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UNCTAD COLLECTION
REPORT OF THE TRADE AND DEVELOPMENT BOARD ON
THE THIRD PART OF ITS NINTH SESSION

(Provisional advance text of Appendix D)

During the third part of its ninth session, at its 237th meeting on 14 February 1970, the Trade and Development Board decided that the relevant parts of its report on the second part of its ninth session would be appended for reference purposes to the text of UNCTAD's Contribution to the Preparatory Work for the Second United Nations Development Decade. ^{1/}

Accordingly, the text of chapters I, II and Annex III of that report (A/7616, Part Four) is reproduced below, as appendix D to decision 64 (IX).

^{1/} For provisional version, see TD/B(IX)/Misc.15, Annex I.

APPENDIX D

CHAPTERS I, II AND ANNEX III OF THE REPORT OF
THE TRADE AND DEVELOPMENT BOARD ON THE SECOND
PART OF ITS NINTH SESSION 1/

Part Four

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

Held at the Palais des Nations Geneva,
from 15 to 23 September 1969

INTRODUCTION

1. The second part of the ninth session of the Trade and Development Board was opened by the President, Mr. K.B. Asante (Ghana) on 15 September 1969. The aim of the session, as decided at the resumed eighth session, was to continue to prepare UNCTAD's contribution to the Second United Nations Development Decade.

CHAPTER I

DOCUMENTS SUBMITTED FOR CONSIDERATION BY THE BOARD

2. The President drew the attention of the Board to the following documents: Statement adopted by the Trade and Development Board on the contribution of UNCTAD to the Second United Nations Development Decade (TD/B/244, annex I); study by the Secretary-General of UNCTAD on trade projections for 1975 and 1980 (TD/B/264) (this document was prepared to assist the Board in its consideration of quantitative targets within the field of UNCTAD competence); check list of documents made available to the Board at the second part of its eighth session for its consideration of this agenda item (TD/B/244, annex IV); check list of documents of UNCTAD and other United Nations bodies issued since the resumed eighth session of the Board: note by UNCTAD secretariat (TD/B/L.184).
3. The President also recalled that, during the first part of its ninth session the Board had decided to defer to the second part of the ninth session further consideration of the draft resolution on special measures in favour of the least developed among developing countries (TD/B/L.188/Rev.1). 1/
4. At its 220th meeting, on 15 September 1969, the Secretary-General of UNCTAD informed the Board that the secretariat had started to prepare a background document containing relevant texts adopted by UNCTAD bodies in each of the fields identified as coming within the competence of UNCTAD. This was subsequently circulated as a document entitled "UNCTAD's contribution to the Second United Nations Development Decade - relevant texts adopted by UNCTAD bodies". 2/
5. At the Board's 222nd meeting, on 17 September 1969, the observer for Trinidad and Tobago officially presented on behalf of the Latin American countries document TD/B/L.194 entitled "The contribution of UNCTAD to the Second United Nations Development Decade - issues within the specific competence of UNCTAD" 3/ as an official document of the second part of the ninth session. This document which was the outcome of intensive consultations with the African and Asian countries members of the Group of 77 had three sections: (i) Goals and objectives; (ii) Measures and programme of work; (iii) implementation and review.

1/ For the text, see annex V to part three.

2/ See check list in annex V below.

3/ For the text, see annex III below.

6. At the 223rd meeting, on 20 September 1969, the representative of a socialist country of Eastern Europe introduced draft proposals on the goal and objectives of the UNCTAD contribution submitted by Bulgaria, Czechoslovakia, Hungary, Poland and the Union of Soviet Socialist Republics (TD/B/L.195). 4/

7. At the Board's 224th meeting, on 22 September 1969, the President drew the attention of the Board to a proposal on invisibles, including shipping, submitted by Australia, Denmark, the Federal Republic of Germany, Finland, France, Italy, Japan, the Netherlands, Norway, Sweden, Switzerland, the United Kingdom and the United States of America (TD/B/L.197). 4/

8. A memorandum on the scope and contents of UNCTAD's contribution to the Second United Nations Development Decade was submitted by the Netherlands (TD/B/L.199). 4/

9. A proposal concerning trade relations among countries having different economic and social systems was submitted by Bulgaria, Czechoslovakia, Hungary, Poland and the Union of Soviet Socialist Republics (TD/B/L.168/Rev.1 and Rev.1/Add.1). 4/

CHAPTER II

UNCTAD AND THE SECOND UNITED NATIONS DEVELOPMENT DECADE

(Agenda item 3)

10. At its 220th meeting, on 15 September 1969, the Board agreed to a proposal by the President to set up a contact group, it being understood that this group could establish any sub-groups that might be necessary in order to draft UNCTAD's contribution to the Second United Nations Development Decade.

11. The President proposed and the Board agreed that, since document TD/B/L.194 had a large measure of support, it would be one of the appropriate documents to form the basis for consultations in the contact group, together with all other documents which representatives or groups of representatives wished to be considered in this context.

A. Outline of the contribution of UNCTAD to the Second United Nations Development Decade

12. At its 223rd meeting, on 20 September 1969, the President informed the Board of the agreement reached in the contact group on a draft outline on the contribution of UNCTAD to the Second United Nations Development Decade. The outline, as amended during discussion, is given below.

4/ For the text, see annex III below.

A. GOALS AND OBJECTIVES

B. POLICY MEASURES

1. Commodities

- (a) Commodity agreements and arrangements including buffer stock financing
- (b) Pricing policy
- (c) Access to markets
- (d) Diversification programmes
- (e) Competition from synthetics and substitutes
- (f) Consultation on the disposal of surpluses and strategic reserves

II. Manufactures and semi-manufactures

- (a) Preferences
- (b) Tariff and non-tariff barriers
- (c) Adjustment assistance
- (d) Export development and promotion
- (e) Restrictive business practices

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

IV. Trade relations among countries having different economic and social systems

V. Financial resources for development - domestic and external financial resources

VI. Invisibles, including shipping

VII. Transfer of technology

VIII. Special measures in favour of the least developed among the developing countries

IX. Special measures in favour of land-locked countries

X. Technical assistance and trade promotion

XI. World food problem

C. IMPLEMENTATION REVIEW

D. WORLD PUBLIC OPINION

13. Representatives of several developed market-economy countries reserved their position on the inclusion of item I (f) in Section B, "Consultations on the disposal of surpluses and strategic reserves" as in their opinion the question did not fall exclusively within the competence of UNCTAD.

14. Representatives of several developing countries stressed the disruptive effect of the disposal of surpluses and strategic reserves on the market for primary products. In view of the efforts being made in UNCTAD to improve policies in the field of international commodity trade, it could not afford to overlook this aspect of the problem. They therefore expressed the hope that the reservations made would be withdrawn.

B. Consideration by the Board of draft texts for insertion under appropriate headings of the outline

15. At its 223rd meeting, on 20 September 1969, the President informed the Board that the contact group had considered a number of draft texts designed for insertion under the appropriate headings of the outline. To this end, two drafting groups, under the chairmanship of the President of the Board and the Secretary-General of UNCTAD, respectively, had been established.

16. These texts were considered by the Board at its 223rd, 224th and 225th meetings on 20 and 22 September 1969 and are brought together in a single annex to this report, 5/ with references to all amendments and suggestions put forward at the time they were being considered.

17. The comments made by the Board and the decisions taken in relation to these texts are summarized in the following paragraphs.

A. Goals and Objectives

18. The Secretary-General of UNCTAD made a statement introducing a draft text on "goals and objectives" that had been discussed in the drafting group over which he had presided. Although this draft text had not received the approval of an important group of countries, he hoped nevertheless that the Board could adopt it even if some reservations might have to be made.

