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NOTE

Symbols

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

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

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

Summary records

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

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

Annexes

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

Supplements

The Official Records of the Board include numbered supplements to the first part of the fourteenth session, as follows:

<u>Supplement number</u>		<u>Document number</u>
<u>First part of the fourteenth session</u>		
1	Resolutions, agreed conclusion and decisions adopted by the Board at the first part of its fourteenth session	TD/B/532
2	Report of the Committee on Shipping on its sixth session	TD/B/521
3	Report of the Special Committee on Preferences on its sixth session	TD/B/489
4	Report of the Committee on Manufactures on the second part of its sixth session	TD/B/518

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ABBREVIATIONS

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

PREFATORY NOTE

The tenth annual report of the Trade and Development Board ^{1/} is submitted to the General Assembly in conformity with General Assembly resolution 1995 (XIX) of 30 December 1964. It was adopted by the Board at its 412th meeting, on 13 September 1974 (see para. 586 below). The report covers the period which has elapsed since 11 September 1973 and consists of the report on the first part of the fourteenth regular session of the Board, held at Geneva from 20 August to 13 September 1974.

During the period covered by the present report, the following UNCTAD bodies met and submitted reports to the Board:

			<u>Report in document</u>
Intergovernmental Preparatory Group on a Convention on International Intermodal Transport	First session	29 October- 2 November 1973	TD/B/477
Working Group on the Charter of Economic Rights and Duties of States	Third session	4-22 February 1974	TD/B/AC.12/3
	Fourth session	10-28 June 1974	TD/B/AC.12/4 and Corr.1 ^{2/}
Special Committee on Preferences	Sixth session	20-31 May 1974	TD/B/489
Committee on Manufactures	Second part of its sixth session	2-12 July 1974	TD/B/518

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

^{2/} Circulated under cover of a note by the Secretary-General of UNCTAD (TD/B/506).

			<u>Report in document</u>
Advisory Committee to the Board and to the Committee on Commodities	Ninth session	15-19 July 1974	TD/B/519
Intergovernmental Group on Transfer of Technology	Third session	15-26 July 1974	TD/B/520
Committee on Shipping	Sixth session	29 July- 9 August 1974	TD/B/521

INTRODUCTION

1. The Trade and Development Board held the first part of its fourteenth session at the Palais des Nations, Geneva, from 20 August to 13 September 1974.

2. The session was opened by Mr. F. R. Staehelin (Switzerland), President of the Board during its thirteenth session, who recalled that, at that session, the Board had faced problems which had paralysed its work for nearly three weeks and expressed the hope that such difficulties would not be repeated at the current session. Secondly, he noted that the international community was now confronted with problems considerably greater than those which had existed at the time of the thirteenth session. The Board now had the difficult task of examining their implications for the United Nations Conference on Trade and Development (UNCTAD). Lastly, he stated that on two recent occasions UNCTAD deliberations on substantive questions had been concluded by majority votes. In his view, genuine consensus was the only possible basis for decisions which would have a real chance to be implemented by all Governments. In view of the urgency of the problems and the immobility of some positions, impatience expressing itself in majority votes was sometimes quite understandable; however, such procedures could even be counterproductive, in so far as they led to a hardening of positions and could block the way for further negotiations aiming at a consensus. It was important that those considerations should be borne in mind by all UNCTAD bodies in laying the bases for the fourth session of the Conference, if it was to achieve results truly significant for the international community. 1/

3. At the opening meeting, Mr. Andrey Lukanov (Bulgaria) was elected President of the Board by acclamation. In his statement, which was subsequently circulated, 2/ he referred to the prevailing serious economic problems and said that the very gravity of the situation had, however, heightened awareness of the need for fundamental changes in the structure of the world economy and in international economic relations. In that light, it was natural that the decisions adopted by the General Assembly at its sixth special session should loom large at the current session of the Board. UNCTAD, in the 10 years of its existence, had played an important role in developing the concepts which lay behind the Declaration on the Establishment of a New International Economic Order, adopted by the General Assembly in its resolution 3201 (S-VI) of 1 May 1974, and the Programme of Action on the Establishment of a New International Economic Order, adopted by the General Assembly in its resolution 3202 (S-VI) of the same date, and it was now essential to reflect on its future role in the establishment of a new international economic order. He hoped that the Board, at its current session, would make a genuine advance in that direction, thus giving an initial impetus to the preparations for the fourth session of the Conference. It was his deep

1/ For a more complete account of the statement made by the outgoing President, see the summary record of the 382nd meeting (TD/B/SR.382).

2/ TD/B(XIV)/Misc.6, circulated by decision of the Board at its 383rd meeting, on 20 August 1974, the Board having first taken note of the financial implications of its decision.

conviction that the practical successes of UNCTAD and its effectiveness in mobilizing the goodwill of all its members in the implementation of the decisions adopted depended in a very large degree on the extent to which all the member countries regarded its activities as organically related to their own basic economic problems and interests.

4. On 27 August 1974, the Board held a special meeting to celebrate the tenth anniversary of the establishment of UNCTAD (see paras. 529-532 below).

5. At its 400th meeting, on 2 September 1974, the Board observed a minute's silence in tribute to the memory of Mr. Norman Kirk, Prime Minister of New Zealand. The representative of New Zealand thanked the Board on behalf of the Government and people of New Zealand.

6. The present report contains a succinct account of the deliberations of the Board during the first part of its fourteenth session. 3/

3/ For a full account of the proceedings during the first part of the fourteenth session of the Board, see the summary records of the 382nd to 412th meetings (TD/B/SR.382-412).

CHAPTER I

REVIEW OF THE IMPLEMENTATION OF THE RECOMMENDATIONS OF THE CONFERENCE

(Agenda item 4 (a)) 4/

THE DECLARATION AND THE PROGRAMME OF ACTION ON THE ESTABLISHMENT OF A NEW INTERNATIONAL ECONOMIC ORDER

(Agenda item 4 (b)) 4/

A. Introductory statement by the Secretary-General of UNCTAD 5/

7. The Secretary-General of UNCTAD, in introducing these items, drew attention to his note on the background of some of the policy issues before the Board 6/ and said that the present session of the Board was particularly significant, because it was taking place in the aftermath of the historic sixth special session of the General Assembly, at which the Assembly had adopted the Declaration and the Programme of Action on the Establishment of a New International Economic Order. While the Programme of Action emphasized many themes and objectives with which UNCTAD had been concerned for many years, it also introduced objectives, policies and approaches which were relatively new and which were of special relevance and importance to UNCTAD.

8. Describing his proposals for an over-all integrated programme for commodities, he said that, since commodity trade (excluding trade in petroleum products) still accounted for more than half the export earnings of the developing countries, the question of commodities must assume a place of special importance in any discussion or attempt at policy formulation in the area of international economic affairs. 7/ The emphasis on commodity issues should not, however, in any way detract from the importance of the growing trade in manufactures, which remained the most dynamic aspect of the economic transformation of the developing countries.

9. Among other major priorities in the field of international economic policy was

4/ These items were discussed by the Board at its 383rd to 392nd meetings, from 20 to 23 and 26 and 27 August 1974; at its 404th to 406th meetings, on 5, 6 and 9 September 1974, and at its 408th, 409th, 411th and 412th meetings, on 11, 12 and 13 September 1974. They were also discussed in Sessional Committee I.

5/ TD/B(XIV)/Misc.7, circulated by decision of the Board at its 383rd meeting, on 20 August 1974, the Board having taken note of the financial implications of its decision.

6/ See Official Records of the Trade and Development Board, Fourteenth Session, First Part, Annexes, agenda item 4 (a), document TD/B/(XIV)/Misc.3.

7/ For a more detailed account of the observations of the Secretary-General of UNCTAD on commodity issues, see paras. 96-99 below.

the growing importance of relationships among the developing countries themselves. It would be wrong to view the dynamics of future economic development merely in terms of a simple "bipolar" relationship between the countries of the third world, on the one hand, and the developed countries, on the other. As the developing countries themselves experienced the transformation of their economic systems, as their capacities to produce expanded and became diversified, as their standards of living increased and their consumption patterns altered, there would be immense new opportunities for interchanges and relationships among themselves.

10. There was also the new situation that had been created by the emergence of substantial payments surpluses for some countries of the third world. Institutions, mechanisms and facilities should be established whereby some of the resources accruing to some parts of the third world could be made available for financing development within the third world itself. That would need to be done in a way that would satisfy the needs of the countries with payments surpluses for adequate returns and secure investment outlets.

11. UNCTAD was an appropriate forum for constructive work in the intensification of trade between countries with different economic and social systems and for dealing with the problems of special groups of countries, in particular the least developed and the land-locked developing countries. It was also in the unique position of being able to take an over-all view of the interdependence of problems of trade, development finance and the international monetary system. While, in the area of monetary affairs, the Committee on Reform of the International Monetary System and Related Issues (of IMF) 8/ had proposed an interim package of reform, the question of the link between the creation of special drawing rights (SDR) and finance for development still remained to be settled and should be kept under constant review by UNCTAD. In the field of trade, it was expected that the multilateral trade negotiations would soon be effectively under way and, in order to discharge his mandate, he or his representative would need to be present at the meetings of the Trade Negotiations Committee on a regular basis. UNCTAD hoped to play a constructive and co-operative role in the negotiations, but had no desire to intrude upon discussions when privacy was needed and when a wide negotiating forum was thought inappropriate.

12. In conclusion, the Secretary-General of UNCTAD stated that, while UNCTAD must pursue its role as a forum in which the central issues of development were kept under constant review and in which pressures for change and reform were unceasingly applied, in his view it also needed to evolve into a body which dealt with practical issues and negotiated specific agreements. The time had come to reflect on how UNCTAD could be transformed into a more effective, more constructive and more creative institution of the family of the United Nations.

B. General considerations

13. Representatives of most developing and developed market economy countries who participated in the debate stressed the special importance of the current session of the Board, which was being held against the background of the serious deterioration in international economic conditions since the Board's thirteenth session. They pointed to the impact of continued instability in the world monetary

8/ Known as the Committee of Twenty.

field, characterized by wide exchange rate fluctuations and speculative movements in exchange markets. They underlined the danger of world-wide recession as the result of spiralling inflation, which had been accentuated by the sharp rise in oil prices and had led to serious balance-of-payments difficulties for both developed and developing countries. The timing of the session was also significant, occurring as it did after the sixth special session of the General Assembly and the fifty-seventh session of the Economic and Social Council, and before a series of important meetings related to development problems, such as those on the mid-term review and appraisal of the implementation of the International Development Strategy for the Second United Nations Development Decade, the seventh special session of the General Assembly and other important meetings under the aegis of the United Nations.

14. Representatives of many countries emphasized the fact that the recent developments in the commodity field, while affecting both developed market economy countries and developing countries, had brought about a serious deterioration in the terms of trade of many developing countries, notably the least developed, for some of which the problem had been further compounded by natural disasters such as floods and drought. Representatives of developed and developing countries alike supported the suggestion of the Secretary-General of UNCTAD that commodities - which, as the representative of one of the latter countries pointed out, represented the life-line of the overwhelming number of developing countries - should be a field of priority action for UNCTAD. All those factors brought into focus the need for action to be taken in order to seek solutions to the difficulties of developing countries in the fields of trade and development and the need to reassess the priorities of UNCTAD itself in order to increase its effectiveness in the light of the resolutions adopted recently by the General Assembly at its sixth special session.

15. Representatives of the socialist countries of Eastern Europe laid great stress on the importance of détente and peaceful coexistence for the normalization of trade and pointed out the need for the present détente to be a durable one. They referred in that connexion to the significance of the Conference on Security and Co-operation in Europe and the results it was likely to achieve. East-West détente, in their view, had helped increase world trade. They also reiterated the importance they attached to the General Principles adopted at the first session of the Conference ^{9/} and stated that UNCTAD had an important role to play in the normalization of trade between countries with different economic and social systems. Some of those representatives stated that their countries' trade with developing countries was growing rapidly, and the representatives of some developing countries gave information on their trade with the socialist countries of Eastern Europe.

16. The representative of a socialist country of Eastern Europe, stating that his country was a developing country, stressed that UNCTAD must be given new impetus and its activities adapted to the present situation, which was different from that which had prevailed when UNCTAD was first established. The ideas put forward by

^{9/} See Proceedings of the United Nations Conference on Trade and Development, First Session, vol. I, Final Act and Report (United Nations publication, Sales No.: 64.II.B.11); third part, annex A.I.1.

the Secretary-General of UNCTAD were based on a realistic appraisal of the situation and the guidelines he suggested deserved careful consideration.

17. Reviewing events in the trade and monetary fields since the thirteenth session of the Board, the representatives of many developing countries deplored the sluggish pace of trade and monetary reforms, and one of those representatives said that even the participation of developing countries in monetary reform had proved to a large extent to be ineffective as major decisions had been taken outside the Committee of Twenty. They noted with regret the delay in starting the multilateral trade negotiations, and further stated that developed countries had used the argument that they could not prejudge developments in the negotiations as an excuse to block all movement in trade liberalization in several UNCTAD meetings, thus adding to the frustrations of the developing countries. Furthermore, in order to ensure that the benefits of the generalized system of preferences (GSP) were not eroded by the negotiations, they said that the present schemes would need to be improved and special arrangements made for developing countries in the multilateral trade negotiations.

18. Those same representatives stressed the urgent need, in the field of monetary reform, for the establishment of a link between the creation of SDR and the provision of additional development finance. Some of those representatives expressed regret at the slowing down of financial transfers, particularly of official development assistance (ODA), to developing countries. The real value of ODA from member countries of the Development Assistance Committee of OECD had fallen in 1973, leading to increased commercial borrowings by the developing countries from such sources as the Eurocurrency market at high interest rates, thus aggravating the already serious debt situation of a large number of developing countries. Representatives of some of those countries pointed to the pressing need for urgent measures - including the formulation of new principles and guidelines - to deal with the problem of indebtedness. Furthermore, unless immediate action was taken either to cancel or reschedule debt repayments, developing countries would be unable to import food and other essentials. They could not afford to wait on the decisions of the Ad Hoc Group of Governmental Experts on Debt Problems of Developing Countries since the report on its next session would not be available until at least the end of the year, by which time the damage to the developing countries might well be beyond repair.

19. Representatives of several developed market economy countries said that the current economic crisis had affected their own countries as well as developing countries and pointed to the economic difficulties they themselves were facing. Many of those representatives informed the Board of the development assistance their countries were nevertheless providing and would continue to provide to the developing countries. One of the representatives commented on the unsatisfactory flow of ODA to developing countries, a matter which was of great concern to developing countries and in which the role of UNCTAD had become even more important than before.

20. Representatives of several developed market economy countries noted that the long-awaited multilateral trade negotiations now seemed likely to start in the near future and they expressed the hope that the majority of developing countries would participate actively in those negotiations, which in the light of the special

provisions of the Tokyo Declaration, 10/ would afford solid benefits to the developing countries. Some of those representatives pointed to the importance of the role of UNCTAD in assisting the developing countries in their preparations for the negotiations. Representatives of some developed market economy countries gave details of improvements their countries had made, or were preparing to make, in their schemes of preferences, and the representative of the United States of America referred to the request by the President of the United States for the passage of the United States Trade Bill, which contained provisions for a United States scheme of generalized preferences.

21. The representative of EEC underlined that one of the main achievements of UNCTAD has been the introduction of GSP, 11/ in which EEC had participated since its inception. However, that system alone could not resolve the problem of increasing the export earnings of the many developing countries which were dependent upon exporting primary commodities. To solve the long-term problems in that important sector, the Community hoped that UNCTAD member States would bring the same political will which had helped to achieve results on GSP. He referred to the ministerial negotiating conference between EEC and the African, Caribbean and Pacific countries, held at Kingston, Jamaica, in July 1974, where the association of 45 countries of Africa, the Caribbean and the Pacific was discussed, and gave details on the proposed scheme for the stabilization of those countries' earnings from raw material exports. He also referred to resolutions recently adopted by the EEC Council of Ministers concerning the amount of development aid and the co-ordination of development assistance activities. Representatives of individual EEC countries also briefly mentioned the question of EEC relations with the developing world.

22. The representative of a socialist country of Eastern Europe provided details of the soft terms on which financial assistance was provided to developing countries, with repayment of credits by traditional exports of developing countries or by the products of undertakings built in those countries with assistance from the socialist countries of Eastern Europe. The representative of another socialist country of Eastern Europe referred to the scheme of generalized preferences which it had introduced. Representatives of socialist countries of Eastern Europe stated that, because of their economic system, their countries had been able to insulate themselves from the worst effects of the breakdown in the international monetary system; they nevertheless shared the views of developing countries on the inadequate results in the trade and monetary field and stressed the need for UNCTAD, as the most representative and universal body, to play a major role in the reform of the international monetary system.

23. Representatives of two oil-producing developing countries gave details on the assistance their countries were providing to other developing countries through various banking and financial institutions. One of those representatives noted with interest the suggestion made by the Secretary-General of UNCTAD regarding special measures - perhaps new institutional facilities - which would satisfy the needs of the oil-producing countries for adequate returns and secure

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

11/ See Conference resolution 21 (II) of 26 March 1968 and Trade and Development Board decision 75 (S-IV), annex, of 13 October 1970.

investment outlets. He requested the secretariat to undertake a preliminary study outlining the main measures and schemes to encourage such investment.

24. In commenting on the sixth special session of the General Assembly, representatives of developing countries stated that it had given a new sense of urgency to the need for a reform of the present international trade and monetary system and that the resolutions adopted at that session - the Declaration and the Programme of Action on the Establishment of a New International Economic Order - had indicated the type of action to be taken. The sixth special session had helped to reinforce the decisions taken at the three sessions of the Conference and had highlighted the need for UNCTAD to adapt itself to meet its new role under the mandate assigned to it. It had helped to strengthen the voice of developing countries in their attempt to solve their problems on the basis of sovereign equality and independence. The Programme of Action could be characterized as a "charter of emancipation" of the developing countries and, in their view, must be fully implemented without delay.

25. The representative of a socialist developing country of Asia said that the sixth special session and the adoption of the Declaration and the Programme of Action was an important achievement for the third world and was the result of the strengthening of the unity of the developing countries and their persistence in their just struggle. That session had demonstrated the burning desire of those countries to safeguard the sovereignty of their natural resources. He also stressed the need to strengthen UNCTAD to carry out the mandate given to it by the special session.

26. The representative of another socialist developing country of Asia agreed that one of the most important sections of the Declaration and the Programme of Action was that relating to the exercise of permanent sovereignty over their natural resources by developing countries and their right to nationalize and pay compensation under their own laws.

27. The representative of a socialist country of Eastern Europe, stating that his country was a developing country, underlined the important part which must be played by UNCTAD in the implementation of the Programme of Action and called attention to some of the regular activities of UNCTAD which should be strengthened in the light of the Programme. He also stressed the need for expanded technical assistance in favour of the developing countries, particularly in the areas of trade in raw materials and multilateral economic co-operation among developing countries, asking the secretariat to examine this matter and inform the Board of its findings.

28. Representatives of developed market economy countries said that the sixth special session of the General Assembly and the fifty-seventh session of the Economic and Social Council had made clear the aspirations of a number of countries, but had also made clear the difficulties of reaching a consensus on all the actions proposed in the Declaration and the Programme of Action. The representatives of those countries, while expressing their cognizance of the importance of the sixth special session, stated that their countries had been forced to make specific reservations on a number of points in the Programme of Action and that their stand on those issues had not changed; thus it could not be claimed that either the Declaration or the Programme of Action represented a full and general agreement among the community of nations.

29. One of those representatives stated that, while he recognized the significance of the resolutions, he considered that the Programme of Action did not present agreed viable solutions to well-identified problems, but served rather as a compendium of concerns for the developing countries which had been and should continue to be given careful consideration. What was now required was for the Board to attempt to examine specific issues and to try to reconcile differences.

30. The representative of a developed market economy country said that, if it had had to indicate its position in the General Assembly with regard to the Declaration and the Programme of Action, it would have stressed the importance of the critical changes in the world economic situation and the need for well-prepared international actions, based on as broad a consensus as possible. At the same time, it would have had to enter a certain number of reservations.

31. Representatives of some developed market economy countries said that they had lent their full support to both the Declaration and the Programme of Action, which were an encouraging manifestation of international co-operation on economic problems. The representative of another developed market economy country considered the "follow-up" on the sixth special session to be one of the main tasks of the Board at its fourteenth session. Supported by the representative of another developed market economy country, he pointed to the disappointing results - with regard to this "follow-up" - of the fifty-seventh session of the Economic and Social Council and said that the international community ran the risk, as time went by, of seeing the vision of a new economic order fade away, although he recognized that such an order could not be created overnight. While a new economic order must benefit both developed and developing countries, one of its inevitable results would be a redistribution of wealth. If the rich countries were reluctant to accept that, they should realize that such evolution had already started and would be carried through either on the basis of a long and hard-fought struggle or by a process of negotiation.

32. The representatives of a number of developed market economy countries said that, notwithstanding the long-term nature of the problems revealed at the sixth special session, the immediate problems of the countries most seriously affected by the current economic crisis should not be forgotten and full support should be given to the Special Programme of emergency relief, adopted by the General Assembly in its resolution 3202 (S-VI), section X. Some of those representatives gave details on the contributions their countries were making or were proposing to make to the Special Fund which had been established under the Special Programme.

33. Representatives of the socialist countries of Eastern Europe expressed their views on the importance of the Declaration and the Programme of Action and said that the main message of the sixth special session was that all countries had to play their part in the creation of a just economic system and to remove the unfair conditions of trade brought about by imperialism. International economic relations were to be built on the principles of sovereign equality of States, non-interference, equal participation and the right of each country to determine its own political, economic and social system. Other important subjects covered related to sovereignty over natural resources, control of foreign capital, particularly transnational corporations, and nationalization based on national laws. Implementation of the two resolutions would lead to just and equal conditions for all countries. The representatives of two of those countries emphasized the role that UNCTAD could play in ensuring that the elements in the Declaration and the Programme of Action were transformed into concrete programmes.

34. There was thus general agreement that the sixth special session of the General Assembly had given a new impetus to the whole question of development and had emphasized the interdependence of the world and the need for mutually reinforcing actions guaranteeing the rights and duties of individual States. It was in that connexion that the proposed Charter of Economic Rights and Duties of States had an important role to play in establishing norms for the conduct of international economic relations. The representative of one developed market economy country said that in his view the Charter, in combination with the Declaration and the Programme of Action, should provide the third pillar for world-wide international co-operation. Representatives of several countries stated that substantial progress had already been made on the draft Charter and they hoped that agreement could be reached on the major outstanding issues. The representative of one developed market economy country said that the value of the Charter for the international community would depend on the degree of true consensus among sovereign nations on the issues that still remained to be resolved.

35. A number of representatives - particularly from developed market economy countries - emphasized that no solid or concrete results could be achieved unless confrontation was replaced by co-operation. In a world which was becoming increasingly interdependent, co-operation and dialogue were essential whereas confrontation could only prove counterproductive. What was required was a pragmatic willingness to give and take. Attempts to force through resolutions unacceptable to some countries could not yield fruitful results. Representatives of developing countries, while also commending the value of co-operation, pointed out that that called for a lack of rigidity in attitudes and for sensitivity to the needs of others. It could not be considered surprising that the very real frustrations of developing countries, resulting from their inability to obtain any concrete results on matters of grave concern to them, should drive them to seek solutions in confrontation. Moreover, the representative of one developing country stressed that consensus should not be based on the lowest common denominator to meet the requirements of the more recalcitrant, but rather on the highest common factor. Any other approach could only present obstacles to change.

36. The representative of one developing country emphasized that positive, practical and realistic political will and rationalization of the group system were the only answer to obtaining meaningful results in all aspects of the work of UNCTAD. Without the political will to achieve genuine and positive agreement, resolutions and decisions would be devoid of real meaning.

37. At the 404th meeting of the Board, on 5 September 1974, the representative of Pakistan introduced, on behalf of the Group of Seventy-seven, a draft resolution on implementation of the Declaration and the Programme of Action (TD/B/L.357).

38. At the 412th meeting of the Board, on 13 September 1974, the President drew attention to draft resolution TD/B/L.376, which had been the subject of informal consultations. Draft resolution TD/B/L.357 was withdrawn.

Action by the Board 12/

39. At the 412th meeting of the Board, on 13 September 1974, at the request of

12/ For a full account of the statements made in connexion with the action taken by the Board on this question, see the summary record of the 412th meeting (TD/B/SR.412).

the representative of the United States of America under rule 54 of the rules of procedure of the Board, a separate vote was taken on operative paragraph 1 of draft resolution TD/B/L.376. Operative paragraph 1 was adopted by 46 votes in favour, 5 against and 7 abstentions. The remaining parts of the draft resolution were adopted without a vote.

40. A vote was taken on the draft resolution as a whole. The draft resolution was adopted by 47 votes to none, with 12 abstentions (see annex I below, resolution 122 (XIV)).

41. Speaking in explanation of vote, the representative of the United Kingdom of Great Britain and Northern Ireland said that his delegation had voted against operative paragraph 1 of the draft resolution because it had major reservations on a number of the proposals in the Declaration and the Programme of Action adopted at the sixth special session of the General Assembly. He recalled his delegation's statement at the fifty-seventh session of the Economic and Social Council with regard to texts which required unqualified acceptance and total implementation of the Declaration and the Programme of Action and expressed its disappointment that once again it had not proved possible to reach agreement on a formulation acceptable to all delegations. In his delegation's view, it would be a mistake for UNCTAD to proceed with the implementation of the Declaration and the Programme of Action as if no reservations had ever been expressed or as if the reservations expressed were of no subsequent relevance.

42. The representative of the United States of America said that his delegation had voted against operative paragraph 1 of the draft resolution because of the apparent commitment to constrain the international community to put into effect the Declaration and the Programme of Action in the terms in which they had been adopted. His delegation viewed with great concern the presentation in the Board of a proposal that had already failed to win universal support in the Economic and Social Council. Operative paragraphs 2 to 5 were aimed at a different goal, which was more nearly consistent with his Government's position. His Government looked forward to participating actively in the search for positive and practical solutions to the problems of the developing countries and believed that the chances for success would be increased if there was no commitment to rigid formulae. He pointed out, with regard to the references to Economic and Social Council resolution 1911 (LVII) of 2 August 1974 in operative paragraphs 2 and 3, that his Government had opposed the adoption of that resolution in the Council. Finally, with regard to operative paragraph 6, he stated that it was his delegation's understanding that the action of the Board in no way committed the General Assembly or Governments participating in the General Assembly in their consideration of budgetary proposals.

43. The representative of the Federal Republic of Germany said that his country had expressed a number of reservations on the Declaration and the Programme of Action at the time of their adoption because some parts of the Programme of Action were not compatible with the legal framework on which the economic order of his country was based. Those reservations were the expression of an honest effort to reach a fruitful and realistic compromise through negotiations, and his delegation regretted that they had not been taken into account in the resolution just adopted. It was for those reasons that his delegation had voted against operative paragraph 1 and had abstained in the vote on the draft resolution as a whole. Finally, he wished to make clear that the reservations he had just expressed applied to all resolutions and decisions adopted at the current session of the Board in which reference was made to the Declaration and the Programme of Action.

44. The representative of France said that his delegation had voted against operative paragraph 1 and abstained in the vote on the draft resolution as a whole, not because it was opposed to the substance of the draft resolution but because it disapproved of the machinery proposed for review of the implementation of the Declaration and the Programme of Action. States should not be called upon to implement resolutions which they had voted against or on which they had expressed reservations.

45. The representative of Italy said that his delegation had voted against operative paragraph 1 and had abstained in the vote on the draft resolution as a whole because it wished to confirm the reservations it had expressed with regard to the Programme of Action and Economic and Social Council resolution 1911 (LVII). The draft resolution did not take account of those reservations, which could hardly be withdrawn after so short a time. His Government, however, was aware of the need for a restructuring of international relations and would make every effort to co-operate in all fields of economic and social development within the limits of its own economic possibilities.

46. The representative of Denmark said that his delegation had abstained in the votes on operative paragraph 1 and on the draft resolution as a whole because the draft resolution did not refer to the reservations expressed at the time of the adoption of the Declaration and the Programme of Action by the General Assembly. He regretted that it had not been possible to arrive at a consensus on the draft resolution in question.

47. The representative of Austria said that his delegation had abstained in the votes on operative paragraph 1 and on the draft resolution as a whole because, although his country was willing to contribute to the establishment of a new international economic order, it was obliged to maintain the reservations it had expressed on the Declaration and the Programme of Action.

48. The representative of Belgium said that, although his country supported the establishment of a new international economic order, his delegation had abstained in the votes on operative paragraph 1 and on the draft resolution as a whole because no reference was made to the reservations expressed at the time of the adoption of the Declaration and the Programme of Action and at the fifty-seventh session of the Economic and Social Council. He regretted that it had not proved possible to reach a consensus on the draft resolution as a whole.

49. The representative of Japan said that his delegation had abstained in the votes on operative paragraph 1 and the draft resolution as a whole because his country maintained the reservations which it had expressed on the Declaration and the Programme of Action at the time of their adoption. His delegation regretted that the Board had not been able to reach a consensus on the question of the implementation of the Declaration and the Programme of Action.

50. The representative of Switzerland said that his delegation had abstained in the votes on operative paragraph 1 and the draft resolution as a whole in accordance with the position it had adopted at the 388th meeting of the Board on the question of the implementation of the Declaration and the Programme of Action and, in particular, the competence of UNCTAD in that field (see para. 30 above).

51. The representative of Ireland said that his delegation had abstained in the vote on operative paragraph 1 because, in his country's view, the combination of

the Declaration and the Programme of Action in one "package" made it impossible for States to express their positions clearly. His delegation had voted in favour of the draft resolution as a whole, however, because it supported the Declaration and the Special Programme. It was generally favourable to the Programme of Action, even though it contained some elements which would require considerable further negotiations before they could be fully accepted. In that connexion, he recalled that, at the sixth special session of the General Assembly, the representative of the Federal Republic of Germany, speaking on behalf of the members of EEC, had made a statement covering many of his country's reservations with regard to the Programme of Action.

52. The representative of Australia said that, although his country had entered a number of specific reservations on the Declaration and the Programme of Action, his delegation had voted in favour of operative paragraph 1 and of the draft resolution as a whole because it supported the urgent purposes of the resolutions adopted at the sixth special session of the General Assembly. His country would do its utmost, in co-operation with the international community, to implement the Programme of Action and work towards an acceptable restructuring of the international economic order.

53. The representative of Finland said that his delegation had voted in favour of operative paragraph 1 and of the draft resolution as a whole because it recognized that the international community must make joint efforts to establish a new international economic order. His country had not entered specific reservations on the Declaration and the Programme of Action and had supported Economic and Social Council resolution 1911 (LVII). Some of the recommendations in the Programme of Action would obviously present problems for his country, which was faced with persistent economic difficulties, but that fact did not make his country any less ready to participate in the establishment of a more just and equitable international economic order.

54. The representative of Spain said that his delegation had voted in favour of operative paragraph 1 and of the draft resolution as a whole because it fully supported the establishment of a new international economic order in accordance with the provisions of the Programme of Action adopted by the General Assembly at its sixth special session.

55. The representative of Norway said that, although his country had entered some reservations on specific points in the Programme of Action, his delegation had voted in favour of the resolution just adopted because it fully supported the main objectives and purposes of the Declaration and the Programme of Action. It nevertheless regretted that it had not been possible for the Board to reach a consensus on the question of the implementation of the Declaration and the Programme of Action.

56. The representative of the Netherlands said that his delegation had voted in favour of operative paragraph 1 and of the draft resolution as a whole because it believed that the Programme of Action constituted a major challenge for the international community. It nevertheless regretted that it had not been possible to reach agreement on a text which would emphasize the importance of the Programme of Action for the future work of the Board and, at the same time, refer to the reservations made by some countries, including his own, on certain provisions of the Programme of Action.

57. The representative of Sweden said that his delegation had voted in favour of operative paragraph 1 and of the draft resolution as a whole because his country, despite the problems it still had with the formulation of some of the provisions of the Programme of Action, regarded the Programme of Action as a very important set of guidelines for the efforts to be made by the international community towards the establishment of a new international economic order. Every effort should be made to maintain the political impact of the Declaration and the Programme of Action.

58. The representative of India, speaking on behalf of the Group of Seventy-seven, expressed his disappointment that it had not been possible to reach general agreement on the draft resolution, particularly in view of the efforts made by the Group of Seventy-seven to take account of the views of other groups and to co-operate in the formulation of compromise texts. The Group of Seventy-seven had proposed a compromise text for operative paragraph 1, but unfortunately it had not been accepted by Group B. It was particularly regrettable that the positions of Governments which had abstained in the vote on paragraph 1 of Economic and Social Council resolution 1911 (LVII) had hardened, and that those Governments had decided to vote against paragraph 1 of the resolution just adopted, which was identical in wording. The Group of Seventy-seven could only reiterate its appeal to those countries which still had doubts about some of the provisions of the Declaration and the Programme of Action to display the necessary political will and to reconsider their positions. In conclusion, he thanked those delegations which had voted in favour of the resolution and said that the Group of Seventy-seven looked forward to the positive action to be taken by the Secretary-General of UNCTAD and by the Board and its subsidiary bodies with a view to ensuring the effective implementation of the Declaration and the Programme of Action.

59. The representative of the United States of America pointed out that several Group B countries, including his own, had proposed compromise texts for operative paragraph 1 of draft resolution TD/B/L.376, and expressed his disappointment that those texts had been rejected by the Group of Seventy-seven.

C. Dissemination of information and mobilization of public opinion relative to problems of trade and development (Conference resolution 43 (III))

60. The representative of a developed market economy country said that the task of UNCTAD was twofold: first, to report objectively on development, which should be done mainly by means of written information; and, secondly, to stimulate public opinion, which was best achieved by audio-visual means. He repeated the suggestion made by his Government in other United Nations bodies that every high official within the United Nations system should be an agent for information and the mobilization of public opinion by talking to university, professional and other circles interested in United Nations activities. That, he said, could be achieved with the help of United Nations information centres and non-governmental organizations, without supplementary costs, in a large number of countries. It seemed to him that the information policy of the UNCTAD secretariat was now on the right path and needed only to be encouraged by member States. The representative of a developing country proposed that an appropriate publication be issued to commemorate the first 10 years of UNCTAD.

Action by the Board

61. At its 405th meeting, on 6 September 1974, the Board took note of the report of the Secretary-General of UNCTAD on the public information activities of the UNCTAD secretariat (TD/B/508) and, in the light of comments at the current session, requested him to intensify those activities as resources permit and in co-operation with the United Nations Office of Public Information and its Centre for Economic and Social Information.

62. The Board considered that, among those activities, attention should be paid to the mobilization of public opinion through audio-visual media and lectures and that further improvements might be made in the presentation of written information, which should be adapted to the specific needs of different audiences.

63. The Board noted that the tenth anniversary of UNCTAD had been highlighted in its public information programme for 1974 and welcomed the planned "encounter" between leading personalities and journalists as part of the anniversary celebrations. It invited the Secretary-General of UNCTAD to prepare an appropriate publication on the activities of UNCTAD in its first 10 years. It further invited him, in the period leading up to the fourth session of the Conference, to give priority, in UNCTAD public information activities, to conveying to public opinion the importance of the session and of the issues before it.

D. Trade and economic aspects of disarmament (Conference resolution 44 (III))

64. Representatives of some socialist countries of Eastern Europe stated that, acting on a proposal by the Union of Soviet Socialist Republics, the General Assembly had adopted resolution 3093 (XXVIII) of 7 December 1973 concerning reduction of the military budgets of States permanent members of the Security Council by 10 per cent and utilization of part of the funds thus saved to provide assistance to developing countries. They said that implementation of that resolution would make available substantial resources and make it possible to allot part of them for the provision of additional assistance to developing countries most seriously affected by the economic crisis. The representative of one socialist country of Eastern Europe said that, together with other delegations, his country had supported the idea, suggested at the General Assembly's twenty-eighth session, of asking the UNCTAD secretariat to make a detailed study of the impact of the planned reduction of military budgets on trade and development.

65. The representative of a socialist developing country of Asia questioned the political will of the super-Powers to reduce military expenses and stated that that proposal was simply an attempt to shift the responsibility for the continuing arms race on to other countries. His country had voted against General Assembly resolution 3093 (XXVIII) and was therefore opposed to examination of the issue and the relevant reports within UNCTAD.

Action by the Board

66. At its 405th meeting on 6 September 1974, the Board took note of the information provided by the UNCTAD secretariat concerning the action taken by the General Assembly on this subject and of the statements made during its session in relation to this matter. It invited the Secretary-General of UNCTAD to continue

keeping it informed of developments in this field, so that it might keep the matter under review in accordance with Conference resolution 44 (III).

E. Impact of environment policies on trade and development, in particular of the developing countries (Conference resolution 47 (III))

67. The representative of one developing country regretted that the scope of UNCTAD activities carried out jointly with UNEP in the field of environment had fallen short of his Government's expectations. More particularly, he regretted that the forthcoming joint UNCTAD/UNEP symposium on patterns of resource use, environment and development strategies, to be held at Mexico City from 6 to 12 October 1974, was not scheduled to treat, in addition to the problems of resource availability and management and alternative patterns of development, the important question of the development of natural resources in developing countries. The representative of another developing country welcomed the co-operation between UNCTAD and UNEP, as described in the progress report of the UNCTAD secretariat (TD/B/509), and expressed the hope that the symposium would throw light on the relationship between the rational utilization of natural resources and the environment.

68. The representative of a socialist country of Eastern Europe said that the Board should pursue its consideration of this question and, in particular, of the possibility of imposing a ban on all military and other activities that might affect the environment and the climate and that were incompatible with international co-operation and the well-being and health of peoples. Such a ban would strengthen the chances of peace and would facilitate the solution of important problems in the field of trade and development.

Action by the Board

69. At its 408th meeting, on 11 September 1974, the Board took note of the progress report of the secretariat (TD/B/509). It welcomed the further evidence of constructive co-operation between UNCTAD and UNEP and requested that it be kept informed of the outcome of the joint UNCTAD/UNEP symposium.

70. The Board requested the secretariat to complete its first study on trade barriers and restrictions resulting from environmental policies for submission to the Committee on Manufactures at its seventh session and to the Board at its fifteenth session. The Board also requested the secretariat to submit the study on the impact of measures for the protection of the human environment on the competitive position of natural vis-à-vis synthetic materials - even in its preliminary form - to the Permanent Group on Synthetics and Substitutes at its sixth session.

F. Trade expansion, economic co-operation and regional integration among developing countries (Conference resolution 48 (III))

71. The representatives who spoke on this subject stressed the important role played by trade expansion, economic co-operation and regional integration among developing countries in promoting their economic and social development and several of them stated that it had not yet received the attention it warranted. The representative of one developing country expressed surprise that, in view of the

statement by the Secretary-General of UNCTAD (see para. 9 above) and section VII of the Programme of Action, this issue had not appeared as a separate item on the Board's agenda.

72. Representatives of several developing countries observed that closer economic co-operation among developing countries was an important aspect of the collective self-reliance of the third world. One of those representatives stated, however, that such co-operation would not in itself suffice to solve the problems of the developing countries, which would continue to need outside aid. The representative of another developing country expressed the view that co-operation among developing countries should take the form of consultative and co-operative associations among producers, the recent establishment of a group of non-aligned commodity-producing countries and the convening of a conference of non-aligned countries on commodities for early 1976 being, in his view, of particular significance. He added that developing countries should also co-operate in accelerating plans for industrialization and the processing of commodities with a view to increasing the value of their exports and thus reducing their economic vulnerability. In that connexion, regional and subregional integration could help developing countries to mitigate the disastrous effects of economic catastrophes.

73. The representative of an oil-producing developing country stated that co-operation and solidarity among the developing countries was a prerequisite for the establishment of a new international economic order. He observed that his country, which was at present in a particularly favourable position as regards financial resources, felt it would be fair to share those resources with other developing countries, and he gave details of the steps it had taken to that end. The representative of another oil-producing developing country stated that his country had in recent years increased its flow of aid to other developing countries through various banking and financial institutions and had granted loans on soft terms under bilateral arrangements. The representative of another developing country said he would welcome suggestions by the secretariat for strengthening co-operation among developing countries in the light of the new opportunities offered by the availability of disposal funds in the oil-exporting countries.

74. Representatives of some developing countries described the measures taken by them, including agreements for economic, financial, scientific and technical co-operation, to promote co-operation among developing countries on a subregional and interregional basis. One of those representatives stated that support was needed from the international community to help overcome the commercial and financial obstacles to such co-operation: on the commercial side, the activities of the International Trade Centre UNCTAD/GATT should be strengthened, while on the financial side, the World Bank and the regional development banks should increase their assistance to help promote developing countries' exports.

75. The representative of one developing country, speaking on behalf of the Association of South-East Asian (ASEAN) group of countries, said that ASEAN believed that economic co-operation among developing countries should be encouraged along the lines laid down in the Programme of Action. He added that the countries members of ASEAN were co-operating more closely with each other and gave details of the measures taken or envisaged to enhance such co-operation. The representative of another developing country referred to the action taken at the Islamic summit meeting (Lahore, February 1974) with respect to economic co-operation among developing countries, noting that an important recent step to

promote such co-operation had been the establishment of the Islamic Bank to assist developing countries in need of financial resources for development. He added that developing countries must increase trade among themselves in order to reduce their dependence on the developed countries, and should grant trade preferences to each other without being obliged to extend them to the developed countries.

76. The representative of a developed market economy country stated that his country had consistently advocated that ways and means of promoting trade expansion, economic co-operation and regional integration among developing countries should be further explored and had made a substantial financial contribution to the Georgetown research project on co-operation among developing countries. He looked forward to hearing the outcome of the consultations between the Secretary-General of UNCTAD and the institutions that had participated in the meeting of the Ad Hoc Group on the Role of Multilateral Financial Institutions in Promoting Integration among Developing Countries, 13/ noting that the participating institutions themselves should be responsible for organizing such activities as might be proposed. The representative of EEC observed that one of the most important resolutions recently adopted by the Community, representing the first stage in a consistent and comprehensive world-scale policy for development co-operation, concerned technical assistance for trade expansion and regional integration.

