Trade of the United Nations Conference on Trade and Development,

Acknowledging the value to the developing countries of the authoritative information contained in part two of the above report on the availability, terms and conditions of such export credit financing in nineteen capital-goods supplying countries,

Recognizing the potentialities, noted in the annex to the Secretary-General's report, of national or regional export credit systems in the developing countries for assisting them in increasing their exports and in financing trade among each other,

Noting the interest expressed in these possibilities in the report of the Committee on Invisibles and Financing Related to Trade on its second session¹⁷ as well as by the Council's Committee for Programme and Co-ordination, in the report on the first part of its first session,¹⁸

1. Requests the Secretary-General

(a) To keep up to date the country studies included in part two of his report;

(b) To consult with the appropriate national and international authorities on the best means of establishing the most practical national and regional schemes for the financing of capital goods exports by and among the developing countries, on the basis of the available experience with existing export credit schemes in developing and developed countries;

2. Further requests the Secretary-General to report to the Council at its forty-fifth session on the progress made in his efforts under paragraph 1 (a) and to make available to the Council the results obtained under paragraph 1 (b).

*1506th plenary meeting,
4 August 1967.*

¹⁵ *Official Records of the General Assembly, Twenty-second Session, Supplement No. 15 (A/6715), transmitted to the Economic and Social Council by a note of the Secretary-General (E/4385 and Corr.1).*

¹⁶ United Nations publication (E/4274 and Add.1); and E/4274/Add.2.

¹⁷ *Official Records of the Trade and Development Board, Fifth Session, Supplement No. 3 (TD/B/118/Rev.1).*

¹⁸ *Official Records of the Economic and Social Council, Forty-third Session, Supplement No. 9 (E/4383), para. 130.*

1271 (XLIII). Tax reform planning

The Economic and Social Council

Conscious of the importance to developing countries of effective tax systems which will serve to mobilize needed government resources and generally to allocate domestic resources in line with the requirements and objectives of development planning,

Affirming the "need for formulating a long-term programme . . . in the field of tax reform" expressed by the majority of the members of the Committee for Programme and Co-ordination in the report on the first part of its first session,¹⁹

Noting the concrete outline of such a programme, designed to provide guidance for tax reform planning and its institutionalization in developing countries, presented in the Secretary-General's note on tax reform planning,²⁰

1. Requests the Secretary-General, in consultation with the International Monetary Fund and with the assistance of the regional economic commissions and of the United Nations Economic and Social Office in Beirut, to carry out this programme and to assist interested governments of developing countries Members of the United Nations in their efforts to strengthen the structure and administration of their tax systems within the framework of such tax reform planning;

2. Invites the Secretary-General to report to the Council at its forty-fifth session on the implementation of this resolution.

*1506th plenary meeting,
4 August 1967.*

1272 (XLIII). International flow of capital and assistance

The Economic and Social Council,

Recalling General Assembly resolution 1711 (XVI) of 19 December 1961 and recommendations A.IV.2 and A.IV.5 of the Final Act²¹ of the United Nations Conference on Trade and Development at its first session and Economic and Social Council resolutions 1088 (XXXIX) of 30 July 1965 and 1183 (XLI) of 5 August 1966,

Recognizing the crucial importance of financing economic development on concessional terms,

Realizing the need to avoid adding unduly to the debt burden of developing countries,

Appreciating that the International Development Association is one of the most important multilateral means of transmitting financial assistance from developed to developing countries,

Considering that the growing needs of the developing countries for such financing, in varying degrees, are urgent,

¹⁹ See *ibid.*, para. 123.

²⁰ *Ibid.*, *Forty-third Session, Annexes*, agenda item 5, document E/4366.

²¹ *Proceedings of the United Nations Conference on Trade and Development, vol. I, Final Act and Report* (United Nations publication, Sales No.: 64.II.B.11).

1. *Records* its deep concern over the delay in the replenishment of International Development Association funds; and

2. *Appeals* to Governments, members of the International Development Association, to treat the question of further increasing the resources of the Association as a matter of high priority.

1506th plenary meeting,
4 August 1967.

1273 (XLIII). Tax treaties between developed and developing countries

The Economic and Social Council,

Recalling General Assembly resolution 2087 (XX) of 20 December 1965 on Financing of Economic Development,

Noting the report of the Committee for Programme and Co-ordination on the first part of its first session in which the Committee recognized "the importance of the work in the fiscal and financial field" and suggested "that particular attention should be paid to the question of tax agreements between developed and developing countries, since this was an area of high priority and the usual type of international tax agreement was conceived in terms of relationships between two developed countries",²²

Believing that there would be real advantage to all Governments of States Members of the United Nations if unilateral relief from double taxation were replaced by bilateral or multilateral agreements,

Noting with interest the Secretary-General's report prepared in response to the above-mentioned resolution

²² See *Official Records of the Economic and Social Council, Forty-third Session, Supplement No. 9 (E/4383)*, para. 123.

which pointed out that "the traditional tax conventions have not commended themselves to developing countries" and concluded that "it is important to search for a more appropriate treaty pattern".²³

Confident that tax treaties between developed and developing countries can serve to promote the flow of investment useful to the economic development of the latter, especially if the treaties provide for favourable tax treatment to such investments on the part of the countries of origin, both by outright tax relief and by measures which would assure to them the full benefit of any tax incentives allowed by the country of investment,

Recognizing the need for assisting interested Governments of Member States in this respect,

1. *Requests* the Secretary-General to set up an *ad hoc* working group consisting of experts and tax administrators nominated by Governments, but acting in their personal capacity, both from developed and developing countries and adequately representing different regions and tax systems, with the task of exploring, in consultation with interested international agencies, ways and means for facilitating the conclusion of tax treaties between developed and developing countries, including the formulation, as appropriate, of possible guidelines and techniques for use in such tax treaties which would be acceptable to both groups of countries and would fully safeguard their respective revenue interests;

2. *Further requests* the Secretary-General to submit to the Council a report on the progress of the group's work after its first session.

1507th plenary meeting,
4 August 1967.

²³ E/4293, paras. 76 and 138.

OTHER DECISIONS

Postponement of agenda item 22

At its 1505th meeting, on 3 August 1967, the Council decided to defer until its forty-fifth session consideration of item 22 of its agenda concerning the question of a meeting of the *ad hoc* Working Group on the Question of a Declaration on International Economic Development.

Flow of resources to developing countries

At its 1506th meeting, on 4 August 1967, the Council noted with appreciation the documents submitted to it on the subject of the flow of resources to developing countries: "International flow of long-term capital and official donations; 1961-1966: report of the Secretary-General"²⁴, "Outflow of capital from the developing

²⁴ E/4371 and Corr. 1. To be issued as a United Nations publication.

countries: a progress report by the Secretary-General"²⁵ and "Factors affecting ability of developed countries to provide resources to the developing countries: report of the Secretary-General",²⁶ and expressed the hope that the Secretary-General would continue to work on the problems in question in the light of Council resolution 1183 (XLI) of 5 August 1966 and report to the Council at its forty-fifth session.

International Symposium on Industrial Development

At its 1506th meeting, on 4 August 1967, the Council decided to recommend to the General Assembly to consider early at its twenty-second session such additional information as the Executive Director of the United Nations Industrial Development Organization may pro-

²⁵ *Official Records of the Economic and Social Council, Forty-third Session, Annexes*, agenda item 5, document E/4374; and E/4374/Add.1.

²⁶ *Ibid.*, document E/4375