19. In the course of the discussion of the draft text on the proposal of the President, the text in square brackets in paragraph 2 (that is, the words "it has been estimated that" immediately before the words "the import") was deleted and the word "estimated" was inserted before the word "average", on the specific understanding, stated by the President, that this change implied no approval by the Board of the estimates in secretariat document TD/B/264, which had been considered in the drafting of the paragraph in question.

5/ See annex II below.

20. The representative of one developed market economy country said his country could not be associated with the statement on goals and objectives as it disagreed both with the specific language and with the way in which agreement was reached. Figures on import and export requirements were being presented for adoption as political commitments without any consideration of their economic validity. He questioned several assumptions on which the secretariat study (TD/B/264), and thus the proposed figures, were based, for example the assumption that none of the \$12 billion surplus of the petroleum-exporting countries would be used to finance development in other developing countries. His Government had also repeatedly said it could not accept the assumption of an official aid flow target of 0.75 per cent or the date of 1972 for meeting the 1 per cent net aid target. He could not accept the statement that fuller mobilization and more effective utilization of domestic resources "is possible only with concomitant and effective international action", because there simply was not such a rigid link. Approval of this statement in the preambular paragraph of a General Assembly resolution did not commit his Government to accepting it as a key sentence in UNCTAD's contribution to the Second Development Decade. He questioned whether UNCTAD should give transfer of technology the same importance as trade and financial assistance even before it had discussed the substance of technology transfer and considering the large number of other United Nations bodies dealing with technology and its transfer. In the view of his Government, the two most important issues for the Second Development Decade were increasing food production and getting to grips with the population problem.

21. The representatives of some socialist countries of Eastern Europe stated that they could not associate themselves with the text on goals and objectives, since it was drafted in a general and vague way and did not formulate the goals and objectives of UNCTAD in the period of the Second Development Decade. At the same time, these representatives referred to the document submitted by several socialist countries of Eastern Europe (TD/B/L.195) in which these goals and objectives were clearly and extensively dealt with. These representatives stated furthermore that the results and the experience of the First Development Decade had demonstrated that the adoption of abstract global targets as a basis for the implementation of national and international measures in this field had served no useful purpose. Only those average quantitative indicators which objectively reflected the corresponding targets of the national development plans and were related to adequate social and economic transformations in developing countries, could be used as one of the guidelines for the implementation of practical measures. The adoption of global targets on any other basis might produce results that could be the reverse of those expected from them. The practical measures of UNCTAD in the framework of the Second Development Decade should therefore be elaborated not on the basis of abstract global targets, but on the basis of an agreement on the principal directions of national and international efforts aimed at the expansion of international trade and economic co-operation and at the reshaping of the international division of labour in the interests of development.

22. The representative of a developing country stated, in reply to the points made by the previous speakers, that the statement on the mobilization of domestic resources, besides being factually correct, had been carefully negotiated at the General Assembly and that it would be improper to tamper with a text which had been accepted at the highest possible level. In respect of the import requirements related to a 6 per cent annual average rate of growth

of the gross product of the developing countries, he could not understand the reservations made, since, the figures mentioned in the text proposed for adoption were only tentative and were open to further discussion. On the propriety of UNCTAD to deal with technology as one of its major fields of activity, he recalled the preamble of Board resolution 62 (IX), which left no doubt about the competence of UNCTAD in this field. Finally, with regard to the population problem, he stated that it was a matter to be dealt with at the national level, and, in any case, was beyond the competence of UNCTAD. As regards document TD/B/L.195 presented by some socialist countries of Eastern Europe on goals and objectives, he stressed that it was more in the nature of a preamble that could be dealt with at a later and more appropriate stage. In respect of targets, he emphasized that they were only indicative and were meant to serve as a yardstick. The representative of another developing country, in referring to the statement by the representative of a developed market economy country reflected in paragraph 20 above, expressed the views set out in paragraph 58 below.

23. In the course of further discussions, 6/ representatives of some developed market economy countries expressed doubts and reservations, mainly in relation to what they considered to be a certain imbalance in the presentation of the efforts called for by both the developed and developing countries to promote the goals and objectives of the Second Development Decade. The representative of a number of developed market economy countries expressed reservations regarding the figures of quantitative targets appearing in square brackets in paragraph 2 of the draft text.

24. While taking note of the reservations formulated by the representatives of several developed market economy countries and socialist countries of Eastern Europe, there was broad agreement in the Board to approve the text before it. The representative of one developed market economy country announced the withdrawal by his Government of its earlier reservations to the text under discussion.

B. Policy measures

I. Commodities

25. The representatives of a number of developed market economy countries stated that, in their interpretation, the text did not exclude primary commodities exported from developed countries. The representative of another developed market economy country said that according to his understanding, stable, remunerative and equitable prices applied equally to producers and consumers.

26. The Board took note of the text.

II. Manufactures and semi-manufactures

27. It was generally agreed that the text under consideration would have to be completed through the addition of appropriate texts under the list of headings given. In doing so, a decision would have to be taken as to whether tariff and non-tariff barriers and adjustment assistance should form a single or two separate sections.

6/ For details, see the summary record of the 225th meeting (TD/B/SR.225).

28. On this understanding, the Board approved the text.

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

29. The Board reiterated its approval of the statement adopted at the second part of its eighth session.

IV. Trade relations among countries having different economic and social systems

30. The Board approved the first paragraph of the text before it and took note of the remaining paragraphs, on which no agreement had as yet been reached.

V. Financial resources for development - domestic and external financial resources

31. The Board noted that no discussion on this subject had taken place in the drafting groups.

32. The representative of one developing country deplored this fact, which, in his opinion, was an indication of the difficulties facing UNCTAD in preparing its contribution to the Second Development Decade.

VI. Invisibles, including shipping

33. The Board approved the text submitted to it by the contact group. It further noted the submission of the document entitled "Invisibles, including shipping" (TD/B/L.197).

VII. Transfer of technology

34. The Board noted that no draft contribution on this subject was before it. The President recalled that, at the first part of its ninth session, the Board had adopted a resolution on this subject. 7/

VIII. Special measures in favour of the least developed among the developing countries

35. The Board reiterated its approval of the statement adopted at the second part of its eighth session.

IX. Special measures in favour of land-locked countries

36. The Board reiterated its approval of the statement adopted at the second part of its eighth session.

X. Technical assistance and trade promotion

37. The Board took note of a draft text submitted by the President which, for lack of time, it had not had an opportunity to discuss.

7/ Resolution 62 (IX).

XI. World food problem

38. The Board noted that no discussion on this subject had taken place in the drafting group.

C. Implementation review

39. The Board took note of a draft text submitted by the President which, for lack of time, it had not had an opportunity to discuss.

40. The representative of a developed market economy country expressed, as a first reaction to this text, his reservations as to the establishment of time-tables and sectoral targets, as proposed in the draft.

D. World public opinion

41. The Board took note of a draft text submitted by the President which, for lack of time, it had not had an opportunity to discuss.

C. Arrangements for the completion of UNCTAD's contribution to the Second United Nations Development Decade

42. Despite the fragmentary nature of the texts referred to above and the differences in their status, the Board agreed that they should be considered, together with the amendments proposed during the discussion and all other relevant texts, in the drafting of the final contribution of UNCTAD to the Second Development Decade.

43. At its 224th meeting, on 22 September 1969, the President proposed that the Board should decide to complete its work on UNCTAD's contribution to the Second Development Decade during the third part of its ninth session, taking into account, inter alia, the relevant decisions of the General Assembly at its twenty-fourth session and, for this purpose, to extend the duration of the third part of its ninth session.