77. At the 406th meeting of the Board, on 9 September 1974, the representative of Peru introduced a draft resolution (TD/B/L.364) on co-operation among developing countries on behalf of the Latin American Group (see annex II below).

78. At the 412th meeting of the Board, on 13 September 1974, the President introduced a draft decision (TD/B/L.379) which he had submitted as a result of his informal consultations.

Action by the Board

79. At the same meeting, the Board adopted the draft decision (TD/B/L.379) (see annex I below, decision 121 (XIV)).

G. The exploitation, for commercial purposes, of the resources of the sea-bed and the ocean floor, and the subsoil thereof, beyond the limits of national jurisdiction (Conference resolution 51 (III))

80. The representative of the Secretary-General of UNCTAD introduced the note by the secretariat on the economic implications for developing countries, and possible measures to avoid adverse economic effects, of the exploitation of the mineral resources of the sea-bed beyond national jurisdiction (TD/B/492 and Corr.1) and case studies on manganese ore and copper (TD/B/483 and Corr.1 and Add.1 and Add.1/Corr.1; TD/B/484). He stated that, in accordance with the Board's request at its thirteenth session, 14/ the studies on the subject by the UNCTAD

13/ The report of the Ad Hoc Group was circulated to the Board under the symbol TD/B/516 and Corr.1.

14/ See Official Records of the General Assembly, Twenty-eighth Session, Supplement No. 15 (A/9015/Rev.1), part three, para. 58.

secretariat, together with a summary of the views expressed thereon by the Board, had been transmitted to the Third United Nations Conference on the Law of the Sea for consideration. In the spirit of the Board's decision, the case studies on manganese ore and copper, completed since the thirteenth session of the Board, had also been transmitted. In the light of the studies so far completed, it appeared to the UNCTAD secretariat that strict controls would need to be elaborated in advance of actual production of minerals from the sea-bed in order to ensure that such activity would not adversely affect the interests of developing producing countries.

81. Representatives of several developing countries and of one developed market economy country said that the reports and case studies prepared by the UNCTAD secretariat had been helpful to both the Board and individual Governments in formulating their views on questions relating to the economic implications of mineral production from the sea-bed. Some of those representatives made suggestions concerning the orientation of further studies by the secretariat. One of them stated that the secretariat's work on the subject illustrated its potential contribution to the study of other aspects of international trade in minerals and metals. In the light of the proposed integrated programme on commodities, he urged the UNCTAD secretariat to prepare a comprehensive report covering the special characteristics of metals and minerals, as well as a programme of further studies, for submission to the Committee on Commodities at its eighth session.

82. The representatives of developing countries stated that the secretariat's studies, although based on assumptions concerning the scale of sea-bed mining operations now recognized to be too conservative, confirmed that developing producing countries would suffer serious losses in export earnings unless effective remedial measures were taken. The income gap between the developed and developing countries could widen in the absence of such measures. They considered that there was need for firm preventive measures, or a combination of preventive and compensatory measures, and that the proposed international sea-bed authority should be vested with strong powers to exploit the resources of the sea-bed or to regulate production and prices. In their view, the UNCTAD secretariat, in its further work, should describe recent activities in the area of the sea-bed beyond national jurisdiction, analyse alternative solutions designed to minimize the adverse economic consequences, and examine the means by which an international authority could take effective action.

83. The spokesman for Group B, speaking on behalf of a large number of countries members of his Group, drew attention to the role of the Third United Nations Conference on the Law of the Sea and the extensive work done at the Conference. Since the Conference was continuing to deal with issues relating to the economic implications of sea-bed exploitation, among others, they considered that the UNCTAD secretariat should not act in any way which would prejudge the outcome of the Conference, which would resume its discussions in the near future.

84. The representative of one developed market economy country stated that UNCTAD was not the appropriate forum for discussion of the highly complex questions relating to the sea-bed. He added that the importance of protecting consuming countries from artificial price increases for minerals should be recognized in framing policies for the exploitation of the resources of the sea-bed.

85. The representative of another developed market economy country, noting that his country was a major producer of minerals, stated that his Government understood the concern of developing mineral-exporting countries at the possible impact of mineral production from the sea-bed, but the interests of consumers had also to be taken into account. He suggested that appropriate machinery should be established, in the over-all context of the law of the sea, to enable the necessary action to be considered if and when the need arose.

86. The representatives of several developing countries, commenting on remarks concerning the competence of UNCTAD in this field, stated that Conference resolution 51 (III), as well as the traditional role of UNCTAD in the field of international commodity policy, provided a continuing mandate for attention to this subject both by the permanent machinery of UNCTAD and by the secretariat.

Action by the Board

87. At its 412th meeting on 13 September 1974, the Board took note of the report entitled "Exploitation of the mineral resources of the sea-bed beyond national jurisdiction: examination of the economic implications for developing countries and of possible measures to avoid adverse economic effects" (TD/B/492 and Corr.1), and of the secretariat's specific studies on manganese ore and copper (TD/B/483 and Corr.1 and Add.1 and Add.1/Corr.1 and TD/B/484) in accordance with Conference resolution 51 (III).

88. The Board also noted that, when undertaking further studies in this field, the Secretary-General of UNCTAD would take into account the views and positions expressed at its current session and in other appropriate fora.

H. Developing island countries (Conference resolution 65 (III) and Board resolution 101 (XIII))

89. Representatives of several developing countries and some developed market economy countries noted with appreciation the contribution which organizations within the United Nations system had already made in providing assistance to developing island countries, as reported in the Secretary-General's note (TD/B/507), and stressed the need to give further attention to the special problems of those countries. In that connexion, general support was expressed for Economic and Social Council decision 28 (LVII) of 2 August 1974, which requested a report outlining the special economic problems and development needs of the geographically more disadvantaged developing island countries and making concrete proposals concerning any measures required to overcome or minimize the effects of such special problems.

90. At the 404th meeting of the Board, on 5 September 1974, the representative of Pakistan submitted a draft resolution on developing island countries on behalf of the Group of Seventy-seven (TD/B/L.355).

91. At the 409th meeting of the Board, on 12 September 1974, the President introduced a draft resolution (TD/B/L.367), which he had submitted as a result of informal consultations, and draft resolution TD/B/L.355 was withdrawn.

Action by the Board

92. At the same meeting, the Board adopted draft resolution TD/B/L.367 (see annex I below, resolution 108 (XIV)).

I. Impact of regional economic groupings of the developed countries on international trade, including the trade of developing countries

(TD/L.66 and Corr.1-3)

93. The representative of one developing country made particular reference to the enlargement of EEC and the application of the Community's common external tariff and stricter limitations on agricultural imports, which were considerably reducing his country's possibilities for the export of beef and cereal-based commodities. The Community had recently adopted even more restrictive measures; it had suspended imports of beef for a certain time, a decision which, even if justified by internal difficulties, reflected a protectionist attitude which ran counter to the commitments undertaken by the Community in favour of trade liberalization and which would have serious repercussions on world trade and, in particular, on the economies of the countries of the third world. The representative of a socialist country of Eastern Europe also referred to unilateral measures taken by the Community whose effects were already being felt and which created an unfortunate precedent.

94. In reply to the references to the Community beef import measures, the representative of EEC emphasized that it had already been agreed that those temporary measures should be the subject of consultations between the interested parties.

Action by the Board

95. At its 411th meeting, on 13 September 1974, the Board decided to defer this matter until its fifteenth session.

CHAPTER II

NEW APPROACHES TO INTERNATIONAL COMMODITY POLICY 15/

(Agenda items 4 (b) and 13)

A. General considerations

96. The Secretary-General of UNCTAD, in his introductory statement under item 4, 16/ said that three of the reports before the Board which were of particular importance dealt with the issue of commodities. Two of those reports - relating to an over-all integrated programme for commodities 17/ and to strengthening the activities of UNCTAD (TD/B/497) - had been prepared in direct response to the Programme of Action. The third was his report on the findings 18/ of the study of the indexation of prices (TD/B/503/Supp.1 and Supp.1/Add.1).

97. Commenting on the vital importance of the commodity issue in relation not only to the activities and concerns of UNCTAD, but also to the international economic situation as a whole, he said that many of the problems facing developing countries would have been avoided to a large extent - and could be avoided in the future - if those countries were in a stronger position on the commodity front. While there had been an upward movement in commodity prices in recent months, it was the result of temporary factors and there was evidence of a probable down-turn in commodity prices in the near future.

98. Little effective action had been taken to stabilize commodity markets. There were very few international commodity agreements, and a number of the existing agreements were not working satisfactorily. It was important, therefore, to learn from the experience of the past and to attempt to fashion new approaches that would overcome present deficiencies and weaknesses. He had tried, in his report on a programme for commodities, 17/ to present possible elements of a new approach to commodities. Some of the instruments proposed were relatively new and called for further elaboration and study before definitive positions could be taken.

99. Many of the problems in the commodity field were a legacy of the past and derived from the very structure of commodity trade. There was, therefore, much to be said not only for reviewing the commodity price situation but also for making a serious attempt at restructuring the entire international commodity economy.

15/ This subject was discussed in plenary under item 4 (b) of the agenda and in Sessional Committee I under items 4 (b) and 13. See also the account of the discussions on the intensive ad hoc intergovernmental consultations on commodities under agenda item 8 (a) in chapter VI below.

16/ See foot-note 5 above.

17/ See Official Records of the Trade and Development Board, Fourteenth Session, First Part, Annexes, agenda item 4 (b), document TD/B/498.

18/ Ibid., agenda item 13, document TD/B/503.

100. Representatives of a number of developing countries stated that not all developing countries had been able to benefit from the recent commodity price boom; indeed, over all, the commodity price rises had benefited developed market economy exporters of commodities more than exporters from developing countries. Such gains as developing countries had made had been wiped out by the inflationary rise in the prices of manufactures and other essential imports such as fertilizers, which had served not only to reduce the purchasing power of their exports but in some cases had precipitated a drastic fall in their standards of living. Moreover, there were now signs that the commodity price boom was coming to an end and, in the light of a possible slackening of demand in the developing countries for imported goods, the trend to world recession already evident would be further accelerated.

101. The representatives of developing countries supported the proposals made by the Secretary-General of UNCTAD in his report on a programme for commodities. 17/ While the representatives of some developed market economy countries also indicated support for the new approach embodied in those proposals, other such representatives said that they had difficulty with the new approach outlined by the Secretary-General and that they continued to favour a commodity-by-commodity approach. Representatives of most developed market economy countries said that more time would be needed to consider the proposals in greater detail. A number of representatives of both developing countries and developed market economy countries suggested that the subject should be considered by the Committee on commodities at its eighth session in February 1975. Recommendations could then be made to the fourth session of the Conference. The representative of EEC, in reference to a suggestion that had been made that the Committee on Commodities should refer its conclusions on the intensive consultations and the integrated approach to the Board at its special session in March 1975, stated that that would be far too soon to allow Governments to digest the conclusions of the Committee on Commodities. The report of the Committee on Commodities on its eighth session should therefore be submitted to the Board at its fifteenth regular session. If it proved possible to reach agreement on the constituent elements of a fresh approach at that session, those matters could fruitfully be pursued at the fourth session of the Conference.

102. Representatives of developing countries said that an integrated approach to commodities had been suggested both at the first and the third sessions of the Conference, but no action had been taken. The need for an over-all integrated programme reflected the inadequacy of the commodity-by-commodity approach used in the past. Any new integrated programme should include time-limits within which action should be taken.

103. Representatives of both developing and developed market economy countries said that possibilities of reaching satisfactory solutions to commodity problems appeared to be more hopeful since there was now a convergence of interests between producers and consumers - the latter were now interested in stability of supply and orderly prices and the former wanted assured markets and equitable prices.

104. Representatives of socialist countries of Eastern Europe emphasized their support for stabilization of international commodity trade and the importance of the role of UNCTAD in that field. One of the representatives expressed the view that international commodity agreements were an important means of stabilizing international commodity markets, even though difficulties had arisen in the

conclusion and implementation of such agreements in the past, and that UNCTAD, where solutions satisfactory to all parties could be discussed on a basis of equality, was the most appropriate forum for the conclusion of such agreements.

105. With regard to the intensive intergovernmental consultations on commodities, representatives of a number of developing countries agreed with the assessment made by the Secretary-General of UNCTAD that the results had been meagre and disappointing. In their opinion, the consultations had done nothing to improve the terms of trade of their countries. Representatives of developed market economy countries, however, felt that that was too pessimistic a view: the consultations had succeeded in highlighting the problems of individual commodities and assisting participants in preparing for the multilateral trade negotiations. The representative of one socialist country of Eastern Europe stated that, in spite of the ineffective results of the consultations, they had been the first step in discussing and solving some commodity problems.

106. Representatives of developing countries said that producers' associations had been formed in an effort to organize a new relationship between producing and consuming countries and a new and just relationship between those who owned resources and supplied labour, on the one hand, and those who controlled capital and technology, on the other. The developing countries had established producers' associations in an attempt to stabilize their export earnings and thereby to defend collectively the purchasing power of their export income. The representative of one developing country, speaking on behalf of the countries members of the Association of South-East Asian Nations (ASEAN), said that the producers' associations were worthy of consideration as an alternative to export quotas. The representative of a socialist developing country of Asia expressed his firm support for the establishment of various organizations of raw material exporting countries and said that it was only through struggle that the developing countries could achieve successes in breaking the price-fixing power of monopolies. He pointed to the case of oil, which had shown how unity could transform developing countries into a powerful force. Representatives of some developed market economy countries, however, expressed serious reservations on the establishment of such associations and said that any consideration of an international commodity policy must include consumer as well as producer interests.

107. In referring to the question of indexation (i.e., the linking of prices of exports of developing countries to prices of their imports), the representatives of developing countries expressed support for the secretariat documentation on this subject and, in particular, for the conclusions of the Secretary-General of UNCTAD to the effect that among the most appropriate means of dealing with the commodity issue might be the introduction of a system of direct indexation covering as wide a range of commodities as possible and supplemented, where appropriate or necessary, by indirect indexation (i.e., compensatory financial arrangements). They noted that important advantages to both developed and developing countries had been indicated by the Secretary-General. It was the view of those delegations that indexation had taken on a new significance in the light of the possible fall in commodity prices and in view of the disappointing achievements of the consultations on individual commodities. Some of those representatives said that a detailed study on the subject would be a great help to the developing countries and hoped that action could be taken both at the current session of the Board and at the fourth session of the Conference.

108. The representatives of several developed market economy countries said that the difficulties involved in indexation should not be minimized. The representative of one developed market economy country stressed the need to proceed with caution and said that, in his country's view, the indexation of prices was not practicable on a world scale; it was, however, ready to examine other means of ensuring adequate purchasing power for commodity exporting developing countries.

109. In subsequent discussion of commodity problems and policies in Sessional Committee I, the representatives of developing countries who spoke stated that progress in the field of international commodity policy had been unsatisfactory and that solutions to the problems of access to markets, unstable prices and insecurity of supplies for many commodities needed to be found urgently.

110. The spokesman for the African countries members of the Group of Seventy-seven stated that progress in international commodity policy had been unsatisfactory because the approaches hitherto adopted had been ineffective, and he urged the adoption of immediate and practical solutions to commodity problems. The representatives of many other developing countries emphasized the urgent need for measures which would improve and protect their terms of trade in the prevailing circumstances of rapid inflation in industrial countries. They stressed the special importance and urgency of international action on primary and processed commodities in that connexion, in view of the continuing heavy dependence of many developing countries on such commodities. They also stated that the recent so-called commodity price boom represented no more than a recovery of commodity prices from their previous unduly low levels, that the longer-term problem of instability of commodity markets remained, and that unregulated forces in commodity markets tended in the longer run to work to the disadvantage of developing countries.

111. Representatives of developed market economy countries, while agreeing on the need for appropriate solutions to commodity problems, stressed that the action taken should be fair to both consumers and producers, should not interfere unduly with underlying market forces and should not result in a misallocation of resources. One of them stressed that movements in the terms of trade of developing countries should be looked at in a longer-term perspective, bearing in mind that the experience of individual countries varied widely. Others said that the world could not be divided into importers and exporters of commodities, since most countries imported some commodities and exported others.

B. An over-all integrated programme for commodities

(Agenda item 4 (b))

112. Introducing the note by the Secretary-General of UNCTAD on an over-all integrated programme for commodities, ^{19/} the representative of the Secretary-General stated that the suggested programme represented an attempt to launch international commodity policy on new lines. It was hoped that the suggested programme might have a greater chance of success than the approaches hitherto adopted which, after years of study, discussion and consultations, had succeeded in establishing international arrangements for only a few commodities, of which

^{19/} Ibid., agenda item 4 (b), document TD/B/498.

hardly any had proved effective or durable. The main elements of the proposed new approach were: first, an attempt to move urgently from the field of consultation to that of negotiation; second, the setting of wider objectives for international commodity arrangements; in addition to the traditional objectives of stable and remunerative prices; third, the incorporation in commodity arrangements of new principles and techniques, such as the indexation of prices, co-operative action among producers, wider use of buffer stocks and compensatory payments. He suggested that the work being done by the councils administering existing international commodity agreements could form part of the proposed integrated programme, provided it was carried out in the manner and in the spirit of the programme.

113. Representatives of many developing countries emphasized the lack of progress in international commodity policy and welcomed the proposal for a new initiative in that field, based on a fresh approach. Some of them endorsed the approach suggested. The spokesman for the African countries members of the Group of Seventy-seven stated that he regarded the proposed over-all integrated programme as a co-operative endeavour to ensure fair prices to both producers and consumers while guaranteeing supplies. Representatives of some developing countries asked for clarification of some aspects of the proposals and some felt that the new initiative should be pursued concurrently with existing work, including work on a commodity-by-commodity basis. One of them considered that, while an over-all integrated approach would be valuable, it might face the difficulty that commodity markets varied widely and the approach might need to be complemented by additional measures in the broader context of economic development.

114. Among the suggestions made by representatives of developing countries were that, in the context of the over-all integrated programme for commodities, further studies should be made, for specific commodity groups, on such subjects as: the establishment of a network of buffer stocks and other market regulating mechanisms, including long-term contracts; expansion of the processing of commodities in developing producing countries and the necessary access to markets for processed products; protection of the interests of developing countries dependent on the export of non-renewable commodities; and maintenance of the import purchasing power of developing countries.

115. Representatives of several developing countries stated that co-operation among producing countries was perfectly compatible with the establishment of arrangements for commodities that were mutually satisfactory to consumers and producers. One of them strongly advocated such co-operation as a means for developing countries to defend their interests.

116. The representative of a socialist developing country of Asia stated that it was important to formulate an over-all integrated programme covering various commodities of export interest to developing countries. The programme should not only be a practical one but should also ensure a real improvement in the terms of trade of the developing countries, in full conformity with the spirit of the sixth special session of the General Assembly.

117. Representatives of some of the developed market economy countries stated that, because of its late distribution, they were not able to comment in detail or to

offer a definitive view on the note by the Secretary-General of UNCTAD. 20/ Many of them felt that the ideas it contained should be carefully studied, and some expressed doubts and reservations on the practicability and desirability of some of the proposals, particularly as regards buffer stocks and compensatory arrangements and their financing. They emphasized that the market characteristics of commodities differed widely and that, for this reason, the traditional commodity-by-commodity approach might have to be retained. They also stressed that commodity arrangements should always take into account the interests of both producers and consumers. In that regard, the representative of one developed market economy country stated that his Government was opposed to the establishment of organizations by producing countries that excluded the interests of consumers and he questioned the propriety of assistance by intergovernmental organizations to such producer groups without the participation or consent of the concerned members of the intergovernmental organizations.

118. Representatives of some developed market economy countries also expressed fears that the proposed over-all integrated programme implied excessive control of and interference with market mechanisms by Governments, with the danger of a misallocation of resources. One of them felt, however, that it was unrealistic to suppose that commodity markets could be left to the free play of market forces and that the proposals of the Secretary-General of UNCTAD could not be disregarded. He also stressed the need for a pragmatic approach to commodity policy.

119. A draft resolution on new approaches to international commodity problems and policies was submitted by Pakistan on behalf of the Group of Seventy-seven (TD/B/L.354). 21/

120. After informal consultations a revised draft resolution was submitted by the President of the Board (TD/B/L.378), section B of which related to an over-all integrated programme for commodities (see also paras. 150 and 238 below). Draft resolution TD/B/L.354 was withdrawn.

Action by the Board

121. At its 412th meeting, on 13 September 1974, the Board adopted revised draft resolution TD/B/L.378 (see annex I below, resolution 124 (XIV)).

122. The President pointed out that in adopting this resolution the Board had assigned two new tasks to the Committee on Commodities which were not reflected in the provisional agenda for the eighth session of that Committee as adopted by the Board at its thirteenth session. 22/ These related to the over-all integrated programme (paras. 7 and 8 of the resolution) and to further studies on indexation (para. 10 of the resolution). He suggested, and the Board agreed, that the Secretary-General of UNCTAD be authorized to make the appropriate adjustments to the provisional agenda for the eighth session of the Committee on Commodities, in consultation with the Chairman of the Committee.

20/ Ibid.

21/ The secretariat circulated a statement of financial implications of the draft resolution (TD/B/L.354/Add.1).

22/ See Official Records of the General Assembly, Twenty-eighth Session, Supplement No. 15 (A/9015/Rev.1), part three, annex VI.

123. The representative of a developed market economy country, while agreeing that further consideration of commodity problems was necessary, said that in view of the late circulation of the documentation, it would have been preferable for the matter to be considered by the Committee on Commodities without any prior action by the Board.

C. Strengthening the activities of UNCTAD for following the development of international trade in raw materials throughout the world

(Agenda item 4 (b))

124. The representative of the Secretary-General of UNCTAD, introducing the note on the strengthening of the activities of UNCTAD (TD/B/497), said it had been prepared in response to General Assembly resolution 3202 (S-VI) and specifically section IX, paragraph 4, of the Programme of Action on the Establishment of a New International Economic Order. In that context, the strengthening of the activities of UNCTAD would also need to take into account the implications for UNCTAD of section I of the Programme of Action, which contained a number of provisions which were of immediate interest to UNCTAD. He cited in that connexion such matters as the formulation of an over-all integrated programme for a wide range of commodities, the evolution of a just and equitable relationship between prices of raw materials and manufactures, the improvement of marketing and distribution systems, the functioning of producers' associations, and the expeditious establishment of commodity agreements.

125. He stressed, however, that the strengthening should also take into account General Assembly resolution 1995 (XIX) of 30 December 1964, by which the Assembly established UNCTAD, and in particular paragraph 3, which concerned the formulation of principles and policies and the negotiation and adoption of multilateral legal instruments in international trade. It should also, of course, take account of the relevant activities of the Committee on Commodities in accordance with its terms of reference.

126. He added that the Secretary-General's note, while recognizing the broad coverage of UNCTAD activities, concentrated on activities relating to the monitoring of developments and the collection of statistical and other information, the analysis and interpretation of such information and its dissemination. It showed that there were many areas in which activities needed to be strengthened, e.g. in connexion with studies of marketing and distribution systems, the operations and activities of transnational corporations, including the problem of transfer prices, the technical and statistical problems relating to differences between so-called "world prices" and the prices effectively received by developing countries, and the construction of suitable indices of import volumes and prices of developing countries. In that connexion there was need to strengthen UNCTAD activities in order to make more and better information, statistical and other, readily available in good time. It was also necessary to strengthen the manner or form in which that information was made available to Governments.

127. Thus, while the question of strengthening the activities of UNCTAD was broader in scope than the aspects covered by the Secretary-General of UNCTAD in his note, the Board might nevertheless wish to authorize the Secretary-General to take appropriate action to strengthen the activities relating to monitoring, collecting,

analysing and disseminating statistical and other information, including the regular publication and distribution of a Monthly Commodity Price Bulletin, the issuance of quarterly or half-yearly reviews on the situation and outlook for commodities and the regular issuance of the Commodity Survey. ^{23/} It might also wish to authorize him to make appropriate arrangements with, or seek the support of, the Statistical Office of the United Nations and other international organizations concerned, notably FAO, the World Bank and IMF.

128. The representative of a developing country observed that the secretariat had not issued a Commodity Survey for several years and that there had been a particular lack of studies on markets for ores and minerals. He expressed general support for the suggestions contained in the note of the Secretary-General of UNCTAD. Greater attention should be paid, in particular to marketing and distribution systems, to speculation in commodity markets and its effects, and to the activities of transnational corporations.

129. The representative of a developed market economy country stated that his Government was in favour of improving the collection of data on natural resources and had put forward proposals to the General Assembly, at its sixth special session, and to the Economic and Social Council, at its fifty-seventh session, regarding a group of experts working closely with United Nations bodies concerned with natural resources, to survey the earth's non-renewable and renewable resources and develop an "early warning" system on possible shortages and surpluses. ^{24/} He emphasized that objectivity in the analysis and presentation of such data was of the utmost importance and that difficult problems concerning the confidentiality of data might arise. The suggestions put forward by the Secretary-General of UNCTAD required further study and a careful analysis of the costs and benefits involved. The matter should be considered further by the Committee on Commodities at its eighth session, in the light of more complete documentation.

130. The representative of another developed market economy country stated that his Government supported the strengthening of UNCTAD activities for the purpose of following prices in primary commodity markets more closely. The representatives of two other developed market economy countries, noting the need for some reordering of the emphasis of the work of UNCTAD, expressed the view that an effort to fill some of the gaps of information indicated in the Secretary-General's note (TD/B/497) might be helpful. Further details of the information required, and of the steps which might be taken to obtain it, should be provided by the Secretariat, so that the Committee on Commodities, at its eighth session, could consider the matter further.

131. A draft resolution on the strengthening of UNCTAD activities was submitted by Pakistan on behalf of the Group of Seventy-seven (TD/B(XIV)/SC.I/L.10).

132. At the 412th meeting of the Board, on 13 September 1974, the President introduced a revised draft resolution (TD/B/L.377), which he had submitted as a result of his informal consultations, and draft resolution TD/B(XIV)/SC.I/L.10 was withdrawn.

^{23/} For the latest issue see United Nations publication, Sales No.: E.69.II.D.5.

^{24/} Draft resolution A/AC.166/L.44 (text reproduced in a note by the Secretariat (E/L.1599)).

Action by the Board

133. At the same meeting, the Board adopted draft resolution TD/B/L.377 (see annex I below, resolution 123 (XIV)).

D. Study on the indexation of prices (General Assembly resolution 3083 (XXVIII))

(Agenda item 13)

134. Introducing the study on the indexation of prices (TD/B/503/Supp.1 and Supp.1/A&d.1) and the report of the Secretary-General of UNCTAD on its findings, ^{25/} prepared pursuant to General Assembly resolution 3083 (XXVIII) of 6 December 1973, the representative of the Secretary-General of UNCTAD described the study as an attempt to clarify and provoke further thought on five main issues: the question of a link between import and export prices in world trade; the meaning of indexation; the measurement of the relevant economic indicators for indexation; the arrangements which could be envisaged for putting indexation into effect; and the wider economic consequences of indexation. The study was a first step only, but on the basis of this first step the Secretary-General's finding was that indexation was technically feasible, capable of gradual introduction and operation by various mechanisms, and potentially an effective antidote to the harm done by international inflation. Whilst not the complete answer to the problem of commodity instability, it would be a far-sighted advance in the crucial area of pricing policy.

135. Representatives of many developing countries endorsed the Secretary-General's findings and stressed the need for continued study and further elaboration of his proposals. Representatives of some of the developed market economy countries, however, expressed doubts as to both the desirability and the feasibility of indexation. Representatives of some developing countries, many developed market economy countries and a socialist country of Eastern Europe said that the late circulation of the study and of the report on its findings, coupled with their complex and technical nature, had prevented Governments from giving the matter appropriate consideration. In their view, therefore, price indexation could only be given preliminary consideration at the current session, and a fuller consideration should be given it by the Committee on Commodities at its eighth session.

136. Representatives of some developing countries stressed the critical importance to developing countries of earnings from the exports of primary commodities and said that excessive fluctuations in commodity markets had made economic planning in the developing countries extremely difficult and had severely hindered the implementation of those plans. Previous attempts at organizing commodity markets had proved unsuccessful in eliminating, or even substantially reducing, those fluctuations. Representatives of both developing and developed market economy countries emphasized the need to work for stable prices for primary products which were both remunerative to producers and fair to consumers.

^{25/} See Official Records of the Trade and Development Board, Fourteenth Session, First Part, Annexes, agenda item 13, document TD/B/503.

137. Representatives of many developing countries pointed out that developing economies suffered severely from the combined effects of rising prices of imported goods and services and relatively stagnant or declining prices of their exports, which consisted very largely of primary commodities. Some of them said that, whereas most developed countries were not highly dependent on primary commodities for their export revenue and an adequate level of foreign exchange reserves, the developing countries had no means of cushioning the impact of a decline in the purchasing power of their exports of primary commodities, whether brought about by a decline in their export prices or by an increase in the prices of imported goods and services. Consequently, developing countries could cope with the rise in prices of their imports of manufactured goods, occasioned by rapid inflation in the developed market economy countries, only by severely restraining essential imports or incurring greater indebtedness. They stated that this inflation was for the most part generated by pressures arising in the developed market economy countries themselves, over which the developing countries had no control.

138. For those reasons, representatives of many developing countries argued, indexation could be an important new element in international commodity policy, serving to prevent a deterioration in the terms of trade of developing countries exporting primary commodities. They considered that indexation was not only desirable but also technically feasible.

139. The representative of a socialist developing country of Asia supported the demands of the developing countries for an automatic link between the prices of commodities and manufactured goods and called for its implementation. He considered that the approach by the secretariat in this regard was beneficial.

140. The representatives of some developing countries felt that consideration of the general merits of indexation would be facilitated by the secretariat's doing further work which would focus on the feasibility of implementing indexation schemes and on the questions that would need to be resolved in introducing practical and concrete measures. They said that in its further studies the secretariat should place emphasis on those practical questions in the context of supply and demand conditions, of marketing systems and of trading arrangements for particular commodities, rather than on further elaboration of general principles and objectives.

141. Representatives of some developed market economy countries, while agreeing that the question of indexation should be considered more fully by the Committee on Commodities at its eighth session, stressed that the secretariat should prepare for that session further studies that would focus on questions relating to the feasibility of indexation. One of them added that there were also other ways of tackling the basic problems of commodities than through indexation and referred in particular to the possibility of a more effective recycling of the large current surpluses which were accumulating in parts of the third world.

142. Representatives of some developed market economy countries stated that developing countries were not exclusively exporters of primary commodities; they also imported certain commodities. One of them maintained that in consequence indexation might benefit a few such countries at the expense of the majority. Others noted that indexation would have a varying impact on different countries and in particular could penalize those developing countries which had diversified out of the export of problem commodities or had industrialized.

143. Representatives of some developed market economy countries felt that indexation would intensify inflationary forces in industrial countries, since by increasing prices of imported foodstuffs and raw materials it would tend to stimulate wage claims and raise the prices of finished products incorporating imported raw materials.

144. Representatives of some developing countries said that, as indexation would cause the prices of primary commodities exported by the developing countries to rise only in so far as the prices of goods imported by the developing countries had already risen, indexation would merely be a response to, and not a generator of, international inflation.

145. Representatives of some developed market economy countries considered that indexation might bring about a serious misallocation of resources, since, by bringing rigidity into the pattern of relative prices for different commodities, and also into the price relationship between commodities and manufactures, it could prevent resources from being shifted to where they would be used more efficiently.

146. The representative of one developed market economy country pointed out that indexation would transfer resources to countries in proportion to their exports of particular commodities, rather than on the basis of their relative needs for aid or of other criteria which were in general use for the allocation of development assistance, such as ability to make effective use of such assistance. In his view, remedial action should be taken on a country basis, rather than on a commodity basis.

147. The representative of one developing country, while agreeing that indexation on a country-by-country basis was appropriate in cases pertaining to the terms-of-trade experience of developing countries, said that in practice such an approach was difficult to implement and that it would be necessary to adopt the commodity-by-commodity approach, covering a wide range of commodities of export interest to developing countries. He added that indirect indexation, such as the transfer of financial resources, should be used when developed countries were also significant exporters of an indexed commodity.

148. The representative of a developed market economy country pointed to the need for a two-tier market if developed country exporters of indexed commodities were to be excluded from any indexation scheme, but considered that such a system would be extremely difficult to operate. The representative of a developing country emphasized the need for reference prices to be set at a reasonable level, bearing in mind historical relationships.

149. The representatives of a number of developing and developed market economy countries referred to the difficult technical issues which needed solving before indexation became a practical proposition, such as the problems involved in constructing appropriate and timely indices of the prices that determined the terms of trade of developing countries.

150. After informal consultations, the President of the Board submitted a draft resolution on new approaches to international commodity problems and policies (TD/B/L.378), section C of which related to indexation (see also paras. 119 to 123 above).

Action by the Board

151. At its 412th meeting, on 13 September 1974, the Board adopted draft resolution TD/B/L.378 (see annex I below, resolution 124 (XIV)).

152. Commenting on the adoption of the resolution, the representative of a developed market economy country stated that the indexation of prices was not practicable and hence not desirable. His delegation had voted against General Assembly resolution 3083 (XXVIII) and had expressed reservations on provisions relating to commodities in the Programme of Action adopted by the General Assembly at its sixth special session. While he had not objected to the adoption of operative paragraphs 9 and 10 of the draft resolution, that did not mean his Government agreed to further studies on the indexation of prices.

CHAPTER III

FOURTH SESSION OF THE UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

(Agenda item 5) 26/

153. The Board had before it a note by the Secretary-General of UNCTAD (TD/B/512) which was welcomed as a practical contribution to the Board's task of preparing for the fourth session of the Conference.

154. Many representatives stated that the fourth session should be viewed in the context of the current turbulent international economic situation, as well as of a series of related events and activities in the international economic sphere, including the sixth special session of the General Assembly, its special session in 1975 to be devoted to development and international economic co-operation, the mid-term review and appraisal of the International Development Strategy, the multilateral trade negotiations and the reform of the international monetary system. Representatives of developing countries expressed the view that the principal objective of the fourth session of the Conference should be to take concrete action to implement the Declaration and the Programme of Action on the Establishment of a New International Economic Order.

155. A broad measure of support was expressed for the suggestions by the Secretary-General of UNCTAD that the session should be planned as a problem-solving Conference, bringing together high-level officials; that it should be very carefully prepared; that its methods of work should be rationalized; that the proliferation of official and unofficial meetings during the session should be avoided; and that the Conference should not undertake tasks of a recurrent nature which could be better performed by the permanent machinery of UNCTAD. Most delegations of developing and developed market economy countries supported the suggestions that the agenda of the Conference should be selective and should concentrate on a limited number of well-defined problems and that the duration of the session should be relatively short.

156. Representatives of several developing countries, while agreeing in principle to a selective approach to the determination of the provisional agenda for the fourth session of the Conference, considered that such an approach should be followed in a flexible manner so as to permit discussion of problems of fundamental importance. One of those representatives, speaking on behalf of the African developing countries, stated that concentration on problems which were ripe for solution should not be a pretext for evading more pressing and persistent issues in the field of trade and development.

26/ The Board considered this item at its 397th, 398th and 399th meetings, on 29 and 30 August, and at its 411th meeting, on 13 September 1974. Several references to the item were also made by representatives speaking under agenda item 4.

157. The representative of a socialist developing country of Asia expressed the view that the fourth session of the Conference should be based on the principles enunciated in the Declaration and the Programme of Action adopted at the sixth special session of the General Assembly and should take into account the major issues and problems in international economic relations.

158. The spokesman for the countries members of Group B emphasized the need for the Conference to concentrate on the most critical issues of trade and development, in particular those which offered the best prospects of yielding significant results. He expressed support for the principle of careful preparation prior to the Conference, which should make it possible to contemplate a shorter Conference than in the past. He suggested that the Secretary-General of UNCTAD should be requested to ascertain the views of Governments on key issues mentioned in his note (TD/B/512). He emphasized the constructive spirit in which the developed market economy countries would approach the Conference and said that the Conference should seek to reach genuine agreement among its members on the issues before it. The representative of one such country agreed with the suggestion in the Secretary-General's note that the agenda should consist of a selective list of key problems on which the Conference could act to foster the establishment of a new international economic order.

159. Representatives of socialist countries of Eastern Europe emphasized that selectivity in the agenda should be without prejudice to the universality of UNCTAD objectives and that the agenda should include basic problems of interest to member States. They stressed that the most important problems concerning international trade, *inter alia*, review of the implementation of the progressive principles and recommendations of UNCTAD, and trade between countries having different economic and social systems, should be discussed at the fourth session of the Conference. The representative of a socialist country of Eastern Europe, stating that his country was a developing country, said that the agenda should include questions concerning the establishment of a new international economic order and the development of more equitable relations among States on the basis of the principles contained in the Declaration and the Programme of Action, and on free trade and the reduction and elimination of the gap between the developing and developed countries.

160. While a number of representatives mentioned specific topics which they believed might be appropriate for inclusion in the provisional agenda for the fourth session of the Conference, there was general agreement that it would not be advisable or feasible, in the light of the international economic situation and of the high-level activities scheduled for 1975, for the Board to attempt to draw up the provisional agenda at its current session. There was also general agreement that the Secretary-General of UNCTAD should be requested to undertake appropriate consultations with Governments of States members of UNCTAD concerning the provisional agenda and the organization of work of the fourth session of the Conference and to submit proposals thereon to the Board at its fifteenth session. In general, it was felt that it would be desirable to leave the Secretary-General as much flexibility as possible in deciding how to pursue such consultations.

161. Representatives of a number of Latin American countries proposed that the provisional agenda should not be drawn up until after the seventh special session of the General Assembly in September 1975 and that, consequently, the fifteenth session of the Board should be scheduled for the end of September or early

October 1975. The representative of a developed market economy country considered that the provisional agenda should not be finalized until late 1975 or early 1976. Representatives of some developing countries said that the special session of the Board in March 1975 could help to identify areas for action by the Conference, and the representative of a socialist country of Eastern Europe suggested that the Secretary-General should make preliminary proposals regarding the provisional agenda to the Board at that special session.

162. With respect to the duration of the session, while there was in principle general agreement that the session should be as short as possible, those speakers who had called for flexibility in the application of the criterion of selectivity and for due attention to the basic tasks of UNCTAD also considered that the duration should be sufficient to permit the Conference to fulfil its functions and to enable all interested delegations to participate in its deliberations. The spokesman for the countries members of Group B, supporting the suggestion made by the Secretary-General of UNCTAD in his note (TD/B/512), said that the combined duration of the fourth session of the Conference and any preparatory meetings should not exceed five weeks. The representative of a socialist country of Eastern Europe stated that the Conference might complete its tasks within four to five weeks at the utmost.

163. Similarly, while representatives of a number of developed market economy countries considered that it might be possible to do without a general debate at the fourth session, representatives of developing countries and of socialist countries of Eastern Europe felt that some form of general discussion would be in keeping with the broad functions of the Conference. The representative of a developed market economy country stated that, while it might be necessary to retain a general debate, its duration could be reduced by restricting the duration of statements and limiting them to international issues.

164. All delegations agreed that intensive and careful preparations were the key to the success of the fourth session and that there was no time to lose in starting them. Furthermore, it was agreed that all opportunities to advance preparations should be used and that the Conference should be the culmination of a negotiating process, during which proposals for action should be circulated as early as possible before the session itself.

165. It was recognized that the responsibilities of the Board, as laid down by the General Assembly, included that of preparing for sessions of the Conference. There was broad agreement, therefore, that the preparations for the fourth session should take place under the guidance of the Board.

166. In commenting on the Secretary-General's suggestions concerning the preparatory process, many representatives endorsed the view that it would be useful to hold a special session of the Board in Geneva two months or so before the fourth session of the Conference for the purpose of initiating negotiations on substantive issues before the Conference and thus contributing to the taking of concrete decisions by the Conference. The representative of a socialist country of Eastern Europe considered that the idea of establishing a special preparatory committee for the Conference was worthy of consideration; he also believed that the subsidiary bodies of the Board should be invited to renew their efforts to solve problems in their respective fields and to suggest actions within those fields which the Conference might take. The representative of a socialist developing country of

Eastern Europe stated that it was absolutely necessary that every member of UNCTAD should be able to participate fully in both the preparations for and the work of the Conference.

167. The representative of a developed market economy country suggested that the basic Conference documents should be circulated in all the languages by 15 December 1975 in order to be available for the meetings of regional groups early in 1976. The representative of another such country suggested that the volume of Conference documentation should not exceed 1,000 pages.

168. At the 398th meeting, on 30 August 1974, the representative of Kenya reiterated his Government's invitation to hold the fourth session of the Conference at Nairobi and confirmed that the invitation was extended in accordance with paragraph 10 of General Assembly resolution 2609 (XXIV) of 16 December 1969. He stated that the invitation would also cover a preparatory meeting for the Conference in the event that the Board should decide to hold one at Nairobi immediately before the session. He suggested that May/June 1976 would be the most appropriate period for the Conference to take place at Nairobi, if that did not conflict with the United Nations calendar of conferences. Several representatives expressed their gratitude and support for the generous invitation of the Government of Kenya.