44. In this connexion, the Board took note of a statement of financial implications of the extension of the duration of the third part of the ninth session. 8/

45. At its 225th meeting, on 22 September 1969, the Board agreed that the third part of its ninth session would be held at Geneva from 2 to 13 February 1970 and that, to avoid overlapping, the fourth session of the Committee on Manufactures would be held from 20 to 30 January 1970. The secretariat undertook to make corresponding adjustments in the calendar of the Board and its subsidiary organs scheduled for 1970 in order to avoid any financial implications resulting from the extension of the third part of the ninth session and report thereon at the third part of the ninth session.

8/ For the statement of these financial implications, see annex IV below.

46. At its 224th meeting, on 22 September 1969, the President proposed and the Board agreed to authorize him and the Secretary-General of UNCTAD, in consultation with members of UNCTAD and drawing upon existing documentation on the subject, to submit draft texts for distribution as early as possible in January 1970 as a basis for the final elaboration of UNCTAD's contribution at the third part of the Board's ninth session.

47. Many representatives welcomed the President's initiative in the belief that, in the informal atmosphere in which the consultations would take place, more rapid progress would be achieved in defining UNCTAD's contribution to the Decade at the third part of the ninth session.

D. Concluding debate on UNCTAD's contribution to the Second United Nations Development Decade

48. In concluding the debate on UNCTAD's contribution to the Second Development Decade, several representatives made statements which are summarized below and are reported in greater detail in the summary record of the 225th meeting.

49. Speaking on behalf of the Latin American group, the representative of a developing country stated that the basic position of his group on the contribution of UNCTAD was contained in document TD/B/L.194, which had been drafted in co-operation with other regional groups of developing countries. The Latin American group welcomed the agreed texts that had emerged during the session, but considered that, in view of their fragmentary nature, they could not be incorporated in a comprehensive document. They accordingly looked forward to new agreements that they hoped would result from the second resumed ninth session in the form of a common text reflecting the views of all groups on the UNCTAD contribution.

50. On behalf of the Asian group of countries, the representative of a developing country expressed regret that so little progress had been achieved during the resumed ninth session. For their part, the representatives of the Asian countries had participated in the formulation of a common position of developing countries with a view to facilitating consultations, discussions and negotiations with the developed countries members of UNCTAD. That position was put forward in document TD/B/L.194, which formed the basis for the consultations and negotiations that had taken place with all other groups, in which the Asian countries had actively participated in the search for agreements where none existed and in broadening the scope of the limited ones already in being.

51. Those countries would continue to participate in the future work of the Board and in any intersessional consultations, in order to facilitate the formulation of UNCTAD's contribution to the Decade. In so doing, they would take into account all relevant documents submitted to the plenary or to the contact groups and drafting groups. To this end they asked that all draft texts considered in the drafting groups should be remitted to the third part of the Board's ninth session.

52. The Asian countries earnestly hoped that in future consultations and discussions, all the developed countries would respond more positively and constructively. The developing countries expected those of them who lived in

relatively less abundance to share a little of what they had, and those living in relatively greater affluence to share a little more. While the bigger and more powerful of the developed countries might incline towards indifference, the less powerful could be more understanding of the needs of developing countries and indeed might have many things in common with them.

53. Speaking on behalf of the African group of countries, the observer for a developing country associated himself with the disappointment expressed by the spokesman for the Asian countries at the lack of progress realized in the Board, and reiterated the will of the African countries to pursue their active participation at the second resumed ninth session, and in the intervening period, in the search for agreed solutions on the basis of the common position of the developing countries, as stated in document TD/B/L.194, and of all other relevant documents that had come before the Board.

54. The representative of a developing country deeply regretted that the resumed ninth session had been one of the most negative in the history of the UNCTAD permanent machinery. The preparation of UNCTAD's contribution to the Second Development Decade had so far made no headway whatever.

55. He noted that the very specific document submitted by the Latin American countries (TD/B/L.194) on the goals and objectives and on concerted policy measures based on the Charter of Algiers, had not been accepted by the developed countries and such agreements as had been reached merely reiterated the language of resolutions and texts previously adopted by the Conference, the Board and its subsidiary bodies.

56. He considered that this clearly pointed to a deep crisis of international co-operation, even taking into account the economic and financial difficulties confronting certain developed market economy countries. It was a matter of regret that some of the most progressive countries among that group were the smaller and less influential on a world scale.

57. He feared that the serious conceptual differences that had apparently arisen between the developing and developed market economy countries would have the effect of ensuring that none of the proposals by the developing countries for UNCTAD's contribution to the Second Development Decade could be agreed upon within the next year of preparation, even on such matters for which solutions could very well be devised within relatively short periods of time.

58. In particular, he referred to the statement by the representative of a developed market economy country who had impugned the validity of the idea that the fuller and more effective mobilization of the domestic resources of the developing countries would be possible only if accompanied by effective international measures. In the opinion of the representative of the developing country concerned, the denial of this scientific truth indicated a profound difference of political and intellectual approach from that of the developed countries. Moreover, the Charter of Algiers acknowledged that the primary responsibility for the economic development of the developing countries rested on themselves. It was in that context that concomitant and effective international action was essential. For the developing countries, the programme for the coming ten years would need to contain commitments for concrete action.

59. If, during the second resumed ninth session of the Board, no better results were achieved than hitherto, his Government might find it necessary to reduce the scale of its participation in the activities relating to the contribution of UNCTAD to the Second Development Decade. There was, however, some hope on the horizon for a change of attitude on the part of the developed countries, as was evidenced by statements recently made in the General Assembly by the Secretary-General of the United Nations and the President of the United States of America on the problems of under-development.

60. The representative of another developing country stated that, while certain developed countries were willing to speak about development, they were not willing to fix a time-table or set targets for the Second Development Decade in UNCTAD, which, in his opinion, would signify discrimination against the organization and non-compliance with Articles 55 and 56 of the United Nations Charter. Apart from the negative attitude on the part of some developed market economy countries, obstacles implicit in the attitude of the socialist countries of Eastern Europe also required serious consideration. Some developing countries had initiated an irreversible process of transformation, and the action of some international bodies seemed, therefore, to have been overtaken by these economic and social realities.

61. Speaking on behalf of the socialist countries of Eastern Europe, the representative of one such country reaffirmed their intention to continue to co-operate in working out an agreed contribution to the Second Development Decade and, in that connexion, referred to the documents submitted by several socialist countries at the first resumed ninth session (TD/B/L.168/Rev.1 and TD/B/L.195). The statements of certain representatives to the effect that the attitude of the socialist countries towards the contribution of UNCTAD to the Second Development Decade constituted an obstacle to the work of UNCTAD were unjustified and groundless.

62. During the course of the resumed session, he had noted a tendency among some delegations to depart from previous UNCTAD decisions and even to revise what had already been formally agreed, as for example in the case of Conference resolution 15 (II).

63. Stressing the strategic importance of economic and social reform for the success of the Decade, he expressed the view that this fact had not been duly taken into account within UNCTAD during the process of determining the goals and objectives of UNCTAD's contribution to the Second Development Decade.

64. The representatives of the socialist countries of Eastern Europe declared that these countries did not feel bound by any statements or actions which were directed towards the establishment of a link between the activities of UNCTAD and of the Preparatory Committee.

65. Representatives of several developed market economy countries said that they had come fully prepared to participate in a constructive spirit in the completion of UNCTAD's contribution to the Second Development Decade. They therefore could not but share the general disappointment at the limited progress achieved so far by the Board in carrying out its task.