169. In conclusion of the discussion on agenda item 5 at the 399th meeting, on 30 August 1974, the President said that delegations speaking on the question of the fourth session of the Conference, whether under item 4 or item 5, had expressed appreciation for the Secretary-General's note (TD/B/512) and had also expressed some definite views and suggested numerous practical ideas which the Board would doubtless have in mind when considering what action to take on the matter. Without intending to anticipate such action and without claiming to be exhaustive, the President summarized as follows the salient points emerging from the discussion:

(a) There was general agreement concerning the paramount importance of the fourth session of the Conference, especially in the context of prevailing trends in the world economy and in relation to the important high-level meetings scheduled within the United Nations in 1975;

(b) The need for timely and energetic preparations for the fourth session was unanimously stressed and it was emphasized that the preparatory process should begin at the current session of the Board;

(c) As regards the provisional agenda for the fourth session, many delegations supported a selective approach to its elaboration, as suggested in the Secretary-General's note (TD/B/512). Many other delegations, while not objecting to such an approach, stated that it should be applied in a flexible manner and that the agenda should reflect adequately the basic interests of the membership of the Conference. There seemed to be no disagreement on the desirability of including in the agenda issues of fundamental importance for international trade and development. Furthermore, delegations expressed support for the proposal that the Secretary-General should carry out appropriate consultations with Governments with a view to elaborating his proposals to the Board concerning the provisional agenda and organization of the session;

(d) There seemed to be a wide measure of agreement that the preparatory work for the fourth session should be carried out under the guidance of the Board in accordance with its basic responsibilities laid down by General Assembly resolution 1995 (XIX) of 30 December 1964. It was considered, in that connexion, that it would be useful to hold a special session of the Board in preparation for the fourth session of the Conference, and sufficiently in advance of it, with the objective of ensuring maximum substantive progress and thus enabling the Conference to achieve concrete and significant results;

(e) As regard the duration of the fourth session, there was general agreement that it should be as short as possible, while views were expressed that the duration should be sufficient to permit necessary attention to be given to the basic tasks of the Conference;

(f) Many delegations stressed the importance of holding the session at a high, policy-making level;

(g) There was consensus that documents for the session should be concise and action-oriented and that their number should be as limited as possible;

(h) In response to the statement by the delegation of Kenya reiterating the invitation of the Government of Kenya to hold the fourth session at Nairobi, many delegations expressed their gratitude and support for that invitation.

Action by the Board

170. At its 411th meeting, on 13 September 1974, the Board expressed its gratitude to the Government of Kenya for its invitation to hold the fourth session of the Conference at Nairobi. It recommended to the General Assembly that it should accept the invitation and that the session should be held in May/June 1976 for a period not exceeding four weeks.

171. The Board took note of the suggestions made by the Secretary-General of UNCTAD in his note (TD/B/512) and of the statement made by the President, at its 399th plenary meeting, in which he had summarized some salient points which emerged from the Board's discussion of the item (see para. 169 above). It also took into account the fact that a proposal on the item had been submitted by the Asian Group to the President's Contact Group.

172. In accordance with paragraph 8 of its decision 45 (VII) of 21 September 1968, the Board considered that a preparatory meeting of two days' duration should be held at Nairobi immediately before the fourth session of the Conference to deal with all organizational and formal matters, including elections.

173. The Board decided to hold a special session at Geneva for a period of two to three weeks in preparation for the fourth session of the Conference in order to consider, at an appropriately high level, substantive proposals for action by the Conference and to advance negotiations thereon. It considered it important that such proposals should be circulated well in advance of that special session. It envisaged that the Board, at that special session, might decide to submit to the Conference, for its consideration, draft recommendations on which there was agreement and others on which agreement had not yet been reached, and to refer other proposals to the permanent machinery of UNCTAD for further examination.

174. In order to facilitate effective preparation by Governments for the Conference, the Board considered that the sequence of preparatory activities, including the Ministerial Meeting of the Group of Seventy-seven, meetings of other regional groups and its own special preparatory session, should be such as to allow Governments sufficient time for reflection and for exchanging views on the results of each stage before proceeding to the next one. It further considered that the objective should be that the combined duration of its special preparatory session and the fourth session of the Conference should be not more than six weeks.

175. The Board took note of the views expressed regarding the desirability of ministers participating in the work of the fourth session of the Conference.

176. The Board requested the Secretary-General of UNCTAD to undertake appropriate consultations with Governments of States members of UNCTAD concerning the provisional agenda and organization of the work of the fourth session of the Conference with a view to submitting proposals thereon to it, and also to initiate the necessary preparatory work for the session. In that connexion, it invited him to take account of the views expressed on the subject and of the other relevant decisions adopted during the first part of its fourteenth session, particularly the view that the provisional agenda should be selective and, at the same time, take into account the basic functions of UNCTAD as defined by the General Assembly in resolution 1995 (XIX), and that it should comprise issues of fundamental importance for international trade and development and should reflect adequately the basic interests of the membership of the Conference. It also invited him to provide it at its sixth special session with a report on progress on preparations for the fourth session of the Conference. It further invited the Secretary-General to examine the possibility of arranging informal meetings of representatives of the different geographical groups, before the official meetings of those groups, so as to facilitate and advance the work of the Conference.

177. The Board decided to finalize in August 1975, at its fifteenth session, the provisional agenda for the fourth session of the Conference, without prejudice to its meeting briefly in resumed session in October 1975 to adjust that provisional agenda in the light of the results of the seventh special session of the General Assembly, should that prove desirable.

178. The Board considered that the pre-session documents for the fourth session of the Conference should be concise and action-oriented, that their number should be as limited as possible and that their volume should be significantly reduced by comparison with the documentation for previous sessions of the Conference. It requested the Secretary-General of UNCTAD to intensify, after the sixth special session of the Board, the preparation of Conference documents and to complete them promptly after the Board's fifteenth session so as to ensure their circulation as early as possible before the end of 1975. The Board further considered that the facilities available for the fourth session of the Conference should be such as to permit an intensive programme of meetings and that provision should be made for summary records of plenary meetings only.

179. The Board requested its subsidiary bodies to renew their efforts to solve problems in their respective fields of work and to submit to it proposals for action within those fields which the Conference might take within the framework of the provisional agenda for its fourth session.

180. The Board agreed upon the foregoing provisions without prejudice to other measures which it and States members of UNCTAD might adopt in future within the context of the preparations for the fourth session of the Conference.

181. At the same meeting, the Board adopted a formal decision on the item (see annex I below, decision 113 (XIV)).

182. Before taking the action described above, the Board took note of the statement of financial implications (TD/B/L.371/Add.1) submitted by the secretariat (see annex VII below).

CHAPTER IV

CHARTER OF ECONOMIC RIGHTS AND DUTIES OF STATES: REPORT OF THE WORKING GROUP

(Agenda item 6) 27/

183. At the 402nd meeting of the Board, on 3 September 1974, the Chairman of the Working Group on the Charter of Economic Rights and Duties of States introduced the report of the Working Group on its fourth session (TD/B/AC.12/4 and Corr.1, under cover of TD/B/506) and, noting that despite the considerable progress made at that session some areas of disagreement still remained, requested the Board to allow him to pursue informal consultations with a view to narrowing those areas of disagreement, as recommended by the Working Group in paragraph 12 of its report.

184. The representative of the ILO pointed to the similarity between the concepts contained in the draft Charter and the ideas presented in the Declaration of Philadelphia, 28/ which had been adopted 30 years before by the ILO General Conference in May 1944 and which defined the aims and purposes of the ILO. He welcomed the general spirit of the draft Charter and said that the ILO hoped to have a role to play, through its tripartite structure, in giving full effect to the programmes envisaged in the draft Charter. He was sure that, once the Charter was adopted, the Governing Body of the ILO would give it due consideration when deciding upon the activities of the International Labour Office.

185. The representative of one developing country welcomed the interest expressed by the representative of the ILO and referred to the support given to the draft Charter by the Executive Board of UNESCO in a decision adopted at its ninety-fourth session in May/June 1974 and, more recently, at the World Population Conference held at Bucharest. In the view of his Government, it was essential that the General Assembly should adopt the Charter at its forthcoming session and that there should be no extension of the Working Group's mandate into 1975.

186. At the same meeting, the Board authorized the Chairman of the Working Group to pursue informal consultations on the draft Charter and requested him to report back on the results of those consultations.

187. At the 407th meeting of the Board, on 10 September 1974, the Chairman of the Working Group, in his report on the informal consultations, 29/ informed the Board

27/ This item was considered by the Board at its 402nd and 407th to 409th meetings on 3 and 10 to 12 September 1974.

28/ See International Labour Organisation, annex, entitled "Declaration concerning the aims and purposes of the International Labour Organisation", to the Constitution, Constitution of the International Labour Organisation and Standing Orders of the International Labour Conference (Geneva, International Labour Office, 1969), pp. 23-25 (E/F).

29/ TD/B(XIV)/Misc.8, circulated by decision of the Board at its 407th meeting, on 10 September 1974, the Board having first taken note of the financial implications of its decision.

that agreement had been reached among the participants in paragraph 2 of chapter III, paragraph 1 of the "General provisions" and paragraphs 1 and 2 of the "Concluding paragraphs". 30/

188. He stated that there were a number of areas in which, although no formal agreement had been reached, some progress had been made in formulating new texts which might serve as a basis for future agreement. That was particularly the case in respect of paragraph 2 of chapter II, dealing with the principle of permanent sovereignty over natural resources, and nationalization and transnational corporations.

189. New texts had also emerged with regard to paragraphs 5, 19, 21 and 28 of chapter II of the draft Charter, although no definite agreement had been reached on those texts. With regard to paragraph 5 of chapter II, there had been general recognition amongst the participants in the consultations that alternative 1, on the one hand, and alternatives 2 and 3, on the other, dealt with two different subjects, which should be considered in two separate paragraphs.

190. With regard to paragraph 1 of chapter III of the draft Charter, the Chairman of the Working Group reported that the socialist countries of Eastern Europe were now giving serious consideration to the possibility of accepting the principles set out in alternative 1 of that paragraph.

191. The Chairman of the Working Group also pointed out that it was understood that agreements reached on any of the paragraphs in the draft Charter were conditional on final agreement on the draft Charter as a whole.

192. Finally, stating that it had not proved possible to make any significant progress on the remaining outstanding issues, he proposed that, in view of the complexity of those issues, further consultations should be held during the forthcoming session of the General Assembly before the report of the Working Group was considered by the Second Committee.

193. The representative of a socialist country of Eastern Europe, speaking on behalf of Group D, stressed the need for the work on the Charter to be guided by the principles approved at the first session of the Conference, in particular the principles of international co-operation in international trade, irrespective of the differences in their economic and social systems or degree of development, and the conduct of international trade on the basis of non-discrimination and most-favoured-nation (MFN) treatment. In particular, he pointed to the need to finalize the concerting of views on such important issues in the Charter as the sovereign right of every State to dispose freely of its wealth and natural resources; the elimination of discrimination from economic relations; application of the MFN principle; and the right to control and regulate foreign investment, especially as far as it concerned the activities of transnational corporations. He stressed that the socialist countries of Eastern Europe were ready to contribute effectively towards achieving complete agreement on the Charter. The representative of another socialist country of Eastern Europe said that final agreement on the Charter had become more pressing since the adoption by the General Assembly of the Declaration and the Programme of Action on the Establishment of a New International Economic Order, in order to further the principles of equity, sovereign equality and the independence of developing countries.

30/ For the new texts agreed to in the consultations, see annex IV below.

194. The representative of a socialist developing country of Asia stated that the proposed Charter should reflect the aspirations of the developing world and emphasized his country's belief in the basic principles of political independence of all States and their sovereignty over their own territory and natural resources. Referring to the text of the draft Charter, as contained in the Working Group's report (TD/B/AC.12/4 and Corr.1) he affirmed his country's support for the agreed principles in chapter I and the paragraphs on which agreement had already been reached in chapter II. He further stated that his country supported the first alternatives for paragraphs 2, 4, 5 and 16 of chapter II, and for paragraph 1 of chapter III.

195. The spokesman for the countries of Group B members of the Working Group said that, while he understood the aspirations for early adoption of the Charter, every effort should be made to adopt a Charter that would truly reflect the consensus of all nations. He was confident that it would be possible to reach agreement on the draft Charter in due course. The representative of a developed market economy country said that it was important to proceed slowly and judiciously, rather than to reach a less than perfect result by forcing the issue at that time.

196. The President, supported by representatives of the various groups of countries, paid a tribute to President Luis Echeverría of Mexico for his initiative, at the third session of the Conference, in proposing the elaboration of a Charter of Economic Rights and Duties of States, and to Mr. J. Castañeda (Mexico), Chairman of the Working Group, for the important role he played in the work of the Charter.

197. At the same meeting, the President introduced a draft decision on the item (TD/B/L.365).

198. At the 409th meeting of the Board, on 12 September 1974, the President introduced a revised version of the draft decision (TD/B/L.369) and drew attention to a statement of financial implications (TD/B/L.369/Add.1) submitted by the Secretariat (see annex VII below). He noted that the dates proposed for the informal consultations proposed in the draft decision were 8-18 October 1974.

Action by the Board

199. At the same meeting, the Board, having first taken note of the financial implications, adopted draft decision TD/B/L.369 (see annex I below, decision 110 (XIV)).

CHAPTER V

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

(Agenda item 7) 31/

200. In connexion with this item the Board had before it the report of the Secretary-General of UNCTAD 32/ and an addendum containing a review of developments in the GATT multilateral trade negotiations, including a summary of related UNCTAD activities. 33/

201. Many representatives stated that the present world economic situation had demonstrated the increasing interdependence of the economies of member States and of problems of trade, development finance and the international monetary system. Representatives of developing countries pointed out that it was essential not only to search for solutions to short-term problems, but also to intensify efforts aiming at a fundamental restructuring of international economic relations. In their view, the Programme of Action adopted by the General Assembly at its sixth special session gave clear recognition to that issue. They stated that a reform of the international trade, financing and monetary systems should incorporate specific measures to improve the economic position of developing countries. They further emphasized that the uncertainties prevailing in the fields of international trade and payments were hampering the development efforts of developing countries.

202. Representatives of several developing countries stressed the difficulties that the inflationary process in the developed countries had created for developing countries. One of those representatives noted that the transmission of inflation from developed to developing countries had led to a deterioration in the terms of trade of many developing countries which, as a result, were facing serious balance-of-payments problems. Another such representative expressed concern at the trade restrictions and deflationary measures which some developed countries had taken in order to deal with inflationary pressures. Those measures could lead to a serious disruption of the development process in developing countries.

203. Representatives of developed market economy countries noted that the sharp increase in the cost of energy and other raw materials was one of the main factors responsible for the current widespread balance-of-payments problems. It was recalled that, in the context of an increasingly integrated world economy, the economic policy decisions and economic events in any one country inevitably affected the economies of other countries, in a chain reaction which could not be avoided.

31/ The Board discussed this item at its 394th, 395th, 405th and 411th meetings on 28 August and on 6 and 13 September 1974. Many delegations also referred to this question in their general statements under item 4 and in the discussions in Sessional Committee I on agenda item 8 (b).

32/ See Official Records of the Trade and Development Board, Fourteenth Session, First Part, Annexes, agenda item 7, document TD/B/495.

33/ Ibid., documents TD/B/495/Add.1 and Add.1 (Annexes).

If present trade and financial conditions were not rectified, this might lead to a recession that would inevitably have an adverse impact on the world economy and, in particular, on the economies of most developing countries.

204. Representatives of the socialist countries of Eastern Europe noted the instability prevailing in the current international economic situation and referred, in particular, to the deteriorating position of developing countries in the face of a disorganized trade system and of the prevailing inflation in the market economy countries. In their view, that situation was particularly detrimental to the development efforts of developing countries.

205. In the area of international trade, representatives of several developing countries pointed out that recent changes made it essential to search for new ways to stabilize and increase the revenue of developing countries, particularly from primary products; emphasis was laid on the need for indexation of the prices of the whole range of primary products to the prices of the imports of developing countries (with appropriate indices) in order to alleviate the harmful impact of inflation.

206. Representatives of several developing countries, stating that the multilateral trade negotiations launched in September 1973 had not yet got under way, expressed the view that UNCTAD should be able to help developing countries in their preparations for the negotiations, in accordance with Conference resolution 82 (III) of 20 May 1972. In that connexion, they considered the present arrangements of periodic consultations between the Secretary-General of UNCTAD and the Director-General of GATT as being far from satisfactory in so far as they did not enable UNCTAD to carry out its responsibilities in the most effective manner. They stressed the need for regular participation by the Secretary-General of UNCTAD or his representatives at the meetings of the Trade Negotiations Committee and its subsidiary bodies. They felt that UNCTAD should have access to the relevant documentation of the Committee whenever matters which were of direct relevance to UNCTAD work were discussed. The representative of one of those countries emphasized the role played by the Technical Assistance Project, jointly set up by UNDP and UNCTAD, providing advisory services to developing countries if they so requested. He supported the views of other developing countries concerning the arrangements to be made between UNCTAD and the GATT Trade Negotiations Committee to give practical effect to Conference resolution 82 (III).

207. Representatives of several developed market economy countries stressed the importance of the forthcoming multilateral trade negotiations and expressed the hope that as many developing countries as possible would participate in those negotiations and that the negotiations would lead to positive results. One representative noted that the Trade Negotiations Committee had under consideration the question of facilitating the participation of the Secretary-General of UNCTAD or his representative in the work of the Committee and its subsidiary groups, and stated that his delegation was making efforts in the Committee to find a satisfactory solution to that question.

208. With regard to developments on the international monetary front, representatives of several developing countries noted the limited progress already achieved and expressed concern at the large number of issues of interest to developing countries which had yet to be settled. The Committee of Twenty of IMF had regrettably failed to act on the question of the establishment of the link between the creation of

special drawing rights (SDR) and additional development finance but it was hoped that a final political decision would be taken by February 1975. An early decision was also needed on the establishment of the extended Fund facility.

209. Representatives of several developed market economy countries expressed satisfaction at the progress achieved so far in international monetary reform and noted that developing countries were participating in the decision-making process. The representative of one such country agreed that the progress so far had not been entirely satisfactory. Another of those representatives stated that the slow pace in the reform of the international monetary system was due not only to the complexity of the issues involved, but also to the recent worsening of the economic situation of many developed market economy countries, which found themselves unable to undertake major reforms. Another such representative noted that, in June 1974, IMF had succeeded in adopting a wide-ranging programme covering important problems of immediate and special interest to developing countries.

210. The representative of a socialist country of Eastern Europe, supported by representatives of other such countries, stated that the capitalist monetary system remained in a state of crisis as a result of the nature of the capitalist economy and that the situation was deteriorating; inflation had affected practically all non-socialist countries and trade restrictions which had been put into effect were at the expense of the purchasing power of the developing countries; the devaluation of reserve currencies had resulted in a loss in the value of reserves of developing countries; credit had become more expensive and interest rates were high and continuing to rise; the external indebtedness of developing countries had increased at a very rapid pace. In his view, solutions to the present situation had to be worked out in an interdependent and global manner with the participation of all countries on an equal footing.

211. Representatives of several socialist countries of Eastern Europe emphasized the need to undertake a fundamental reform of the international monetary system. Some of those representatives expressed concern about the slow progress that had been achieved so far in the negotiations on international monetary reform, and emphasized the need to ensure that the benefits of reform accrued to all countries and not to a small group of Western countries. It was also pointed out that IMF did not constitute an adequate forum for a solution to the present problems.

212. The representative of a socialist country of Eastern Europe, stating that his country was a developing country, said that the future monetary system had to be based on gold or other goods with an intrinsic value to ensure stability in the system. He stressed that the role of transnational corporations and their impact on monetary fluctuations had to be closely examined and underlined the need to establish a link between SDR and additional development finance for assisting all the developing countries.

213. In the field of financial resources for development, representatives of several developing countries pointed out that the Programme of Action had emphasized that it would be indispensable for developed countries to transfer an increasing amount of real resources to developing countries in conformity with the targets set out in the International Development Strategy. Concrete support for the emergency assistance programme established by the Programme of Action was a matter of urgency.

214. The representative of a developing oil-producing country stated that his Government had already taken substantial measures towards helping developing

countries which had been adversely affected by recent increases in the prices of essential imports, and was looking forward to a positive response by developed countries and other developing oil-producing countries to the establishment of the Fund proposed by the Shahanshah of Iran.

215. On the question of institutional arrangements, representatives of developing countries emphasized the basic and the unique role of UNCTAD as the most universal body at the intergovernmental level to deal with the problems of trade, money, finance and development. Several of them stated that the Programme of Action reaffirmed the responsibilities of UNCTAD in this area and it was now essential to reorient its work programme to ensure effective and early implementation of the Programme. Representatives of many developing countries referred to the active role played by UNCTAD in the search for solutions to the monetary problem and they welcomed arrangements under consideration in IMF which were intended to establish a more permanent co-operation between UNCTAD and IMF.

216. Representatives of developing countries pointed out that the recognition of interdependence was reflected in a number of recent proposals for institutional changes in IMF and in GATT and they said it was essential to establish similar machinery in UNCTAD to deal with new situations in an interdependent, flexible and prompt manner. It was also essential to co-ordinate the various bodies established in IMF and GATT. Intersecretariat meetings which had been taking place were not sufficient to deal with problems of such magnitude and, in fact, the Trade and Development Board had not been effectively participating in decision-making in those fields. Furthermore, developing countries had also been excluded from the effective decision-making process in a number of important instances.

217. To rectify the situation and to render UNCTAD more responsive to the current world economic problems, the representative of one developing country, speaking on behalf of the African Group, proposed that the Board set up a high-level standing committee which could be entrusted with the study, review and formulation of recommendations concerning issues of particular interest to developing countries in the interdependent areas of international trade, money and development finance. That committee should undertake consultations with parallel bodies in IMF and in GATT with a view to facilitating co-ordination and co-operation. The representatives of several developing countries supported the proposal. Another such representative expressed the view that the work of UNCTAD could be expedited by convening special sessions of the Board at much shorter notice than at present.

218. Representatives of several developed market economy countries expressed their appreciation of the need for institutional adaptation and change, but expressed serious reservations on the desirability of setting up new institutional machinery in UNCTAD. Some of those representatives stated that there were already sufficient intergovernmental bodies, in which developing countries also participated, dealing with issues in an adequate manner, and much progress had been achieved in those bodies. It was essential to ensure co-ordination within Governments so that international problems could be better dealt with in a co-ordinated manner. One of those representatives urged that more use be made of the existing machinery within UNCTAD, including greater use of the authority to call special sessions of the Trade and Development Board. The representatives of several developed market economy countries emphasized the need for caution, stating that time was needed to consider the proposals. In addition, they suggested that the item be considered under agenda item 12 (a) (Further evolution of the institutional arrangements in UNCTAD).

219. Representatives of several socialist countries of Eastern Europe emphasized the importance of dealing with problems in an interdependent manner in a universal forum in the United Nations framework. They stated that, in this context, UNCTAD was the most appropriate body in view of its universality and of the need to ensure the participation of all countries. The role of UNCTAD had to be strengthened and enhanced and its deliberations made more businesslike.

220. At the 405th meeting of the Board, on 6 September 1974, the representative of Egypt, on behalf of the African Group, introduced a draft resolution on the interdependence of problems of trade, development finance and the international monetary system (TD/B/L.360) and the representative of the Union of Soviet Socialist Republics on behalf of all but one of the countries members of Group D, introduced a draft resolution on the influence of inflationary processes on international trade and economic relations (TD/B/L.362).

221. At the 411th meeting of the Board, on 13 September 1974, the President introduced a revised draft resolution on the influence of inflationary processes on international trade and economic relations (TD/B/L.372), which he had submitted as a result of his informal consultations, and draft resolution TD/B/L.362 was withdrawn.

Action by the Board

222. At the same meeting, the Board adopted draft resolution TD/B/L.372 (see annex I below, resolution 114 (XIV)).

223. The Board decided to refer draft resolution TD/B/L.360 (see annex II below) to its sixth special session for consideration in the context of its review and appraisal of the implementation of the International Development Strategy for the Second United Nations Development Decade.

CHAPTER VI

INTERNATIONAL TRADE AND FINANCING: CONSIDERATION OF ACTION ARISING FROM THE ACTIVITIES OF THE MAIN COMMITTEES, OTHER SUBSIDIARY BODIES OF THE BOARD, INTERGOVERNMENTAL AND OTHER GROUPS

(Agenda item 8) 34/

A. Commodity problems and policies

(Agenda item 8 (a))

1. Intensive ad hoc intergovernmental consultations on commodities and consultations and negotiations on individual commodities

224. Introducing the report of the Secretary-General of UNCTAD containing an interim review of the intensive ad hoc intergovernmental consultations on commodities (TD/B/504 and Add.1 and 2) and his regular annual report on negotiations and consultations on individual commodities (TD/B/491), the representative of the Secretary-General of UNCTAD recalled the objectives set out in Conference resolution 83 (III) of 20 May 1972 and resolution 7 (VII) of 10 March 1973 of the Committee on Commodities. He stated that, relative to those objectives, the results achieved in the intensive ad hoc consultations had been less than satisfactory partly because of the changed world economic environment of shortages and high prices, although the fundamental problems facing commodities had in fact not changed. The meagre results were also due, as suggested in the report, to an apparent lack of political will on the part of many countries. In the view of the secretariat, the main value of the consultations would appear to have been in clarifying the problems of individual commodities and indicating possible policies for their solution. The time had come, however, to formulate remedial measures rather than to continue to analyse the problems.

225. He said it was the understanding of the secretariat that, in accordance with the decision taken at its thirteenth session, 35/ the Board would not make a full assessment of the results of the consultations at the current session as that was to be done by the Committee on Commodities at its eighth session. In support of this understanding was the need to await completion of the programme of intensive consultations, the fact that the FAO Committee on Commodity Problems was to undertake, at its forthcoming session in October 1974, an appraisal of the results of those consultations which had been held under the auspices of FAO, and the close link that existed between the intensive consultations and the over-all integrated programme for commodities called for by the General Assembly in its Programme of Action on the Establishment of a New International Economic Order.

34/ This item was discussed in Sessional Committee I.

35/ See Official Records of the General Assembly, Twenty-eighth Session, Supplement No. 15 (A/9015/Rev.1), part three, para. 166.

226. The representative of FAO summarized the outcome of the intensive consultations carried out in FAO commodity by commodity and added that it was difficult to use a single adjective to evaluate the results of each of them. While all the objectives for which they had been convened had not been achieved, partly owing to extraneous factors which may have weakened the political will to take immediate decisions on major issues, some positive results could be noted. The consultations had identified, in many cases for the first time, the specific problems and solutions to them. It appeared that certain lines of approach were regarded as more acceptable and appropriate by some countries than by others. He considered that an objective evaluation should identify the concrete and positive results the consultations had achieved, list the reasons why the outcome had not been more substantial and identify the next steps Governments might consider in order to move forward in the important but complex area of access to markets and pricing policy for commodities. There was no panacea for the problems of all commodities, but certain key approaches could be distinguished for different groups of commodities. He nevertheless regarded the failure of the international community to find meaningful and lasting solutions to the world's commodity problems as one of the most unfortunate chapters in the efforts at international co-operation, adding that the only hope of progress lay in the realization of the gravity of the problem and the need to take more vigorous steps.

227. Representatives of both developing and developed countries who spoke on the subject said that a full assessment of the results of the intensive ad hoc intergovernmental consultations should be conducted by the Committee on Commodities at its eighth session, for which the Secretary-General of UNCTAD should prepare a comprehensive review and evaluation.

228. Representatives of many developing countries expressed disappointment at the outcome of the consultations and agreed with the preliminary assessment contained in the report of the Secretary-General of UNCTAD (TD/B/504 and Add.1 and 2). They cited the lack of political will as a major cause of the failure to achieve concrete results. Some of them considered that the consultations had been bound to fail and called for a fresh approach, while others said that the mechanism of the consultations should not be rejected as, given the political will, it held out prospects for achieving results.

229. Representatives of some developing countries drew attention to the meagre results of the consultations on cotton, hides and skins and unmanufactured tobacco. They stated that the consultations in general had been a failure in that the results had fallen far short of expectations, to some extent because many countries had failed to recognize that past approaches were no longer adequate. Referring specifically to the consultations on tea, jute and coir, one of them said that the international community could no longer simply examine and re-examine the problems and stressed that there was an urgent need to formulate a concrete programme of solutions. He referred in particular to the problems of access for unmanufactured tobacco in the markets of EEC.

230. The representative of one developing country noted that the results, such as they were, gave the opportunity to improve and strengthen the commodity-by-commodity approach and that the programme of commodity consultations might be broadened to include other commodities as appropriate. The representative of another developing country asked that consultations on fresh fruits, including strawberries, melons and watermelons, and on vegetables, including tomatoes, be convened as early as possible in view of the importance of such commodities in

diversifying the exports of developing countries and of their export potential if import restrictions on them in developed countries were removed.

231. The representative of another developing country said that immediate action on the problems covered by the consultations was necessary in order to achieve the objectives of the International Development Strategy, while another considered that future approaches should be within the framework of an over-all integrated programme for commodities.

232. The representative of a socialist developing country of Asia considered that satisfactory results had not been achieved and that the demands of developing countries for improving the intensive ad hoc intergovernmental consultations on commodities and changing the unreasonable phenomena in commodity markets and pricing policy were entirely just.

233. Representatives of some of the developed market economy countries considered that the preliminary assessment by the Secretary-General of UNCTAD was too pessimistic. Many believed that the consultations had served a useful purpose in that they had clarified issues and identified a range of possible solutions applicable to individual commodities, thereby providing a basis on which Governments might consider future courses of action. One of them stated that it would be unfortunate if UNCTAD were not to continue exchanging views and consulting about particular commodity situations.

234. Representatives of developed market economy countries said that the full evaluation of the results should be undertaken by the Committee on Commodities at its eighth session. Some of them suggested that, in making its review, the Committee should identify the concrete results achieved, elaborate the reasons why the outcome was not more substantial and indicate the future steps which might be taken.

235. One of those representatives suggested that there was no lack of political will, but that the intensive consultations were not an appropriate forum for making concrete proposals to Governments which might pre-empt action in the context of the multilateral trade negotiations. He added that the efficacy of the commodity-by-commodity approach had been underestimated and that much valuable information had been gained during the consultations. Another noted that exporting countries often could not agree among themselves on appropriate courses of action and suggested that they might meet among themselves, under UNCTAD or FAO auspices, as had happened in the case of tea and bananas, to formulate agreed proposals on price stabilization measures; however, they should at an early stage examine such proposals jointly with importing countries.

236. Representatives of a number of socialist countries of Eastern Europe agreed in principle with the assessment of the Secretary-General of UNCTAD and of the developing countries that the results of the intensive consultations were not fully satisfactory. One of them considered that agreement on solutions to the main problems was not possible within the time frame of the consultations, but he urged Governments to take a positive approach to the results achieved. Those included, he said, identification of the problems facing each commodity on which intensive consultations had been held, in some cases for the first time; the consultations had proved helpful in clarifying the positions of both exporting and importing countries. He added that the requirements of individual countries were

reflected in the recommendations made during the consultations, which might lead eventually to concrete measures, following their examination by Governments.

237. The representative of EEC considered that the consultations were worth while and did not share the pessimistic view expressed by the Secretary-General of UNCTAD in his report (TD/B/504 and Add.1 and 2) and by many developing countries. He believed that the results emphasized the complexity of commodity problems and the differentiated character of the problems facing individual commodities, while contributing to a better understanding of the issues. He supported the view that a thorough assessment of the results should be made at the eighth session of the Committee on Commodities in order to provide a basis for future action in UNCTAD and other intergovernmental bodies concerned.

238. After informal consultations, the President of the Board submitted a draft resolution on new approaches to international commodity problems and policies (TD/B/L.378), section A of which related to the intensive ad hoc intergovernmental consultations on commodities (see also paras. 119-123 above).

Action by the Board

239. At its 412th meeting, on 13 September 1974, the Board adopted the draft resolution (see annex I below, resolution 124 (XIV)).

2. Report of the Advisory Committee to the Board and to the Committee on Commodities on its ninth session

240. Introducing the report of the Advisory Committee to the Board and to the Committee on Commodities on its ninth session, 36/ the representative of the Secretary-General of UNCTAD drew attention to the seriousness with which the Committee regarded the current accelerating world inflation and the dangers it carried for the world economy. He referred also to the welcome the Committee had given to the call made by the General Assembly for the preparation of an over-all integrated programme for commodities. The Committee had felt that such a programme was necessary in view of the vulnerability of many developing countries to a probable reversal of the commodity price boom in conditions of continuing inflation in prices of industrial goods and possible economic stagnation in industrial countries. He pointed out that many of the suggestions made by the Committee on this matter had been taken up by the secretariat and incorporated in its proposals for an over-all integrated programme for commodities. 37/

241. The representative of one developing country noted the Advisory Committee's conclusion that exporters in developed countries had benefited more than those in developing countries from the commodity price boom. The representative of another developing country drew attention to the conclusion of the Advisory Committee that the economic prospects facing developing countries heavily dependent on commodities other than petroleum were at best very unfavourable, at least in the immediate future. He also noted its conclusion that co-operative action by

36/ See Official Records of the Trade and Development Board, Fourteenth Session, First Part, Annexes, agenda item 8 (a), document TD/B/519.

37/ Ibid., agenda item 4 (b), document TD/B/498.

producers was not necessarily aimed at the exaction of a monopolistic price but, instead, might be aimed at counterbalancing the effects of oligopsonistic situations in particular commodity markets. The representative of another developing country felt that the Advisory Committee had seemed to attribute inflation in industrial countries and the shortage of fertilizers to the rise in petroleum prices. He cited the conclusion of the OECD secretariat that the rise in oil prices had contributed in only a small degree to inflation in industrial countries 38/ and maintained that the shortage of fertilizers was due to the inadequacy of fertilizer production capacity and to lack of forward production planning in industrial countries.

242. The representative of a developed market economy country commended the Advisory Committee for its succinct and helpful review of a complex situation. He suggested that if other representatives thought it useful, Governments might be invited to make detailed comments to the secretariat on the Committee's suggestions, for later consideration.

Action by the Board

243. At its 412th meeting, on 13 September 1974, the Board took note with appreciation of the report of the Advisory Committee to the Board and to the Committee on Commodities on its ninth session. 39/

3. Marketing and distribution systems for primary commodities

244. The representative of the Secretary-General of UNCTAD introduced the progress report on revision of the study on the marketing and distribution system for cocoa (TD/B/502) that had been requested by the Board at its thirteenth session. 40/ He stated that the revised study would be circulated in good time for consideration by the Committee on Commodities at its eighth session, as had been requested by the Board.

245. The spokesman for the African countries members of the Group of Seventy-seven recalled the importance those countries attached to the studies on marketing and distribution systems for primary commodities and regretted the delay in the completion of the study on cocoa. He expressed the hope that the revised study would pay particular attention to monopolistic and oligopsonistic operations in cocoa markets, the role of transnational corporations, the functioning of terminal markets and speculation in such markets. The representatives of two other developing countries hoped that the experience gained in the preparation of the study on cocoa would enable the secretariat to prepare similar studies on other commodities more quickly. One of them conveyed his Government's special interest in a study of the marketing and distribution system for raw cotton, an interest that had already been expressed by some countries since the third session of the Conference.

38/ Organisation for Economic Co-operation and Development, OECD Economic Outlook, July 1974.

39/ See foot-note 36 above.

40/ See Official Records of the General Assembly, Twenty-eighth Session, Supplement No. 15 (A/9015/Rev.1), part three, para. 177.

246. The representative of a socialist country of Eastern Europe felt that the study on cocoa should concentrate on analysing the role of capitalist monopolies in cocoa marketing and should try to estimate the losses suffered by cocoa exporting countries resulting from control of the cocoa trade by foreign interests.

B. Expansion and diversification of exports of manufactures and semi-manufactures of developing countries

(Agenda item 8 (b))

1. Report of the Special Committee on Preferences on its sixth session

247. The report of the Special Committee on Preferences on its sixth session ^{41/} was introduced by the representative of the Secretary-General of UNCTAD in the absence of the Chairman of the Special Committee. He noted that since the Committee had met, the Government of Canada had implemented its scheme of generalized preferences in accordance with the time-table it had indicated to the Special Committee. Referring to the negotiations in progress between EEC and the African, Caribbean and Pacific countries (see para. 21 above), he said they were likely to affect the scheme of the Community and the position of those countries in the system as a whole. On rules of origin, the Committee had considered that a further session of the Working Group on Rules of Origin was necessary and in response to its request the Secretary-General of UNCTAD had scheduled a session to be held from 2 to 6 December 1974.

248. He drew attention to resolution 3 (VI) of 31 May 1974 of the Special Committee, in paragraph 1 of which the Committee noted the request of the developing countries that the preference-giving countries participating in the multilateral trade negotiations should take special measures in the form of progressive preferential liberalization in favour of developing countries, with a view to maintaining and improving tariff advantages enjoyed by those countries under the generalized system of preferences (GSP) and securing additional benefits for them. The Committee also decided (para. 2 of the resolution) to keep under continuous review developments in the multilateral trade negotiations relating to tariffs in view of their implications for GSP, and requested (in para. 4) that section D of Conference resolution 82 (III) should be fully implemented in the light of the agreement reached by the Ministers at Tokyo that the Trade Negotiations Committee could decide to invite the Secretary-General of UNCTAD to attend its meetings as appropriate. ^{42/} In resolution 2 (VI) of 31 May 1974, the Committee invited the preference-giving countries to give continuing consideration to the requests of developing countries for improvements in their existing schemes, paying special attention to the problems of the least developed and the land-locked developing countries.

^{41/} Official Records of the Trade and Development Board, Fourteenth Session, First Part, Supplement No. 3 (TD/B/489).

^{42/} Ibid., Fourteenth Session, First Part, Annexes, agenda item 7, document TD/B/495/Add.1, para. 17.

249. He also drew attention to the three draft resolutions 43/ which had been submitted by the Group of Seventy-seven and which were contained in annex II to the Committee's report. 44/

250. In the general discussion of this item, the representatives of some developing countries expressed their satisfaction that the Canadian scheme had been implemented on 1 July 1974 and their appreciation of the improvements made in other schemes. However, they considered that there was considerable scope for further improvement of GSP if the objectives of the system were to be achieved. They stressed that new efforts were needed to bring about such improvements in view of the Declaration and the Programme of Action on the Establishment of a New International Economic Order. They drew attention to resolutions 2 (VI) and 3 (VI) of the Special Committee, which contained specific recommendations as to the most effective way of bringing about improvement of the system and ensuring lasting benefits from it. They also referred to the recommendations contained in one of the draft resolutions, entitled "Review of schemes of generalized system of preferences" (TD/B/C.5/L.20) (see annex II to the Committee's report), 44/ on the subject of helping the countries most seriously affected by economic crisis, the least developed and the land-locked developing countries, to derive equitable benefits from GSP.

251. The representative of one developing country stated that GSP and improvements in the various schemes so far had been limited to products which it was beyond the ability of the developing countries to produce and export because they required capital-intensive processes and sophisticated technology. Products of real export interest to developing countries had therefore not benefited. Moreover, the multilateral trade negotiations were bound to result in a reduction or elimination of preference margins. Adequate measures should therefore be taken to preserve and extend the benefits of the system, not only for manufactures and semi-manufactures (Brussels Tariff Nomenclature (BTN) chaps. 25-99) but also for agricultural products falling within BTN chapters 1-24. The representatives of many other developing countries also urged the inclusion in GSP of agricultural products falling within BTN chapters 1-24.

252. The spokesman for the African countries members of the Group of Seventy-seven stated that African developing countries had not derived any significant benefits from GSP; nor were they likely to do so, because of the limited product coverage and other restrictive elements of the various schemes. Major improvements were therefore necessary, in particular through a widening of the lists of agricultural products covered by the schemes. Noting that Africa contained the majority of the least developed among developing countries, he stressed that compensatory or other measures should be devised to enable those countries to share in the benefits of GSP. In that connexion he requested the UNCTAD secretariat to carry out a study to determine to what extent, if any, GSP had assisted the economies of the African countries.

253. The representative of one developing country stressed that, while improvements in GSP should take into account, in particular, the interests of the least developed and land-locked developing countries, such improvements should not discriminate against other developing countries.

43/ "Characteristics of the proposed preferential scheme of the United States of America" (TD/B/C.5/L.17); "Review of status of implementation of the generalized system of preferences" (TD/B/C.5/L.19); "Review of schemes of generalized system of preferences" (TD/B/C.5/L.20).

44/ See foot-note 41 above.

254. The representative of a developed market economy country stated that, while his Government was concerned with the problems facing developing countries most seriously affected by economic crisis and would make a substantial contribution under the Special Programme adopted by the General Assembly at its sixth special session, he doubted whether any emergency measures were possible within the framework of GSP, which aimed at a long-term improvement in the export performance of the developing countries.

255. The representative of a socialist country of Eastern Europe, stating that his country was a developing country, supported the demands of other developing countries regarding the need for constant improvement in the schemes of preferences. He expressed the hope that the improvements envisaged by the preference-giving countries would be applied without discrimination to all developing countries, regardless of their socio-economic systems or geographical position.

(a) Statements on specific schemes

Austria

256. The representative of Austria stated that Parliament had approved measures leading to considerable improvements in the scheme of his country and that the second stage of the scheme could thus come into force on 1 January 1975. The measures included:

(a) Further tariff cuts, from 30 to 50 per cent for practically all industrial items;

(b) A substantial further increase in the preferential margin on agricultural and processed agricultural products already covered by the scheme;

(c) The inclusion of a number of new agricultural products.

He stated that many of the newly included items were of special export interest to the least developed among developing countries. He added that the whole textile sector, including almost all cotton textiles, would now be included in the scheme; however, the tariff reduction would be 35 per cent. All those improvements were granted subject to the safeguard clause, without any a priori quantitative restrictions such as tariff quotas or ceilings.

257. He said that his Government attached importance to technical assistance activities in connexion with GSP and in particular those of the UNCTAD/UNDP Special Project Team. His country would continue to send experts to participate in the project and all expenditures for those experts would be borne by the Austrian Government. His Government would also participate actively in the further work of the Working Group on Rules of Origin, which should go into the practical difficulties experienced by the developing countries.

EEC

258. The representative of EEC drew attention to the improvements made in the

Community's scheme for 1974, which concerned both processed agricultural products and manufactured and semi-manufactured products. In connexion with the latter, the Community had raised substantially the level of ceilings for preferential imports and significantly reduced the list of products subject to tariff quotas. It was currently examining the details of the scheme for 1975 on the basis of certain proposals made by the Commission. Despite the difficult economic situation, the Community was considering further improvements in its scheme. With respect to agricultural products, it was considering on a case-by-case basis the possibility of widening the preferential margins and adding to the list of eligible products. As to manufactures and semi-manufactures other than textiles, improvements might consist in raising ceilings and significantly reducing the number of products subject to tariff quotas. Work on those measures was expected to be completed soon and the official texts of the scheme for 1975 would be issued in good time.

259. He also stated that the Community attached great importance to disseminating information about the benefits of GSP and was giving priority to the countries most seriously affected by economic crisis and to the least developed countries. The Commission had recently organized seminars in Bangladesh, Haiti and Sri Lanka in that connexion.

260. Referring to the negotiations held at Kingston, Jamaica, in July 1974 between the Community and the 45 African, Caribbean and Pacific countries (see para. 21 above), he stated that the trade régime envisaged consisted largely of duty-free access in the Community for products originating in the African, Caribbean and Pacific countries, while African, Caribbean and Pacific countries would not be required to undertake corresponding obligations. There were, however, other questions which remained to be resolved, such as rules of origin and non-tariff barriers, particularly with respect to products covered by the common agricultural policy.

261. The representative of India, speaking also on behalf of Bangladesh and Sri Lanka, expressed the deep appreciation of those three countries for the improvements which the Community was considering introducing into its scheme in 1975. He suggested that the Community could help those three countries that had been most seriously affected by economic crisis by making the following improvements to its scheme in 1975:

(a) The number of products in the "sensitive" list should be sharply reduced to no more than half a dozen or so;

(b) The allocation of the Community tariff quotas among member States according to fixed percentage shares should be abandoned and replaced by specific member-State shares, to be determined for each product, and the establishment of a Community reserve in order to forestall any disruption of traditional trade patterns;

(c) The country maximum amount limitation for all semi-sensitive products should be raised to 50 per cent;

(d) All "sensitive" textile products not covered by the Arrangement regarding International Trade in Textiles, and particularly carpets, should be classified as "semi-sensitive";

(e) Duty-free treatment for jute and coir goods, at present granted only in Denmark and the United Kingdom of Great Britain and Northern Ireland, should be continued in 1975 and accorded by all other member States;

(f) The coverage of processed agricultural products should be extended so as to include all such products exported by the most seriously affected countries;

(g) In all cases where GSP rates were being reduced for the Community as a whole, it should be ensured that, as a result of tariff alignment in the acceding States, the GSP rates in 1975 for those States were not higher than in 1974.

He also reiterated his Government's request that the Community should revise its 1974 scheme with respect to the quota for tobacco and find a solution to the problem raised by the exhaustion of quotas in the United Kingdom market.

Finland

262. The representative of Finland stated that although imports under GSP had increased in 1973, his Government was concerned that only 42 of the 103 beneficiaries had, so far, notified it of the authorities empowered to issue or endorse certificates of origin. Since that notification constituted a condition of duty-free entry, he urged the 61 countries which had not yet complied with the notification requirements to do so as soon as possible. He pointed out that his Government had, as requested by UNCTAD, examined the reasons for the failure of those beneficiary countries that had complied with the notification requirements to receive duty-free treatment on products eligible for preferences.

263. He further stated that his Government would conduct bilateral consultations with those developing countries that had not yet sent notifications, as well as with other interested beneficiaries, to discuss whatever difficulties had arisen in complying with the scheme's rules of origin.

Japan

264. The representative of one developing country requested that the product coverage of the scheme of Japan be extended to marine products, cashew nuts and walnuts, all spices, unmanufactured tobacco and all textile fibres and fabrics, including those of silk. He also urged a liberalization of the quota system.

Poland

265. The representative of Poland stated that his country had taken special measures aimed at ensuring preferential access for the exports of manufactured products of developing countries in the Polish market. Citing figures, he indicated that the increase in volume and the diversification of his country's imports of manufactures from the developing countries were mainly due to those measures which would be further extended as a result of continuing improvements in his country's foreign trade system.

United States of America

266. The representative of the United States of America reiterated that his

Administration remained committed to the introduction of the United States scheme, and stated that one of President Ford's first actions had been to urge Congress to pass the Trade Reform Act, which included authorization for a United States scheme of generalized preferences. He reviewed the legislative progress of the Trade Reform Act to date and stated that at present the Bill was before the Senate Finance Committee. In that connexion, he stated that the legislation was now in a delicate phase and that pursuance of the two draft resolutions (TD/B/C.5/L.17 and L.19) on the United States scheme that were annexed to the report of the Special Committee on Preferences ^{45/} could prove counterproductive. He noted that the United States considered its proposed scheme to be a liberal one. The "competitive need" feature it contained would improve the prospects for the least developed countries to improve their market shares. In response to an inquiry from one developing country, he explained that the "competitive need" feature of the United States scheme provided for most-favoured-nation (MFN) treatment instead of duty-free entry under the generalized preferences for imports of a particular product from a particular beneficiary developing country when United States imports of that product from that country exceeded 50 per cent of its total imports from all sources, or exceeded \$25 million in value. Preferential treatment for other developing countries for that product would continue.

267. Representatives of a number of developing countries stressed the urgency of implementing the United States scheme and noted with satisfaction the announcement that the legislative process would be completed very shortly. They recalled the specific requests made by the developing countries at the sixth session of the Special Committee on Preferences for an improvement of the restrictive elements of the proposed scheme. Since legislation had not yet been completed, they hoped their requests would be fully taken into account.

(b) Draft resolutions

268. As a result of informal consultations on the three draft resolutions (TD/B/C.5/L.17, L.19 and L.20) in annex II to the report of the Special Committee on Preferences, the Chairman of the Contact Group of Sessional Committee I submitted draft resolution TD/B(XIV)/SC.I/L.9, and draft resolutions TD/B/C.5/L.17 and L.19 were withdrawn.

Action by the Board

269. At its 412th meeting, on 13 September 1974, the Board adopted draft resolution TD/B(XIV)/SC.I/L.9, as orally amended by the President (see annex I below, resolution 115 (XIV)).

270. The spokesman for Group B stated that he wished to remark that Group B continued to be of the opinion that it was contrary to the principles governing the work of UNCTAD for resolutions to be addressed to a particular country. In the view of his Group, the adoption of the resolution, which represented a departure from this principle, could not be regarded as a precedent and UNCTAD would continue working in the future as it had been working up to the present.

^{45/} See foot-note 41 above.

271. At the same meeting, the Board took note of the report of the Special Committee on Preferences on its sixth session, 45/ and decided that draft resolution TD/B/C.5/L.20 (see annex II below) should be referred to its sixth special session for consideration in the context of its review and appraisal of the implementation of the International Development Strategy for the Second United Nations Development Decade, with a view to its subsequent consideration by the Special Committee on Preferences at its seventh session.

272. The spokesman for the Asian countries members of the Group of Seventy-seven stated that he welcomed the sympathy and comprehension for the developing countries most seriously affected by economic crisis that had been expressed by the spokesman for Group B in the informal consultations on the draft resolution. His Group trusted that this sympathy and comprehension would be reflected in improvements in the schemes of generalized preferences of the developed market economy countries.

2. Report of the Committee on Manufactures on the second part of its sixth session

273. The report of the Committee on Manufactures on the second part of its sixth session 46/ was introduced by its Chairman. He drew attention to the draft resolution on the participation of the developing countries in the multilateral trade negotiations, which had been remitted to the Board for consideration (TD/B/C.2/L.74). 47/ He also referred to the positions taken by different groups on the four draft resolutions which had been submitted by the Group of Seventy-seven during the Committee's session (TD/B/C.2/L.60, L.70, L.71 and L.72), 48/ and to the Committee's action in this regard. 49/ He concluded by saying that the Committee had tried to avoid confrontation on the various draft resolutions and had left the door open for a continuing process of exchange of views and negotiations at the current session of the Board.

274. Representatives of developing countries who spoke on the subject stated that the unwillingness of the developed countries to negotiate in the Committee on Manufactures, in particular at its sixth session, had made it difficult to achieve positive results. Some of them noted that the Committee had been unable to adopt agreed texts on the basis of the five draft resolutions submitted at the second part of its session and another regretted that little progress had been achieved with regard to the liberalization of non-tariff barriers affecting the exports of developing countries. Several of the representatives noted that the substance of those five draft resolutions had been before the Committee at the first part of its sixth session in July 1973 and hence Governments had had an opportunity to

46/ Official Records of the Trade and Development Board, Fourteenth Session, First Part, Supplement No. 4 (TD/B/518). The report of the Committee on the first part of its sixth session (ibid., Thirteenth Session, Supplement No. 5 (TD/B/466)) was considered by the Board at its thirteenth session.

47/ Ibid., Fourteenth Session, First Part, Supplement No. 4 (TD/B/518), annex I.

48/ Ibid., annex II.

49/ Ibid., para. 92.

study them for more than a year. They expressed the hope that developed countries would be more open to negotiation at the current session of the Board and at the next session of the Committee.

275. Representatives of some developing countries stated that the recent liberalization of tariff barriers in developed countries had been offset by new non-tariff barriers, such as the system of import deposits and the imposition in some countries of new taxes on imports. One of them added that such measures were inconsistent with the commitments entered into by developed countries not only in UNCTAD but also in other fora.

276. The representative of one developing country considered that the Committee had a broad task to fulfil, which included continued study and identification of non-tariff barriers. He stressed the need for a programme to eliminate the quantitative restrictions and other non-tariff barriers affecting the exports of developing countries, covering such matters as adherence to the standstill, the requirements for the developed countries to furnish detailed information regarding prevailing trade barriers and the establishment of a deadline for the elimination of quantitative restrictions, taking into account the possibility of advance implementation with respect to imports from developing countries.

277. The representative of one developing country said that non-tariff barriers were one of the major problems faced by the international community and that those barriers offset or nullified the benefits derived from tariff liberalization and GSP. Representatives of developing countries drew attention to the Programme of Action on the Establishment of a New International Economic Order, which called for the reduction of non-tariff barriers, taking into account the principles of non-reciprocity and of preferential treatment.

278. Representatives of many developing countries called for the formal participation of the Secretary-General of UNCTAD in the multilateral trade negotiations and for the UNCTAD secretariat to have access to the GATT documentation prepared for the negotiations; they urged the adoption of the draft resolution on this matter that had been remitted to the Board. They stated that such action would be in conformity with Conference resolution 82 (III) of 20 May 1972 and with the provisions of the Tokyo Declaration, 50/ and that it would help the developing countries - which were the weaker partners in the negotiations - to achieve more satisfactory results than they had been able to in previous rounds of trade negotiations. They emphasized that UNCTAD, as an organization of the United Nations system directly concerned with trade and development, should be allowed to participate in the multilateral trade negotiations. Some of them pointed to the fruitful co-operation that existed, for example, between UNCTAD and FAO in matters of common interest as a model of co-operation that should exist between UNCTAD and GATT. One of them said that the advice given by the GATT secretariat to the developing countries with regard to tropical products was very much in line with the recommendations made by the UNCTAD secretariat in its documentation, adding that this illustrated the importance for developing countries of UNCTAD participation in the multilateral trade negotiations.

279. Representatives of some developing countries referred to the need for

50/ See foot-note 10 above.

implementing adjustment assistance measures in developed countries in order to facilitate a more rational and equitable international division of labour, saying that such action would be in accordance with the Programme of Action on the Establishment of a New International Economic Order. They noted that the provisions of the Programme of Action in that respect had been adopted without objection, yet developed countries had opposed the adoption by the Committee of Manufactures of the draft resolution on the question.

280. The representatives of some developing countries who spoke on the subject supported the proposal made at the second part of the Committee's session that a group of experts should be convened by UNCTAD to consider the establishment of an adjustment assistance fund to assist the relocation and establishment of industries of developed countries that should be phased out in favour of their establishment or expansion in developing countries. 51/ One of them said that developing countries could not rely for adjustment assistance solely on market forces, since they were largely controlled by transnational corporations. The representatives of some developing countries agreed that the proposal to set up a group of experts for such a purpose should be carefully studied. The representatives of some other developing countries agreed with the proposal for an adjustment assistance fund. The secretariat, in reply to a query, stated that it was giving consideration to the proposal in the context of its general work on adjustment assistance and on the promotion of exports of manufactures and semi-manufactures from developing countries.

281. Representatives of some developing countries said that the adherence to the standstill and the establishment of appropriate safeguard measures in developed countries was of particular importance to the developing countries. One of them added that the standstill agreed upon by developed countries in 1963 had not been respected, since it provided that departures from it would be allowed only under special circumstances and after consultations with countries affected. He considered that 11 years was too long a period in which to claim "special circumstances" and that consultations with affected countries had not been held. Some of those representatives considered that the new standstill pledged by the countries members of OECD in their declaration of 30 May 1974 52/ should have general application. One of them added that, in spite of this pledge, some developed countries had taken new protective measures which would affect in particular their imports from developing countries, and they urged strict adherence to the standstill with regard to such imports.

282. The representative of one developing country said that safeguard measures should be adopted on the basis of well-defined criteria and should provide for an expansion of imports from developing countries.

283. The representative of another developing country stated that inflation in developed countries was seriously affecting the developing countries, adding that the latter countries were not always well acquainted with conditions in world markets and therefore did not always pay the right prices for their imports. He

51/ See Official Records of the Trade and Development Board, Fourteenth Session, First Part, Supplement No. 4 (TD/B/518), paras. 52-55.

52/ Ibid., Fourteenth Session, First Part, Annexes, agenda item 7, document TD/B/495/Add.1 (Annexes), annex III.

therefore suggested that consideration be given to the establishment of a multilateral mechanism, preferably of an interregional character, in order to provide developing countries with the necessary information. In his view, UNCTAD would be an appropriate body for overseeing this mechanism and a study on the matter should be undertaken by the secretariat. He further suggested that there should be co-operation over a broader field between the Committee on Manufactures and other international organizations, such as UNIDO and the regional economic commissions.

284. The representative of another developing country considered that the secretariat should not only put forward ideas of a theoretical nature but also make practical suggestions for trade liberalization that could be discussed by the Committee on Manufactures.

285. The spokesman for Group B stated that the countries of his Group appreciated the concern of the developing countries that Conference resolution 82 (III) be fully implemented in the light of the agreement reached at the Ministerial Meeting at Tokyo, and were ready to co-operate in that respect. They also recognized the contribution that the Secretary-General of UNCTAD could make in assisting developing countries in the multilateral trade negotiations and expected that there would be close co-operation between him and the Director-General of GATT. The question of participation by UNCTAD in the Trade Negotiations Committee or in its working groups, as well as the question of access to documentation, were matters for decision by the Trade Negotiations Committee. He referred to the participation of the Secretary-General of UNCTAD in the most recent session of the Trade Negotiations Committee and to the suggestions he had made in that forum with regard to UNCTAD participation in future sessions. He stated that the countries members of his Group were ready to discuss the draft resolution on this question which had been remitted to the Board, but could not support a resolution which prejudged any of the possible ways of dealing with the matter. They were approaching the matter with a view to finding solutions consistent with the dual aim of enabling the UNCTAD secretariat to assist developing countries participating in the multilateral trade negotiations and ensuring the effective conduct of the negotiations.

286. The representative of one developed market economy country, speaking on behalf also of the delegation of another such country, stressed the importance of ensuring an effective participation of the developing countries in the trade negotiations. UNCTAD had an essential function to fulfil in assisting the developing countries in that matter, and he considered that the views of the Secretary-General of UNCTAD concerning UNCTAD participation in the negotiations and access to documentation were constructive and realistic. He noted that the Secretary-General of UNCTAD had recognized that there might be occasions when privacy was necessary but hoped that it would be possible for the Trade Negotiations Committee to reach agreement broadly along the lines proposed by the Secretary-General of UNCTAD, so as to enable him to discharge the functions conferred on him by Conference resolution 82 (III).

287. The representatives of some socialist countries of Eastern Europe supported the views of the developing countries on the liberalization and elimination of tariff and non-tariff barriers and quantitative restrictions, especially those of a discriminatory nature. They considered that the Committee on Manufactures should undertake more work on that subject, which was a key one in UNCTAD. In their view, UNCTAD was fully competent in all matters relating to trade and development and was a suitable forum for discussion of those matters. One of them stated that UNCTAD should be allowed to participate in the multilateral trade

negotiations and that its participation might contribute to avoiding the difficulties that developing countries had experienced in previous rounds of negotiations. He supported the view of the Secretary-General of UNCTAD that it was essential for the UNCTAD secretariat to be present on a regular basis at meetings of the GATT bodies concerned as well as to have access to the relevant GATT documentation.

288. The representative of a socialist country of Eastern Europe, stating that his country was a developing country, stressed that in spite of the efforts made by his country to obtain greater access for its manufactures in the markets of developed countries, its exports of machinery were still only 5.5 per cent of its total exports to those countries. He expressed concern at the protectionist measures which the developed countries were increasingly resorting to against the exports of developing countries and which were an indication of the weakening of the political will for international co-operation. He deplored the lack of enthusiasm by developed countries for taking the measures called for in the Programme of Action on the Establishment of a New International Economic Order and the poor prospects of differential treatment in favour of developing countries as a result of the multilateral trade negotiations in GATT.

289. The representative of GATT, commenting on remarks made concerning the multilateral trade negotiations, said that the interpretation and application of the Tokyo Declaration was a matter for Governments participating in the negotiations and not for the Director-General or the GATT secretariat. He referred to the contacts that had taken place between the Director-General of GATT and the present Secretary-General of UNCTAD, as well as with his predecessor. He added that the Trade Negotiations Committee had so far held three sessions, the first two being of an organizational character. At the invitation of the Committee, the Secretary-General of UNCTAD had participated in its third session, held in July 1974, and had made a statement. The Trade Negotiations Committee had discussed the question of UNCTAD participation in further sessions and delegations had been left to reflect on the matter and revert to it later.

290. Regarding access by UNCTAD to the documentation prepared for the multilateral trade negotiations, he stated that that was also a matter for decision by Governments, although it was normal in trade negotiations involving binding commitments to limit the availability of documents to participants in the negotiations. The sole concern of the GATT secretariat was to ensure that effective multilateral negotiations were carried out in Geneva. He pointed out that the UNCTAD secretariat had been kept fully informed of the GATT programme of technical assistance to developing countries, which had been drawn upon by a large number of developing countries. Documentation prepared by the UNCTAD secretariat had been brought to the notice of Governments participating in the negotiations.

Draft resolutions

291. Pending the possible consideration of draft resolution TD/B/C.2/L.72 on international trade in textiles at the sixth special session of the Board or the seventh session of the Committee on Manufactures, a draft resolution was submitted by Pakistan on behalf of the Group of Seventy-seven (TD/B(XIV)/SC.I/L.13).

292. A draft decision on adjustment assistance (TD/B(XIV)/SC.I/L.6) 53/ was submitted by Pakistan on behalf of the Group of Seventy-seven.

293. As a result of informal consultations, the Chairman of the Contact Group of Sessional Committee I submitted draft resolution TD/B(XIV)/SC.I/L.15 on participation of the developing countries in the multilateral trade negotiations, and draft resolution TD/B/C.2/L.74 was withdrawn. He also submitted a revised text of a draft decision on adjustment assistance (TD/B(XIV)/SC.I/L.12), and TD/B(XIV)/SC.I/L.6 was withdrawn.

Action by the Board

294. At its 412th meeting, on 13 September 1974, the Board took note of the reports of the Committee on Manufactures on the first and second parts of its sixth session. It adopted draft resolution TD/B(XIV)/SC.I/L.15, as orally amended by the President (see annex I below, resolution 116 (XIV)). It also adopted, on the recommendation of Sessional Committee I, draft decision TD/B(XIV)/SC.I/L.12. By that decision, it requested the Secretary-General of UNCTAD to examine, taking into account the development needs of developing countries, the relevant trade aspects of studies of UNIDO relating to industrial restructuring and adjustment assistance measures and to submit his report, including proposed measures, if appropriate, in order to facilitate and promote just and equitable international economic relations, to Governments for their consideration and to the Committee on Manufactures at its seventh session.

295. At the same meeting, the Board further decided that draft resolutions TD/B/C.2/L.60, L.70, L.71 and L.72 and draft resolution TD/B(XIV)/SC.I/L.13 should be referred to its sixth special session for consideration, in the context of its review and appraisal of the International Development Strategy for the Second United Nations Development Decade, with a view to their subsequent consideration by the Committee on Manufactures at its seventh session (see annex II below).

296. The spokesman for the Group of Seventy-seven stated that his Group regretted that it had not been possible to make progress in negotiating agreed solutions at the current session on the draft resolutions on export incentives and countervailing duties (TD/B/C.2/L.60), adjustment assistance measures (TD/B/C.2/L.70) and safeguards and standstill (TD/B/C.2/L.71). That was due to the stand taken by the developed market economy countries to the effect that they had difficulties in engaging in negotiations on those draft resolutions because several of the elements embodied in them would be taken up in the multilateral trade negotiations. However, the developing countries were of the view that urgent action was required on the issues raised in the draft resolutions which could not be postponed. They wished, in particular, to stress that a standstill be maintained on barriers to their exports in the markets of developed countries and that, in cases where the developed countries were obliged to introduce new import restrictions, they must exempt developing countries from such restrictions.

297. He added that his Group also wished to stress the importance of fully and effectively implementing Conference resolution 76 (III) of 19 May 1972, and, as a step towards that objective, it called upon the Committee on Manufactures, at its

53/ The secretariat circulated a statement of financial implications of the draft decision (TD/B(XIV)/SC.I/L.6/Add.1 and Add.1/Corr.1).

seventh session, to conclude negotiations on the draft resolutions with a view to drawing up a programme for the liberalization of non-tariff barriers affecting the export products of the developing countries. That could be done on an ad referendum basis and without commitment, in order not to prejudge the negotiating position of member States. The matter was to be considered by the Board, at its sixth special session, with a view to giving a clear mandate to the Committee on Manufactures.

298. The spokesman for Group B pointed out that international trade in textiles was not on the agenda of the Board's fourteenth session and that the draft resolutions in annex II of the report of the Committee on Manufactures on the second part of its sixth session were not formally before the Board for consideration, although they had been considered by Sessional Committee I. The countries of his Group regretted that no progress had been made, but that was not because of any unwillingness on their part to participate fully in the discussions. They could agree to the draft resolutions being referred to the Board's sixth special session only in so far as they were to be considered in connexion with the review and appraisal of the International Development Strategy for the Second United Nations Development Decade, for subsequent consideration by the Committee on Manufactures at its seventh session.

C. Shipping

(Agenda item 8 (c))

299. For its consideration of this item, the Board had before it information submitted by the UNCTAD secretariat (TD/B/L.347) on matters arising from the sixth session of the Committee on Shipping requiring action by or the attention of the Board. 54/

300. The information was introduced by the Chairman of the Committee on Shipping, who drew attention to the three resolutions adopted by the Committee without objection and said that, although some reservations had been expressed on two of the resolutions, the reservations did not affect their substance. Resolution 21 (VI) of 9 August 1974 entitled "Development of merchant marines", which was related to Conference resolution 70 (III) of 19 May 1972, had been prompted by the recent hardening of financial terms and conditions on which international credit was available for the acquisition of ships by developing countries. He drew particular attention to paragraph 2 of the resolution, which requested the countries participating in the Understanding on export credits for ships of the Organisation for Economic Co-operation and Development to search for ways of improving the application of clause 6 of the Understanding in order better to meet the expressed desires of the developing countries. Referring to resolution 22 (VI) of 9 August 1974, entitled "Economic co-operation in merchant shipping", which was related to Conference resolution 71 (III) of 19 May 1972, he said the harmonization of shipping policies was of great importance to international shipping. The resolution confirmed that the Committee on Shipping was the proper

54/ The information submitted by the UNCTAD secretariat (TD/B/347) was before the Board pending issuance of the report of the Committee on Shipping on its sixth session (Official Records of the Trade and Development Board, Fourteenth Session, First Part, Supplement No. 2 (TD/B/521)).

international forum for considering shipping questions. As for resolution 23 (VI) of 9 August 1974, entitled "Freight rates", which was related to Conference resolution 69 (III) of 19 May 1972, he said it had been prompted by the unprecedented rise in freight rates during recent years. He concluded by drawing attention to annex II of the report of the Committee on Shipping on its sixth session, 55/ which contained his statement on the Convention on a Code of Conduct for Liner Conferences in which he had said that, whatever the position of different countries on the Convention, the Committee on Shipping could be satisfied with the amount of attention and effort which the international shipping community had brought to a project emanating from it.

301. The representative of the Secretary-General of UNCTAD, drawing attention to paragraph 7 of resolution 22 (VI), stated that the Conference, in resolution 71 (III) from which the resolution stemmed, had not prejudged whether or not the subject of economic co-operation in merchant shipping should be discussed by the Conference at its fourth session. At its seventh session the Committee might well decide that there were no matters which ought to be transmitted to the Conference. The Board might therefore wish to authorize the Committee on Shipping at its seventh session to report directly, if necessary, to the Conference at its fourth session on this subject within the framework of the provisional agenda which the Board would draw up for the Conference.

302. The representative of a socialist country of Eastern Europe, stressing that resolution 22 (VI) on economic co-operation in merchant shipping constituted the implementation of Conference resolution 71 (III), endorsed the request of the Committee on Shipping contained in paragraph 7 of resolution 22 (VI).

303. The representative of a developing country also endorsed the request, but said that it should not constitute a precedent for subsidiary bodies of the Board to bypass the Board by reporting directly to the Conference.

Action by the Board

304. At its 412th meeting, on 13 September 1974, the Board took note of the information submitted by the secretariat (TD/B/L.347) and decided to authorize the Committee on Shipping to report any findings or conclusions at its seventh session on the subject of economic co-operation in merchant shipping directly, if necessary, to the Conference at its fourth session, in accordance with paragraph 7 of resolution 22 (VI) of the Committee on Shipping.

D. Financing related to trade (Agenda item 8 (d))

305. The representative of the Secretary-General of UNCTAD introduced this agenda item, for which the Board had before it the following documents:

(a) Report of the Ad Hoc Group of Governmental Experts on the Debt Problems of Developing Countries on its first session (TD/B/485) and a note by the Secretary-General of UNCTAD on this subject (TD/B/510);

55/ Official Records of the Trade and Development Board, Fourteenth Session, First Part, Supplement No. 2 (TD/B/521).

(b) Report of the Secretary-General of UNCTAD entitled "The concepts of the present aid and flow targets" (TD/B/493); 56/

(c) Report of the UNCTAD secretariat entitled "Export credits as a means of promoting exports from developing countries" (TD/B/494);

(d) Report of the UNCTAD secretariat entitled "Review of financial flows to developing countries, 1973" (TD/B(XIV)/Misc.5 and Corr.1).

306. The Board also had before it a draft resolution, consideration of which it had deferred from the thirteenth session, entitled "Compensation for losses occasioned by the realignment of major currencies", 57/ and a draft resolution entitled "The objectives of financial co-operation", submitted at its thirteenth session, 58/ on which it had taken action at that session on one operative paragraph only, deferring consideration of the rest of the draft resolution to the fourteenth session. 59/

1. The external debt problems of developing countries

307. The representatives who spoke on this subject commented upon the usefulness of the work of the Ad Hoc Group of Governmental Experts on the Debt Problems of Developing Countries. It was noted that at its first session the Ad Hoc Group had succeeded in defining the broad issues, which would be considered further at its proposed second and third sessions.

308. Representatives of many developing countries said that the debt situation of developing countries had worsened considerably in the recent past, in particular as a result of increases in the prices of essential imports as well as of the reduced flow of financial assistance from the developed countries. They drew attention to the Declaration and the Programme of Action on the Establishment of a New International Economic Order, which stressed the urgency of the situation and recommended, inter alia, debt cancellation, moratorium and rescheduling as measures that could be taken in the context of the Special Programme to mitigate the difficulties of the most seriously affected developing countries.

309. Representatives of some developing countries emphasized that the debt problems had to be viewed in the broader context of financial co-operation and the development process of developing countries. In their view, examination of the debt problems should include consideration of the need for attaining the aid and flow targets, for improving the terms and conditions of assistance, and for enhancing the access of exports of developing countries to the markets of developed

56/ To be issued as a United Nations publication.

57/ TD/B/L.308; for the text, see Official Records of the General Assembly, Twenty-seventh Session, Supplement No. 15 (A/8715/Rev.1 and Rev.1/Corr.1), part one, annex V. See also ibid., Twenty-eighth Session, Supplement No. 15 (A/9015/Rev.1) para. 282.

58/ TD/B/C.3/L.96/Rev.1; for the text, see ibid., Twenty-eighth Session, Supplement No. 15 (A/9015/Rev.1), part three, annex III.

59/ See ibid., part three, annex I, decision 103 (XIII).

countries. Moreover, the serious repercussions of the fluctuations in export earnings of primary producers had to be taken into account. In that connexion, anticipatory action was required which, while it involved sound debt management by developing countries, mainly involved sound lending policies by developed countries. The representative of one developing country, speaking on behalf of his Group, stressed that the short-leash approach in debt relief operations had to be avoided; moreover, in the past, as a result of the commercial approach to debt rescheduling, there had been cases of developing countries which had emerged from debt relief operations with even greater debt problems than before.

310. Representatives of some developing countries emphasized the need for internationally agreed guidelines for dealing with the debt problems of developing countries, along the lines suggested in the "proposal" by the governmental experts from countries members of the Group of Seventy-seven, at the first session of the Ad Hoc Group (TD/B/485, annex II). They stressed the expert nature of the Group, which should be its predominant feature, rather than its role as a group of governmental representatives. They expressed the hope that the "proposal" would constitute a basis for the further work of the Ad Hoc Group. The representative of one developing country remarked that the governmental experts from the developed market economy countries in the Ad Hoc Group had been rather unsympathetic to the problems facing the developing countries.

311. The representative of a socialist developing country of Asia considered that the debt problems of developing countries were a reflection of the over-all plunder of developing countries by imperialistic Powers. He strongly supported the immediate implementation of the Programme of Action adopted by the General Assembly which, inter alia, included debt cancellation and the waiver of debt payments.

312. Representatives of some developed market economy countries, while expressing satisfaction with the work of the Ad Hoc Group, felt that the issues involved were complex and did not lend themselves to easy generalizations. Several representatives suggested that the Board should not prejudge the results of the Group's deliberations, which were still at a preliminary stage. One of them emphasized that debt renegotiation had to be considered on a case-by-case basis and that it should be regarded as an exceptional measure.

313. The representative of another developed market economy country stated that the close relationship between the growing debt burden and the stagnation of assistance flows on soft terms must constantly be kept in mind. In his view, a substantial increase in the flow of official assistance, coupled with a softening of terms and conditions, would contribute to the solution of the debt problems.

314. Representatives of some developed market economy countries pointed out that their Governments had limited authority concerning private debts, which were an important part of the debt problem.

315. Representatives of some developed market economy countries stated that existing institutions had adequate provisions to deal with the debt problems of developing countries and they saw no need for new institutional machinery.

316. The representative of one developed market economy country described the action his Government had taken in the field of debt relief in the context of the

Special Programme. The representatives of other developed market economy countries emphasized the need to ensure that the future work of the Ad Hoc Group was conducted at a sufficiently high technical level.

317. The representative of another developed market economy country stated that the debt service ratio was an inadequate yardstick, as it related only to current export earnings of the debtor country. He considered that, in order to assess the debt burden, other factors, such as prospects for export earnings, future flows of official development assistance, and profit remittances, should also be taken into account. In his view, the Ad Hoc Group could make a valuable contribution by seeking to work out a "critical debt burden concept" that could indicate the debt-servicing capacity of a developing country.

318. The representatives of some developing countries agreed that the Ad Hoc Group should consider, among other things, the question of the "critical debt burden concept".

319. Representatives of the socialist countries of Eastern Europe who spoke stressed the importance of the external indebtedness of developing countries in the general context of their economic development. In their opinion, the debt problems of the developing countries were connected with the outflow of capital in the form of profits and dividends.

Action by the Board 60/

320. At its 412th meeting, on 13 September 1974, the Board:

(a) Recognized the importance of reaching as early as possible international consensus on measures to deal with the debt problems of developing countries, especially under the present economic conditions which have adversely affected a large number of developing countries;

(b) In the light of the discussions on this item, took note of the report of the Ad Hoc Group of Governmental Experts on the Debt Problems of Developing Countries on its first session (TD/B/485) and decided that the Ad Hoc Group should:

- (i) Hold at least two further sessions - one from 9 to 17 December 1974 and another early in 1975; and
- (ii) Complete its report and present its recommendations, if possible in sufficient time for the report to be available at the sixth special session of the Trade and Development Board;

(c) Agreed to consider the report and take appropriate action on its recommendations at its next regular session.

321. Before adopting this decision, the Board took note of the financial implications, as contained in TD/B(XIV)/SC.I/L.5/Rev.1/Add.1. 61/

60/ Text recommended by Sessional Committee I (TD/B(XIV)/SC.I/L.5/Rev.1).

61/ For a summary statement of the financial implications of the actions of the Board, see annex VII below.

322. The representative of a developing country said that his Government attached great importance to the work of the Ad Hoc Group and would make every effort to ensure that positive results emerged from its future sessions. Expressing his agreement with the view of most developing countries that the position of developing countries had recently deteriorated, he supported the measures which had been suggested to alleviate their position, such as a moratorium for at least some developing countries, as envisaged in the Programme of Action adopted by the General Assembly. Furthermore, all possible initiatives should be taken in favour of the least developed among the developing countries and special attention should be accorded the joint IMF/IBRD Ministerial Committee because of the link with the transfer of real resources and of the failure of the negotiations on international monetary reform in the matter of a link between special drawing rights (SDR) and additional development assistance.

2. The concepts of the present aid and flow targets 62/

323. Representatives who spoke on this subject stressed the usefulness of the report of the Secretary-General of UNCTAD (TD/B/493), 63/ which was based on the deliberations of the Group of Governmental Experts on the Concepts of the Present Aid and Flow Targets. The representative of one developing country suggested that the report be transmitted to the Managing Director of IMF and the President of IBRD for consideration by the joint IMF/IBRD Ministerial Committee on the Transfer of Real Resources. He also requested the Secretary-General of UNCTAD to continue work in this field and submit a further report to the Board at its sixth special session.

324. Representatives of many developing countries said that the 1 per cent target was not a satisfactory indicator of the magnitude of financial resources made available to developing countries, in so far as it did not take into account reverse flows on account of profit remittances and interest payments. Some of them suggested that the 1 per cent target should be phased out after 1975. They further stated that targets for financial co-operation should be viewed in a broader context, including in particular consideration of external conditions that affected the foreign exchange earning capacity of developing countries.

325. The representatives of developing countries who spoke on the subject emphasized the importance of the official development assistance (ODA) target (0.7 per cent of gross national product (GNP)) and stressed the need for acceptance of the target and of the date for its attainment by those countries that had not yet accepted them. They considered that for a financial transaction to be regarded as ODA it should be on distinctly concessional terms and that the concessional threshold currently applied by the Development Assistance Committee was too low and should be substantially raised. Also, the 0.7 per cent target should be measured net of both interest and amortization payments.

326. The representatives of some developing countries stated that the over-all concessionality of ODA flows should be increased, in conformity with Conference resolution 60 (III) of 19 May 1972. They also pointed out that certain negative

62/ For the action taken by the Board on this matter, see para. 355 and annex I, decision 125 (XIV), below.

63/ To be issued as a United Nations publication.

factors could neutralize the concessionality of some flows and referred in particular to the tying of assistance. They expressed regret that the general untying of aid had not been accepted in the decision of the Development Assistance Committee of 7 June 1974.

327. Representatives of some developing countries supported the setting up of an expert group which would, on a continuing basis, review the concepts of the aid and flow targets. Representatives of some other developing countries considered that the Group of Governmental Experts on the Concepts of the Present Aid and Flow Targets should be reconvened. They suggested that financial flows among developing countries should also be recorded by the UNCTAD secretariat in its documentation.

328. Representatives of some developing countries expressed the view that the United Nations list of recipient developing countries with regard to aid and flow targets needed no revision at this stage.

329. Representatives of some developed market economy countries stressed the need for maintaining the present concepts of financial flows and cautioned against frequent revisions, particularly since the targets had only recently been formulated and had not yet been accepted by a number of Governments. Representatives of some other developed market economy countries stressed that the redefinition of targets was not urgent, as long as there was such a wide difference between targets and actual achievements, and expressed the view that the first thing to strive for was reaching the present targets. They underlined the need for international consensus in the matter. The representatives of some other developed market economy countries, however, expressed willingness to review present concepts.

330. The representatives of some developed market economy countries agreed that the 1 per cent target was not a satisfactory indicator of the assistance effort made and should be regarded only as a very broad indicator of financial co-operation. Yet others stressed the usefulness of the 1 per cent target, which they said enjoyed a wide degree of political support.

331. The representatives of some developed market economy countries agreed that the level of the concessionality threshold currently applied by the Development Assistance Committee in qualifying financial transactions for inclusion in ODA could be raised. One of them considered that the minimum grant element of an ODA flow could be raised from the present 25 per cent to 50 per cent. On the manner of defining the threshold, the representative of one developed market economy country stated that stipulating the maximum interest rate and the minimum grace and maturity periods for individual loans would introduce an unnecessary element of rigidity, since developed countries required maximum flexibility in adapting specific characteristics of loans to individual countries and projects.

332. Representatives of some developed market economy countries stated that they were prepared to consider the possibility of measuring the ODA target net of both interest and amortization payments. One of them added that the suggestion would be agreeable to his Government, provided that the other developed countries could also agree to it and provided that the ODA volume target was adjusted appropriately so as to take into account the downward adjustment in measuring ODA flows. Representatives of some other developed market economy countries saw no usefulness in revising the present practice of measuring ODA flows net of amortization only.

333. The representative of one developed market economy country said it was unclear to what extent tied aid resulted in a substantial overvaluation of flows and he emphasized the importance of competitive bidding in the countries of procurement. He also suggested that the valuation of technical assistance should be on the basis of the actual cost to the country providing the assistance rather than of local salary or United Nations rates.

334. The representative of one developed market economy country saw some merit in defining ODA in terms of a "grant equivalent" target, thus bringing together the targets for volume and terms.

335. Representatives of some developed market economy countries supported the Development Assistance Committee list of countries included as recipients under the aid and flow targets and stressed the importance of reconciling the United Nations and the Committee lists. One of them said that flows to dependent territories and areas should also be included in the ODA flows. The representative of Australia explained the present constitutional position of Papua New Guinea, on the basis of which he considered Papua New Guinea should be included in the list of recipients. The representative of the Netherlands stated that his Government took the same view as regards the Antilles and Surinam.

336. The representatives of Spain and Turkey stated that their countries, being developing countries, considered that the UNCTAD secretariat should take the necessary measures with a view to applying a reporting system similar to that of the Development Assistance Committee concerning the recipient countries and thus avoid discriminatory treatment against their countries. One of them pointed out that there were more than 25 developing countries which were more developed than his own country and added that the geographical position and political affiliation of a country could not be used against it by any organization or any other country to classify its level of economic development.

337. The representatives of Greece and Malta expressed similar views and noted that under the United Nations reporting system their countries were not included as recipients of financial flows. They stated that the list of recipients should be established solely on the basis of objective economic criteria and not of an arbitrary geographical classification. The representative of a socialist country of Eastern Europe, stating that his country was a developing country and should be treated as such, supported the establishment of a list of recipients solely on the basis of objective economic criteria and stated that his country should be included in the list of recipients under the aid and flow targets.

338. The representative of one developed market economy country said that financial flows related to socialist countries were inadequately defined and recorded.

339. Representatives of some developed market economy countries agreed that technical co-operation between the UNCTAD and the OECD (Development Assistance Committee) secretariats should be strengthened, but they did not think it advisable to establish a new intergovernmental body to review the flow of financial resources to developing countries, particularly as this question was under review in two other fora. The representatives of some other developed market economy countries supported the suggestion that the Secretary-General of UNCTAD could reconvene, as appropriate, the Group of Governmental Experts on the Concepts of the Present Aid and Flow Targets.

3. Financial resources for development

340. Representatives of some developing countries expressed concern that the flow of ODA from Development Assistance Committee member countries as a percentage of their combined GNP had declined from 0.33 per cent in 1972 to 0.30 per cent in 1973. They considered that that decline, at a time when most developing countries were facing serious balance-of-payments problems, further compounded those problems. They urged immediate action to fulfil the targets laid down in the International Development Strategy. They stressed the importance of the Special Programme adopted by the General Assembly in resolution 3202 (S-VI), in particular the emergency operation, and one of them suggested that the emergency operation be prolonged beyond 12 months if necessary.

341. Representatives of a number of developing countries regarded the establishment of a link between the creation of SDR and additional development finance as an indispensable element of an acceptable programme of international monetary reform and stressed the need for a political decision on the question of the link, as well as on that of the extended Fund facility for developing countries in IMF.

342. The representatives of some developing countries, referring to the draft resolution on the objectives of financial co-operation (TD/B/C.3/L.96/Rev.1) which had been remitted by the Board at its thirteenth session for further consideration (see para. 306 above), stressed that the ideas it contained were even more relevant now. In their view, financial flows should be considered in the context of international co-operation designed to increase the foreign exchange earnings of the developing countries, which involved consideration of policies adopted by developed countries in the trade and monetary fields.

343. The representatives of some developed market economy countries, while agreeing that performance in the area of financial flows had been inadequate, stated that measures to combat inflation had made it difficult for many Governments to increase aid flows as desired. Some of those representatives gave details of the expanding aid programmes of their countries.

344. The representative of one developed market economy country drew attention to the Ministerial Committee on the Transfer of Real Resources, which would soon be convened under the aegis of IMF and IBRD. He stated that the agenda for that Committee had been recommended by the developing countries and included many of the same financing issues now being considered by UNCTAD. He also suggested that no major new initiatives in this area be taken before the Ministerial Committee held its initial meeting on 2 October 1974. Representatives of some other developed market economy countries agreed on the importance of the Ministerial Committee.

345. The spokesman for the Asian countries members of the Group of 77 stated that UNCTAD had its own mandate to consider this question. He added that no conflict existed between the activities of UNCTAD and those of the Ministerial Committee and emphasized the need for close collaboration between them.

346. Referring to the draft resolution before the Board (see para. 342 above), the representative of one developed market economy country stated that he had some difficulties with certain aspects of it and suggested that the matter might best be discussed during the mid-term review and appraisal of the International Development Strategy. He also doubted the value of establishing a new special fund for the least developed among the developing countries. The representative of another developed market economy country, however, supported the objectives of the draft resolution.

347. The representative of a socialist developing country of Asia stressed the need for immediate action under the Programme of Action adopted by the General Assembly at its sixth special session.