66. While paying tribute to the efforts made by all sides under the tireless leadership of the President and the Secretary-General of UNCTAD, they expressed the views that these efforts suffered from the handicap of pressure of time for which they were not responsible and from still unresolved conceptual differences. In their view, General Assembly resolution 2411 (XXIII) did not call either for a global planning exercise in detail or the simultaneous resolution of all problems known or unknown which would have to be dealt with throughout the Decade. This was particularly true as, unlike the situation prevailing in the early stages of UNCTAD, it was no longer possible to achieve easily detectable break-throughs. The present stage involved detailed and complicated negotiation in the permanent machinery. In these circumstances, document TD/B/L.194, containing the list of the wishes and aspirations of the developing countries, while giving no specific indication of what they proposed to undertake, could not form a viable basis for the elaboration of UNCTAD's contribution to the preparatory work for the Second Development Decade. Representatives of some developed market economy countries wondered whether the concept of a step-by-step approach, which seemed to them to be the only appropriate one in a field where public opinion and parliaments had to be convinced, had been set aside even at the cost of achieving no agreement at all.

67. The representatives of developed market economy countries reaffirmed their firm intention to contribute in a constructive spirit in the further elaboration of UNCTAD's contribution to the Second United Nations Development Decade and expressed their desire to collaborate actively in the consultations to be carried on by the President and the Secretary-General of UNCTAD in preparation for the third part of the ninth session of the Board.

68. The representative of a developed market economy country said that small countries like his own had not been able to participate more actively in the preparation of UNCTAD's contribution to the Second Development Decade, not through any lack of political will, but because their actions had not met with a response conducive to fruitful action. The spokesman for the Nordic countries stated that one of the main reasons for the disappointing result of the resumed session was that delegations were not properly prepared. He therefore welcomed the suggestion of the President to prepare, with the Secretary-General in consultation with members of UNCTAD, draft texts to be submitted at the third part of the ninth session. He stated that it would be advisable to reappraise during the intersessional consultations the methods of work by which agreement on UNCTAD's contribution could be reached. In order to avoid a repetition of the difficulties experienced during this resumed session, the consultations should not be confined exclusively to already existing texts.

69. The representative of a developing country, replying to the comments of a developed market economy country on the nature of document TD/B/L.194, stated that it fully met the provisions of paragraph 15 of the report of the Preparatory Committee on its third session (A/7525/Add.2), and that it therefore deserved more serious and careful consideration by Governments of developed countries.

ANNEX III

DRAFT TEXTS AND PROPOSALS OFFICIALLY SUBMITTED BY DELEGATIONS IN
CONNEXION WITH THE CONSIDERATION OF AGENDA ITEM 3 "UNCTAD AND THE
SECOND UNITED NATIONS DEVELOPMENT DECADE" DURING THE SECOND PART
OF THE NINTH SESSION OF THE BOARD

THE CONTRIBUTION OF UNCTAD TO THE SECOND UNITED NATIONS DEVELOPMENT DECADE

ISSUES WITHIN THE SPECIFIC COMPETENCE OF UNCTAD

Proposals submitted by: Brazil, Chile, Colombia, Costa Rica,
Guatemala, Jamaica, Mexico, Peru and Venezuela

[document TD/B/L.1947]

I. Goals and objectives

II. Measures and programme of work

III. Implementation and review

I. Goals and objectives

1. The aim is to promote sustained economic growth especially in developing countries leading to "higher standards of living, full employment and conditions of economic and social progress and development" so as to facilitate the process of narrowing the gap in living standards between developed and developing countries. To achieve the target of 6-7 per cent average annual increase in the gross domestic product of the developing countries, the developing countries should be enabled to achieve a rate of expansion of their total foreign exchange resources at an average annual rate of ____ per cent. For this purpose it is necessary:

- (a) That the developing countries should be enabled to achieve an average annual growth rate of ____ per cent in their foreign exchange earnings from their exports;
- (b) To supplement the resources at the disposal of the developing countries through financial and technical assistance from the developed countries; and
- (c) To provide for the transfer of modern technology to the developing countries.

2. To realize these targets, measures are proposed in section II below.

II. Measures and programme of work

3. The international measures required may be considered under the following headings:

- A. Commodities;
- B. Manufactures and semi-manufactures;

- C. External development finance and aid;
- D. Trade relations between countries having different economic and social systems;
- E. Trade expansion, economic co-operation and regional integration among developing countries;
- F. Invisibles including shipping;
- G. Transfer of technology;
- H. Special measures in favour of the least developed among the developing countries;
- I. Special measures in favour of land-locked countries;
- J. Technical co-operation and trade promotion; and
- K. World food problem.

A. Commodities

4. International commodity policy should secure (a) remunerative, equitable and stable prices for primary commodities; (b) improved access to the markets of the developed countries; (c) increased consumption and import of primary commodities in developed countries including those in semi-processed or processed forms, from developing countries.

5. In consultation and negotiations on commodities, a commodity-by-commodity approach will be adopted which will include, where appropriate, the conclusion of international agreements or arrangements. For this purpose, the following measures should be adopted:

- (a) Where international agreements or arrangements with respect to commodities specified in resolution 16 (II) of the Conference had not become effective on 1 January 1970, immediately thereafter an effective time-table will be drawn up for the conclusion of such agreements or arrangements and for full implementation of the progress provided for in the resolution;
- (b) The Secretary-General of UNCTAD should continue his consultations with a view to concluding an agreement on cocoa and tea as soon as possible;
- (c) A general Agreement on Commodity Arrangements should be concluded by the end of 1970;
- (d) Arrangements should be secured to enable commodity-producing developing countries to hold consultations among themselves. The Secretary-General of UNCTAD should arrange for these consultations;

- (e) Arrangements should be established as soon as possible tending to extend satisfactory conditions of access to developed country markets for products considered to be temperate zone products from developing countries. These arrangements should secure the removal of tariff and non-tariff obstacles, such as quantitative restrictions, embargoes and other measures, including public health, administrative regulations which discriminate against the exports of those products from developing countries;
- (f) Suitable arrangements should also be made for access to the developed countries' markets of tropical products and other agricultural and mineral products which compete with those of developed countries, by the removal of tariff and non-tariff barriers to imports of such products including administrative and other regulations;
- (g) Measures should be taken to secure, as early as possible, negotiation and prompt renewal of those Commodity Agreements which have already been concluded, but which are about to expire.
- (h) The major exporting and importing countries not yet parties to the International Sugar Agreement should accede to it as early as possible.
- (i) Developed countries should desist from the continuing practice of reducing the input of natural products in their manufactures, related to industries where such reductions are not dictated by technological improvements.

6. The following stabilization measures should be adopted:

- (a) Putting into operation the agreement reached by IMF and IBRD on the financing of buffer stocks;
- (b) Putting into operation buffer stocks for commodity arrangements which lend themselves to such schemes;
- (c) Financing for putting into operation diversification funds, as one of the features of Commodity Agreements.

7. In order to improve the competitive position of natural products in their primary or processed form facing competition from synthetic materials, the following measures should be taken:

- (a) An extended programme of research and development should be initiated in order to improve the technical characteristics, raise the level of productivity, devise new uses and improve existing marketing methods;
- (b) Developed countries should ensure an increasing share of their market to the natural products of developing countries;

- (c) Developed countries should respond to the maximum extent possible to the requests for financial and technical assistance from developing countries in order to help the latter diversify to other areas of production including processed and primary products.

8. In order to achieve a more rational use of the world's resources employed in primary commodity production, world import demand for primary commodities should be met to the greatest extent possible from developing countries, in all cases in which the developing countries enjoy a competitive advantage. To this end the developed countries should adopt appropriate adjustment measures in the redeployment of their resources. The developed countries should adapt their policies so as to limit and eventually to reduce domestic output of commodities benefiting from protection against imports of developing countries and subsidization of domestic production, thereby making it possible to increase progressively the share of the developing countries' supplies in domestic consumption.

9. Developed countries should provide financial and technical assistance to developing countries to promote the processing of agricultural and mineral products in developing countries.

10. In order to improve access to their markets, developed countries should remove any trade and non-trade barriers which discriminate against imports from developing countries and, in any case, there should be the following action:

- (a) A standstill on tariff and non-tariff barriers affecting exports of developing countries;
- (b) Intensive intergovernmental consultations should be carried out within UNCTAD and concluded not later than 1972 with a view to:
 - (i) Substantially reducing, and progressively eliminating tariff and non-tariff barriers on primary products, including those in processed and semi-processed form of particular interest to the trade of developing countries.
 - (ii) Substantially reducing, and progressively eliminating internal charges and revenue duties specifically applied to primary products, including those in processed or semi-processed form wholly or mainly produced in developing countries;
 - (iii) Progressively enlarging quotas which are maintained by developed countries until tariffs are eliminated.

11. In pursuance of the implementation of part II of Recommendation A.II.1 of the first conference:

- (a) The Secretary-General of UNCTAD should carry out, in co-operation with the Governments and agencies concerned, a study on the effects of special preferences on the economies of developing countries at present enjoying them;

- (b) The Secretary-General of UNCTAD should carry out studies on a commodity-by-commodity and country-by-country basis concerning the international measures required to ensure to developing countries at present enjoying such preferences advantages at least equivalent to any losses resulting from their abolition;
- (c) A study group should be set up as soon as possible to consider the results of the above-mentioned studies and report on them to the Committee on Commodities.

12. The existing machinery for consultation on surplus disposal should be widened and reinforced, and suitable machinery should be established, where such arrangements do not exist, in order to ensure that disposal of production surpluses or strategic reserves does not result in the depression of international prices, and does not adversely affect the exports of developing countries or the intra-regional trade and agricultural development of developing countries and the position of developing countries receiving those surpluses as assistance. Moreover, developed countries should not adopt production policies which would eliminate further build-up or tend to create surpluses in their countries and should also review their commodity aid policies to achieve their said objectives.

B. Manufactures and semi-manufactures

13. International action in this field should facilitate the diversification and expansion in the trade of manufactures and semi-manufactures by developing countries as an indispensable condition for accelerated economic growth and for financing of essential imports of such growth.

14. In addition to a general non-discriminatory and non-reciprocal system of preferences for manufactures and semi-manufactures, including processed and semi-processed agricultural and other primary products in favour of developing countries, in accordance with resolution 21 (II), intensive intergovernmental consultations should be carried out with UNCTAD and concluded not later than 1972 with a view to:

- (a) Progressively reducing and finally eliminating non-tariff barriers, customs duties and other charges applied to imports of manufactures and semi-manufactures, including processed and semi-processed agricultural and mineral products, from developing countries;
- (b) Undertaking adjustment assistance measures in the developed countries to facilitate a shift of labour and other productive resources from industries in which developing countries have a comparative advantage, which should assist in bringing about an expansion of imports of manufactures and semi-manufactures from developing countries;
- (c) Increasing substantially technical and financial assistance to developing countries in order that these countries may formulate appropriate export policies and export promotion techniques;
- (d) Identifying and taking the necessary steps to abolish restrictive business practices adopted by enterprises in developed countries which are detrimental to the export needs of developing countries.

C. External development finance and aid

15. Developing countries must and do bear the main burden of financing their own development. The developed market economy countries and centrally planned economy countries for their part recognize their responsibility to supplement the efforts of developing countries by providing increased resources to them under more favourable terms bearing in mind that special consideration should be given to developing countries which have not so far received adequate international aid.

16. Developed countries should, by 1972, provide annually to developing countries financial resources transfer of a minimum net amount of 1 per cent of its GNP at market prices in terms of actual disbursement having regard to the special position of those countries which are net importers of capital; those developed countries which have already met the target as defined above should endeavour to ensure that their net financial resource transfers are maintained and envisage, if possible, an increase in them.

17. Developed countries should within the 1 per cent target defined in resolution 27 (II) and within the time limit prescribed in paragraph 16 above, provide a minimum of 0.75 per cent of their GNP by way of net official financial resource transfers as defined in resolution 27 (II) of the second Conference.

18. Developed countries, members of the Development Assistance Committee of the OECD should reach, by the end of 1970, the norms set forth in the supplement to the 1969 recommendations on financial terms and conditions of development assistance.

19. Developed countries, through further evaluation of their assistance policies, should attain at the earliest the alternative norms suggested by the developing countries and some developed countries at the second Conference, as set forth in resolution 29 (II).

20. By 1975, the bulk of bilateral lending should be on terms comparable in general effect with the terms currently applied by the International Development Agency.

21. Developed countries should rapidly and progressively untie aid with a view to reaching the goal of total untying of aid as early as possible and, in the meantime, take practical steps to mitigate the harmful effects of tying of aid.

22. The resources made available to the multilateral financial institutions through financial contributions should be substantially increased and their access to private capital markets should be facilitated.

23. Multilateral financial institutions and developed countries should adjust the terms of lending to the debt-servicing capacity of individual developing countries by lowering lending rates and increasing maturities and grace periods.

24. Suitable measures should be adopted for alleviating the debt-servicing burdens of developing countries by consolidation of their external debts into long-term obligations at low rates of interest. In case of imminent difficulties, speedy arrangements should be made for refinancing and rescheduling of loans on "soft" terms and conditions.

25. A scheme of supplementary financing should be established at the outset of the Second United Nations Development Decade to deal with the problems arising from adverse movements in export proceeds which prove to be of a nature or duration which cannot be adequately dealt with by short-term balance of payments support.
26. The compensatory financing facility of IMF should be further improved in accordance with the norms set out in resolution 31 (II).
27. A link should be established between the creation of Special Drawing Rights and the provision of external development finance.
28. A multilateral interest equalization fund should be created to cover the interest margin between loans obtained on international capital markets and concessional development loans.
29. There should be no discrimination by international lending institutions against the public sector, in particular in industry.
30. National and international institutions should seek to gear their programmes of assistance to the requirements of national development plans and not only to individual projects constituting those plans. In addition, they should programme their aid over a sufficiently long period to permit effective advance planning by developing countries. External financial assistance should be made available to defray local costs of projects where necessary.
31. In their financial and technical assistance programmes, developed countries should take due note of the needs of the least developed among the developing countries and also the need to promote regional development projects and to strengthen the regional financial institutions in particular regional development banks.
32. Co-operative measures will be worked out and recommended which could be of assistance in foreign investment policies and policies relating to the outflow of domestic capital from developing countries and which would seek to reduce the outflow of financial resources from those countries to developed countries, that affect the economic growth of the former.
33. Efforts should be made by both developed and developing countries to stimulate private investment in developing countries. Such investments should be consistent with the economic and social needs of developing countries and in conformity with their national decisions and priorities. Arrangements for the transfer of foreign capital should include provisions for the transfer of know-how, the training and employment of local labour, including managerial and technical skills, a growing local share in the management and administration of foreign enterprise, participation of local capital on a substantial and increasing scale and reinvestment of profits in the host country. Private foreign investments should not be regarded as aid and should not count as part of financial co-operation for development.
34. The developing countries and their competent regional and sub-regional organizations should be given easy access to international capital markets.

C. External development finance and aid

15. Developing countries must and do bear the main burden of financing their own development. The developed market economy countries and centrally planned economy countries for their part recognize their responsibility to supplement the efforts of developing countries by providing increased resources to them under more favourable terms bearing in mind that special consideration should be given to developing countries which have not so far received adequate international aid.
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31. In their financial and technical assistance programmes, developed countries should take due note of the needs of the least developed among the developing countries and also the need to promote regional development projects and to strengthen the regional financial institutions in particular regional development banks.
32. Co-operative measures will be worked out and recommended which could be of assistance in foreign investment policies and policies relating to the outflow of domestic capital from developing countries and which would seek to reduce the outflow of financial resources from those countries to developed countries, that affect the economic growth of the former.
33. Efforts should be made by both developed and developing countries to stimulate private investment in developing countries. Such investments should be consistent with the economic and social needs of developing countries and in conformity with their national decisions and priorities. Arrangements for the transfer of foreign capital should include provisions for the transfer of know-how, the training and employment of local labour, including managerial and technical skills, a growing local share in the management and administration of foreign enterprise, participation of local capital on a substantial and increasing scale and reinvestment of profits in the host country. Private foreign investments should not be regarded as aid and should not count as part of financial co-operation for development.
34. The developing countries and their competent regional and sub-regional organizations should be given easy access to international capital markets.