348. Representatives of some developing countries said that developing countries had suffered as a result of monetary measures taken by developed countries and that the issue of compensation should be kept under constant review.

349. Representatives of some developed market economy countries expressed doubt about the validity of the principle underlying the draft resolution on compensation for losses occasioned by the realignment of major currencies (TD/B/L.308), which the Board had once more before it (see para. 306 above). They could not accept concepts such as "automatic compensation" in the context of currency realignment, but they agreed that developed countries, in formulating their aid policies, could take into account, *inter alia*, the effects upon developing countries of currency realignments. The representative of one developed market economy country said that such effects had to be considered in the context of other developments which affected developing countries; he emphasized that at present the high prices of imports were the dominating factor and that those in need of special assistance were the most seriously affected developing countries.

350. The representative of another developed market economy country suggested that the draft resolution was the result of a specific situation and wondered whether the sponsors could re-examine it in the light of the Programme of Action that had since been adopted by the General Assembly.

351. The representatives of some socialist countries of Eastern Europe stressed the importance of the decisions of the sixth special session of the General Assembly. In their view, external financing should be considered as additional to the mobilization of the internal resources of the developing countries.

352. The representative of IMF, in response to questions raised, commented briefly on the interest rate on SDR holdings, the link between development assistance and SDR allocation, the extended Fund facility and the Fund oil facility. With respect to the interest rate on SDR holdings, he explained that the Executive Directors of the Fund had adopted the so-called standard basket system of valuation for SDR, and had decided to raise the interest rate on SDR holdings from 1.5 per cent per annum to 5 per cent. Regarding the link between development assistance and SDR allocation, he noted that at its final meeting the Committee of Twenty had agreed that the Interim Committee of the Board of Governors of IMF should reconsider, simultaneously with the preparation by the Executive Board of draft amendments to the IMF Articles of Agreement, the possibility and modalities of a link between development assistance and SDR allocations. It was hoped that, in accordance with the time-table set forth by the Committee of Twenty, a draft amendment could be presented for the approval of the Board of Governors of IMF by February 1975. With regard to the extended Fund facility, he stated that it was still under consideration by the Executive Board, which had shown a wide interest in extended facilities which could be relied upon primarily by developing countries.

353. Finally, he drew attention to the facility established on 13 June 1974 under which resources would be made available to member countries to assist them to meet the impact on the balance of payments of increases in the costs of petroleum and petroleum products. Under this facility, the Fund had so far completed

borrowing agreements with six petroleum-exporting developing countries and Canada, to a value of SDR 2,807.9 million. Meanwhile, 18 countries, all of them developing ones, had so far expressed the intention to request purchases under the oil facility. These requests, which totalled SDR 236.3 million, had been agreed upon by the Fund.

354. In connexion with the draft resolution on objectives of financial co-operation (TD/B/C.3/L.96/Rev.1), the representative of Pakistan, on behalf of the Group of Seventy-seven introduced certain amendments (TD/B(XIV)/SC.I/L.8) intended to bring the text up to date (see annex II below).

Action by the Board

355. At its 412th meeting, on 13 September 1974, the Board, having noted the statement of financial implications, 64/ adopted a draft decision (TD/B/L.373) on this matter submitted by the President (see annex I below, decision 125 (XIV)).

356. At the same meeting, the Board decided to remit draft resolution TD/B/L.308 to its fifteenth session for consideration and appropriate action, and requested the Secretary-General of UNCTAD to submit, along with it, a report on the effects of currency realignments and floating exchange rates on the balance-of-payments position of developing countries.

4. Export credit as a means of promoting exports from developing countries

357. The representatives of some developing countries stated that the promotion of exports of manufactured goods from developing countries was constrained not only by tariff and non-tariff barriers but also by export credit competition from developed countries. They suggested that the Committee on Invisibles and Financing related to Trade keep under review the general question of export credit financing to promote the exports of developing countries.

358. The representatives of some developing countries asserted that a very large number of studies on the issues involved had been undertaken and that it was now time for action, such as by providing facilities for guarantees and by financing and refinancing export credits. The multilateral financing institutions, including the World Bank and the regional development banks, could greatly contribute to the solution of the problem.

359. The representative of one developing country stated that the difficulties raised in connexion with the proposal by the Governor of the Bank of Israel (TD/B/494, paras. 38-54) for the establishment of an export credit guarantee scheme could be overcome by certain slight modifications. For example, each regional development bank, together with the World Bank, could create an export guarantee reserve fund. The Fund would be a revolving one, with initial resources increasing through service charges and/or participation shares. The creation of such a fund would overcome the limitations which the articles of agreement of the multilateral lending institutions

64/ TD/B/L.373/Add.1. For a summary statement of the financial implications of the actions of the Board, see annex VII below.

could place on an export credit guarantee scheme. Since the risk ratio was 20:1, a reserve fund of, say, \$5 million should be sufficient to guarantee \$100 million of export credits.

360. Representatives of some developing countries referred to the activities of the Inter-American Development Bank, in particular to the resolution adopted at the last annual meeting under which resources would be made available to expand the Bank's activities in the field of export refinancing (TD/B/494, para. 61). One of these representatives also referred to the need to expand this facility both in terms of the resources allotted to it and of its coverage, so as to include exports in manufactures and semi-manufactures to all countries.

361. Representatives of some developing countries suggested that an expert group be set up to examine the detailed technical issues concerning the establishment of export credit guarantee schemes and that the group should report as soon as possible on its findings. Some of them added that in the meantime the World Bank and the regional development banks could undertake preparatory work for possible implementations of such a scheme and that the Secretary-General of UNCTAD should consult with them.

362. Representatives of some developed market economy countries, while recognizing the importance of the issue, said that many technical aspects were involved which needed further examination, such as the volume of net additional resources and the feasibility of the proposals for re-insurance, refinancing and upgrading of export paper. One of them pointed out that the absence of facilities to grant export credits was generally due to the monetary situation rather than lack of action on the part of developed countries.

363. Representatives of some developed market economy countries also said that possible schemes would benefit only a limited number of developing countries and that several other considerations were equally, if not more, important than the availability of export credits in the promotion of exports. Representatives of developed market economy countries said that the World Bank was considering the matter at the moment and that it was difficult to take a decision on the issue in the absence of documentation from the Bank. Representatives of some developed market economy countries said they did not object to the idea of setting up an expert group. One of them emphasized the importance of looking into regional schemes and possibilities of action on a regional basis.

364. In response to those observations, the representative of a developing country stressed that an export credit guarantee scheme would benefit developing regions the population of which amounted to half the total population of all developing countries. He further stressed that such a scheme would offer developing countries importing capital goods an opportunity to choose less costly equipment and machinery which were better suited to their particular stage of technological development.

365. The representative of one developed market economy country said that the primary requirement for an export credit scheme, if it was to succeed, was a fully commercial approach to risks. He added that rediscounting on the Eurodollar market would be very costly and that the World Bank and the regional banks had their own priorities in the utilization of their funds. A new scheme on the lines suggested would raise the question of the availability of additional resources or that of the diversion of funds from existing uses.

366. Representatives of some developing countries observed that the benefits of a possible scheme would accrue to a large and growing number of developing countries and that such a scheme, far from resulting in the diversion of ODA funds, might help reduce the need for aid flows by strengthening the capacity of developing countries to earn foreign exchange.

367. The representative of IBRD, in response to a request, outlined the various possibilities for an export credit guarantee scheme and the possible difficulties involved. He stated that the subject had also been raised two years previously at the Bank's annual meeting and that Bank staff had been studying it without, however, reaching any definite conclusions. He stressed the importance of action at the regional level, on which most advocates of a guarantee scheme seemed to agree. If an expert group were to be established to study those problems, the Bank would, of course, co-operate with it.

Action by the Board 65/

368. At its 412th meeting, on 13 September 1974, the Board took note of the background paper that had been submitted by the Secretary-General of UNCTAD (TD/B/494) in response to the request formulated by the Board at its thirteenth session.

369. The Board examined the question of strengthening the export credit facilities of developing countries with a view to promoting exports of manufactures from developing countries, thus fostering their over-all development. Accordingly, it requested the Secretary-General of UNCTAD to convene, as soon as possible, in consultation with Governments and international and regional financial institutions, a small group of experts, including experts from those financial institutions. The terms of reference of the group of experts would be to examine proposals, including the idea of establishing an international export credit guarantee scheme to be sponsored by the international and regional financial institutions and regional development banks, as well as the question of refinancing of export credit with the aim of facilitating the expansion of exports from and trade between developing countries in manufactures, including industrial and capital goods and technical services.

370. The Board requested the Secretary-General of UNCTAD to submit the conclusions of the group of experts to the Board at its next regular session.

371. Before taking those decisions, the Board took note of the financial implications, as contained in the statement submitted by the UNCTAD secretariat (TD/B(XIV)/SC.I/L.7/Rev.1/Add.1). 66/ It agreed that the group should consist of experts who would serve in their individual capacity and thus be entitled to travel and subsistence costs in accordance with the second sentence of paragraph 3 of the statement of financial implications.

65/ Text recommended by Sessional Committee I (TD/B(XIV)/SC.I/L.7/Rev.1), after informal consultations on the basis of an original draft submitted by the representative of Pakistan on behalf of the Group of Seventy-seven (TD/B(XIV)/SC.I/L.7).

66/ For a summary statement of the financial implications of the actions of the Board, see annex VII to the present report.

E. Transfer of technology

(Agenda item 8 (e))

1. Report of the Intergovernmental Group on Transfer of Technology on its third session

372. The report of the Intergovernmental Group on Transfer of Technology on its third session 67/ was introduced by the Chairman of the Group, who highlighted the main areas in which progress had been made. He stated that the session, which was the second substantive one, had been of particular significance and that a number of important areas of work had been agreed upon. He hoped that at the current session of the Board the outstanding issues could be resolved and that agreement could be reached on the terms of reference for a main committee of the Board on transfer of technology. He stressed that issues related to the transfer of technology now occupied their rightful place as a corner-stone of the evolving strategy for the establishment of the new international economic order called for by the General Assembly.

373. The representative of the Secretary-General of UNCTAD stated that the transfer of technology constituted one of the main pillars for strengthening the self-reliance of developing countries and he drew attention to the relevant texts adopted by the General Assembly in the Declaration and the Programme of Action on the Establishment of a New International Economic Order. He also drew attention to the agreement of the Swedish International Development Agency (SIDA) to finance the organization by UNCTAD of a training programme for English-speaking areas of Africa. Conveying his appreciation for that contribution, he said that other technical assistance projects of a similar nature, including those financed by UNDP, were under active consideration.

374. The spokesman for the Group of Seventy-seven, speaking also on behalf of his own delegation and referring to the adoption of resolutions 2 (III) and 3 (III) of 26 July 1974 of the Intergovernmental Group, stated that the countries members of his Group had done everything possible to achieve a consensus on those resolutions. That required, however, a spirit of compromise among all parties concerned and, as the voting on the resolutions clearly showed, a number of countries members of Group B had been able to make the necessary compromise. The adoption of resolution 3 (III) was of particular significance, since it broke the vicious circle of not being able, on the one hand, to take any decision on the work to be done on a code of conduct for the transfer of technology as long as the legal nature of the instrument remained uncertain, and of not being able, on the other hand, to determine the nature of such a code of conduct without undertaking further work. He noted that the draft resolution originally submitted by the Group of Seventy-seven referred to a multilateral legally binding instrument but that, for the sake of compromise and in order to enable both the group of experts

67/ See Official Records of the Trade and Development Board, Fourteenth Session, First Part, Annexes, agenda item 8 (e), document TD/B/520. In order to bring to the attention of Governments as early as possible the results of the work of the third session, the secretariat had also circulated, at the request of the Intergovernmental Group, a note concerning matters arising from the session requiring the attention of, or action by, the Board (TD/B/L.348).

and Governments to express their views freely, the matter had not been prejudged in resolution 3 (III). The Board should simply take note of the report of the Intergovernmental Group on its third session, including the resolutions adopted. His Government continued to support the position of the Group of Seventy-seven that the code of conduct should be a legally binding instrument.

375. The spokesman for the Asian countries members of the Group of Seventy-seven pointed to the impressive achievements of UNCTAD since the establishment of the Intergovernmental Group, including technical assistance by UNCTAD, which was an important complement to this work. He said that although much useful work had been accomplished during the first two sessions, the major substantive work had been carried out at the third session, when important new directions had been taken.

376. Referring to resolution 3 (III) of the Intergovernmental Group, he noted that, after some additional work, an internationally applicable code of conduct in this field, which should reflect the interests and needs of the developing countries, might be possible. He expressed the hope that countries from all groups would join in the expert group, which should prepare a draft outline. Although his Group considered that the code should be of a legally binding nature, its legal nature, as well as further action on the matter, was to be considered at the first session of the Committee on Transfer of Technology on the basis of the findings of the expert group. Regarding resolution 2 (III), he said that it recognized the competence of the World Intellectual Property Organization (WIPO) in the legal and technical aspects of the transfer of technology relating to industrial property, as well as the competence of UNCTAD in the economic commercial and development aspects of the patent system. It was in this context that the Secretary-General of UNCTAD had been requested to convene a group of experts to study all relevant aspects of the international patent system. Assessing the work done, he said that from an initial position of a minimum of knowledge of all aspects of the transfer of technology, including both the quantitative aspects and policy question, it was now possible to consider the so-called "rules of the game" under which the international transfer of technology should take place.

377. The spokesman for the Latin American Group stated that the Intergovernmental Group, having made all possible efforts to arrive at a consensus and having followed the rules of procedure of the Trade and Development Board, had taken valid decisions in adopting resolution 2 (III) and 3 (III) and that the Board should simply take note of its report.

378. Representatives of some other developing countries stated that the Board should simply take note of the report of the Intergovernmental Group on its third session, including its annexes.

379. The representative of one developing country, a member of the Intergovernmental Group, stated that the Intergovernmental Group, in adopting resolutions 2 (III) and 3 (III), had neither prejudged the question nor taken a definite position, because those resolutions simply requested the convening of expert groups, whose reports would be submitted for further consideration.

380. Representatives of some other developing countries, stating that their countries were not members of the Intergovernmental Group, expressed full support for the decisions of the Intergovernmental Group in connexion with resolutions 2 (III) and 3 (III). One of them stated that it was impossible to

speak of confrontation when the whole of the Group of Seventy-seven and of Group D supported both resolutions and a number of countries members of Group B had also voted for them. He added that a code of conduct on transfer of technology should be acceptable to all countries and that its legal nature should not be decided there and then. With reference to resolution 2 (III), he noted that the revision of the patent system had, in principle been, accepted by WIPO, which had participated in the elaboration of what he considered to be the best study on the subject in the last 20 years.

381. The spokesman for Group B, speaking on behalf of all but one of the members of his Group, stated that his Group took note of the fact that resolutions 2 (III) and 3 (III) had been adopted by majority vote in the Intergovernmental Group, which was a subsidiary body of the Board. He noted that the work of the Intergovernmental Group was to be reviewed after two substantive sessions, following which the Board would decide about further work in this field, including institutional arrangements in UNCTAD. His Group considered that the adoption of resolutions by a subsidiary body should not inhibit any consideration of the substance, particularly as Group B felt that the Intergovernmental Group should have confined itself to suggesting to the Board, whether by consensus or majority vote, that the two groups of experts be set up, leaving it for the Board to consider the substantive views expressed and come to its own conclusions in the normal way. His Group felt strongly that when setting up subsidiary bodies in the future, it should be made clear that the Board would remain the sovereign body in UNCTAD between sessions of the Conference, and they invited the secretariat to explore the relevant legal aspects of that matter.

382. Regarding the subject matter of resolution 2 (III), he stated that Group B was unanimous in considering that if the group of experts were set up it would have to have regard to, and remain within, the field of competence of UNCTAD. With regard to resolution 3 (III), a large majority of countries members of Group B felt that work on a code of conduct should aim at preparing a mutually acceptable set of guidelines. He expressed the hope that a concerted approach could be adopted both on procedural and on substantive matters.

383. Representatives of some developed market economy countries participating in the discussion regretted that the Intergovernmental Group had resorted to a vote in adopting resolutions 2 (III) and 3 (III). They stated that the only realistic approach would have been to seek a genuine consensus among the parties concerned and they noted that close co-operation was a prerequisite for securing a smooth and effective transfer of technology from developed to developing countries. Two of those representatives added that the Board at the current session should lay the basis for acceptable solutions on those questions. One of them explained why his country had felt obliged to vote against the two resolutions. The other stated that his country had abstained from voting on the resolutions in the Intergovernmental Group because his Government needed to give further consideration to their direct and indirect implications. In particular, before any drafting started on the outline of a code, it was essential to clarify its legal nature.

384. Referring to resolution 2 (III), the representatives of some developed market economy countries stated that the terms of reference of the group of experts were too broad and could lead to duplication with the work of WIPO. One of them added that the revision of the international patent system should be carried out

by the signatories of the Paris Convention ^{68/} and another said that the question should have been discussed more thoroughly before action was taken in the Intergovernmental Group.

385. Representatives of several developed market economy countries stated that if the code of conduct envisaged in resolution 3 (III) were to take the form of voluntary guidelines or an instrument containing standards of behaviour for enterprises involved in the transfer of technology, their Governments would be willing to consider its establishment. Some of those representatives drew attention to the limited role their Governments played in transfer of technology because the operations involved were mainly carried out by private enterprise. Two said that the question of a code of conduct was premature, while another considered premature the establishment of a group of experts, since the necessary consultations at the national level, particularly with the private sector, had not yet taken place.

386. The spokesman for the Nordic countries stated that those countries viewed the transfer of technology as part of the general problem of economic development and that there was a great need to improve the transfer process, bearing in mind the importance to developing countries of utilizing technologies appropriate to their specific economic and social circumstances. With respect to resolution 3 (III), those countries believed that an instrument containing standards of behaviour for enterprises involved in the transfer of technology might contribute to the improvement of the position of developing countries in this field.

387. The representative of another developed market economy country, stating that his country was the one which dissociated itself from the statement made by the spokesman for Group B, said that the Intergovernmental Group had taken valid decisions of which the Trade and Development Board should take note.

388. The representatives of Spain and Turkey, referring to the statement by the spokesman for Group B, stated that, on matters of substance concerning the role of the patent system and the code of conduct for the transfer of technology, the attitude of their Governments was on record in paragraph 21 of the report of the Intergovernmental Group on its third session ^{69/} and that, as could be seen from paragraphs 90 and 122 of that report, their countries had voted in favour of resolutions 2 (III) and 3 (III).

389. The representative of a socialist country of Eastern Europe, stating that his country was a developing country, said that the preparation of a code of conduct in the field of transfer of technology was in line with General Assembly resolution 3202 (S-VI) of 1 May 1974 on the Programme of Action on the Establishment of a New International Economic Order. He added that, while the

^{68/} Union Convention of Paris for the Protection of Industrial Property, 20 March 1883, revised at Brussels, 14 December 1900, at Washington, D.C., 2 June 1911, at The Hague, 6 November 1925, and at London, 2 June 1934 (League of Nations, Treaty Series, vol. CXVII, No. 4459, pp. 17-47).

^{69/} See Official Records of the Trade and Development Board, Fourteenth Session, First Part, Annexes, agenda item 8 (a), document TD/B/520.

existing patent system was an important element of international economic relations, it worked against the less fortunate members of the international community, many of whom had not adhered to the basic instrument regulating that system. He stressed not only the necessity of the revision of the international patent systems, in particular in view of the possibility that WIPO might become a specialized agency of the United Nations, but also the need for preferential treatment to developing countries in that context. Such revision would have to be elaborated by the competent international organizations (the United Nations, UNCTAD and WIPO) in a concerted manner, with a view to avoiding any duplication. He expressed satisfaction that the provisional agenda for the first session of the Committee on Transfer of Technology contained an item relating to the proposed United Nations Conference on Science and Technology. His Government fully supported resolutions 2 (III) and 3 (III) adopted by the Intergovernmental Group.

390. The representative of a socialist developing country of Asia stressed the importance of transfer of technology to developing countries, which had so far not been sufficiently effective. The demands of those countries should be fully satisfied. He held that technology transferred to the developing countries must be practical, efficient, economical and convenient for use. He stressed that technology imports should be selected and determined by the recipient countries themselves in order to foster the independent development of their economies. He supported resolutions 2 (III) and 3 (III), which were in the spirit of the Programme of Action on the Establishment of a New International Economic Order.

2. Review of the work of the Intergovernmental Group and terms of reference for any eventual main committee of the Trade and Development Board on transfer of technology

391. In accordance with Board resolutions 74 (X) of 18 September 1970 and 104 (XIII) of 8 September 1973, the Board conducted a review of the work of the two substantive sessions of the Intergovernmental Group and considered the suggested terms of reference for any eventual main committee on the transfer of technology put forward by the Intergovernmental Group in annex II of the report on its third session. 70/

392. The spokesman for the Group of Seventy-seven noted that, in accordance with paragraph 4 of Board resolution 104 (XIII) of 8 September 1973, the Intergovernmental Group had prepared at its third session for the review of work undertaken on the transfer of technology and he hoped that a consensus could be achieved on those matters concerning terms of reference of a possible Committee on Transfer of Technology that the Intergovernmental Group had not been able to resolve in the time available.

393. The spokesman for the Asian countries members of the Group of Seventy-seven stated that, in the view of those countries, differences on terms of reference had been narrowed and were no longer an obstacle to the transformation of the Intergovernmental Group into a main committee of the Board.

70/ Ibid.

394. Representatives of all developing countries participating in the discussion supported the transformation of the Intergovernmental Group into a main committee of the Board and several of them made specific suggestions regarding future work in this field, which are reflected in the ensuing paragraphs.

395. The representative of one developing country, referring to Economic and Social Council resolution 1908 (LVII) of 2 August 1974, concerning the impact of transnational corporations, considered that UNCTAD had an important role to play, in particular in identifying the activities of those corporations which affected the transfer of technology to developing countries. He also referred to the technical assistance projects of UNCTAD in the field of transfer of technology which were under way and expressed the hope that such technical assistance would continue and be extended to other developing areas. The representatives of other developing countries also stressed the importance of technical assistance by UNCTAD in the field of transfer of technology.

396. The representative of another developing country expressed satisfaction with the continuing efforts made in UNCTAD in the field of transfer of technology, which was one of major concern to developing countries. He stated that the negotiation of technology transfer agreements took place between unequal partners and he described the main problems encountered by developing technology-purchasing countries. He considered that the tasks of UNCTAD in this field lay in the attainment of two goals: to reduce the technological dependence of developing countries vis-à-vis the industrialized ones and to reduce the negative impact on the recipient countries of contractual arrangements for the transfer of technology. In order to achieve the first of those objectives he proposed that UNCTAD examine measures to encourage domestic research and development (R and D) in developing countries, in particular through the establishment of joint ventures on a regional and interregional basis, or of joint R and D centres, and through the encouragement of technical assistance to developing countries with a view to improving their technological infrastructure.

397. In order to attain the second of those objectives he proposed that UNCTAD examine the possibility of a regional system of licensing agreements in order to overcome the obstacles encountered at the national level in the exploitation of licences. UNCTAD should also promote the elaboration of a model licensing contract, to be embodied in a legally binding multilateral instrument or code of conduct negotiated between developed and developing countries, the principles of which would thus be more easily acceptable to technology-supplying enterprises. In that connexion, he supported resolution 3 (III) of the Intergovernmental Group and considered that UNCTAD should encourage the preferential treatment by developed countries of the export of technology to developing ones.

398. The spokesman for the Latin American Group stressed the importance of the reverse transfer of technology "brain drain" from developing to developed countries and he expressed the hope that the competent subsidiary body of the Board with regard to transfer of technology would continue the examination of that matter.

399. Representatives of two developing countries not members of the Intergovernmental Group stated that they had followed with great interest the initiatives in UNCTAD in the field of transfer of technology. They fully supported the transformation of the Intergovernmental Group into a main committee

of the Board, which would permit UNCTAD to continue its constructive work in an area which was of utmost importance to the developing countries.

400. Representatives of developed market economy countries who spoke on this subject said they could support the transformation of the Intergovernmental Group into a main committee of the Board if the terms of reference of the new body were appropriately and clearly defined. One of those representatives considered that the terms of reference should be in accordance with the field of competence of UNCTAD, in order to avoid unnecessary overlapping and duplication within UNCTAD and with other bodies dealing with matters related to the transfer of technology.

401. The spokesman for the Nordic countries said that those countries took a positive stand towards the transformation of the Intergovernmental Group into a main committee of the Board and considered that the terms of reference of the new body should be formulated in a precise manner, particularly with regard to the introduction of technology in developing countries. Special attention should be devoted to the least developed among the developing countries.

402. The representative of Spain stated that his country, being a developing country, fully supported the transformation of the Intergovernmental Group into a main committee of the Board and he said that it would reflect the fact that transfer of technology was one of the basic pillars of the development process.

403. The representative of a socialist country of Eastern Europe, noting that his country was a developing country, expressed the hope that once agreement was reached on unresolved matters regarding the terms of reference, there would be no obstacle to the transformation of the Intergovernmental Group into a main committee of the Board.

404. The representative of a socialist developing country of Asia supported the transformation of the Intergovernmental Group into a main committee of the Board.

405. As a result of informal consultations on the terms of reference suggested by the Intergovernmental Group for any eventual main committee of the Board, the Chairman of Sessional Committee I submitted a draft decision on the establishment of a main committee (TD/B(XIV)/SC.I/L.1).

Action by the Board

406. At its 412th meeting, on 13 September 1974, the Board took note of the report of the Intergovernmental Group on Transfer of Technology on its third session. It adopted the draft decision, recommended by Sessional Committee I terminating the Intergovernmental Group on Transfer of Technology, establishing a Committee on Transfer of Technology as a main Committee of the Board and specifying its terms of reference (see annex I below, decision 117 (XIV)).

407. Before taking this decision, it took note of the financial implications concerning the establishment of the Committee and the convening of two expert

groups pursuant to resolutions 2 (III) and 3 (III) of the Intergovernmental Group. 71/

408. The Board further decided that summary records should not be provided for the Committee on Transfer of Technology.

409. The spokesman for the Group of Seventy-seven said that his Group could agree to dispensing with summary records, but it was their understanding that the Committee would have facilities for four meetings a day, thus allowing the establishment of a sessional committee if necessary. He also stated that the savings on summary records could be better utilized by providing the Committee with further substantive pre-session documentation and that the reports of the Committee could cover more fully its deliberations.

410. The spokesman for Group B endorsed the remarks by the spokesman for the Group of Seventy-seven concerning summary records. Noting the financial implications, he observed that his Group felt there was a need for further clarification of the question of the power of subsidiary bodies to proliferate other subsidiary bodies. It consequently reserved the right to pursue this general question further.

411. Also at its 412th meeting the Board considered the provisional agenda for the first session of the Committee on Transfer of Technology (TD/B(XIV)/SC.I/L.3), submitted by the Secretary-General of UNCTAD. It adopted the provisional agenda without change (see annex VI below).

412. The spokesman for Group B said that the countries members of his Group, while approving the provisional agenda as proposed, wished to note that the topics before the Committee would also have to include the question of establishing priorities, in order to enable the Committee to review such priorities at its future sessions, in line with paragraph 2 of its terms of reference. The UNCTAD secretariat should bear this consideration in mind when preparing the annotations to the provisional agenda for the first session of the Committee on Transfer of Technology.

413. Referring to the statement made by the spokesman for Group B, the spokesman for the Group of Seventy-seven recognized the right of any delegation or group of delegations to raise, at the first session of the Committee on Transfer of Technology, questions of priorities in the context of the constant review of work and of the terms of reference which had been adopted for the Committee. If such questions were raised at the first session of the Committee, the appropriate time and place at which to consider them, in the view of his Group, would be during the general debate under item 4 (Major issues arising from the transfer of technology to developing countries) of the provisional agenda. Furthermore, any such discussions should be conducted in a manner that would not slow down the work already under way in UNCTAD in the field of transfer of technology.

71/ TD/B(XIV)/SC.I/L.2. For a summary statement of the financial implications of the actions of the Board, see annex VII below.

F. International intermodal transport

(Agenda item 8 (f))

414. The representative of the Secretary-General of UNCTAD introduced the report of the Intergovernmental Preparatory Group on a Convention on International Intermodal Transport on its first session; 72/ ~~at that session the Group had laid down extensive guidelines to the secretariat for the report which it was to prepare for the second session of the Group.~~ He gave an account of the documentation which the secretariat was preparing for the second session.

Action by the Board

415. At its 412th meeting, on 13 September 1974, the Board noted that the Intergovernmental Preparatory Group had not yet completed its work and was scheduled to hold a second session in 1974 and a third session in 1975. The Board consequently decided to defer consideration of this subject to its fifteenth session, when the Intergovernmental Preparatory Group was expected to have completed its work.

72/ See Official Records of the Trade and Development Board, Fourteenth Session, First Part, Annexes, agenda item 8 (f), document TD/B/477.

CHAPTER VII

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

(Agenda items 9 and 10) 73/

A. Least developed among the developing countries

416. In its consideration of this item, the Board had before it a note by the Secretary-General of UNCTAD reviewing progress in implementation of the special measures, 74/ which was noted with appreciation by several representatives, and a summary of replies concerning these measures (TD/B/515/Add.1 and Corr.1 and Add.1). The secretariat, in introducing this item, indicated that the rate of growth of the least developed countries as a group continued to lag behind that of developing countries as a whole, and well below the level needed to attain the target set for the Second United Nations Development Decade. So far, very little appeared to have been done in concrete terms to implement special measures in favour of those countries in the field of commercial policy; and in per capita terms, financial flows to the least developed countries were much less than to the developing countries as a whole. It was generally agreed that the resolutions adopted and action programmes decided on by UNCTAD and other United Nations bodies to assist the least developed countries still remained largely to be implemented and that the situation of those countries in the field of economic development continued to be very unsatisfactory. More concerted international action was necessary to implement those measures.

417. Representatives of many developed market economy countries and some developing countries, however, made reference to the initiatives that had been taken multilaterally by the United Nations, IBRD and IMF to meet the immediate and long-term financial and technical assistance needs of the least developed countries. Reference was also made by the representatives of developed market economy countries to the increased volume of their bilateral assistance to the least developed countries and also their special contributions to UNDP and international financial agencies for this purpose, and to their readiness to increase their financial and technical assistance to the least developed countries on both a multilateral and a bilateral basis. In that connexion, the representative of EEC gave details on the Community's special aid programme to the drought-stricken countries of the Sahel and to Ethiopia, as well as the Community's food aid programme, one quarter of which went to the least developed countries.

418. Representatives of some developed market economy countries also supported the newly established system of criteria for the distribution of UNDP resources which

73/ It was agreed that these two items would be discussed together. The Board considered them at its 394th to 397th, 404th, 406th, 409th and 412th meetings on 23 and 29 August and on 5, 9, 12 and 13 September 1974.

74/ See Official Records of the Trade and Development Board, Fourteenth Session, First Part, Annexes, agenda item 9, document TD/B/515.

would lead to an increased allocation of resources to the least developed countries. The work of UNCTAD on exploring possible ways and means of increasing the absorptive capacity of the least developed countries and the effectiveness of external assistance was noted with appreciation by the delegations of some developed market economy countries. The representative of one developed market economy country stressed that, whereas the least developed countries had a long-term need for special measures, those most seriously affected by commodity price rises were the countries at present in need of urgent assistance.

419. Representatives of socialist countries of Eastern Europe stated that their countries, conscious of the needs of the least developed countries, had increased their economic and technical co-operation with those countries mainly on a bilateral basis. This co-operation focused on overcoming the difficulties of the least developed countries and accelerating progress in their economies.

420. With regard to the proposal for establishing the special fund for least developed countries referred to in paragraph 46 (e) of Conference resolution 62 (III) of 19 May 1972, the representative of a socialist country of Eastern Europe said that the fund should be established only on the basis of voluntary contributions. The representative of a developed market economy country, however, opposed that proposal on the grounds that the present international machinery was adequate for the purpose.

421. In the field of commercial policy, the representative of one developed market economy country referred to measures being considered in his country to promote imports from the least developed countries through the extension of duty-free treatment to cover all items in respect of those countries. The representatives of some developed market economy countries stressed the significance, for the least developed countries, of the Tokyo Declaration 75/ and the forthcoming multilateral trade negotiations.

422. The representative of the Sudan, speaking on behalf of the African Group, after reviewing the long history of efforts within UNCTAD and other international organizations to devise special measures on behalf of the least developed countries and after noting the failure thus far to implement those measures effectively, proposed the establishment within UNCTAD of an intergovernmental group entrusted with the formulation, development, review and appraisal of policies and projects in favour of the least developed countries. The representative of another developing country expressed support for the statement made on behalf of the African Group. He pointed to the loss of momentum in implementing the special measures in favour of the least developed among the developing countries. In particular, he underlined the lack of policy measures in the area of trade, as well as in other areas such as shipping and invisibles, promotional freight rates, and transfer of technology, which were called for in Conference resolution 62 (III). In supporting the creation of an intergovernmental group, he stated that that would help in reviewing and evaluating the measures in favour of the least developed countries.

423. The representative of a socialist developing country of Asia said that his country considered that special measures in favour of the least developed countries were important and that UNCTAD should work out practical and effective measures to help them develop their independent national economies.

424. At the 404th meeting of the Board, on 5 September 1974, the representative of Pakistan introduced a draft resolution on behalf of the Group of Seventy-seven (TD/B/L.353).

75/ See foot-note 10 above.

425. At the 412th meeting of the Board, on 13 September 1974, the President introduced draft resolution TD/B/L.374, which he had submitted as a result of informal consultations, and draft resolution TD/B/L.353 was withdrawn.

Action by the Board

426. At the same meeting, the Board, having first taken note of the statement of financial implications submitted by the secretariat (TD/B/L.353/Add.1), as orally amended, ^{76/} adopted draft resolution TD/B/L.374 (see annex I below, resolution 119 (XIV)).

B. Land-locked developing countries

427. A number of representatives thanked the secretariat for the reports presented to the Board on the implementation of special measures related to the particular needs of land-locked developing countries. Several representatives stated that the report of the Group of Experts on the Transport Infrastructure for Land-locked Developing Countries, entitled A Transport Strategy for Land-locked Developing Countries, ^{77/} was a worth-while document and that they endorsed its concepts and recommendations. Some representatives supported the efforts of the Secretary-General of UNCTAD to make arrangements for the implementation of the recommendations of the Group of Experts. Several other representatives, expressed reservations either on all or on some of the concepts and recommendations.

428. In more specific reference to the findings and recommendations of the report of the Group of Experts, some of those representatives gave particular support to: the integrated multinational planning approach to the development of transport; bilateral and multilateral arrangements to fulfil the particular needs of land-locked countries in the field of transport; the constructive role of UNCTAD in co-operation with other bodies in devising ways and means with a view to helping land-locked countries in overcoming their geographical disadvantages; and proposals for the preparation of guidelines in this field.

429. The representative of a transit developing country, however, considered that the Group of Experts in its report had exceeded its terms of reference as set out in paragraph 4 of Conference resolution 63 (III) of 19 May 1972 and had dealt with subjects other than those pertaining to the improvement of the transport infrastructure. Representatives of some other developing countries supported that position. Two representatives felt that the recommendations of the Group of Experts should be disregarded and that the Board should not take note of the report. One of those representatives together with representatives of some other developing countries noted that transit problems between land-locked and transit countries might not lend themselves to universal guidelines but, rather, required solutions on a bilateral basis.

430. The representative of a socialist developing country of Asia said that the root cause of the poverty of land-locked countries was imperialist, colonialist and neo-colonialist exploitation. With adequate development of their economies, development of their transport industry would follow. Reasonable solutions to

^{76/} For the amended text, see annex VII below.

^{77/} United Nations publication, Sales No.: E.74.II.D.5.

external transport problems could be found by land-locked and transit developing countries through friendly consultations on the basis of equality and mutual benefit.

431. The representative of the Secretary-General of UNCTAD, in replying to the points raised above, explained that the terms of reference of the Group, contained in annex I to the Group of Experts' report, also included section II of the action programme submitted by the Secretary-General of UNCTAD (TD/136) 78/ and therefore the Group's recommendations were within the broad framework provided in Conference resolution 63 (III). He further stated that the Group's concern with the full scope of its terms of reference was clearly reflected in its letter of transmittal. The representative of a transit developing country, however, did not agree with the secretariat and maintained that the Group of Experts had exceeded its terms of reference, as was evident from the letter of transmittal of the Group.

432. Representatives of some land-locked and transit countries made reference to arrangements presently operative in their regions to solve transport problems, which ranged from transit and customs facilities to integrated transport systems. The representative of Brazil described the initiatives taken by his country, in co-operation with its land-locked neighbours, in order to promote better transit facilities for those neighbours. The representative of Pakistan described the liberal transit facilities being extended by his country to its land-locked neighbour.

433. Several representatives, including those of developed market economy countries and developing countries, endorsed the model transit declaration for the facilitation of transit procedures in international trade contained in the annex to the note by the Secretary-General of UNCTAD (TD/B/501) for use by land-locked and transit countries. The representative of a transit developing country, commenting on the model transit declaration, emphasized the need for including the value of goods in the declaration. The secretariat, as a matter of clarification, pointed out that ordinarily the value of goods in transit was not required, but if such information were desired, space was provided for entering such information under the heading "National administrative requirements" on the model customs transit declaration.

434. The representative of a transit developing country, referring to a note by the Secretary-General of UNCTAD on port and transit procedures, 79/ stated that the difficulties in port and transit procedures listed in that note did not apply to the transit traffic of the land-locked neighbour of his country passing through his country and that the medium transit time between the border and the port was much less than 30 days.

435. The representative of a land-locked developing country requested the secretariat to continue to work towards the simplification of transit procedures. The representative of a transit developing country suggested that the proposed

78/ See Proceedings of the United Nations Conference on Trade and Development, Third Session, vol. IV, General Review and Special Issues (United Nations publication, Sales No.: E.73.II.D.7), pp. 257-260.

79/ See Official Records of the Trade and Development Board, Fourteenth Session, First Part, agenda item 10, document TD/B/522.

intergovernmental group on the least developed countries might also deal concurrently with the problems of land-locked developing countries; he had, however, an open mind on this point. Representatives of several developing countries stressed the need to establish a special fund for land-locked countries. Representatives of socialist countries of Eastern Europe pointed out the importance of solving the special needs of land-locked developing countries.

436. At the 406th meeting of the Board, on 9 September 1974, the representative of Uganda introduced a draft resolution on this subject (TD/B/L.363) on behalf of the Group of Seventy-seven.

437. At the 409th meeting of the Board, on 12 September 1974, the President introduced a draft resolution (TD/B/L.368), which he had submitted as a result of informal consultations, and draft resolution TD/B/L.363 was withdrawn.

Action by the Board

438. At its 397th meeting, on 29 August 1974, the Board decided to transmit the model transit declaration contained in the note by the Secretary-General of UNCTAD (TD/B/501) to the General Assembly, as called for in paragraph 14 of Conference resolution 63 (III).

439. At its 409th meeting, on 12 September 1974, the Board adopted draft resolution TD/B/L.368 (see annex I below, resolution 109 (XIV)).

440. The representative of Pakistan said that it was his understanding that the words "relevant recommendations" in paragraph 1 of the resolution meant recommendations relating to the improvement of the transport infrastructure of land-locked developing countries.

CHAPTER VIII

TRADE RELATIONS AMONG COUNTRIES HAVING DIFFERENT ECONOMIC AND SOCIAL SYSTEMS 80/

(Agenda item 11)

441. In his opening statement, the Secretary-General of UNCTAD referred to the changing pattern of the international economy and, in that context, to the scope for the intensification and improvement of trade relations among countries having different economic and social systems. The role of UNCTAD in that respect would be to promote measures designed to identify and establish the facilities and institutions required to strengthen such relations.

442. The Secretary-General drew particular attention to the fact that the socialist countries of Eastern Europe were at present in the process of establishing their long-term plans for the period 1976-1980. That, in his view, meant that the efforts of UNCTAD in that particular area should be set within the framework of a longer-term perspective, so that it would be possible to gauge the extent to which those plans could respond to the need for trade among countries having different economic and social systems and, in particular, trade with developing countries.

443. He also felt that once some broad goals and objectives had been established, there was a need to fashion the particular instruments by which such objectives could be achieved. Various measures and techniques could then be combined in order to develop an integrated and co-ordinated approach to the achievement of defined targets. He observed that the progress of integration in Eastern Europe created new opportunities for expanding multilateral arrangements in trade relations between socialist and developing countries.

444. The Secretary-General expressed the opinion that the consultations to be held within the framework of the Board between countries having different economic and social systems would provide an occasion for establishing new initiatives and new contacts. He considered that trade among countries having different economic and

80/ This item was referred to Sessional Committee II for consideration and report (see para. 505 below). The following documents were submitted in connexion with the item: "Motivations, patterns, problems and prospects in industrial co-operation between enterprises of socialist and developing countries" (TD/B/490 (summary) and Corr.1 and TD/B/490/Supp.1 and Supp.1/Corr.1); "Review of trends and policies in trade between countries having different economic and social systems" (TD/B/499 (summary) and Corr.1 and TD/B/499/Supp.1 and Supp.1/Corr.1 and 2); "Statistical review of trade among countries having different economic and social systems" (TD/B/499/Supp.1/Add.1); "Review of trends and prospects in trade and economic relations between socialist countries of Eastern Europe and African countries" (TD/B/505 (summary) and TD/B/505/Supp.1).

social systems was an area in which UNCTAD had an opportunity of making a contribution and one on which UNCTAD should concentrate its efforts to a good extent in the period ahead.

445. The Chairman of Sessional Committee II stated that there had been positive developments in trade among countries having different economic and social systems. The statistics indicated that the socialist countries of Eastern Europe had achieved high rates of trade expansion in 1973 with both the developed market economy countries and the developing countries.

446. In his view, however, it was widely felt that there were still unexploited opportunities in the field of trade between countries having different economic and social systems. In that respect, he stressed the importance of devoting attention to the question whether all developing countries had shared to a satisfactory extent in the increase in trade. He considered that UNCTAD could certainly play a significant role in promoting trade-generating effects in this area, and expressed the hope that the problems of establishing a new pattern of international specialization in production between developing and socialist countries would be given due attention by the Board.