35. Institutions for financing and refinancing of exports from developing countries should be strengthened and to this end international action should be taken so as to secure additional funds as well as other forms of support.

D. Trade relations between countries having different economic and social systems

36. The socialist countries of Eastern Europe should take duly into consideration the trade needs of the developing countries when quantitative targets are fixed in their long-term economic plans and adopt the necessary measures to expand further their trade with developing countries. At the same time, they should promote the diversification of the structure and geographical basis of this trade with these countries in order that the largest possible number of developing countries derive the maximum benefit from this trade. To this end, they should take necessary actions to implement fully, by the beginning of the Second Development Decade, recommendations contained in the resolution 15 (II) of the Conference.

37. In addition, the socialist countries of Eastern Europe should:

- (a) Set up such quantitative target rates of growth of their imports from developing countries as would make these imports a growing element in their total imports;
- (b). Consider and, not later than 1972, establish different forms of multilateral payments arrangements with the developing countries.

38. Periodic reviews of the progress made should be held within the UNCTAD machinery and consultations undertaken with a view to adopting additional measures and policies.

E. Trade expansion: economic co-operation and regional integration among developing countries a/

39. It has been agreed that the expansion of trade and economic co-operation and integration among developing countries are important elements in the international development strategy. b/ It is further recognized that the responsibility for instituting schemes for regional integration among developing countries, or measures for trade expansion among them, rests in the first instance with the developing countries themselves.

40. The developing countries should continue their efforts to negotiate and put into effect further meaningful commitments among themselves within the framework of their choice, adapting them to the circumstances in the various parts of the developing world.

41. They should in particular endeavour to speed up the current negotiations designed to elaborate mutually beneficial preferential trade arrangements which foster a rational and outward-looking expansion of production and trade, and avoid undue injury to the trading interests of third developing countries.

a/ This text was agreed at the resumed eighth session of the Board and transmitted to the Preparatory Committee.

b/ See Conference resolution 23 (II).

42. Within the framework of Conference resolution 23 (II), the developed market-economy countries are prepared to support, in the allocation of their financial and technical assistance, initiatives in regional co-operation instituted by developing countries.

43. The developed market-economy countries have undertaken specifically to consider what help can be given to any concrete proposals that may be put forward by developing countries. In order to implement resolution 23 (II), such help can take the form of action in the field of commercial policy as well as financial aid and technical assistance.

44. Socialist countries of Eastern Europe for their part are ready to extend their support to the developing countries following the appropriate principles by which the socialist countries are guided in this respect.

45. All member countries of UNCTAD recognize the competence of UNCTAD to play an important role in this field by providing support and encouragement and by undertaking periodic reviews of the progress achieved, while taking into account the operational responsibilities in this field of the regional economic commissions, the United Nations Economic and Social Office in Beirut, the United Nations Industrial Development Organization and other competent international and regional and sub-regional bodies, and inviting them to intensify their activities in this field. c/

F. Invisibles including shipping

46. National and international action is required to promote the earnings of developing countries from invisible trade and to minimize the net outflow of foreign exchange from those countries arising from invisible transactions including shipping. It is recognized in this respect that existing freight practices are responsible for the greater part of the outflow of foreign exchange in most developing countries and, in order to substantially reduce or eliminate this drain of resources, developed countries should reduce high freight rates and eliminate discriminatory freight rates; a special effort should be evolved in the course of the Second Development Decade to secure and promote the establishment or development of port facilities and of the national merchant marines of developing countries.

47. For this purpose, the following measures, among others, should be envisaged:

- (a) Developed countries should encourage and assist developing countries in establishing and expanding their merchant marines, for the purposes of their national trade and to give them a fair participation in the world carriage of maritime cargoes, and recognize their right to reserve a fair share of the cargo transported to and from those countries. Retaliatory measures, including ruinous competition, should not be taken against those developing countries which enacted regulations in order to achieve the aforementioned objectives;

c/ The Intergovernmental Group established by Board resolution 53 (VIII) will meet as soon as possible to examine, consider and make recommendations on matters enumerated in the above-mentioned resolution.

- (b) Developed countries and international agencies should extend financial and technical assistance to the developing countries for the establishment of their national or regional merchant marines and related facilities, including development and improvement of port facilities. Such assistance should include the training of personnel in the economic, managerial, technical and other aspects of shipping. Financing arrangements should be in favour of national or regional enterprises;
- (c) Developed countries should also recognize the right of developing countries to take part in any freight conference affecting their maritime traffic on an equal footing with shipowners of developed countries;
- () The reduction in costs of operation for vessels in ports will have to be directly related to the reduction in shipping freight rates, so that the latter are reduced on the basis of the effective improvement of each port and not on the average productivity of a number of ports.
- (e) Developing oil exporting countries should be encouraged and assisted to utilize and increase their national tanker fleets for the maritime transportation of their oil exports.

48. Furthermore, measures should be taken so that the cost of insurance and reinsurance, especially the foreign exchange cost, should be reduced by promoting, at the national and regional levels, the growth of national insurance markets and the establishment of reinsurance institutions in developing countries.

49. The tourist potential of developing countries should be promoted so as to increase their foreign exchange earnings from the tourist trade. International action should be taken to reduce the cost of, and restrictions on, international travel. Developing countries should consider afresh the possibility for co-operation among themselves in their tourist development programmes and take further steps to achieve closer co-operation.

50. The developed countries, in accordance with resolution 8 (II), shall place no obstacles or limitations on the outgoing of currency of their nationals who travel for tourism purposes to developing countries, and, where these exist, they shall be eliminated in the shortest possible time. Moreover, they will facilitate the travel of their residents to these countries, granting customs facilities for the duty-free entry of products bought in the territories of developing countries that were visited.

G. Transfer of technology

51. To enable and facilitate acquisition of foreign technology by developing countries under suitable conditions and to stress their research and development activities as a basis for both adapting foreign and indigenous technology measures should be taken to:

- (a) evolve methods of reducing the cost of transferring technology to developing countries and for overcoming legislative, institutional and other obstacles to such transfers;

- (b) make arrangements whereby developing countries might be enabled to purchase outright technology appropriate to their needs; as well as arrangements for avoiding restrictions on indigenous production and export associated with the supply of plant and machinery or the transfer of technical processes:
- (c) adopt the necessary measures to allow adequate absorption of technology by developing countries, including the adaptation of imported technology to the conditions prevailing in those countries:
- (d) establish appropriate national, regional and international institutions to assist in the transfer of technology and to provide guidelines on the most suitable device for the transfer of technology.

H. Special measures in favour of the least developed among developing countries d/

52. It has been recognized in Conference resolution 24 (II) that the least developed among the developing countries confront special problems in their efforts to accelerate their economic and social improvement and that there is a need to provide effective and concrete measures that can ensure their sustained economic growth and enhance their ability to benefit fully from measures designed in favour of developing countries as a whole.

53. It should not be the objective of any special measures taken in favour of the least advanced developing countries to create discrimination among the developing countries, but to ensure due benefits for the least developed among them so that all developing countries can derive equitable benefits.