447. He invited delegations to identify specific topics which might be recommended for discussion under the appropriate agenda item in a sessional committee at future sessions of the Board. He observed that the consultations to be held between interested countries represented a practical and action-oriented approach which should be helpful to the countries concerned.

448. The representative of the Secretary-General of UNCTAD made a statement on the substance of UNCTAD activities in the field of trade among countries having different economic and social systems, referring in particular to the following action-oriented topics which delegations might wish to consider for discussion in a sessional committee at future sessions of the Board:

(a) Development of trade policies, in the light of the implementation of Conference resolutions 15 (II) of 25 March 1968 and 53 (III) of 19 May 1972, with a view to promoting long-term, mutually harmonized or co-ordinated trade and co-operation programmes;

(b) Promotion of international specialization in production as a priority objective, aiming at determining prospective areas in specific sectors, in particular between the developing countries and the socialist countries of Eastern Europe;

(c) Problems of trade between the socialist countries and the least developed among the developing countries.

449. He also noted that, in the light of the progressive normalization and expansion of East-West political, trade and economic relations, UNCTAD should perhaps devote more attention to the issue of multilateral co-operation schemes involving the developing, the socialist and the Western countries, in line with the universal character of UNCTAD and the desire expressed at the sixth special session of the General Assembly for interdependent solutions in the context of a new international economic order.

450. The representatives of many countries participating in the debate referred to the fact that the present session of the Board was taking place at a time when profound changes were occurring in international economic conditions. In their view, the shift from confrontation to policies of détente and consolidation of the principles of peaceful coexistence between States having different economic and social systems was already yielding tangible results. This process had created better conditions for deriving mutual advantage from the division of labour among countries having different economic and social systems. A firm belief was expressed that mutual interdependence among nations would provide a fundamental basis for world peace.

451. Representatives of some socialist countries of Eastern Europe stated that the improvement of the international political climate - which their Governments were endeavouring to transform into an irreversible process - had created favourable conditions for the reorganization and the strengthening of economic relations in the world, the urgent need for which had been reconfirmed by the General Assembly at its sixth special session.

452. Representatives of several socialist countries of Eastern Europe expressed their confidence that the conclusions of the Conference on Security and Co-operation in Europe would contribute to the development of trade and to more efficient and beneficial co-operation, not only between socialist and developed market economy countries, but also between socialist and developing countries. The representative of a developed market economy country referred to the possible impact of the results of this Conference on the further intensification of trade in Europe and expressed his Government's desire that it should yield positive results.

453. In that connexion, the representatives of the socialist countries of Eastern Europe reaffirmed their position with regard to the close interdependence of all flows of international trade. Those representatives, as well as representatives of some developing and developed market economy countries, mentioned the great importance their Governments attached to the continued and steady development of trade and economic relations among countries having different economic and social systems and the opportunities offered to the developing countries in this field. In the view of the representative of one developing country, trade relations among countries having different economic and social systems had undeniably had a considerable impact on the trading picture in the world as a whole.

454. Representatives of some developing countries, developed market economy countries and socialist countries of Eastern Europe noted the important role of stable long-term agreements and intergovernmental institutions, particularly mixed intergovernmental commissions, in the promotion of their trade and economic relations with partners having different economic and social systems.

455. There was repeated and widespread recognition of the fact that trade between the developing countries and the socialist countries of Eastern Europe was an extremely dynamic and expanding sector of world trade. Although representatives of some socialist countries of Eastern Europe and of some developing countries felt that the volume of such trade did not yet correspond to its potential level, a number of them expressed their satisfaction with recent developments, referring, in particular, on the basis of detailed supporting information, to the considerable expansion of mutual trade which had occurred in 1973; the continuing diversification

of the commodity structure of the developing countries' exports, particularly the growing share of manufactures and semi-manufacturers; the steady increase in imports by the socialist countries of Eastern Europe of certain primary commodities from the developing countries; and the results achieved in promoting a wider and more balanced geographical distribution of trade flows. The representative of a developed market economy country indicated that the absolute scale of trade between developing and socialist countries of Eastern Europe was still limited. In that context, the representatives of some socialist countries of Eastern Europe pointed out that the expansion of the absolute scale of that trade required appropriate efforts from the countries involved.

456. The socialist countries of Eastern Europe reaffirmed the policy of their Governments to assist the developing countries in their efforts to strengthen their political and economic independence, to accelerate their economic development and to achieve an equitable participation in the international division of labour.

457. Various forms of economic, industrial, technical and scientific co-operation between the developing countries and the socialist countries of Eastern Europe were generally regarded, by the representatives of those two groups of countries and by the representatives of some developed market economy countries, as being a more advanced form of economic relations than purely commercial links and as being particularly suitable for intensifying technical assistance to the developing countries, facilitating the transfer of technology, and promoting a new pattern of international division of labour between the developing countries and the socialist countries of Eastern Europe. Representatives of several developing countries provided information on the most recent results of their co-operation with the socialist countries of Eastern Europe, noting the new possibilities opened up by recent agreements. Representatives of some socialist countries of Eastern Europe referred to the introduction of more advanced forms of economic co-operation, such as specialization in production and co-operation between respective planning bodies, with partners from the developing countries. While acknowledging the desirability of expanding such co-operation, they indicated that certain prerequisites existed for successful co-operation, such as a high degree of stability and steady long-term commitments.

458. The representative of a developing country stated that the policy of his Government was to grant the socialist countries the same conditions as those being granted to developed market economy countries with respect to trade. The representative of another developing country stated that his country accorded most-favoured-nation treatment to all socialist countries.

459. The question of the multilateralization of payments was commented upon by the representatives of several developing countries and socialist countries of Eastern Europe. They referred to a growing number of cases in which convertible currencies had been introduced as a means of payment between partners from the two groups of countries and they noted that there was a general trend towards more flexibility in and increased scope for multilateral settlements.

460. Commenting upon the opportunities as yet unutilized in their mutual trade and economic relations, representatives of some socialist countries of Eastern Europe and some developing countries expressed the view that greater advantage could be taken of such opportunities if the partners stepped up their efforts with regard to export promotion and, in general, to the marketing of traded goods, if they

provided fuller information on respective markets and possibilities and, more generally, if they facilitated reciprocal adjustments in their economic and commercial structures.

461. The representative of a developing country, speaking on behalf of the African Group, drew attention to the principles and objectives of the African Declaration on Co-operation, Development and Economic Independence 81/ concerning the relations of African countries with the socialist countries. The countries members of his Group sincerely desired to co-operate in all fields and were confident that the socialist countries intended to continue to help the developing countries in their efforts to accelerate their economic progress. He formulated a number of specific proposals which would facilitate the attainment of the objectives stated in the Declaration. The socialist countries of Eastern Europe were urged: (a) to study means to improve the geographical distribution of their trade with Africa; (b) to adapt the equipment and machinery they exported to conditions prevailing in Africa; (c) to send commercial and co-operation missions more frequently to African countries; (d) to increase sales on credit under favourable conditions to those countries; (e) to make it possible for African countries to utilize any outstanding positive balances for purchases in other socialist countries of Eastern Europe; (f) to maintain prices of raw materials purchased in Africa at levels both remunerative and compatible with the development needs of the supplying country; (g) to diversify further their imports from Africa; (h) to assist and favour the setting up of manufacturing industries in Africa; and (i) to encourage, on a reciprocal basis, the African countries to participate in trade fairs and other such gatherings organized in the socialist countries of Eastern Europe.

462. The same representative stressed that the intergovernmental economic organizations of the socialist countries of Eastern Europe and of the developed market economy countries should co-ordinate their assistance to Africa in such a way that the two groups of countries meet in the African economic scene in a spirit of healthy emulation to help to speed up the development of Africa.

463. He added that, to that end, tripartite industrial co-operation associating Africa, Eastern Europe and Western Europe in joint enterprises could make investment in the African continent a more profitable undertaking.

464. The representative of another developing country, while expressing appreciation for the co-operation and technical and financial assistance provided by the socialist countries of Eastern Europe, said that those countries should: (a) give due consideration, when formulating their long-term economic plans, to the production and export potential of the developing countries; (b) conclude long-term purchase agreements; (c) recognize the need for developing countries to increase the share of non-traditional items in their total exports; and (d) supply to the developing countries the industrial raw materials they needed on a long-term basis.

465. The representative of a developing country, stressing the importance of the intensification of economic relations between the countries members of the Council for Mutual Economic Assistance (CMEA) and the regional groupings of the developing countries, especially the Andean Group, suggested that those markets should be taken into account by the CMEA member countries when elaborating their long-term plans for regional co-operation within the CMEA area.

81/ Organization of African Unity document CM/ST/12(XXI).

466. Representatives of some socialist countries of Eastern Europe expressed the opinion that the level of trade and economic co-operation was also dependent on the efforts made by the developing countries to utilize the opportunities offered to them to balance purchases with sales in trade with the socialist countries of Eastern Europe, to accord the latter countries treatment not less favourable than that granted to the developed market economy countries, to avoid direct or indirect discrimination, and to facilitate direct purchases of some commodities by the socialist countries of Eastern Europe.

467. The representative of a socialist country of Eastern Europe stated that his country, as a developing country, attached particular importance to developing its economic relations with other developing countries, as such relations could help to promote independent development. He reaffirmed that his country envisaged those relations as an integral part of economic co-operation among all developing countries, irrespective of economic and social systems, and as reflecting the character of mutual assistance and solidarity which his country attached to such co-operation. Noting that his country's co-operation with other developing countries covered a number of fields, he stated that a number of possibilities needed to be explored in order further to strengthen multilateral economic co-operation among developing countries and he suggested that the UNCTAD secretariat should strengthen its assistance activities in the field and should undertake a comprehensive study of the matter and report thereon to the Board at its fifteenth session.

468. Representatives of some developing countries reported on their trade and economic relations with China, noting a further expansion of their trade relations with that country, and also referred to the establishment of trade relations with other socialist countries of Asia.

469. The representative of a developing country described the intensification of co-operation between his country and Cuba, the result of which has been an agreement covering 40 co-operation projects.

470. The growing expansion of East-West trade was acknowledged and welcomed by the representatives of several countries participating in such trade. Some of them emphasized that this had been accompanied by the introduction of new forms of economic co-operation. Representatives of several socialist countries of Eastern Europe stressed that they attached great importance to the expansion of their bilateral trade and economic relations with the developed market economy countries and recalled that their policies were designed to achieve stable and lasting economic relations with their partners, noting that the numerous intergovernmental co-operation agreements signed during the previous 12 months opened up broad horizons for the promotion of particular industrial co-operation projects.

471. Representatives of several socialist countries of Eastern Europe noted that, despite the generally positive picture, the potential for East-West co-operation was inhibited by certain discriminatory practices applied by certain Western countries, as well as by other actual or possible difficulties such as inflation, monetary instability or protectionist tendencies. Representatives of some socialist countries of Eastern Europe criticized the unilateral decisions taken by EEC to prohibit imports of beef and cattle. Several representatives referred to the restrictive import policy of the Community, and the representative of one socialist country of Eastern Europe expressed the view that the exclusion of his country from

certain import quotas of EEC caused his country serious difficulties. Representatives of some socialist countries of Eastern Europe feared that, in view of the trade deficits of their countries, such restrictive measures might compel them to curtail their imports substantially. The representative of one socialist country of Eastern Europe held the Governments of EEC responsible for taking such unilateral restrictive measures and stated that those Governments had to face the possible consequences of their decision. He also indicated that his country was prepared to settle problems on a friendly basis, taking into account the interests of all the parties involved. He pointed out that measures towards liberalization should not be considered as autonomous concessions since, under existing agreements, the Western countries were contractually committed to liberalizing their imports from the socialist countries of Eastern Europe. The representative of another socialist country of Eastern Europe said that the successful outcome of the Conference on Security and Co-operation in Europe could be expected to serve as a starting-point for the solution of existing East-West problems.

472. The representative of a socialist country of Eastern Europe, stating that his country was a developing country, said that, although its trade with the developed market economy countries had increased, such trade continued to suffer from a structural imbalance, a lack of stability in market access as a result of protectionist measures, and from the fact that certain developed market economy countries maintained discriminatory restrictions on its exports, all of which had created a chronic trade deficit with the developed market economy countries. All developed market economy countries should eliminate such discriminatory restrictions by the end of 1974. He also expressed the hope for a substantial improvement of the framework for relations between his country and the United States of America in the near future, taking account of the fact that his country was a developing country.

473. Representatives of some developed market economy countries reiterated that their Governments wished to develop mutually beneficial trade and economic relations with all countries, irrespective of differences in economic and social systems, and provided details of co-operation by their countries with the socialist countries of Eastern Europe. One of these representatives attributed the expansion of the foreign trade of the socialist countries of Eastern Europe to the changing approach of such countries to participation in international trade. The representatives of some developed market economy countries stressed the importance of the global and forward-looking approach reflected in their long-term co-operation agreements at the intergovernmental and enterprise levels with most socialist countries of Eastern Europe, which had a positive impact on trade flows. The representative of Turkey, stating that his country was a developing country, said that economic and trade relations between his country and the socialist countries of Eastern Europe, consisting in the conclusion of economic and technical agreements, were following a positive and satisfactory trend, a trend which had been strengthened as a result of using convertible currencies as a means of payment. The representative of one developed market economy country outlined the need for building, whenever necessary, appropriate foundations for continuing and expanding trade with the socialist countries of Eastern Europe, and described the special measures and institutional arrangements to that end introduced or contemplated by his Government. The representative of another developed market economy country discussed specific measures introduced by his country to favour the development of industrial co-operation with the socialist countries of Eastern Europe, noting that his Government intended to completely liberalize imports of manufactures from both socialist and developing countries, whether members or non-members of GATT, as from

the beginning of 1975. The representative of another developed market economy country referred to a multilateral co-operation agreement his country had concluded with the countries members of CMEA. His Government had also proposed to a number of CMEA member countries the negotiation, on a reciprocal basis, of progressive trade liberalization. On the basis of this proposal, it had already concluded free-trade agreements with two Eastern European countries. In this connexion, the representative of one socialist country of Eastern Europe expressed the view that such agreements illustrated that, if the necessary political will existed on both sides, the countries concerned could find mutual solutions for expanding their trade even in an unfavourable climate arising from certain economic integration processes. The representatives of two developed market economy countries observed that two Eastern European countries had been added to their lists of GSP beneficiary countries, enabling those countries to derive considerable trade benefits.

474. The representative of EEC stated that the enlargement of the Community was a factor promoting the expansion of East-West trade. He observed that trade with the socialist countries of Eastern Europe was among the most dynamic of the Community's foreign trade flows and recalled that EEC had contributed to the normalization of East-West trade relations, for instance, by enlarging in 1973 and 1974 the common liberalization lists applicable to imports from the socialist countries of Eastern Europe. He considered, furthermore, that ECE was the most appropriate forum for discussing East-West trade relations. Referring to comments made by some socialist countries of Eastern Europe, he said that the Community was consistently open to the possibility of holding consultations with a view to finding appropriate and constructive solutions for difficulties affecting its trade relations with the socialist countries of Eastern Europe. In reply to the statement concerning Community imports of beef, the representative of EEC emphasized that it had already been agreed that that temporary measure should be the subject of consultations between the interested parties.

475. Representatives of many socialist countries of Eastern Europe emphasized that new forms of trade and economic co-operation should be sought within the framework of the reform of international economic relations. They felt that conditions were at present exceptionally favourable for heightening the contribution of UNCTAD in solving East-West problems, taking fully into account the interest of the developing countries. They considered that improvements in East-West relations were an important prerequisite for progress in trade with the developing countries, since the full normalization of East-West relations would have positive and multiple effects on world trade and economic co-operation.

476. Referring to the influence exerted by East-West trade and economic co-operation on the developing countries, the representatives of several developing countries stated that détente had indeed brought positive results and explained that the prospects arising from the changing and improving framework of their bilateral relations with the Eastern European countries should be assessed against the broader multilateral pattern emerging from the closer relations established between countries having different economic and social systems. They invited the countries participating in East-West co-operation to ensure that in their common projects the interests of the developing countries were safeguarded and that appropriate solutions were sought to maximize, through increased East-West co-operation, the promotion of the trade and economic development of the developing countries. Furthermore, one of these representatives suggested that existing Eastern and Western regional groupings should co-operate together in co-ordinating

aid granted to the developing countries and he welcomed the idea that the developed countries, irrespective of their economic and social systems, should engage in healthy mutual competition in fostering the industrialization of the developing countries.

477. The representative of one developed market economy country, while agreeing that the strengthening of the economic structures of the socialist countries of Eastern Europe in a general way could favour the development of trade between such countries and the developing countries, expressed the view that the proposition that the development of trade between developed countries was necessarily beneficial to the developing countries still remained to be proved.

478. The representative of the secretariat of CMEA said that the nine countries of Asia, Europe and Latin America members of CMEA were continuing their efforts to strengthen further their mutual economic co-operation within the framework of the long-term Comprehensive Programme of Socialist Economic Integration. In this respect, they acted on the assumption that the rapid growth of their economies would create more favourable conditions for expanding their economic and trade co-operation with third countries, in particular with developing countries. The trade turnover of the CMEA member countries with the developing countries had increased twenty-twofold between 1950 and 1973. He observed that the scope for economic, scientific and technical co-operation between the CMEA member countries and the developing countries had been expanding rapidly. According to tentative estimates, the CMEA member countries had extended long-term credits to the developing countries of a value of approximately 11 thousand roubles, and in 1973 they had concluded more than 130 new agreements on economic and technical co-operation with the developing countries. The open character of CMEA had recently been demonstrated by the conclusion in 1973 of a special agreement with Finland, under which comprehensive co-operation in the fields of economic, scientific and technological fields was to be further developed. He also noted the expansion of trade and economic co-operation between countries members of CMEA and the developed market economy countries.

479. The representative of the International Bank for Economic Co-operation described the activities of the Bank, in particular arrangements, both bilateral and multilateral, in transferable roubles, intended to facilitate payments and credit relations between Bank members and third countries. Such arrangements, which were also available to non-members of the Bank, covered payments in transferable roubles with regard either to a part of commercial transactions, or to the total of mutual trade turnover.

480. The representative of Turkey stated that he contested the classification of his country in the UNCTAD secretariat report (TD/B/499/Supp.1/Add.1) as a developed market economy country and not a developing country. He said that his country was classified as a developed market economy country in all basic UNCTAD documentation and that this was erroneous. He added that he had raised the issue of classification in the Board at its thirteenth session, 82/ stating that the only valid basis for evaluating the real level of development should be socio-economic criteria. A classification based on such criteria would prevent anomalies occurring

82/ See Official Records of the General Assembly, Twenty-eighth Session, Supplement No. 15 (A/9015/Rev.1), part three, para. 458.

in documentation and ensure a proper correlation between the statements of delegations and the activities of UNCTAD. He declared that despite his country's objections, the secretariat continued to present documentation with the same erroneous classification.

481. The representatives of Greece, Romania and Spain also considered that their countries should be treated as developing countries in the documentation produced by the secretariat.

482. The representative of the Secretary-General of UNCTAD stated that the Board had already been officially informed of the position taken by these countries in that respect and assured the representatives that due note had been taken of their statements.

483. The representative of one socialist country of Eastern Europe stated that the basic criterion for the classification of countries for the purposes of UNCTAD activities in the field of trade relations among countries having different economic and social systems was the social and economic character of a country.

484. The representatives of many socialist countries of Eastern Europe reaffirmed that one of the principal functions assigned to UNCTAD by General Assembly resolution 1995 (XIX) was to improve trade relations between countries having different economic and social systems and pointed out that UNCTAD was the most appropriate forum to examine these problems in their totality with a view to reaching concerted solutions.

485. Representatives of some developed market economy countries stated that their Governments attached a great deal of importance to the positive contribution of UNCTAD in the promotion of trade among countries having different economic and social systems. They agreed that UNCTAD was a unique forum for the discussion of such issues, while recognizing that those issues were sometimes overshadowed by apparently more pressing and disturbing problems. In that connexion, the representatives of some developed market economy countries felt that UNCTAD should concentrate on trade and economic relations between the socialist countries of Eastern Europe and the developing countries. The representative of one developed market economy country, however, considered that the data on East-West trade submitted by the UNCTAD secretariat were useful and he requested the secretariat to continue preparing such information and even extend it; he suggested that the data supplied by the secretariat should also include complete and detailed statistics pertaining to development aid accorded by the socialist countries of Eastern Europe. The representative of one developed market economy country and the representative of one socialist country of Eastern Europe referred to the valuable work of ECE; the representatives of some developed market economy countries referred to the possible impact which certain studies undertaken by that Commission could have on the promotion of trade between the socialist and the developing countries.

486. The representatives of some socialist countries of Eastern Europe requested the development of concrete operational activities by UNCTAD in the area of trade and economic co-operation between the developing and the socialist countries, through technical assistance, to help overcome short-comings in mutual knowledge of conditions and existing co-operation opportunities.

487. Commenting on the documentation, the representatives agreed that the studies undertaken by the secretariat were propitious and of prospective importance and

they encouraged the secretariat to continue its forward-looking research programme. The representatives of several socialist countries of Eastern Europe welcomed the attempt by the secretariat to pinpoint certain questions considered deserving of particular attention. They felt that the documentation had substantially facilitated discussions and that the research carried out for the current session of the Board should be continued in depth. Experience showed that research into the topic of industrial co-operation deserved a suitable allocation of resources, in view of the contribution of such research to shaping appropriate means of associating the developing countries more closely with the trend towards industrial co-operation. In that connexion, those representatives referred to the prospects for industrial co-operation on a broader geographical basis facilitated by the implementation of the programme of economic integration of the CMEA member countries, involving the elimination, in selected cases, of lines of production considered to be comparatively less efficient. The importance of research in industrial co-operation was also emphasized by the representative of one developed market economy country. The representative of a developed market economy country described special agreements concluded between the banking sectors of his country and those of three Eastern European countries for the promotion of joint ventures in the developing countries, which was an illustration of the trend towards enlargement of the scope of industrial co-operation. The representatives of several developing countries stated that industrial co-operation reflected and strengthened economic interdependence and they considered that multilateral forms of industrial co-operation could have rapid catalytic effects on the industrialization of the developing countries, since they combined complementary manufactured activities on a pragmatic basis. One of those representatives and the representative of Turkey, who stated that his country too was a developing country, invited the secretariat to accord more extensive analytical coverage to individual projects undertaken in co-operation with the socialist countries of Eastern Europe.

488. The representative of Greece, referring to the question of tripartite industrial co-operation, discussed in the secretariat report (TD/B/490/Suppl.1 and Corr.1), stated that his country, being a developing country, considered that such co-operation, the methods and orientation of which remained to be defined, would, through the close association of factors of production in countries having different economic and social systems, make it possible to channel investment, capital goods and modern technology in an effective way to the developing countries and thus encourage the rational polarization of certain industrial activities in those countries. That would help to develop natural resources, improve the structure of industry, increase employment and promote exports of manufactures by developing countries.

489. The representative of one socialist country of Eastern Europe reiterated the suggestion that, in order to progress more rapidly towards possible practical solutions to problems in trade and economic co-operation between countries having different economic and social systems, it might be advisable to direct the Board's attention in the future to more concrete subjects. That suggestion was supported by the representatives of several developing countries. The representative of one socialist country of Eastern Europe proposed that the Secretary-General of UNCTAD should be authorized to select those specific subjects in consultation with interested countries.

490. Referring to the discussion on industrial co-operation, the representative of one socialist country of Eastern Europe and the representative of Greece proposed that the Secretary-General of UNCTAD should convene a colloquium which would examine and recommend to the Board or to the Conference methods for promoting and

determining the possible directions of industrial specialization through appropriate forms of multilateral co-operation, including tripartite co-operation. The representatives of several socialist countries of Eastern Europe and of developing countries supported the proposal, which was considered to be forward-looking and constructive, and likely to further activate the work of UNCTAD. The representative of one developed market economy country observed that the specialized seminars on East-West trade promotion, marketing, and business contacts organized by ECE fulfilled a useful role in that respect. The representative of another developed market economy country thought that, before concerning itself with the field of tripartite industrial co-operation, UNCTAD should undertake additional work on industrial co-operation between the socialist countries of Eastern Europe and the developing countries.

A. Consultations on trade and economic relations

491. The Chairman of Sessional Committee II informed the Board that, during its current session, 43 bilateral consultations and one multilateral consultation had taken place between the developing countries and the socialist countries of Eastern Europe; 26 consultations had been organized at the request of developing countries and the others at the request of socialist countries.

492. The representatives of several socialist countries of Eastern Europe and of some developing countries stated that the bilateral and multilateral consultations held within the framework of the session of the Board had been very useful and had enabled them to clarify substantive issues in their mutual trade and economic relations and to exchange views on various specific problems. They expressed their satisfaction, both with the results and with the organizational arrangements by the secretariat.

493. The representatives of two socialist countries of Eastern Europe observed that the consultations they had had showed a growing interest by the developing countries involved in the expansion of trade with their respective countries. The representative of one socialist country of Eastern Europe noted that during the consultations the following matters, inter alia, had been discussed: the conditions for his country's exports; methods of payments arrangements; the determination of his country's import needs; trends in consumption of goods of interest to both parties; and the prospects for future mutual trade. He declared that the prospects of a trade agreement between his country and one developing country had also been discussed. The representative of another socialist country of Eastern Europe stated that his country had taken part in several bilateral consultations and one multilateral consultation, during which discussions had focused on the diversification of trade patterns, the strengthening of existing links, the establishment of trade relations with new trading partners and the elaboration of trade agreements. The representative of a developing country stated that the consultations between his country and some socialist countries of Eastern Europe had brought to light great prospects for useful mutual co-operation. The representative of another developing country declared that, during the consultations, a number of suggestions dealing with the exchange of products and the expansion of technical assistance had been made by the socialist countries involved.

494. All the representatives who referred to the results of the consultations requested that the practice of consultations should be continued in the future.

B. Agreed conclusion

495. At the 411th meeting of the Board, on 13 September 1974, the Chairman of Sessional Committee II introduced an agreed conclusion on trade relations among countries having different economic and social systems (TD/B(XIV)/SC.II/L.3), as adopted in the Sessional Committee following informal consultations.

496. He noted, inter alia, that it was his understanding that experts acting in their personal capacity and experts delegated by Governments would co-operate in the seminar to be convened under paragraph 12 of the conclusions; that the seminar would principally concentrate on multilateral industrial co-operation, including tripartite industrial co-operation, between organizations or enterprises from developing, Eastern and Western countries; and that the seminar would be formally convened after the secretariat had completed the relevant research project and after the Secretary-General of UNCTAD had consulted interested Governments.

Action by the Board

497. At its 411th meeting, on 13 September 1974, the Board, after taking note of a statement of the relevant financial implications, 83/ adopted the agreed conclusion (see annex I below, agreed conclusion 112 (XIV)).

498. The representative of China stated that, since China had not participated in the work of Sessional Committee II, his delegation reserved its position on the Board's report on agenda item 11 and on the agreed conclusion.

499. The representative of Chile stated that, as his delegation had not participated in the work of Sessional Committee II, it too wished to reserve its position on the Board's report on item 11 and on the agreed conclusion.

83/ TD/B(XIV)/SC.II/L.3/Add.1. For the substance of the text of this statement, see annex VII below.

CHAPTER IX

INSTITUTIONAL, ORGANIZATIONAL, ADMINISTRATIVE AND RELATED MATTERS

A. Opening of the session

500. The first part of the fourteenth regular session of the Trade and Development Board was opened on 20 August 1974 by Mr. Fritz R. Staehelin (Switzerland), President of the Board at its thirteenth session.

B. Election of officers

(Agenda item 1)

501. At its 382nd meeting, on 20 August 1974, the Board elected Mr. Andrey Lukanov (Bulgaria) as its President and Mr. Lawrence L. Herman (Canada) as its Rapporteur for the period from the beginning of its fourteenth session to the beginning of its fifteenth session.

502. At its 383rd meeting, on 20 August 1974, the Board elected the following representatives as Vice-Presidents for the same period:

Mr. T. Fabian	(Hungary)
Mr. J. Fernand-Laurent	(France)
Mr. K. Hasa	(Jordan)
Mr. M. Huslid	(Norway)
Mr. C. M. Kasasa	(Zaire)
Mr. M. Lalovic	(Yugoslavia)
Mr. A. Legnani	(Uruguay)
Mr. M. I. Oreibi	(Libyan Arab Republic)
Mr. J. Serrate Aguilera	(Bolivia)
Mr. C. F. Teese	(Australia)

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

(Agenda item 2)

503. At its 382nd meeting, on 20 August 1974, the Board considered the provisional agenda which it had drawn up at its thirteenth session (TD/B/486).

504. The Board decided, on the proposal of the representative of Pakistan speaking on behalf of the countries members of the Group of Seventy-seven, to include a new

item entitled "The Declaration and the Programme of Action on the Establishment of a New International Economic Order". The agenda, as adopted (TD/B/524), read as follows:

1. Election of officers
2. Adoption of the agenda and organization of the work of the session
3. Adoption of the report on credentials
4. (a) Review of the implementation of the recommendations of the Conference
(b) The Declaration and the Programme of Action on the Establishment of a New International Economic Order
5. Fourth session of the United Nations Conference on Trade and Development: objectives, provisional agenda, programme of preparatory work and proposed organization
6. Charter of Economic Rights and Duties of States: report of the Working Group
7. Interdependence of problems of trade, development finance and the international monetary system
8. International trade and financing: consideration of action arising from the activities of the main Committees, other subsidiary bodies of the Board, intergovernmental and other groups
 - (a) Commodity problems and policies
 - (b) Expansion and diversification of exports of manufactures and semi-manufactures of developing countries
 - (c) Shipping
 - (d) Financing related to trade
 - (e) Transfer of technology
 - (f) International intermodal transport.
9. Special measures in favour of the least developed among the developing countries
10. Special measures related to the particular needs of land-locked developing countries.
11. Trade relations among countries having different economic and social systems
12. Institutional, organizational, administrative and related matters
 - (a) Further evolution of the institutional arrangements in UNCTAD
 - (b) Progressive development of the law of international trade: seventh annual report of the United Nations Commission on International Trade Law

- (c) Activities of the International Trade Centre UNCTAD/GATT
 - (i) Report of the Joint Advisory Group on its seventh session
 - (ii) United Nations export promotion efforts (Economic and Social Council resolution 1819 (LV))
- (d) Election to membership of main Committees under Conference resolution 80 (III), para. 9
- (e) Review of the functioning of elections to main Committees (Conference resolution 80 (III), para. 9)
- (f) Appointment of the members of the Advisory Committee to the Board and to the Committee on Commodities
- (g) Establishment of a Working Party on the UNCTAD Programme Budget for the biennium 1976-1977 and the medium-term plan for 1976-1979
- (h) Review of the calendar of meetings
- (i) Financial implications of the actions of the Board
- (j) Provisional agenda for the fifteenth session of the Board and organization of the work of the session

13. Other business

14. Adoption of the report of the Board to the General Assembly

505. At the same meeting, the Board considered, and generally approved, the Secretariat's suggestions for the organization of the work of the session (TD/B/486/Add.1). It decided that agenda item 9 would be taken up in plenary and set up two sessional committees of the whole. Sessional Committee I would consider and report on agenda item 8, as well as on that part of agenda item 4 (a) dealing with the review of the implementation of Conference resolution 51 (III) (The exploitation, for commercial purposes of the resources of the sea-bed and the ocean floor, and the subsoil thereof, beyond the limits of national jurisdiction); the part of agenda item 13 relating to the study of the indexation of prices; the part of agenda item 13 relating to container standards for international multimodal transport to be considered together with agenda item 8 (f) on international intermodal transport; and agenda item 4 (b) on the Declaration and the Programme of Action on the Establishment of a New International Economic Order. Sessional Committee II would consider and report on agenda item 11.

506. Sessional Committee I held 19 meetings, from 21 August to 11 September 1974.

507. At its first meeting, on 21 August 1974, it unanimously elected Mr. B. A. Clark (Nigeria) as its Chairman, Mr. T. Awuy (Indonesia) as its Vice-Chairman and Mr. H. Koike (Japan) as its Rapporteur.

508. Upon the election of the Chairman, the spokesman for Group B stated that his Group, which normally would have considered itself entitled to provide the chairmanship of the Sessional Committee at the current session of the Board, had deferred to the wishes of the Group of Seventy-seven, which had provided neither the President nor the Rapporteur of the Board. He hoped that at the next session of the Board at which a similar sessional committee was established, the Group of Seventy-seven would bear that consideration in mind and agree to elect a chairman from his Group.

509. The spokesman for the Group of Seventy-seven replied that his Group appreciated the acceptance by Group B of a chairman from the Group of Seventy-seven and he was sure that the observations made by the spokesman for Group B would be seriously taken into consideration at the appropriate time.

510. The report of Sessional Committee I (TD/B(XIV)/SC.I/L.4 and Add.1-8 and TD/B/L.370 and Add.1) was considered and adopted by the Board at its 412th meeting, on 13 September 1974.

511. Sessional Committee II held eight meetings, from 22 August to 12 September 1974.

512. At its first meeting, on 22 August 1974, it unanimously elected Mr. R. Martins (Austria) as its Chairman, Mr. T. Jodko (Poland) as its Vice-Chairman and Mr. A. Bier (Brazil) as its Rapporteur.

513. In addition to the deliberations in Sessional Committee II, bilateral and multilateral consultations of an informal character were held between interested countries in accordance with the relevant recommendations contained in Conference resolution 53 (III).

514. At its 382nd meeting, on 20 August 1974, the Board authorized the Secretary-General of UNCTAD to invite the representatives of the International Bank for Economic Co-operation and the International Investment Bank, both of which are affiliated with CMEA, to participate in the Board's discussions on item 11 of its agenda.

515. At the same meeting, the Board decided to grant observer status at the first part of its fourteenth session to the International Secretariat for Volunteer Service.

516. The report of Sessional Committee II (TD/B(XIV)/SC.II/L.2 and Add.1-2, TD/B(XIV)/SC.II/L.3 and TD/B/L.366 and Add.1) was considered and adopted by the Board at its 411th meeting, on 13 September 1974.

D. Adoption of the report on credentials

(Agenda item 3)

517. At its 408th meeting, on 11 September 1974, the Board adopted the report of the Bureau on credentials (TD/B/525).

E. Treatment of the Commonwealth of the Bahamas and the Republic of Guinea-Bissau for purposes of elections

(Agenda item 13)

518. At its 382nd meeting, on 20 August 1974, the Board decided that, pending action by the Conference at its fourth session in pursuance of paragraph 6 of General Assembly resolution 1995 (XIX), the Commonwealth of the Bahamas, which had become a member of UNCTAD on 18 September 1973, should for the purposes of elections be treated as if it were in the group of countries listed in part C of

the annex to that resolution, as amended, and the Republic of Guinea-Bissau, which had become a member of UNCTAD on 26 November 1973, should be treated as if it were in the group of countries listed in part A (see annex I below, "other decisions").

F. Membership and attendance 84/

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

520. The following other States members of UNCTAD also sent representatives: Algeria, Bangladesh, Burma, Costa Rica, Cuba, Dahomey, Democratic People's Republic of Korea, Dominican Republic, Egypt, El Salvador, German Democratic Republic, Holy See, Honduras, Israel, Ivory Coast, Jamaica, Kuwait, Lebanon, Liberia, Malta, Mongolia, Morocco, Nicaragua, Panama, Portugal, Republic of Korea, Republic of Viet-Nam, Saudi Arabia, South Africa, Trinidad and Tobago, Tunisia.

521. The Economic Commission for Africa, the Economic Commission for Europe, the United Nations Environment Programme, the United Nations Development Programme and the United Nations Institute for Training and Research were represented at the session.

522. The following specialized agencies were represented at the session: International Labour Organisation, Food and Agriculture Organization of the United Nations, International Bank for Reconstruction and Development, International Monetary Fund, Inter-Governmental Maritime Consultative Organization. The General Agreement on Tariffs and Trade was also represented at the session.

523. The following intergovernmental organizations were represented at the session: African Development Bank, Commonwealth Secretariat, Council for Mutual Economic Assistance, European Economic Community, European Free Trade Association, Intergovernmental Council of Copper Exporting Countries, International Bank for Economic Co-operation, International Cocoa Organization, International Investment Bank, International Secretariat for Volunteer Service, 85/ International Sugar

84/ For the list of participants in the session, see TD/B/INF.51 and Corr.1.

85/ Accorded observer status for the first part of the fourteenth session in accordance with a decision taken at the 382nd meeting of the Board (see para. 515 above).

Organization, Italian-Latin American Institute, Organisation for Economic Co-operation and Development, Organization of African Unity, Organization of American States, Permanent Secretariat of the General Treaty on Central American Economic Integration, World Intellectual Property Organization.

524. The following non-governmental organizations were represented in the session:

General category: International Bar Association, International Chamber of Commerce, International Christian Union of Business Executives, International Confederation of Free Trade Unions, International Council of Voluntary Agencies, International Law Association, World Confederation of Labour, World Federation of United Nations Associations.

Special category: Council of European and Japanese National Shipowners' Associations, International Cocoa Trade Federation and International Organization for Standardization.

G. Designation of intergovernmental bodies under rule 78 of the rules of procedure

(Agenda item 13)

525. At its 408th meeting, on 11 September 1974, the Board considered the applications (TD/B/R.7 and Add.1-5 (derestricted)) from the following five intergovernmental organizations for designation under rule 78 of the rules of procedure: Central Office for International Railway Transport, International Bank for Economic Co-operation, International Cocoa Organization, International Investment Bank and West African Economic Community.

Action by the Board

526. At the same meeting, the Board decided to designate these five intergovernmental bodies under rule 78 of the rules of procedure (see annex I below, "Other decisions").

H. Designation and classification of non-governmental organizations for the purpose of rule 79 of the rules of procedure

(Agenda item 13)

527. At its 408th meeting, on 11 September 1974, the Board considered the recommendation of the Bureau (TD/B/526), which concurred with that of the Secretary-General of UNCTAD, that the four non-governmental organizations which had applied for the designation under rule 79 of the rules of procedure should be so designated and classified.

Action by the Board

528. At the same meeting, the Board decided to designate the four non-governmental organizations in question and to classify them in the manner suggested. 86/

86/ For the list of the organizations so designated and their classification, see annex I below, "Other decisions".

I. Tenth anniversary of UNCTAD

529. The 393rd meeting of the Board, on 27 August 1974, was devoted to a celebration of the tenth anniversary of the establishment of UNCTAD. 87/ The meeting was attended by the Director-General of the United Nations office at Geneva, the Executive Secretary of the Economic Commission for Europe, the Director-General of the International Labour Office, the Director-General of GATT and senior representatives of a number of other international organizations. The meeting was opened by the President of the Board, who made a statement. The Director-General of the United Nations Office at Geneva delivered a message of congratulations from the Secretary-General of the United Nations.

530. Messages were received from the former Secretaries-General of UNCTAD, Mr. Raúl Prebisch and Mr. Manuel Pérez-Guerrero, the Executive Secretary of the Economic Commission for Africa, the Executive Director of the United Nations Environment Programme, the Administrator of the United Nations Development Programme, the Executive Director of the World Food Programme, the Secretary-General of the World Food Conference, the Director-General of the Food and Agriculture Organization of the United Nations, the Acting Director-General of the United Nations Educational, Scientific and Cultural Organization, the Deputy Director-General of the World Health Organization, the Acting President of the International Bank for Reconstruction and Development, the Acting Managing Director of the International Monetary Fund, the Director-General of the Universal Postal Union, the Deputy Secretary-General of the World Meteorological Organization, the Secretary-General of the Inter-Governmental Maritime Consultative Organization, and the Acting Director-General of the International Atomic Energy Agency.

531. Statements were made by the Secretary-General of UNCTAD; the representative of Pakistan, speaking on behalf of the countries members of the Group of Seventy-seven; the representative of Australia, speaking on behalf of the countries members of Group B; the representative of the Union of Soviet Socialist Republics, speaking on behalf of the countries members of Group D; the representative of Nigeria, speaking on behalf of the African countries members of the Group of Seventy-seven; the representative of the Philippines, speaking on behalf of the Asian countries members of the Group of Seventy-seven; the representative of Argentina, speaking on behalf of the Latin American countries; the representative of China; the representative of Romania; and the representative of Switzerland as the host country.

532. Messages were subsequently received from the Executive Secretary of the Economic Commission for Latin America and from the Secretary-General of the International Secretariat for Volunteer Service. 88/

87/ For a full account of the meeting and of the statements made, and for the texts of the messages received, see TD/B/SR.393.

88/ For the text of these messages, see TD/B/SR.395 and TD/B/SR.400, respectively.

J. Further evolution of the institutional arrangements in UNCTAD

(Agenda item 12 (a))

1. Conference resolution 80 (III)

533. The Board considered this matter at its 403rd meeting, on 3 September 1974. It agreed that the proposal by the African Group to establish a high-level standing committee to deal with trade, financial and monetary questions of special interest to the developing countries (TD/B/L.360) should be considered in connexion with agenda item 7, and that the proposal by the Group of Seventy-seven to set up an intergovernmental group on least developed countries in accordance with Conference resolution 80 (III), section C, paragraph 10 (TD/B/L.353), should be considered in connexion with agenda item 9. 89/

534. At its 411th meeting, on 13 September 1974, the Board decided to defer further consideration of the question of measures for the improvement of the efficiency of its methods of work and of those of its subsidiary organs and of the review of the terms of reference of its committees and subsidiary bodies until its fifteenth regular session.

2. Question of the establishment of a comprehensive international trade organization

535. At the 404th meeting of the Board, on 5 September 1974, the representative of Pakistan introduced a draft resolution on this question on behalf of the Group of Seventy-seven (TD/B/L.356).

536. At the 412th meeting of the Board, on 13 September 1974, the President introduced draft resolution TD/B/L.375, which he had submitted as a result of informal consultations, and draft resolution TD/B/L.356 was withdrawn.