54. In the formulation of the international development strategy, the international community should pay due attention to the special handicaps of the least developed countries with the object of removing their disabilities; special measures in favour of the least developed among developing countries should be found within the framework of the Second United Nations Development Decade covering in particular the following aspects:

- (a) In the field of commodities, special consideration should be given to commodities of interest to the least developed among the developing countries and in concluding commodity agreements the interest of the least developed among the developing countries should receive due attention;

d/ This text was agreed at the resumed eighth session of the Board and transmitted to the Preparatory Committee. It is understood that to facilitate this, the Secretary-General of UNCTAD will submit to the second resumed ninth session of the Trade and Development Board the studies requested in paragraph 3 (b) of Conference resolution 24 (II) with a view to the adoption of necessary measures to enable the least developed among developing countries to benefit from the Second Development Decade. To this end, the Secretary-General may appoint experts serving in their personal capacity and selected in consultation with the heads of the regional economic commissions and the United Nations Office in Beirut.

- (b) In the field of manufactures and semi-manufactures, measures in favour of developing countries should be so devised as to allow the least developed among the developing countries to be in a position to derive equitable benefits from such measures. Particular consideration should be given to the question of including in the general scheme of preferences products of export interest to the least developed among the developing countries;
- (c) In the field of development finance and technical assistance, national and international assistance agencies should give particular attention to the needs of the least developed countries;
- (d) In the field of trade promotion, special attention should be paid to the needs of the least developed countries to improve the efficiency and quality of their production for exports as well as marketing techniques in order to meet the competitive requirements of world markets.

55. All these measures should be devised bearing in mind the need to identify the least developed among the developing countries in the context of each specific measure concerned, taking fully into account the identifying criteria relevant to the policy measure in question.

I. Special measures in favour of land-locked countries

56. In view of the special problems of the land-locked developing countries, the land-locked situation should be considered as a factor in determining the criteria for the identification of the least developed among the developing countries. National and international financial institutions should accord appropriate attention to the special needs of these countries in extending adequate financial and technical assistance to projects designed for the development and improvement of the transport and communications infrastructure needed by these countries, in particular of the transport modes and facilities most convenient to them and mutually acceptable to the transit and the land-locked developing countries concerned. All States invited to become parties to the Convention on Transit Trade of Land-locked States of 1965 should investigate the possibilities of ratifying or acceding to it with a view to making it effective at the earliest possible date.

57. In the light of the general recommendations made in Conference resolution 11 (II), specific measures in favour of land-locked developing countries will be elaborated by the Trade and Development Board after its consideration of the report of the group of experts on problems of land-locked countries in 1970.

58. When any agreement is discussed and elaborated in the field of trade and development, the special interests of the land-locked developing countries should receive due attention.

J. Technical co-operation and trade promotion

59. Multilateral technical assistance should be substantially strengthened to provide increased financial and technical resources in the field of trade promotion and invisibles. To this end, developed countries should increase their contribution to the financing of technical assistance both within the framework

of UNDP and with regard to contributions made by them directly to the UNCTAD/GATT International Trade Centre, as well as in the framework of their bilateral technical assistance programmes.

60. In the technical assistance programmes, greater attention should be paid to the need for training an increasing number of people in techniques of export promotion finance and development.

61. Seminars in export promotion problems should be arranged among persons at the policy-making level in developing and developed countries to create better appreciation of the problems faced by the developing countries in marketing their products in developed countries.

62. Technical and financial assistance should be provided to the Trade Promotion Centres to enable them to pay attention to the problem of expansion of trade on a regional basis.

63. Experts from developing countries should be employed whenever possible in technical co-operation programmes.

K. World food problem

64. The multilateral and bilateral food programmes should be increased and strengthened in accordance with Declaration 9 (II), and should take into account principally the interests both of the countries receiving food aid as well as of the food exporting developing countries. The recommendations contained in this declaration should be implemented.

III. Implementation and review

65. To attain the objectives and targets including the sectoral targets of the Decade, and to implement the measures set out in section II above, it is necessary to:

- (a) Accelerate the implementation of the agreements already reached in UNCTAD;
- (b) Continue efforts for deepening and widening the existing areas of agreement;
- (c) Make efforts to reach, within a specified time-table, agreement on other issues which are of basic importance for the further evolution of the international development strategy;
- (d) Seek new agreements.

66. To this end, UNCTAD will keep under constant review the implementation of measures set out in Section II above, so as to achieve the objectives and targets, including the sectoral targets, of the Decade.

THE CONTRIBUTION OF UNCTAD TO THE SECOND
UNITED NATIONS DEVELOPMENT DECADE

Goals and objectives

Proposals submitted by Bulgaria, Czechoslovakia, Hungary,
Poland and the Union of Soviet Socialist Republics

[document TD/B/L.195]

1. In order to achieve the purposes proclaimed in the Charter of the United Nations and, more especially, to promote higher standards of living, full employment and conditions of economic and social progress and development a/ and, in particular, to assist the developing countries to accelerate their economic and social development, UNCTAD, in accordance with the functions assigned to it by General Assembly resolution 1995 (XIX), should proceed from the assumption that its contribution to the programme of the Second Development Decade should have the following basic goals and objectives:

(a) To promote efforts for the expansion and normalization of international trade and for the development of economic co-operation among all States, irrespective of their social and economic systems, on the basis of equal rights and mutual advantage;

(b) To contribute to the overcoming and abolishment of the consequences of colonialism and the policy of neo-colonialism in the field of international trade and economic relations, to the elimination of discriminatory practices and to the expansion of international trade on the basis of the Principles governing international trade relations and trade policies approved at the first and endorsed by the second sessions of UNCTAD

(c) To contribute to the conversion of foreign trade into an effective instrument of independent national economic development, so that it could adequately support and stimulate a fuller utilization of the domestic resources of the developing countries in the interests of those countries themselves.

2. In this connexion, it is borne in mind that the primary responsibility for economic development lies with the developing countries themselves and that their domestic resources must constitute the main source for the financing of their economic development. At the same time, the necessary international measures should be taken to create conditions in which their resources can be supplemented and reinforced. The developing countries are entitled to count on a compensation from those developed countries which, as a result of inequitable economic relations, have impaired the economic development of those countries;

(a) To search for means of overcoming the obstacles in the way of trade and economic co-operation between the socialist countries and the developed market-economy countries and to stimulate the further expansion of trade and economic relations between the socialist countries and the developing countries;

a/ Article 55.

(b) To take appropriate measures for the reshaping of the existing structures of production and trade with a view to ensuring that all groups of countries benefit from a more just and rational international division of labour;

(c) To adopt measures for the elimination of tariff, non-tariff and other obstacles hampering the harmonious development of international trade, taking into account in particular the export interests of the developing countries;

(d) To contribute, within its competence, to the expansion of the export potential of the developing countries in the field of commodities and manufactures both through appropriate international support action and through action at the national level based on the implementation in these countries of agrarian and other social and economic reforms, the development of national industries and particularly export industries and the strengthening of the public sector and economic planning;

(e) To contribute within its competence to the creation through the channels of international trade and economic co-operation of proper conditions for a wider utilization of scientific and technological advances with a view to promoting the establishment of such an international division of labour under which the efforts, natural and human resources of all countries, and especially developing countries, would be more effectively employed;

(f) To contribute through the implementation of its Principles and recommendations to the strengthening of peace and an atmosphere of mutual confidence and understanding among nations;

(g) To ensure that UNCTAD becomes a universal organ in the field of international trade and development, through which the efforts of all interested States can be effectively used for the benefit of the over-all economic and social progress of mankind.

THE CONTRIBUTION OF UNCTAD TO THE SECOND UNITED NATIONS DEVELOPMENT
DECADE ISSUES WITHIN THE SPECIFIC COMPETENCE OF UNCTAD

Proposal submitted by: Australia, Denmark, Federal Republic of
Germany, Finland, France, Italy, Japan, the Netherlands, Norway,
Sweden, Switzerland, the United Kingdom of Great Britain and
Northern Ireland and the United States of America

/document TD/B/L.197/

Invisibles including shipping

1. The objective is to promote, by national and international action, the earnings of developing countries from invisible trade and to minimize the net outflow of foreign exchange from these countries arising from invisible transactions, including shipping.

2. The questions which the UNCTAD Secretariat are studying in relation to terms of shipment, the level and structure of freight rates, conference practices and the adequacy of shipping services and the nature and extent of cargo reservation should be kept under review.

3. Measures to reduce the cost of international maritime transport, and in particular the foreign exchange cost to developing countries, should include:

(a) (i) The encouragement and assistance to developing countries to develop and improve port facilities;

(ii) The encouragement and assistance to developing countries to develop merchant marines on the basis of sound economic criteria;

(iii) The admittance as full members of the national flag line of developing countries to conference covering the foreign trade of the developing countries concerned, subject to the rights and obligations of full conference membership.

(b) The application of cost-reducing technological developments to maritime transport; and

(c) Establishment and improvement of consultations on freight rates and related matters between shippers and shipowners at national and regional levels.

4. Close and sympathetic consideration should be given by member States of UNCTAD directly or through international financial agencies, to requests from developing countries for financial and technical assistance related to the establishment and development of their national or regional merchant marines and related facilities, including development and improvement of port facilities. Such assistance should include the training of personnel in the economic, managerial, technical and other aspects of shipping.

5. The objective of reducing the cost of insurance and reinsurance for developing countries, especially the net foreign exchange cost, should be achieved by appropriate measures to encourage and assist the growth of national insurance and reinsurance markets in developing countries and the establishment, where appropriate of institutions in these countries.

6. Urgent consideration should be given by UNCTAD in co-operation with other competent organizations to measures for promoting the tourist potential of developing countries, including appropriate technical and financial assistance, so as to increase their foreign exchange earnings from the tourist trade. UNCTAD will keep under review international action taken to reduce the cost of, and restrictions on, international travel without prejudice to the competence of other international organizations.

UNCTAD'S CONTRIBUTION TO THE SECOND UNITED NATIONS DEVELOPMENT DECADE

Memorandum submitted by the Netherlands delegation

[document TD/B/L.199]

A. Preliminary observations

1. In order to enable the Preparatory Committee, at its fourth session, to consider problems related to trade and development, it is necessary that the Board at its present session prepares as far as possible UNCTAD's contribution to be submitted to the Preparatory Committee.
2. If it is not possible for the Board to reach agreement on all outstanding items to be included in UNCTAD's contribution, it seems necessary that at least the results achieved in UNCTAD up to the present time should be submitted so as to enable the Preparatory Committee to start its discussions on problems related to trade and development.
3. If the Board is not in a position to prepare, during the current session, its contribution to the Second Development Decade, or part of it, the work of the Preparatory Committee will be further paralysed, because the Committee has not yet had the opportunity officially to take note of the material results achieved in the field of trade and development.
4. UNCTAD's contribution should be periodically adjusted taking into account any new arrangements agreed upon by the permanent machinery on issues which are of importance for attaining the objectives and targets of the Second Development Decade.
 - (a) At its tenth session, the Board will review its contribution in order to include (i) new arrangements on items remitted to the tenth session, and (ii) any other items of importance for the Second Development Decade on which it has not been possible to reach agreement at the present session.
 - (b) Every future session of the Board will review the progress made in UNCTAD in order to include in its contribution any further arrangements agreed upon in the permanent machinery as far as they are of importance for the Second Development Decade.
 - (c) Any new arrangements on issues important for the achievement of the objectives and targets of the Second Development Decade to be agreed upon at the third Conference will be added to UNCTAD's contribution. In order to work out such arrangements, the Board should at its next session(s) focus its attention on such issues.

B. Contents of UNCTAD's contribution to be submitted to the Preparatory Committee

5. UNCTAD's contribution should be based on the recommendations of the second Conference and on the issues which were referred by that Conference to the permanent machinery.
6. After the targets and objectives of the Second Development Decade are defined and announced, the UNCTAD should, at its third Conference or as soon as possible thereafter, decide, in the light of those targets and objectives, to what extent the recommendations of the second Conference will have to be adapted or new recommendations added.
7. In order to contribute effectively to the preparations for the Second Development Decade at this stage, the Board should:
- (a) Prepare a review of the progress achieved so far in its specific sectors:
 - (i) Highlighting in particular those measures on which agreement have already been reached; and
 - (ii) Analysing the implications of these measures from the point of view of achieving the objectives of the Decade so far known (key elements) and a growth target of around 6 per cent GNP;
 - (b) Go over (i) the issues on which negotiations for reaching agreement are already at an advanced stage, and (ii) indicate the steps contemplated to conclude the negotiations according to any time schedule that may have been agreed upon;
 - (c) Regarding other issues, formulate its contribution in such a way:
 - (i) As to speed up the process of negotiation, setting, wherever possible, a time-table for its further consideration of these issues, and
 - (ii) Incorporating a declaration of intent to make an earnest endeavour to find solutions to the problems in question, if possible, before the commencement of the Decade and, if not, as early during the Decade as possible;
 - (d) In all sectors, make attempts, in the light of the objectives and targets so far indicated, to seek new areas of agreement and widen the existing ones. Consideration should also be given to the rapid implementation of the agreed measures.

TRADE RELATIONS AMONG COUNTRIES HAVING DIFFERENT
ECONOMIC AND SOCIAL SYSTEMS

Proposal submitted by Czechoslovakia, Bulgaria,
Hungary, Poland and the USSR
[document TD/B/L.168/Rev.1 and Rev.1/Add.1]

1. Agreement was reached at the second Conference in resolution 15 (II) concerning trade relations among countries having different economic and social systems, including problems of East-West trade, paying attention particularly to trade interests of the developing countries.
2. According to that resolution, various principles and measures should be implemented in order to expand mutual trade and economic relations among countries having different economic and social systems, as this trade and economic co-operation hold the promise of great dynamism in the future.
3. To achieve this end socialist countries, developing countries and developed market economy countries should take necessary action to implement all the recommendations contained in resolution 15 (II) of the Conference.
4. The socialist countries of Eastern Europe should take duly into consideration the trade needs of the developing countries when quantitative targets are fixed in their long-term economic plans and to adopt the necessary measures to expand further their trade with developing countries. At the same time, they should promote the diversification of the structure and geographical basis of this trade with these countries in order that the largest possible number of developing countries derive the maximum benefit from this trade.
5. The developing countries should grant to the socialist countries conditions for trade not inferior to those granted normally to the developed market economy countries, and undertake steps to facilitate the implementation of the measures enumerated in part B of resolution 15 (II) and carry out other positive measures with a view to promoting the further expansion of economic ties and the increase and diversification of mutual trade exchanges.
6. Countries participating in East-West trade, while giving due consideration to the interests of developing countries, and in accordance with principles as embodied in the Final Act of the first session of the Conference, should continue their common efforts towards the expansion of trade, the promotion of constructive measures in the field of economic, industrial, technical and scientific co-operation.
7. Countries participating in East-West trade should ensure, through positive measures, that the expansion of trade between them does not unfavourably affect the trading possibilities of the developing countries and leads to expansion of trade between them and the latter.
8. In order further to promote trade among countries having different economic and social systems periodic consultations can be held in the framework of UNCTAD,

which would enable a better knowledge of their respective trading possibilities and requirements.

9. Member States in submitting annually the information to assist the Secretary-General in drawing up the report agreed to in Board resolution 19 (II) should pay particular attention to measures taken in pursuit of Conference resolution 15 (II) in so far as the recommendations therein concern them.