Action by the Board

537. At the same meeting, the Board adopted draft resolution TD/B/L.375 (see annex I below, resolution 120 (XIV)).

538. The spokesman for Group B said that the question of the establishment of a comprehensive international trade organization had been under discussion for a very long time, and the countries members of Group B, both collectively and individually had made known their view of this subject on many occasions. Those views remained unchanged.

89/ For the action taken by the Board on these proposals, see paras. 223 and 424-426 above.

K. Progressive development of the law of international trade: seventh annual report of the United Nations Commission on International Trade Law

(Agenda item 12 (b))

539. At its 406th meeting, on 9 September 1974, the Board took note with appreciation of the report of the United Nations Commission on International Trade Law (UNCITRAL) on the work of its seventh session (TD/B/514). 90/

L. Activities of the International Trade Centre UNCTAD/GATT

(Agenda item 12 (c)) 91/

1. Report of the Joint Advisory Group on its seventh session

540. The Board had before it the report of the Joint Advisory Group on the International Trade Centre UNCTAD/GATT on its seventh session (ITC/AG(VII)/37), which was circulated under cover of a note by the Secretariat (TD/B/513), and a note by the Secretary-General of UNCTAD on administrative arrangements for the International Trade Centre (TD/B/487 and Corr.1).

541. Introducing the report of the Joint Advisory Group, the Deputy Chairman of the Group reported that both the Technical Committee and the Joint Advisory Group had spent much of their time in discussing - in addition to substantive questions affecting the work programme of the Centre - the future organizational structure of the Centre and its administrative arrangements; the implications of Economic and Social Council resolution 1819 (LV) of 9 August 1973 and the future of the Technical Committee. As recommended by the Group at its seventh session, a review of administrative arrangements for the International Trade Centre had been carried out, the results of which were before the Board (see TD/B/487 and Corr.1). Taking note of the desire expressed by the Board at its thirteenth session that a study should be carried out in conformity with Economic and Social Council resolution 1819 (LV), 92/ the Joint Advisory Group had established a small working party, the report of which would be submitted to the Group at its eighth session and thereafter to the Board at its fifteenth session. The Joint Advisory Group had agreed that the Technical Committee should meet every year prior to its own meetings and should consist of trade promotion experts. The Joint Advisory Group had also agreed that the membership of the Technical Committee should not exceed its present number of 18. As conclusions could not be reached regarding the composition of the Technical Committee and possible rotation of the membership, the Joint Advisory Group had requested its Chairman to pursue consultations with the various regional groups.

90/ Official Records of the General Assembly, Twenty-ninth Session, Supplement No. 17 (A/9617).

91/ The Board discussed this item at its 400th and 401st meetings on 2 September 1974.

92/ See Official Records of the General Assembly, Twenty-eighth Session, Supplement No. 15 (A/9015/Rev.1), paras. 545-548.

542. With respect to the work programme of the Centre, the Joint Advisory Group had unanimously agreed to recommend to the governing bodies of UNCTAD and GATT the work programme and priorities as outlined in its report (TD/B/513).

543. The representative of a developing country, speaking on behalf of the Asian countries members of the Group of Seventy-seven, supported by many other representatives, welcomed the report of the Joint Advisory Group and spoke in support of the work of the Centre and underlined its usefulness to developing countries. He also stressed that the role of the Centre as the focal point of United Nations trade promotion efforts should be strengthened. He stated that, in order for the Centre to be able to discharge its new responsibilities in the light of the possible benefits to be derived from the multilateral trade negotiations, it would need the full co-operation of the international organizations concerned and of both governmental and private bodies in the developed countries dealing with trade promotion. Developed countries could assist the developing countries by increasing their voluntary contributions, holding trade promotion seminars and providing additional technical assistance in this field.

544. The same representative, together with a number of other representatives, supported the proposals contained in the note on administrative arrangements for the Centre (TD/B/487 and Corr.1) and stated that the increasing responsibilities of the Centre and the size of its programmes required it to have a degree of administrative autonomy if it was to carry out its programme efficiently. The representative of one developed market economy country and the representative of one developing country considered, however, that the efficacy of the new administrative arrangements should be reviewed in the light of experience in implementing them.

545. Representatives of socialist countries of Eastern Europe said that an increase in the activities of the International Trade Centre, in close co-operation with UNCTAD, would help the expansion of developing countries' trade.

546. The Deputy Chairman of the Joint Advisory Group read a statement by the Chairman of the Group on his consultations on the composition of the Technical Committee. While those consultations had not led to agreement on the composition of the Technical Committee, the Chairman wished to make two proposals: to increase the number of members to 24 and to allow the various regional groups to determine the manner of selection of their representatives; the groups would thus be co-responsible with the Chairman for finding a solution to the question of representation within each group.

547. Commenting on the proposals of the Chairman of the Group, representatives of developed countries and the representative of one developing country said that, in their view, the Technical Committee should be kept at its present size in order to maintain maximum efficiency.

Action by the Board

548. At its 400th meeting, on 2 September 1974, the Board took note of the report of the Joint Advisory Group on the International Trade Centre UNCTAD/GATT on its seventh session (TD/B/513). The Board also took note of the proposals for the administrative arrangements for the International Trade Centre (TD/B/487 and Corr.1). The Board decided that the informal consultations being conducted by

the Chairman of the Joint Advisory Group on the question of the composition of the Technical Committee should continue, taking account of the statements made by delegations on that item and of the Joint Advisory Group's recommendation. The Chairman of the Joint Advisory Group was requested to continue those consultations. It was understood that the size and composition of the Technical Committee would remain unchanged for its fourth session in January 1975.

2. United Nations export promotion efforts

549. At its 401st meeting, on 2 September 1974, the Board agreed to await the study being prepared, in response to Economic and Social Council resolution 1819 (LV), by the working party established by the Joint Advisory Group and to consider this matter at its fifteenth session.

M. Container standards for international multimodal transport

(Agenda item 13) 93/

550. The representative of the Secretary-General of UNCTAD introduced the Secretariat's note on this matter (TD/B/L.350), drawing particular attention to paragraph 2 thereof, where it was noted that it did not seem possible to convene an ad hoc intergovernmental group in 1975, as had been requested by the Economic and Social Council in its decision 6 (LVI) of 14 May 1974. He pointed out that more than 60 meetings were already scheduled for 1975. The Group could, however, be convened in the first half of 1976, but it would not then be able to report to the Economic and Social Council at its sixty-first session, although its report would certainly be ready for the sixty-second session. He added that the Secretary-General of UNCTAD considered it necessary to establish an expert group to assist him in the preparation of the necessary documentation for the ad hoc intergovernmental group. He stressed that the expert group was envisaged as part of the general secretariat preparations for servicing the intergovernmental group. As shown in the secretariat's note (TD/B/L.350), the cost of the expert group was estimated at \$20,000 to be borne in 1975, while the cost of the intergovernmental group would be \$58,000, to be borne in 1976. In the light of those explanations, he suggested that the Board might wish to take note of those financial implications and to request the Secretary-General of UNCTAD to act in accordance with the suggestions contained in paragraph 6 of the secretariat's note.

551. The representative of the Inter-Governmental Maritime Consultative Organization (IMCO), reiterating the statement made by the Secretary-General of IMCO at the sixth session of the Committee on Shipping and recalling resolution C.57 (XXXII) of the IMCO Council (annexed to TD/B/L.350), said that those texts made clear the readiness of IMCO to participate in the work on this subject.

552. As a result of his informal consultations, a draft decision (TD/B(XIV)/SC.I/L.16) was submitted by the chairman of the Contact Group of Sessional Committee I.

93/ This matter was discussed in Sessional Committee I (see para. 505 above).

Action by the Board

553. At its 412th meeting, on 13 September 1974, the Board adopted the draft decision recommended by Sessional Committee I (see annex I below, decision 118 (XIV)).

554. Before adopting the decision, the Board noted the financial implications (TD/B/L.350/Add.1) as contained in the secretariat's statement (see annex VII below).

555. The Board took note of the following statement made by the Chairman of Sessional Committee I when the Sessional Committee approved the draft decision for adoption by the Board:

"(a) Following our action concerning the part of agenda item 13 relating to container standards for international multimodal transport, I should like to comment briefly on some elements of the decision we have recommended for adoption by the Board;

"(b) We are all agreed on the importance of the work to be undertaken by the Expert Group and by the Intergovernmental Group. In order to ensure that the Expert Group can undertake its work as efficiently as possible, it is, I believe, the understanding of this Sessional Committee that the Secretary-General of UNCTAD, before the establishment of the Expert Group, would consult group co-ordinators on the composition of the Expert Group. The Secretary-General might at the same time wish to have an exchange of views concerning the membership of the Intergovernmental Group;

"(c) Furthermore, it is the Committee's view that the Secretary-General of UNCTAD would request the intergovernmental organizations enumerated in paragraph 2 of the Board's decision to ensure that their contributions are as brief and succinct as possible, given the costs involved in reproducing those contributions in a sufficient number of copies, where necessary, and in preparing précis of them in all working languages" (TD/B/L.370/Add.1).

N. Discussion in depth of the use of the words "as adopted"

(Agenda item 13)

556. At the 408th meeting of the Board, on 11 September 1974, the President proposed that this question be deferred until a subsequent session of the Board. The representative of one developing country said that he could agree to that proposal, on the understanding that, pending the discussion of the question by the Board, the words "as adopted" would not be used in decisions taken in UNCTAD. He also requested clarification on the implications for the Board of the agreement reached at the fifty-seventh session of the Economic and Social Council on the use of the words "as adopted".

557. At the 410th meeting of the Board on 12 September 1974, the Legal Liaison Officer informed the Board that, at the fifty-seventh session of the Economic and Social Council, Group B countries had proposed the inclusion of the words "as

adopted" in the text of a draft resolution during discussions in the contact group. The developing countries had opposed that proposal and the Group B countries had not insisted. The question had not been the subject of discussion or decision in a plenary meeting of the Council, and the resolutions adopted at that session did not contain the words "as adopted".

558. At the same meeting, the Board decided to postpone further consideration of the question until its fifteenth session.

O. President of the third session of the Conference 94/

(Agenda item 13)

559. At the 405th meeting of the Board, on 6 September 1974, the representative of Mexico introduced draft resolution TD/B/L.361, sponsored by Algeria, Czechoslovakia, Cuba, Hungary, the Libyan Arab Republic, Mexico, Mongolia and Yugoslavia, on the subject of Mr. Clodomiro Almeyda, former Minister for Foreign Affairs of Chile and President of the third session of the Conference. The representative of Chile objected to the introduction of the draft resolution, stating that the matter had not been put on the agenda of the fourteenth session of the Board, that it was not within the competence of UNCTAD, and that the presidency of the Conference was currently held by Chile and not by Mr. Almeyda. He requested the Legal Liaison Officer to answer the following:

(a) Whether the draft resolution fell under one of the items on the agenda for the fourteenth session of the Board;

(b) Whether the subject matter of the draft resolution was within the competence of the Board;

(c) Whether, when the President of a session of the Conference was elected, the office was held by a person or by a member State.

560. At the 408th meeting of the Board, on 11 September 1974, the Legal Liaison Officer gave the following replies:

(a) Issues not related to matters specifically listed in the agenda of the Board at its regular sessions were, according to normal practice, brought to the Board's attention under the item on the agenda entitled "Other business";

(b) Under rule 46 of the rules of procedure, it was for the Board itself to decide on questions of competence;

(c) When the President of a given session of the Conference was elected, the presidency resided in the person and not in his country. Mr. Clodomiro Almeyda, therefore, was accurately described in draft resolution TD/B/L.361 as President of the third session of the Conference.

94/ For a full account of the discussions, see the summary records of the 405th, 408th, 409th and 410th meetings of the Board (TD/B/SR.405 and 408-410).

561. At the 408th, 409th and 410th meetings of the Board, on 11 and 12 September 1974, representatives of a number of countries from various groups supported the view that the Board was competent to deal with the matter since there was a direct link between the President of a given session of the Conference and the continuing responsibilities of the Board between Conferences. Some of those representatives stated that, in their view, Mr. Almeyda was the continuing President of the Conference. A number of representatives felt that the matter could properly be raised under item 13 of the agenda. Some representatives further stated that the draft resolution was, in substance, of a humanitarian nature and, as such, could be properly discussed within the framework of the Board. Several delegations indicated that the Board was not competent to deal with the subject.

562. The representative of Chile underlined his country's position that a resolution of that nature was a dangerous precedent since the question to which it referred was not on the agenda and was not within the competence of the Board, being exclusively political in nature and having nothing to do with work on trade and development, and that it would divert the work of UNCTAD from its normal and accepted course. He said that the contents of the draft resolution represented an unwarranted interference in the internal affairs of his country. He referred to the decision of his Government to free prisoners in Chile in accordance with its constitutional procedures. He also stated that there was no justification for the draft resolution, since - as the Legal Liaison Officer had implied - Mr. Almeyda was not the continuing President of the Conference.

563. The representative of the Philippines said that draft resolutions of that nature should, in future, be the subject of informal consultations prior to their introduction and doubted the desirability or propriety of dealing with the text at the present time.

564. The spokesman for Group B said that most members of his Group could accept the link between the draft resolution and the work of UNCTAD, given by Mr. Almeyda's position as President of the third session of the Conference. Having said this, Group B countries believed that draft resolutions coming before the Board should be considered against the background of their relevance to the work of UNCTAD.

Action by the Board

565. At the 409th meeting, on 12 September 1974, a roll-call vote was taken on the question of the competence of the Board to deal with the substance of draft resolution TD/B/L.361. By 40 votes in favour, 8 against and 11 abstentions, the Board decided that it was competent. 95/

95/ The voting was as follows:

In favour: Australia, Austria, Belgium, Bulgaria, China, Czechoslovakia, Denmark, Ethiopia, Finland, France, Germany (Federal Republic of), Greece, Hungary, India, Iran, Iraq, Ireland, Italy, Kenya, Libyan Arab Republic, Madagascar, Mexico, New Zealand, Norway, Peru, Poland, Romania, Rwanda, Senegal, Sri Lanka, Sudan, Sweden, Syrian Arab Republic, Uganda, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, Upper Volta, Yugoslavia, Zaire.

(foot-note continued on following page)

566. At the 410th meeting, on 12 September 1974, the President stated that since the Board had decided that the subject-matter of the draft resolution was within its competence, it could properly be considered under item 13 of its agenda. Pursuant to a request by the representative of Chile that the President's ruling on the matter be put to a vote under rule 38 of the rules of procedure, the Board, by a roll-call vote upheld the President's ruling on the question, by 47 votes in favour, 2 against and 7 abstentions. 96/

567. The representative of the Philippines proposed an amendment to draft resolution TD/B/L.361. The amendment was put to the vote and rejected by the Board, by 13 votes in favour, 28 votes against and 6 abstentions.

568. A roll-call vote was taken on draft resolution TD/B/L.361. The draft resolution was adopted by 35 votes in favour, 2 against and 17 abstentions 97/ (see annex I below, resolution 111 (XIV)).

95/ (continued)

Against: Argentina, Bolivia, Brazil, Chile, Colombia, Guatemala, Spain, Uruguay.

Abstaining: Canada, Ecuador, Indonesia, Japan, Jordan, Netherlands, Pakistan, Switzerland, Thailand, United States of America, Venezuela.

96/ The voting was as follows:

In favour: Australia, Austria, Belgium, Bulgaria, Canada, China, Czechoslovakia, Denmark, Finland, France, Germany (Federal Republic of), Greece, Hungary, India, Indonesia, Iran, Iraq, Ireland, Italy, Japan, Jordan, Libyan Arab Republic, Madagascar, Mexico, Netherlands, New Zealand, Norway, Pakistan, Peru, Philippines, Poland, Romania, Rwanda, Senegal, Sri Lanka, Sudan, Sweden, Switzerland, Syrian Arab Republic, Thailand, Uganda, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, Upper Volta, Venezuela, Yugoslavia.

Against: Chile, Uruguay.

Abstaining: Argentina, Bolivia, Brazil, Colombia, Guatemala, Spain, United States of America.

97/ The voting was as follows:

In favour: Australia, Austria, Belgium, Bulgaria, Canada, China, Czechoslovakia, Denmark, Finland, France, Germany (Federal Republic of), Greece, Hungary, India, Iraq, Ireland, Italy, Libyan Arab Republic, Madagascar, Mexico, Netherlands, New Zealand, Norway, Peru, Poland, Romania, Senegal, Sri Lanka, Sudan, Sweden, Syrian Arab Republic, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, Yugoslavia.

Against: Chile, Uruguay.

Abstaining: Bolivia, Colombia, Ecuador, Guatemala, Indonesia, Iran, Japan, Jordan, Pakistan, Spain, Switzerland, Thailand, Uganda, United States of America, Upper Volta, Venezuela, Zaire.

569. The representative of Uruguay stated that, in the view of his delegation, the substance of the resolution was outside the competence of UNCTAD and offended the principle of non-interference in the internal affairs of sovereign States.

570. The representative of Venezuela indicated that, although his delegation recognized the humanitarian motives of the sponsors of the draft resolution and the valuable contribution made by Mr. Almeyda to UNCTAD, in particular when he had presided over the third session of the Conference, it had abstained in the vote on the draft resolution because it considered that the solution to the question lay with the Government of Chile.

571. The representatives of Austria, France, the Federal Republic of Germany, Greece and Italy stated that they had voted in favour of the draft resolution because they recognized that its major purpose and intent was humanitarian. The representatives of Austria, France and the Federal Republic of Germany stated, in addition, that they recognized the link between the Board and the presidency of the Conference. The representative of the Federal Republic of Germany pointed out that the adoption of the resolution should not be construed as a precedent giving UNCTAD competence in political matters. The representative of Italy said that, since the resolution was addressed as an invitation to the Secretary-General of the United Nations, his delegation did not consider that it could be regarded as interference in the internal affairs of a sovereign State.

572. The representative of Switzerland stated that his delegation would have liked to support the resolution on humanitarian grounds. It had abstained, however, because it felt that the resolution went beyond the concern the Board was entitled to express about the fate of the President of the third session of the Conference. It further regretted that it had not proved possible to adopt a text which would have met with a consensus.

P. Election to membership of main Committees under Conference resolution 80 (III), paragraph 9 98/

(Agenda item 12 (d))

573. At its 405th meeting, on 6 September 1974, the Board confirmed the membership of its main Committees, as listed in its report on its thirteenth session, 99/ and declared the Democratic People's Republic of Korea, the Libyan Arab Republic, Saudi Arabia and the Upper Volta elected to the Committee on Commodities, bringing the total membership to 87 States; the Democratic People's Republic of Korea, the Libyan Arab Republic, Saudi Arabia, Singapore and the Upper Volta elected to the Committee on Manufactures, bringing the total membership to 78 States; Cuba, the Democratic People's Republic of Korea, the Libyan Arab Republic, Poland and Saudi Arabia elected to the Committee on Invisibles and Financing related to Trade, bringing the total membership to 84 States; and the Democratic People's Republic of

98/ At its 404th meeting on 5 September 1974, the Board decided to establish the membership of the Committee on Transfer of Technology at the second part of its fourteenth session.

99/ See Official Records of the General Assembly, Twenty-eighth Session, Supplement No. 15 (A/9015/Rev.1), part three, annex VIII.

Korea, the Libyan Arab Republic and the Upper Volta elected to the Committee on Shipping, bringing the total membership to 77 States. 100/

Q. Review of the functioning of elections to main Committees
(Conference resolution 80 (III), paragraph 9)

(Agenda item 12 (e))

574. At its 405th meeting, on 6 September 1974, the Board decided to continue the practice followed at the second part of its twelfth session and at its thirteenth session of declaring additional States members of the Conference elected as members of the main Committees, including them in the previously established membership lists. The Board endorsed the view that States so elected could participate in any resumed or special session of those Committees that might be held before the next regular session of the Board. The Board further endorsed the view that States already members of main Committees were not required to confirm that they wished to remain members, but that any State wishing to withdraw from membership of a main Committee should notify the Secretary-General of UNCTAD in writing. The Board agreed that, at the outset of each regular session, it would fix a date within the session by which written notification should be received from States wishing to become members of any of the main Committees.

575. The representative of one developed market economy country suggested that the Board should bear in mind the possibility of occasionally reviewing the membership of its main Committees.

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

(Agenda item 12 (f))

576. At its 398th meeting, on 30 August 1974, the Board decided to defer consideration of this item until the second part of its fourteenth session.

S. Establishment of a Working Party on the UNCTAD Programme Budget for
the biennium 1976-1977 and the medium-term plan for 1976-1979

(Agenda item 12 (g))

577. At its 404th meeting, on 5 September 1974, the Board established a Working Party of the fourteenth session on the UNCTAD Programme Budget for the biennium 1976-1977 and the medium-term plan for 1976-1979 composed of the following States members of UNCTAD: Australia, Bulgaria, Brazil, China, Finland, France, Germany (Federal Republic of), India, Indonesia, Iraq, Japan, Nigeria, Peru, Poland, Senegal, Sudan, Union of Soviet Socialist Republics, United States of America, Venezuela.

100/ For the complete list of States members of the main Committees, see annex VIII below.

578. The Working Party is scheduled to meet from 21 to 25 April 1975 and will report to the Board at the second part of its fourteenth session.

T. Review of the calendar of meetings

(Agenda item 12 (h))

579. The Board considered this subitem at its 412th meeting, on 13 September 1974. The Director of the Division for Conference Affairs and External Relations introduced a note by the secretariat (TD/B/L.346 and Add.1) containing a revised calendar of UNCTAD meetings for the remainder of 1974 and 1975 and a tentative calendar of meetings for 1976 and 1977. He indicated changes arising out of decisions taken during the Board's session and drew attention to the problems which would arise from such a heavy programme, particularly in the field of documentation.

Action by the Board

580. At its 412th meeting, the Board having first noted the financial implications, 101/ adopted the revised calendar of meetings for the remainder of 1974 and 1975 and a tentative schedule of meetings for 1976 and 1977, as presented (see annex I below, decision 126 (XIV)), and took note of the difficulties which such a heavy calendar would entail, particularly concerning the preparation, processing and distribution of documents.

U. Financial implications of the actions of the Board

(Agenda item 12 (i))

581. At its 412th meeting, on 13 September 1974, the Board took note of a summary statement of the financial implications of its actions at the first part of its fourteenth session submitted by the Secretary-General of UNCTAD (TD/B/527). 102/

582. The representative of the Union of Soviet Socialist Republics reserved his delegation's position on those financial implications.

101/ For a summary statement of the financial implications, see annex VII below.

102/ In accordance with paragraph 2 of that document, the secretariat subsequently circulated a revised version of the summary statement of financial implications (TD/B/527/Rev.1), which is reproduced in annex VII below together with the relevant portions of the detailed statements submitted in the course of the session.

V. Provisional agenda for the fifteenth session of the Board and organization of the work of the session

(Agenda item 12 (j))

562. At its 408th meeting, on 11 September 1974, the Board considered the draft provisional agenda for the fifteenth session of the Board contained in the note by the UNCTAD secretariat (TD/B/L.359).

Action by the Board

584. At the same meeting, the Board adopted the provisional agenda, as contained in the secretariat note (TD/B/L.359), with a number of amendments proposed by different representatives, 103/ and authorized its President, in consultation with the Secretary-General of UNCTAD, to adjust the provisional agenda in the light of developments.

585. The representative of a socialist developing country of Asia stated that his country was opposed to inclusion of the item on trade and economic aspects of disarmament (item 6 (e)) for reasons which his delegation had already explained.

W. Adoption of the report of the Board to the General Assembly

(Agenda item 14)

586. At its 411th meeting, on 13 September 1974, the Board considered its draft report on the first part of its fourteenth session (TD/B/L.358 and Add.1-7). At its 412th meeting, on 13 September 1974, the Board adopted its draft report as a whole, as amended, and authorized its Rapporteur to complete the report as appropriate and make any necessary editorial changes. It further decided that the present report should constitute the report of the Board to the General Assembly at its twenty-ninth session.

X. Adjournment of the session

587. At the 412th meeting, on 13 September 1974, the President declared the first part of the fourteenth session closed.

103/ For the provisional agenda as adopted by the Board, see annex V below.

ANNEX I

RESOLUTIONS, AGREED CONCLUSION AND DECISIONS ADOPTED BY THE TRADE AND DEVELOPMENT BOARD AT THE FIRST PART OF ITS FOURTEENTH SESSION

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RESOLUTIONS, AGREED CONCLUSION AND DECISIONS ADOPTED BY THE TRADE AND DEVELOPMENT BOARD

at the first part of its fourteenth session

RESOLUTIONS

108 (XIV). Developing island countries

The Trade and Development Board,

Recalling resolution 65 (III), adopted by the United Nations Conference on Trade and Development on 19 May 1972, and resolution 101 (XIII), adopted by the Trade and Development Board on 8 September 1973, entitled "Developing island countries",

Recalling General Assembly resolution 3202 (S-VI) of 1 May 1974, concerning the Programme of Action on the Establishment of a New International Economic Order,

Recalling further Economic and Social Council decision 28 (LVII) of 2 August 1974 on the special economic problems and development needs of developing island countries,

Recalling also paragraph 5 of resolution 21 (VI) of the Committee on Shipping on the development of merchant marines,

Noting the progress report by the Secretary-General of UNCTAD on the implementation of Board resolution 101 (XIII),¹

1. *Requests* the United Nations regional economic commissions to keep the Secretary-General of UNCTAD informed of action taken by them which has a bearing on the matters covered in Board resolution 101 (XIII) and, together with other regional organizations, to continue to pay special attention to the needs of the developing island countries falling within their competence, in particular with regard to programmes of regional integration and co-ordination;

2. *Requests* the Secretary-General of UNCTAD and heads of other relevant international organizations to intensify efforts to help to resolve the problems of particular importance to developing island countries, especially the problems associated with transportation and communication and the effects of natural disasters;

3. *Urges* the Governments of developed countries, within the framework of their assistance policies, and other countries in a position to do so, to consider granting

¹ TD/B/507.

financial assistance to developing island countries for the expansion of their transportation and communication facilities and the development of their marine resources;

4. *Requests* the Secretary-General of UNCTAD to keep this matter under review and to report to the Trade and Development Board thereon.

409th meeting
12 September 1974

109 (XIV). Special measures related to the particular needs of land-locked developing countries

The Trade and Development Board,

Recalling resolution 63 (III), adopted by the United Nations Conference on Trade and Development on 19 May 1972, and General Assembly resolution 2971 (XXVII) of 14 December 1972 on special measures related to the particular needs of the land-locked developing countries, in which the Economic and Social Council, in consultation with the appropriate organs of the United Nations system, is invited to study the desirability, and possible ways and means of establishing a special fund for subsidizing the additional transport costs of land-locked developing countries,

Recalling further Economic and Social Council resolution 1755 (LIV) of 16 May 1973, by which the Secretary-General of the United Nations in consultation with UNCTAD, is requested to undertake a complete study on the establishment of a fund in favour of the land-locked developing countries,

Mindful of the Declaration and the Programme of Action on the Establishment of a New International Economic Order, adopted by the General Assembly during its sixth special session,² in which it is stated that "all efforts should be made (...) to offset the disadvantages of the adverse geographic situation of land-locked countries, particularly with regard to their transportation and transit costs",³

Noting the report by the Secretary-General of UNCTAD on ways and means of improving the transport infrastruc-

² General Assembly resolutions 3201 (S-VI) and 3202 (S-VI) of 1 May 1974.

³ General Assembly resolution 3202 (S-VI), sect. I, 4, para. (e).

ture and related transport problems of the land-locked developing countries,⁴

Noting further the recommendations of the Group of Experts on the Transport Infrastructure for Land-locked Developing Countries contained in its report,⁵

Noting further the efforts by the Secretary-General of UNCTAD to study existing port and transit procedures and facilities applicable in different regions⁶ and to prepare a draft international convention or proposals on the simplification and standardization of transit customs and trade documents,⁷ in pursuance of paragraphs 12 and 14 of Conference resolution 63 (III),

Recalling further the decision taken by the Economic and Social Council at its fifty-seventh session to transmit the study on the establishment of a fund in favour of the land-locked developing countries⁸ and comments thereon to the General Assembly at its twenty-ninth session,

Bearing in mind that the United Nations Development Programme is providing technical assistance to countries in the Economic and Social Commission for Asia and the Pacific region in the field of trade and transport and that it has financed an UNCTAD mission to West African countries to examine regional integration schemes and the transport sectors,

1. *Requests* the Secretary-General of UNCTAD, in consultation with and with the consent of the developing land-locked country concerned and, where it concerns it, with the consent of the transit country, to take appropriate and positive action on the relevant recommendations contained in the report of the Group of Experts on the Transport Infrastructure for Land-locked Developing Countries⁹ and further requests the Secretary-General of UNCTAD to keep under review and to assist in the implementation of Conference resolution 63 (III);

2. *Requests* the Secretary-General of UNCTAD to continue, in consultation with international organizations and regional commissions, to examine the existing or proposed international conventions with a view to preparing a draft international convention, as envisaged in paragraph 14 of Conference resolution 63 (III), to meet the particular needs of the land-locked developing countries;

⁴ TD/B/453.

⁵ *A transport strategy for land-locked developing countries: report of the Expert Group on the Transport Infrastructure for Land-locked Developing Countries* (United Nations publication, Sales No. E.74.II.D.5).

⁶ *Official Records of the Trade and Development Board, Fourteenth Session, Annexes*, agenda item 10, document TD/B/522.

⁷ TD/B/501.

⁸ E/5501.

⁹ See foot-note 5 above.

3. *Decides* to refer the question of establishing a special fund for land-locked developing countries to the General Assembly at its twenty-ninth session;

4. *Requests* the Secretary-General of UNCTAD, within the competence of UNCTAD, to consult the land-locked developing countries and United Nations specialized agencies with a view to improving the other sectors of the economies of these countries;

5. *Invites* the appropriate organs of the United Nations system and the members of the international community, including regional and sub-regional development banks, to pay special attention to the particular problems of the land-locked developing countries in their assistance to regional infrastructural projects related to transport.

409th meeting
12 September 1974

111 (XIV). President of the third session of the United Nations Conference on Trade and Development

The Trade and Development Board,

Considering that the President of the third session of the United Nations Conference on Trade and Development, Mr. Clodomiro Almeyda, former Minister for Foreign Affairs of Chile, has now been imprisoned for almost one year,

Recalling that Mr. Almeyda placed his prestige and his skills at the service of the international community, particularly at the third session of the Conference, which was held at Santiago de Chile in 1972,

Commissions the President of the Trade and Development Board to invite the Secretary-General of the United Nations to request the Chilean Government to release Mr. Clodomiro Almeyda immediately.

410th meeting
12 September 1974

114 (XIV). Influence of inflationary processes on international trade and economic relations

The Trade and Development Board,

Recalling General Assembly resolution 3202 (S-VI) of 1 May 1974 on the Programme of Action on the Establishment of a New International Economic Order,

Mindful of the concern expressed during the first part of its fourteenth session over the widespread intensification of inflationary processes, which also affect international economic relations,

Considering that these processes can have a markedly negative effect on the normal development of world trade and international economic co-operation,

Considering further that inflationary processes can be detrimental to the economic development and commercial

interests of developing countries, particularly the least developed among them,

Requests the Secretary-General of UNCTAD to prepare, with the assistance of experts, as he deems appropriate, an analytical report on the influence of inflationary processes on world trade and international economic relations, within the competence of UNCTAD, paying special attention to problems of the developing countries, and in particular the least developed among them, and to submit the report and findings to the Board for consideration at its fifteenth session.

411th meeting
13 September 1974

115 (XIV). The United States scheme of generalized preferences

The Trade and Development Board,

Mindful of the objectives of the generalized system of preferences as agreed upon in resolution 21 (II) adopted by the United Nations Conference on Trade and Development on 26 March 1968,

Taking into account the views expressed on the subject by the preference-receiving countries at the sixth session of the Special Committee on Preferences,

Taking note of the review by the Special Committee on Preferences at its sixth session of the scheme of generalized preferences proposed for adoption by the United States of America in the Trade Reform Act of October 1973,

Aware of the legislative process under way in the United States of America with regard to the proposal for a United States scheme of generalized preferences,

Expresses the firm hope that the United States of America will take into account the needs of developing countries as well as their views that:

(a) The application of the proposed competitive need criteria should not be automatic;

(b) Criteria for determining the eligibility of countries to be treated as beneficiaries should not take into account instances of nationalization of property of United States citizens or enterprises;

(c) Countervailing duties should not be applied, in cases where the use of production or export subsidies is presumed, on imports of products covered by the United States scheme of generalized preferences;

(d) Safeguard clauses which do not envisage the possibility of the implementation of internal adjustment measures by the United States of America as an alternative to the adoption of safeguard measures should not be applied with respect to products covered by the United States scheme of generalized preferences;

(e) No developing country should be precluded from taking full advantage of the scheme.

412th meeting
13 September 1974

116 (XIV). Participation of the developing countries in the multilateral trade negotiations

The Trade and Development Board,

Recalling resolution 76 (III), unanimously adopted by the United Nations Conference on Trade and Development on 19 May 1972, in which the Conference recognized the importance of the multilateral trade negotiations and the need to assist the developing countries in preparing for their full and effective participation in these negotiations, and in which it was also decided that the Committee on Manufactures should propose measures for the reduction, relaxation and elimination of non-tariff barriers affecting the exports of developing countries,

Recalling Conference resolution 82 (III) of 20 May 1972, in particular the principles put forward by the developing countries on the multilateral trade negotiations, *inter alia*, "(...) the negotiations shall provide the developing countries with additional benefits that represent a substantial and meaningful improvement of their position in international trade so that they secure an increasing share in the growth in international trade commensurate with the needs of their economic development (...)",¹⁰

Recalling further the Declaration of Ministers approved at Tokyo on 14 September 1973,¹¹ in which it was decided that one of the aims of the multilateral trade negotiations is to "secure additional benefits for the international trade of developing countries so as to achieve a substantial increase in their foreign exchange earnings, the diversification of their exports, the acceleration of the rate of growth of their trade, taking into account their development needs",¹²

Recalling the Programme of Action on the Establishment of a New International Economic Order adopted by the General Assembly at its sixth special session,¹³ which proposed measures for the amelioration of the terms of trade of developing countries and concrete steps to eliminate chronic trade deficits of developing countries,

Appreciating the useful documentation so far prepared by the UNCTAD secretariat in connexion with the multilateral trade negotiations,

Recognizing that the negotiating process may require, at certain stages, private meetings and documentation,

Recognizing that, in pursuance of the decision taken by the Ministers at Tokyo, the Trade Negotiations Committee of GATT is the body charged with the elaboration of arrangements relating to the participation of the Secretary-General of UNCTAD in the Trade Negotiations Committee,

1. *Requests* the Trade Negotiations Committee to cooperate in ensuring the full implementation of section D of Conference resolution 82 (III) in the light of the agreement

¹⁰ Conference resolution 82 (III), sect. A, subpara. 1 (a).

¹¹ GATT, *Basic Instruments and Selected Documents, Twentieth Supplement* (Geneva) (Sales No: GATT/1974-1), p. 19.

¹² *Ibid.*, p. 20.

¹³ General Assembly resolution 3202 (S-VI) of 1 May 1974.

reached by the Ministers at the opening of the multilateral trade negotiations at Tokyo, including the question of assistance to enable all interested countries, in particular the developing countries, to participate effectively in the negotiations;

2. *Further requests* the Trade Negotiations Committee to find solutions enabling the Secretary-General of UNCTAD:

(a) To attend, as appropriate, meetings of the Trade Negotiations Committee and its subsidiary bodies;

(b) To receive relevant documentation from the GATT secretariat concerning the negotiations;

3. *Requests* the Secretary-General of UNCTAD to transmit the present resolution to the Trade Negotiations Committee, through the Director-General of GATT, for appropriate action.

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13 September 1974

119 (XIV). Special measures in favour of the least developed among the developing countries

The Trade and Development Board,

Recalling that the United Nations Conference on Trade and Development, in paragraph 10 of resolution 80 (III) adopted on 20 May 1972, invited the Trade and Development Board to consider setting up, as its subsidiary organ, an intergovernmental group, with appropriate secretariat services, to be entrusted with the formulation, development and review and appraisal of policies and measures in favour of the least developed among the developing countries, and to determine its terms of reference,

Recalling further the Declaration and the Programme of Action on the Establishment of a New International Economic Order adopted by the General Assembly at its sixth special session,¹⁴

Having considered progress in the implementation of special measures in favour of the least developed countries,

Recalling further its decision 100 (XIII) of 8 September 1973 on special measures in favour of the least developed among the developing countries,

Taking note of decision 30 (LVII) adopted by the Economic and Social Council on 2 August 1974 on special measures in favour of the least developed among the developing countries,

Recognizing the need to have a focal point within UNCTAD for action in an integrated way on the problems of the least developed among the developing countries,

Bearing in mind the statements made in the Trade and Development Board at its twelfth and thirteenth sessions on the establishment of an intergovernmental group to consider the question of special measures in favour of the least developed countries,

Bearing also in mind Conference resolution 62 (III) of 19 May 1972 on special measures in favour of the least developed among the developing countries,

1. *Decides* to convene within UNCTAD an intergovernmental group, open to Governments of all States members of UNCTAD, with the following terms of reference:

(a) To initiate intensified efforts towards the formulation, development and review and appraisal of policies and measures in favour of the least developed among the developing countries;

(b) To carry out a methodical analysis and evaluation, taking into account the individual circumstances of the least developed countries, of the progress and difficulties encountered in carrying out the policy measures designed to assist the least developed countries and the provisions of Conference resolution 62 (III);

(c) To make suggestions for adequate means of overcoming these difficulties and accelerating progress;

(d) To report on its activities and make recommendations to the next regular session of the Board so as to facilitate the seeking of new areas of agreement and the broadening of existing areas of agreement in the dynamic context of the International Development Strategy for the Second United Nations Development Decade;¹⁵

2. *Requests* the Secretary-General of UNCTAD to prepare the necessary documentation and to provide appropriate secretariat services;

3. *Urges* other organs of the United Nations system with responsibilities in this field to intensify their efforts in favour of the least developed countries, and invites them, in this regard, to take note of the present resolution;

4. *Invites* the General Assembly at its twenty-ninth session, when considering the note by the Secretary-General of the United Nations on the establishment of a special fund for the least developed countries,¹⁶ to take fully into account the views expressed by member countries in the Economic and Social Council at its fifty-seventh session;

5. *Urges*, in addition to paragraph 4 above, the regional development banks to consider allocating additional resources for the least developed countries of their regions, where such special allocations have not yet been made.

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13 September 1974

¹⁵ Adopted by the General Assembly in resolution 2626 (XXV) of 24 October 1970.

¹⁶ E/5499.

¹⁴ See foot-note 2 above.

120 (XIV). Question of the establishment of a comprehensive international trade organization

The Trade and Development Board,

Recalling General Assembly resolution 1995 (XIX) of 30 December 1964, in particular paragraphs 30, 31 and 32 thereof,

Recalling resolution 81 (III), adopted by the United Nations Conference on Trade and Development on 20 May 1972, on further evolution in the institutional machinery of UNCTAD, as well as decision 105 (XIII) adopted by the Trade and Development Board on 8 September 1973,

Recalling further General Assembly resolution 3172 (XXVIII) of 17 December 1973 on the special session of the General Assembly devoted to development and international economic co-operation, in particular paragraph 1 (b) thereof, as well as General Assembly resolution 3178 (XXVIII) of 17 December 1973 on preparations for the mid-term review and appraisal of the International Development Strategy for the Second United Nations Development Decade,¹⁷

Recalling also Economic and Social Council resolution 1911 (LVII) of 2 August 1974, in particular paragraph 20 thereof,

Having considered the report by the Secretary-General of UNCTAD on the question of the establishment of a comprehensive international trade organization,¹⁸

1. *Decides* to consider the question of the establishment of a comprehensive international trade organization, in accordance with General Assembly resolution 1995 (XIX), in particular paragraphs 30, 31 and 32 thereof, at its sixth special session, in the context of its mid-term review and appraisal of the International Development Strategy; any recommendations by, and views expressed in, the Board at its sixth special session will be submitted to the General Assembly at its seventh special session, through the Economic and Social Council, in accordance with the pertinent decisions of the General Assembly and the Economic and Social Council;

2. *Requests* the Secretary-General of UNCTAD to continue his consultations with Governments of member States, in order to obtain, in advance of the sixth special session of the Board, their further views, comments and suggestions, if any, in the light of paragraph 2 of Conference resolution 81 (III), and to submit, together with his own comments, a report thereon to the Board at its sixth special session;

3. *Further requests* the Secretary-General of UNCTAD to include also in his report to the sixth special session of the Board a more detailed analysis of the issues involved in the establishment of a comprehensive international trade organization, as well as a description of recent decisions of

an institutional character adopted by, or affecting, the existing structures and institutions within the United Nations system and related bodies, in order, *inter alia*, to ensure the contribution of UNCTAD to the achievement of the aims of the seventh special session of the General Assembly devoted to development and international economic co-operation, as set out in paragraph 2 of General Assembly resolution 3172 (XXVIII) and paragraph 20 of Economic and Social Council resolution 1911 (LVII).

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122 (XIV). Implementation of the Declaration and the Programme of Action on the Establishment of a New International Economic Order

The Trade and Development Board,

Recalling General Assembly resolutions 3201 (S-VI) and 3202 (S-VI) of 1 May 1974 on the Declaration and the Programme of Action on the Establishment of a New International Economic Order, whereby all organizations, institutions, subsidiary bodies and conferences of the United Nations system have been entrusted with the implementation of the Programme of Action,

Recalling further Economic and Social Council resolution 1911 (LVII) of 2 August 1974, which requests all organizations, institutions, subsidiary organs and conferences of the United Nations system to submit reports on the implementation of the Declaration and the Programme of Action, within their respective fields of competence, to the Economic and Social Council at its fifty-eighth session,

Bearing in mind the role assigned to UNCTAD in General Assembly resolution 1995 (XIX), and the contribution it has accordingly made to the establishment of the new international economic order,

- *Considering* that the Declaration and the Programme of Action complement and strengthen in a mutually supporting manner the goals and objectives of the International Development Strategy, and mindful that the Strategy should be adapted on a continuing basis to new requirements and changing circumstances,

1. *Urges* the Governments of all member States to take the necessary political decisions and specific and concrete measures, individually and collectively, required for the implementation of the provisions of the Declaration and the Programme of Action on the Establishment of a New International Economic Order;

2. *Requests* the Secretary-General of UNCTAD;

(a) To keep the provisions of the Declaration and the Programme of Action under continuous study, in the light of the discussions in the Trade and Development Board and its subsidiary organs, and to identify and suggest issues which require intergovernmental consideration in the con-

¹⁷ See foot-note 15 above.

¹⁸ TD/B/500.

tinuing machinery of UNCTAD and to make suggestions for concrete measures to the Board and its subsidiary organs;

(b) To undertake, with the help of experts wherever appropriate, such studies on specific issues as may be required by the Board and its subsidiary bodies, with a view to assisting them in considering and taking further action, on the basis of General Assembly resolutions 3201 (S-VI) and 3202 (S-VI) and Economic and Social Council resolution 1911 (LVII), on the Declaration and the Programme of Action;

(c) To make appropriate provisions in the budget estimates of UNCTAD and proposals for the necessary adaptation and reorientation of the work programme of UNCTAD in connexion with its consideration of the implementation of the Declaration and the Programme of Action, and to submit his proposals to the Board;

(d) To include in his report on the mid-term review and appraisal of the International Development Strategy appropriate information and suggestions in order to enable the Board to undertake a comprehensive review, in the fields of competence of UNCTAD, of the implementation of the Declaration and the Programme of Action, including an identification of the progress made and shortfalls in the achievement of the objectives set therein and of policies that are not consistent with the attainment of the objectives of the Strategy, the Declaration and the Programme of Action, and to make recommendations to overcome these shortfalls;

3. *Requests* the subsidiary organs of the Board to give priority attention to the provisions of the Declaration and the Programme of Action on matters falling within their terms of reference and to make specific recommendations, in fulfilment of the tasks assigned to UNCTAD in General Assembly resolution 3202 (S-VI) and Economic and Social Council resolution 1911 (LVII), on the Declaration and the Programme of Action;

4. *Decides* to consider, at its sixth special session, new commitments, changes, additions and adaptations in the International Development Strategy on matters within the field of competence of UNCTAD, in the light of the Declaration and the Programme of Action;

5. *Decides* that, in the consideration of the provisional agenda for the fourth session of the United Nations Conference on Trade and Development by the Board, as well as in its preparation and during the deliberations at the Conference, the continuation of the process referred to in paragraph 4 above should be ensured;

6. *Requests* the General Assembly, at its twenty-ninth session, to provide UNCTAD with adequate resources in order to facilitate the implementation of the present resolution.

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13 September 1974

123 (XIV). The strengthening of the activities of UNCTAD

The Trade and Development Board,

Taking into account section IX, paragraph 4, of the Programme of Action on the Establishment of a New International Economic Order,¹⁹ which calls for the strengthening of the activities of UNCTAD for the purpose of following in collaboration with other competent organizations the development of international trade in raw materials throughout the world,

Bearing in mind the responsibilities, functions and activities of UNCTAD as conferred on it by General Assembly resolution 1995 (XIX) of 30 December 1964, which established the United Nations Conference on Trade and Development, and with particular reference to paragraphs 3 and 23 (a) of that resolution, and to related UNCTAD resolutions, notably Trade and Development Board decision 7 (I) of 29 April 1965 on the terms of reference of the Committee on Commodities, with particular reference to paragraphs 2 and 3 thereof, which deal respectively with the co-ordination of activities of all bodies involved in the commodity field and with the preparation of statistical and other studies,

Bearing in mind also, the work being done in other international organizations concerned,

Having given preliminary consideration to the report submitted by the Secretary-General of UNCTAD on this matter,²⁰

Convinced of the need and urgency to strengthen the activities of UNCTAD in the field of commodities in the light of the Programme of Action,

1. *Requests* the Secretary-General of UNCTAD:

(a) To arrange for the regular distribution of the UNCTAD *Monthly Commodity Price Bulletin* to all Governments of States members of UNCTAD and to include, if possible, a translation into all the working languages of the United Nations of the commentary at present appearing in English and French;

(b) To take such additional action as is possible within his existing resources to strengthen the work of UNCTAD in the collection, dissemination and analysis of information for the purpose of following the development of international trade in commodities and to submit to the Committee on Commodities at its eighth session a report on the action he has taken, together with any proposals he may have for additional measures for strengthening the activities of UNCTAD along the lines suggested in his report;²¹

2. *Requests* the Governments of member States to co-operate with the Secretary-General of UNCTAD in the collection and the provision of statistical and other infor-

¹⁹ See foot-note 13 above.

²⁰ TD/B/497.

²¹ *Ibid.*

mation and in the monitoring of developments in the field of commodities and competing synthetic substitutes;

3. *Invites* the co-operation in this work of other international organizations, notably the Food and Agriculture Organization of the United Nations, the international financial institutions, GATT and the specialized commodity bodies.

412th meeting
13 September 1974

124 (XIV). New approaches to international commodity problems and policies

The Trade and Development Board,

Recalling paragraph 26 of the International Development Strategy for the Second United Nations Development Decade²² which calls for "the continuance and intensification of intergovernmental consultations with the aim of reaching concrete and significant results early in the Decade",

Recalling resolution 83 (III), adopted by the United Nations Conference on Trade and Development on 20 May 1972, and resolution 7 (VII) adopted by the Committee on Commodities on 10 March 1973, providing for intensive *ad hoc* intergovernmental consultations on commodities with the aim of reaching concrete and significant results on trade liberalization and pricing policy early in the 1970s,

Recalling General Assembly resolution 3083 (XXVIII) of 6 December 1973 on the indexation of prices, in which the Secretary-General of UNCTAD was requested to prepare a comprehensive study on the indexation of prices of products produced in, and exported by, developing countries and to examine ways and means whereby unit prices of manufactured imports from developed countries and unit prices of exports from developing countries could be automatically linked,

Recalling General Assembly resolution 3202 (S-VI) of 1 May 1974 on the Programme of Action on the Establishment of a New International Economic Order, in particular the provisions relating to raw materials, food and general trade,

Having considered the progress report of the Secretary-General regarding the intensive *ad hoc* intergovernmental consultations on commodities,²³

Taking note of the UNCTAD secretariat study on the indexation of prices²⁴ and the report of the Secretary-General of UNCTAD²⁵ on the findings of the study,

Having considered the broad approach suggested by the Secretary-General of UNCTAD in his note entitled "An over-all integrated programme for commodities",²⁶

Convinced of the urgency of finding expeditious solutions to the problems in world trade in commodities, particularly those of interest to developing countries, by improving present mechanisms and formulating new approaches as appropriate.

A

1. *Urges* the Governments participating in the intensive *ad hoc* consultations on commodities, as well as other Governments, to make determined efforts to achieve substantial and concrete results in the fields of access to markets and pricing policy;

2. *Recommends* to all Governments to take concrete action on proposals made in the intensive consultations which are accepted by them;

3. *Requests* the Secretary-General of UNCTAD to submit a comprehensive report on the intensive *ad hoc* intergovernmental consultations to the Committee on Commodities at its eighth session and to other subsidiary bodies of UNCTAD, along with a full evaluation of the results of the consultations and his proposals for further action to ensure the fulfilment of the objectives of the International Development Strategy, Conference resolution 83 (III) and resolution 7 (VII) of the Committee on Commodities, in time for it to be given adequate consideration by Governments;

4. *Requests* the Committee on Commodities, in reviewing the results of the consultations, to draw the attention of other committees and subsidiary bodies of UNCTAD to any recommendations arising from the consultations, or from the Committee's own review of the results of the consultations, which concern them, and further requests the Committee to recommend various measures for action by Governments of member States in the light of the evaluation of the reports of the intensive *ad hoc* intergovernmental consultations;

B

5. *Takes note* with interest of the broad approach suggested by the Secretary-General of UNCTAD in his note entitled "An over-all integrated programme for commodities";²⁷

6. *Requests* the Secretary-General of UNCTAD, in consultation with interested organizations, to elaborate

²² See foot-note 15 above.

²³ TD/B/504 and Add.1 and 2.

²⁴ TD/B/503/Supp.1 and Supp.1/Add.1.

²⁵ *Official Records of the Trade and Development Board, Fourteenth Session, Annexes*, agenda item 13, document TD/B/503.

²⁶ *Ibid.*, agenda item 4 b, document TD/B/498.

²⁷ *Ibid.*

further the proposals contained in his note, including *inter alia* the following:

- (a) More detailed elaboration of:
- (i) techniques which might be applicable to specific commodities or groups of commodities, including those brought out in his note;
 - (ii) his suggestions regarding the application of these techniques, with an appraisal of their feasibility and financial implications;

(b) The examination of measures to help developing countries to promote the processing of their raw materials with a view to facilitating the expansion and diversification of their exports;

(c) The examination of possibilities for exporting developing countries to increase their participation in the marketing and the distribution of products of interest to them in order to increase their earnings;

7. *Further requests* the Secretary-General of UNCTAD to give urgent attention to these studies in order that as many as possible shall be available in time to Governments, so that they may be considered at the eighth session of the Committee on Commodities;

8. *Requests* the Committee on Commodities to give priority consideration to these matters and to make

recommendations, including a time-table of work, for appropriate action by the Trade and Development Board at its sixth special session;

C

9. *Requests* the Secretary-General of UNCTAD to inform the General Assembly of the interest which the Board took in the study on indexation of prices,²⁸ and of the views expressed thereon, when submitting his report on the findings of the study²⁹ to the General Assembly;

10. *Further requests* the Secretary-General of UNCTAD, in consultation with other international organizations concerned, *inter alia*, the international financial institutions, to submit further studies on indexation to the Committee on Commodities at its eighth session in order to reach a fuller assessment of the subject, including the feasibility, practicability and effects of indexation.

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13 September 1974

²⁸ See foot-note 24 above.

²⁹ See foot-note 25 above.

AGREED CONCLUSION

112 (XIV). Trade relations among countries having different economic and social systems

1. The Trade and Development Board, in pursuance of the mandate given to UNCTAD by the General Assembly in its resolution 1995 (XIX), and in conformity with the terms of resolutions 15 (II) and 53 (III) of the United Nations Conference on Trade and Development, as adopted, considered trends and policies in trade and economic relations among countries having different economic and social systems. The Board welcomed the continuing practice of bilateral and multilateral consultations among interested delegations, dealing with certain specific problems of trade between developing and socialist countries.

2. The Board noted with satisfaction the increasing expansion of trade between countries having different economic and social systems. The growth rate of trade of the socialist countries of Eastern Europe with the developing countries, as well as with the developed market-economy countries, had considerably accelerated, as reflected in the data provided since the thirteenth session of the Board. Long-term trade and economic co-operation agreements, the adoption of co-ordinated measures and the application on a larger scale of elements of multilateralism had contributed to the marked development of co-

operation on a wider geographical basis and a more diversified product pattern.

3. General optimism was expressed as to the future development of trade and economic co-operation between countries having different economic and social systems, although concern was expressed about the inflationary pressure, monetary instability and the remaining barriers to trade which affect the expansion of trade between the socialist countries of Eastern Europe and the non-socialist countries.

4. The Board expressed the desire that the countries participating in East-West trade and economic co-operation should ensure that in their co-operation the interests of the developing countries should be taken into account and that increased East-West economic co-operation should lead to the expansion of the trade and economic development of the developing countries.

5. The Board took note of the statement by the Secretary-General of UNCTAD to the effect that, in the coming period, UNCTAD should contribute more actively to a further expansion of trade and economic relations among countries having different economic and social systems.

6. The Board paid attention to the widening scope for trade and economic co-operation and noted that the growing participation of the socialist countries of Eastern Europe in international trade and a changing division of labour created new opportunities for the promotion of beneficial trade-creating international specialization.

7. The Board took note of the statement by the International Bank for Economic Co-operation concerning procedures recently introduced for the multilateralization of settlements in transferable roubles between countries members of the Bank and non-member countries, and invited interested countries to avail themselves of this new facility.

8. The Board acknowledged that the growing scope for multilateral co-operation calls for new approaches. In this connexion, it was generally felt that, while UNCTAD should continue to study practices of trade between countries having different economic and social systems in the light of its established principles, more emphasis should be laid on the promotion of new policies and elaboration of appropriate instruments and facilities in accordance with the principal functions of UNCTAD as laid down in General Assembly resolution 1995 (XIX), while avoiding duplication of the work done by other United Nations organs, in particular the regional economic commissions. Acquired experience recommends that UNCTAD should intensify its contribution to overcoming deficiencies of mutual knowledge regarding practices in trade and economic relations and, in close co-operation with the International Trade Centre UNCTAD/GATT, identify existing and future co-operation and trade opportunities and disseminate information thereon. Such action should be supported by technical assistance provided by member States and United Nations agencies and implemented in co-operation with qualified United Nations bodies, and by consultative facilities available to member States.

9. The Board recognized that, in view of the considerable expansion and diversification of trade and economic relations between countries having different economic and social systems, and in conformity with the guidelines of Conference resolutions 15 (II) and 53 (III), priority should be given by UNCTAD to well-defined topics supported by appropriate research documentation prepared by the secretariat.

10. On the basis of what is set out in paragraph 8 above, the Board agreed that, *inter alia*, the following topics, based on suggestions expressed during its deliberations, might be recommended for further consideration:

(a) Promotion of long-term trade and economic policies for trade and economic co-operation between countries having different economic and social systems and, in particular, between developing countries and the socialist countries of Eastern Europe;

(b) Identification of future possibilities for economic co-operation in specific areas, with a view to developing geographically larger co-operation and specialization schemes;

(c) Ways and means of promoting industrial co-operation between the socialist countries of Eastern Europe and developing countries, including tripartite industrial co-operation;

(d) Possibilities of wider application of multilateral trading practices, including the increased use of multilateral settlement of payments, between the socialist countries of Eastern Europe and developing countries.

11. The Board agreed that the documentation presented by the secretariat was helpful and opportune and requested the Secretary-General of UNCTAD to continue and deepen the research work already initiated with reference to the above-mentioned topics.

12. The Board invited the Secretary-General of UNCTAD, after having completed his study already under way and after consultations with the Governments concerned, to convene a seminar of experts from interested countries to examine ways and means of promoting industrial specialization through various forms of multilateral co-operation, in accordance with the principal functions of UNCTAD as laid down in General Assembly resolution 1995 (XIX), while avoiding duplication of the work done by other United Nations organs, in particular the regional economic commissions of the United Nations, and to report to the Board on the results of the seminar.

411th meeting
13 September 1974

DECISIONS

110 (XIV). Charter of Economic Rights and Duties of States Report of the Working Group

The Trade and Development Board decides:

1. To take note with satisfaction of the report of the Working Group on the Charter of Economic Rights and Duties of States on its fourth session³⁰ and of the report

by the Chairman of the Working Group on the results of the informal consultations held during the first part of the fourteenth session of the Board;³¹

2. To transmit, in accordance with resolution 45 (III) adopted by the United Nations Conference on Trade and Development on 18 May 1972, the report of the Working

³⁰ TD/B/AC.12/4 and Corr.1, under cover of TD/B/506.

³¹ TD/B/(XIV)/Misc.8.

Group to the General Assembly, together with its comments and suggestions, as contained in the report of the Board on the first part of its fourteenth session;³²

3. To recommend that further informal consultations on outstanding issues should be held in New York, with the participation of interested countries, before the report of the Working Group is taken up by the General Assembly at its twenty-ninth session;

4. To request the Chairman of the Working Group to present the report of the Working Group, together with the results of these informal consultations, to the General Assembly.

*409th meeting
12 September 1974*

113 (XIV). Fourth session of the United Nations Conference on Trade and Development

The Trade and Development Board

1. *Expresses* its gratitude to the Government of Kenya for its invitation to hold the fourth session of the United Nations Conference on Trade and Development in Nairobi;

2. *Recommends* to the General Assembly that it should accept this invitation and that the session should be held in May/June 1976 for a period not exceeding four weeks.

*411th meeting
13 September 1974*

117 (XIV). Terms of reference of the Committee on Transfer of Technology

The Trade and Development Board, having reviewed, in accordance with its resolutions 74 (X) of 18 September 1970 and 104 (XIII) of 8 September 1973, the work done by the Intergovernmental Group on Transfer of Technology, and pursuant to General Assembly resolution 1995 (XIX), as amended, and to annex A.IV.26 of the Final Act of the first session of the United Nations Conference on Trade and Development, decides to terminate the Intergovernmental Group on Transfer of Technology and to establish a Committee on Transfer of Technology as a main committee of the Board with the following terms of reference:

1. To exercise its functions, within the competence of UNCTAD, under the general guidance of the Trade and Development Board, to formulate recommendations and to promote general and consistent policies in the field of transfer of technology and directly related matters;

2. To assume functions assigned to the Intergovernmental Group on Transfer of Technology and to keep under continuous review priorities in fulfilment of its functions;

3. To undertake relevant studies on the transfer of technology and, where appropriate, to gather necessary statistical data to this end;

4. To assist the Board in keeping under review and in taking appropriate action within the Board's competence for the implementation of the recommendations, declarations and other decisions made by the Conference and the Board in the field of transfer of technology;

2. To assist the Board in its task of co-operating in, reviewing and facilitating the co-ordination of activities of other institutions within the United Nations system and other relevant intergovernmental organizations in the field of transfer of technology, with the aim of avoiding unnecessary duplication and overlapping of the work;

6. To bring, through the appropriate channels, to the attention of Governments, the regional economic commissions and other international organizations, as appropriate, its views and recommendations as to the need for and possibility of governmental or intergovernmental action, or for action at the regional level, to deal with problems related to the transfer of technology;

7. To provide general guidance regarding technical assistance to developing countries in areas involving the transfer of technology and to co-operate in this regard with the United Nations Development Programme and other appropriate bodies concerned;

8. To submit periodic reports to the Board on its work;

9. To co-ordinate its work with, and to co-operate with, the other committees of the Trade and Development Board as appropriate;

10. To consider at the request of the Board any other subject in the field of transfer of technology;

11. To co-operate with other bodies in the United Nations system and other international organizations with the aim of avoiding any overlapping and unnecessary duplication of activities in this field in conformity with the responsibilities of the Economic and Social Council, particularly those of co-ordination, keeping in mind the terms of reference of the Committee on Science and Technology for Development, and in conformity with the agreements governing the relationships between the United Nations and the agencies concerned.

*412th meeting
13 September 1974*

³² See paras. 183-199 above.

118 (XIV). Container standards for international multimodal transport

The Trade and Development Board decides to request the Secretary-General of UNCTAD:

1. (a) To set up an Expert Group which would consist of 12 experts named by the Secretary-General of UNCTAD in their personal capacity, taking into account the principle of geographical distribution and reflecting the fact that inland transport and air transport, as well as ocean transport, interests are involved;

(b) To convene the Expert Group in the first half of 1976. The Group should prepare a report within the terms of reference given in Economic and Social Council decision 6 (LVI) of 14 May 1974. The Expert Group might wish to take into account any information made available by the organizations mentioned in paragraph 2 below;

2. To enlist the co-operation of the Department of Economic and Social Affairs of the United Nations, the regional economic commissions and other appropriate regional bodies, and other interested international organizations, in particular the International Civil Aviation Organization, the Inter-Governmental Maritime Consultative Organization and the International Organization for Standardization;

3. To establish an *ad hoc* Intergovernmental Group, following the pattern of the Intergovernmental Preparatory Group on a Convention on International Intermodal Transport, which should meet towards the end of 1976 and have terms of reference as recommended by the Economic and Social Council, including consideration of the report of the Expert Group and the contributions of the organizations listed in paragraph 2 above;

4. To place before the Intergovernmental Group the contributions of the organizations listed in paragraph 2 above in their original language, together with précis in all working languages;

5. To request their Intergovernmental Group, accordingly, to submit its report directly to the Economic and Social Council at its sixty-third session;

6. To inform the Economic and Social Council at its fifty-eighth session of the decision set out above.

412th meeting
13 September 1974

121 (XIV). Trade expansion, economic co-operation and regional integration among developing countries

The Trade and Development Board

1. Requests the Secretary-General of UNCTAD to undertake studies and formulate appropriate proposals, with the assistance of experts as and when he deems desirable, on various aspects of this question (trade, payments, finance and institutional arrangements), in the light of paragraph 4 of General Assembly resolution 3177

(XXVIII) of 17 December 1973 and of General Assembly resolutions 3201 (S-VI) and 3202 (S-VI) of 1 May 1974;

2. Decides to refer the draft resolution on co-operation among developing countries³³ to its sixth special session for consideration in the context of its review and appraisal of the implementation of the International Development Strategy for the Second United Nations Development Decade.³⁴

412th meeting
13 September 1974

125 (XIV). The objectives of financial co-operation

1. The Trade and Development Board decides to request the Secretary-General of UNCTAD:

(a) To take account, in his report on review and appraisal to be submitted to its sixth special session, of the conclusions of the Board on the deliberations of the Group of Governmental Experts on the Concepts of the Present Aid and Flow Targets;³⁵

(b) To reconvene the Group as he deems appropriate, with a view to examining technical concepts related to flows of financial resources for development;

(c) To prepare detailed reports, examining the efforts in the financial field within the wider framework of international co-operation and the international conditions and policies affecting the foreign exchange earnings of developing countries, on:

- (i) private and official financial flows to and from developing countries;
- (ii) similar flows among developing countries;
- (iii) the access of developing countries to capital markets.

Such reports should be made available, if possible, to the Board at its sixth special session.

2. The Board further decides that the draft resolution on the objectives of financial co-operation and the proposed amendments thereto³⁶ should be forwarded to its sixth special session for consideration in the context of its review and appraisal of the implementation of the International Development Strategy for the Second United Nations Development Decade.³⁷

412th meeting
13 September 1974

³³ TD/B/L.364. For the text, see annex II below.

³⁴ See foot-note 15 above.

³⁵ TD/B/493. To be issued as a United Nations publication.

³⁶ TD/B/C.3/L.96/Rev.1 and TD/B/(XIV)/SC.1/L.8 respectively. For the texts, see annex II below.

³⁷ See foot-note 15 above.

**126 (XIV). Calendar of UNCTAD meetings for the remainder of 1974 and for 1975
and tentative schedule of meetings for 1976 and 1977**

	1974	<i>Duration</i>	<i>Location</i>
Permanent Group on Synthetics and Substitutes, sixth session	23-27 September	1 week	Geneva
Intergovernmental Preparatory Group on a Convention on International Intermodal Transport, second session	11-29 November	3 weeks	Geneva
Committee on Tungsten, eighth session	19-22 November	4 days	Geneva
Working Group on Rules of Origin, fifth session	2-6 December	1 week	Geneva
Permanent Sub-Committee on Commodities	If required	1 week	Geneva
Commodity conferences	As required	Up to 10 weeks	Geneva
Commodity consultations	As required	Up to 2 weeks	Geneva
Working parties, study groups and expert groups	As required	Up to 12 weeks	Geneva
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	1975	<i>Duration</i>	<i>Location</i>
Technical Committee of the Joint Advisory Group on the International Trade Centre UNCTAD/GATT, fourth session	13-17 January	1 week	Geneva
Joint Advisory Group on the International Trade Centre UNCTAD/GATT, eighth session	21-24 January	4 days	Geneva
Working Group on International Shipping Legislation, fourth session	27 January- 7 February	2 weeks	Geneva
Committee on Commodities, eighth session	10-21 February	2 weeks	Geneva
Trade and Development Board, sixth special session	10-21 March	2 weeks	Geneva
Working Party of the fourteenth session of the Trade and Development Board ³⁸	21-25 April	1 week	Geneva
Trade and Development Board, fourteenth session, second part ³⁹	29 April	1 day	Geneva
United Nations Tin Conference, 1975	20 May-20 June	5 weeks	Geneva
Committee on Manufactures, seventh session	23 June-4 July	2 weeks	Geneva
Advisory Committee to the Board and to the Committee on Commodities, tenth session	July	1-2 weeks	Geneva
Intergovernmental Preparatory Group on a Convention on International Intermodal Transport, third session	14 July-1 August	3 weeks	Geneva
Trade and Development Board, fifteenth session, first part	5-15 August	2 weeks	Geneva
Trade and Development Board, fifteenth session, second part	September/October if required	3 days	Geneva
Special Committee on Preferences, seventh session	20-31 October	2 weeks	Geneva
Committee on Invisibles and Financing related to Trade, seventh session	3-14 November	2 weeks	Geneva
Committee on Shipping, seventh session	17-28 November	2 weeks	Geneva
Committee on Transfer of Technology, first session	1-12 December	2 weeks	Geneva
Intergovernmental Group on the Least Developed among the Developing Countries	To be determined	2 weeks	Geneva
Working Group on Tungsten, tenth session	If required	1 week	Geneva
Permanent Sub-Committee on Commodities	If required	1 week	Geneva
Commodity conferences	As required	Up to 5 weeks	Geneva
Commodity consultations	As required	Up to 10 weeks	Geneva
Working parties, study groups and expert groups	As required	Up to 16 weeks	Geneva
<hr/>			
	1976	<i>Duration</i>	<i>Location</i>
Technical Committee of the Joint Advisory Group on the International Trade Centre UNCTAD/GATT, fifth session	January	2 weeks	Geneva
Joint Advisory Group on the International Trade Centre UNCTAD/GATT, ninth session	January	2 weeks	Geneva
Working Group on International Shipping Legislation, fifth session	January	2 weeks	Geneva
Trade and Development Board, seventh special session	To be determined	2-3 weeks	Geneva

³⁸ To review the programme budget for the biennium 1976-1977 and the medium-term plan for 1976-1979.

³⁹ To consider the report of the Working Party of the fourteenth session of the Trade and Development Board.

Pre-Conference meeting ⁴⁰	To be determined	2 days*	Nairobi
United Nations Conference on Trade and Development, fourth session ⁴¹	May/June	Up to 4 weeks	Nairobi
Advisory Committee to the Board and to the Committee on Commodities, eleventh session	July	1-2 weeks	Geneva
Trade and Development Board, sixteenth session, first part	17 August-10 September	4 weeks ⁴²	Geneva
Permanent Group on Synthetics and Substitutes, seventh session ..	September	1 week	Geneva
Committee on Tungsten, ninth session	November	1 week	Geneva
Special Committee on Preferences, eighth session	November	2 weeks	Geneva
(United Nations Conference on International Intermodal Transport ⁴³)	To be determined	4 weeks	Geneva
Intergovernmental Group on Container Transport	To be determined	2 weeks	Geneva
Permanent Sub-Committee on Commodities	If required	1 week	Geneva
Commodity conferences	As required	Up to 10 weeks	Geneva
Commodity consultations	As required	Up to 10 weeks	Geneva
Working parties, study groups and expert groups	As required	Up to 16 weeks	Geneva

	1977	Duration	Location
Technical Committee of the Joint Advisory Group on the International Trade Centre UNCTAD/GATT, sixth session	January	2 weeks	Geneva
Joint Advisory Group on the International Trade Centre UNCTAD/GATT, tenth session			
Committee on Commodities, ninth session	February	2 weeks	Geneva
Committee on Shipping, eighth session	March	2 weeks	Geneva
Committee on Manufactures, eighth session	March/April	2 weeks	Geneva
Trade and Development Board, eighth special session ⁴⁴	April/May	2 weeks	Geneva
Trade and Development Board, sixteenth session, second part ⁴⁵ ..			
Committee on Transfer of Technology, second session	June	1 day	Geneva
Advisory Committee to the Board and to the Committee on Commodities, twelfth session	June	2 weeks	Geneva
Trade and Development Board, seventeenth session	July	1-2 weeks	Geneva
Committee on Invisibles and Financing related to Trade, eighth session	23 August-16 September	4 weeks	Geneva
Special Committee on Preferences, ninth session	October	2 weeks	Geneva
Working Group on International Shipping Legislation, sixth session ..	November	2 weeks	Geneva
Working Group on Tungsten, eleventh session	December	2 weeks	Geneva
Permanent Sub-Committee on Commodities	If required	1 week	Geneva
Commodity conferences	If required	1 week	Geneva
Commodity consultations	As required	Up to 10 weeks	Geneva
Working parties, study groups and expert groups	As required	Up to 10 weeks	Geneva
		Up to 16 weeks	Geneva

*412th meeting
13 September 1974*

* Immediately preceding the fourth session of the United Nations Conference on Trade and Development.

⁴⁰ Subject to decision by the General Assembly at its twenty-ninth session.

⁴¹ *Idem.*

⁴² Duration to be reviewed by the Conference.

⁴³ Subject to decision by the General Assembly at its thirtieth session.

⁴⁴ A working party of the sixteenth session of the Board will meet during the eighth special session to review the programme budget and the medium-term plan. The sixteenth session will reconvene towards the end of the eighth special session to consider the report of the working party.

⁴⁵ See foot-note 44 above.

OTHER DECISIONS TAKEN BY THE BOARD

at the first part of its fourteenth session

Treatment of the Commonwealth of the Bahamas and the Republic of Guinea-Bissau for purposes of elections⁴⁶

At its 382nd meeting, on 20 August 1974, the Board decided that, pending action by the Conference in pursuance of paragraph 6 of General Assembly resolution 1995 (XIX), the Commonwealth of the Bahamas should, for purposes of elections, be treated as if it were in the group of countries listed in part C of the annex to that resolution, as amended, and the Republic of Guinea-Bissau should be treated as if it were in the group of countries listed in part A thereof.

Designation of intergovernmental bodies under rule 78 of the rules of procedure of the Trade and Development Board⁴⁷

At its 408th meeting, on 11 September 1974, the Board approved the applications of the following five intergovernmental organizations for designation under rule 78 of its rules of procedure and rule 80 of the rules of procedure of the Conference:

Central Office for International Railway Transport
International Bank for Economic Co-operation
International Cocoa Organization
International Investment Bank
West African Economic Community

Designation and classification of non-governmental organizations for the purpose of rule 79 of the rules of procedure of the Trade and Development Board⁴⁸

At its 408th meeting, on 11 September 1974, the Board approved the applications of the following four non-governmental organizations and decided that they should be classified as follows:

General category

World Council of Peace

Special category for the UNCTAD organ or organs (other than the Board) indicated:

UNCTAD organ

International Confederation of European Beet Growers .	Committee on Commodities
International Road Transport Union	Committee on Invisibles and Financing related to Trade
	Committee on Shipping
International Air Transport Association	Committee on Invisibles and Financing related to Trade
	Committee on Shipping

⁴⁶ See para. 518 above.

⁴⁷ See paras. 525-526 above.

⁴⁸ See paras. 527-528 above.

ANNEX II

TEXTS OF DRAFT RESOLUTIONS REMITTED FOR FURTHER CONSIDERATION
BY THE BOARD AT ITS SIXTH SPECIAL SESSION

Interdependence of problems of trade, development finance
and the international monetary system

Draft resolution submitted by Ethiopia, Gabon, Ghana, Kenya,
the Libyan Arab Republic, Madagascar, Mauritius, Nigeria,
Rwanda, Senegal, the Sudan, Uganda, the Upper Volta, Zaire

[TD/B/L.360] a/

The Trade and Development Board,

Recalling resolution 84 (III), adopted at the third session of the United Nations Conference on Trade and Development on 21 May 1972, concerning the international monetary situation,

Recalling further resolution 82 (III), adopted at the third session of the Conference on 20 May 1972, concerning the multilateral trade negotiations,

Recalling also resolution 58 (III), adopted at the third session of the Conference on 19 May 1972, concerning compensation for losses occasioned by the realignments of major currencies,

Reiterating that the scope of the multilateral negotiations involving the international monetary system, international trade and development assistance should be defined in a manner which will provide equitably for the requirements of developed and developing countries alike,

Recalling its resolution 95 (XII) of 10 May 1973 in which, inter alia, it requested the Secretary-General of UNCTAD to "keep under constant review the existing arrangements for the solution of the interrelated problems of trade, development finance and monetary issues in a co-ordinated manner, ... with the aim of proposing any improvements and modifications that may be necessary to make the arrangements more effective",

Noting that the executive heads of the International Monetary Fund, the General Agreement on Tariffs and Trade and UNCTAD have met at irregular intervals to discuss developments in the trade, finance and monetary spheres and the implications for each organization of actions taken or contemplated in the other organizations,

a/ The Board decided to refer this draft resolution to its sixth special session for consideration in the context of its review and appraisal of the implementation of the International Development Strategy for the Second United Nations Development Decade (see para. 223 above).

Conscious of the responsibilities of UNCTAD to contribute effectively to the solution of the problems in the monetary, trade and development finance spheres in a co-ordinated manner,

Having examined the report of the Secretary-General of UNCTAD on the interdependence of problems of trade, development finance and the international monetary system (TD/B/495 and Add.1 and Add.1 (Annexes)), b/

1. Considers that the new institutional arrangements on a more permanent basis now established in the International Monetary Fund and proposed for GATT will have an important bearing on the modalities of co-ordination of the policies of various agencies in the fields of international trade, development finance and international monetary issues;

2. Agrees that new institutional arrangements are required to ensure the effective contribution of UNCTAD, within its competence, to the solution of problems in the areas of international trade, monetary issues and development finance in a co-ordinated manner;

3. Decides, to this end, to set up a high-level Standing Committee of the Trade and Development Board;

4. Suggests that the Standing Committee should be entrusted with the study, review and formulation of recommendations concerning issues of particular interest to developing countries in the international trade, development finance and monetary spheres;

5. Recommends that the Standing Committee should undertake consultations with the parallel bodies in GATT and the International Monetary Fund, with a view to facilitating co-ordination and co-operation with those bodies concerning the interrelated problems of international trade, monetary issues and development finance;

6. Requests the Standing Committee to report to the Trade and Development Board as and when necessary, but at least once a year, on its work.

Export incentives and countervailing duties

Draft resolution submitted by Pakistan on behalf of the
Group of Seventy-seven

[TD/B/C.2/L.60] c/

The Committee on Manufactures,

Noting with concern that the share of developing countries, particularly those

b/ See Official Records of the Trade and Development Board, Fourteenth Session, First Part, Annexes, agenda item 7.

c/ The Board decided to refer this draft resolution to its sixth special session for consideration in the context of its review and appraisal of the implementation of the International Development Strategy for the Second United Nations Development Decade, with a view to its subsequent consideration by the Committee on Manufactures at its seventh session (see para. 295 above).

of the least developed among them, in world exports of manufactures and semi-manufactures has remained low and that its growth has not been commensurate with the development needs of those countries,

Bearing in mind that the developing countries are nascent exporters of manufactures and semi-manufactures,

Bearing in mind also Conference resolutions 62 (III) and 63 (III) of 19 May 1972,

Recognizing that the early stages of industrialization imply high production costs that may adversely affect the competitiveness of exported products in the international market,

1. Reaffirms its recognition of the need for a thorough reformulation of the norms on export incentives and countervailing duties, to provide for a differentiated treatment for developing countries, particularly for the least developed among them in accordance with paragraphs 1 and 2 of Conference resolution 62 (III);

2. Affirms that the interests of the developing countries relating to export incentives and countervailing duties should be fully reflected in any code or codes of conduct being evolved or to be perfected for regulating the use of export incentives and countervailing duties;

3. Considers that any such code or codes should, inter alia, take into account the following guidelines:

(a) Extend the existing prohibitions to cover the subsidization of both primary and non-primary products in trade among developed countries in order to prevent trade-diverting or trade-distorting effects detrimental to exports of developing countries;

(b) Clearly recognize the right of developing countries to apply export subsidies as a means for promoting diversification and increasing the rate of growth of their exports of manufactures and semi-manufactures;

(c) Exempt imports from developing countries from the application of countervailing duties by developed countries;

(d) Precisely define those exceptional circumstances which can be effectively verified in which the application of countervailing duties to imports from developing countries would be admissible and determine special procedures for such application;

(e) Recognize the right of developing countries to apply countervailing duties to imports from developed countries on the basis of more flexible criteria than those evolved for the latter, to allow for the application of compensatory measures by developing countries both in the case of injury to their industries and of an existing threat to their nascent industries;

4. Requests the Secretary-General of UNCTAD to transmit this resolution to the Director-General of GATT, requesting him to submit it to the appropriate bodies of GATT.

Adjustment assistance measures

Draft resolution submitted by Pakistan on behalf of
the Group of Seventy-seven

/TD/B/C.2/L.70/ d/

The Committee on Manufactures,

Recalling that the International Development Strategy for the Second United Nations Development Decade e/ provides in paragraph 35 that "developed countries, having in mind the importance of facilitating the expansion of their imports from developing countries, will consider adopting measures and where possible evolving a programme early in the Decade for assisting the adaptation and adjustment of industries and workers in situations where they are adversely affected or may be threatened to be adversely affected by increased imports of manufactures and semi-manufactures from developing countries",

Recalling also Conference resolution 72 (III), which recognizes the important role adjustment assistance policies or programmes can play in facilitating the transfer of domestic factors of production in developed countries seriously affected by economic changes including competing imports from developing countries into other, and to the extent possible more efficient, sectors or industries, thus reducing in appropriate cases the need for tariff and non-tariff protection; recognizes that appropriate and, if feasible, long-term policies or programmes of adjustment assistance in the developed countries designed to assist industries and workers may be necessary in order to promote a more rational allocation of resources and thereby contribute to the expansion of exports of manufactures and semi-manufactures of developing countries; and requests the developed countries to adopt where appropriate suitable adjustment assistance policies or programmes with a view to achieving a better allocation of resources, particularly taking into consideration trade liberalization measures for the expansion of the exports of manufactures and semi-manufactures of developing countries,

Noting in particular General Assembly resolutions 3201 (S-VI) and 3202 (S-VI) of 1 May 1974, containing respectively a Declaration and a Programme of Action on the Establishment of a New International Economic Order, calling for measures to ameliorate the terms of trade of developing countries and concrete steps to eliminate their chronic trade deficits, towards which end the developed countries should make appropriate adjustment in their economies so as to facilitate the expansion and diversification of imports from developing countries and thereby permit a rational, just and equitable international division of labour,

Considering that the application of the principle that domestic structural adjustment in the developed countries should facilitate increased imports in cases where these imports are based upon changes in international competitive advantage and thereby promote improved productivity, lower consumer prices and more rapid economic growth in these countries and at the same time yield similar benefits for the developing countries by allowing them to realize their full export potential,

d/ See foot-note c above.

e/ General Assembly resolution 2626 (XXV).

1. Recommends that, inter alia, the following guidelines should be considered in the structural adjustment policies of the developed countries, particular attention being given to the need to facilitate increased imports by these countries of manufactures and semi-manufactures, processed and semi-processed agricultural products from the developing countries:

(a) Adjustment assistance should be preferred to the continuance and imposition of new measures designed to protect domestic resources from the dislocation arising from increased import competition, and should bring about rapid reallocation of affected resources to new, non-competitive products rather than the re-equipping and modernization of existing production facilities, and this adjustment programme and its progress should be the subject of consultations with the countries whose trade is restricted and of international review under multilateral procedures;

(b) Adjustment assistance measures designed to facilitate liberalized trade should be formulated within the framework of long-term policies aimed at co-ordinating various structural adjustment programmes and at anticipating major structural problems and new opportunities for economic growth;

(c) Adjustment assistance measures to facilitate the further liberalization and expansion of international trade should be defined in a manner which encourages the reallocation of affected factors of production into new, more efficient activities not directly competitive with imports which give rise to the need for adjustment, and the elaboration of more adequate adjustment assistance programmes should take into account those activities in the developed countries which are most affected or potentially affected by increased imports from developing countries;

(d) Enterprises in developed countries should be encouraged, inter alia, to shift manufactures of certain products to the developing countries and/or to subcontract to manufacturers in the developing countries the production of those manufactured components in which the developing countries may have competitive advantage;

(e) The criteria for eligibility for assistance should be explicit and clear, and changing interpretations of such criteria should be avoided in order to minimize uncertainty on the part of petitioners;

(f) The various import-related adjustment assistance programmes should contain specific provisions enabling groups of firms or workers to petition for assistance on the basis either of alleged actual injury or "threatened" injury attributable to increased import competition;

2. Further recommends, in pursuance of section I, 3, subparagraph (a)(v), of General Assembly resolution 3202 (S-VI), that where products of developing countries compete with the domestic production in developed countries, each developed country should facilitate the expansion of exports from developing countries and provide a fair and reasonable opportunity to the developing countries to share in the growth of the market;

3. Requests the Governments of the developed countries in the light of the above objectives to consider the need for facilitating the expansion of exports of semi-manufactured and manufactured, as well as semi-processed and processed primary products while adopting adjustment assistance measures or programmes;

4. Invites the Secretary-General of UNCTAD to transmit this resolution and relevant UNCTAD documentation on the subject to the Director-General of GATT so that these may be brought to the attention of the countries participating in the multilateral trade negotiations.

Safeguards and standstill

Draft resolution submitted by Pakistan on behalf of
the Group of Seventy-seven

[TD/B/C.2/L.71] f/

The Committee on Manufactures,

Noting the various substantive documents prepared by the UNCTAD secretariat, including in particular the note on safeguards and standstill (TD/B/C.2/R.4 and Supp.1), which are before the Committee,

Noting further that, particularly in recent years, there has been a recrudescence in the application of safeguards and circumvention of import restrictions by means of bilaterally agreed "voluntary" export restraints,

Recognizing that an improved multilateral safeguard system is essential for further liberalization and expansion of international trade, particularly that of the developing countries, and that the benefits to be derived by them from the generalized system of preferences may be adversely affected by the application of safeguards,

Bearing in mind that the question of safeguards, particularly the adequacy of the multilateral safeguard system of the General Agreement on Tariffs and Trade, will be considered in the multilateral trade negotiations, in the light of present conditions and efforts to achieve the further liberalization and expansion of international trade, with a view to ensuring not only the maintenance but also the improvement of the present level of access, taking into account the special situation, development problems and needs of developing countries,

Considering that developing countries face the urgent need to expand their exports of manufactures, semi-manufactures, processed and semi-processed agricultural products, and that in view of their structure of production and trade they bear a heavy and disproportionate burden resulting from export restrictions, including safeguards,

Considering further that an improved multilateral safeguard system would need to ensure that the burden of adjustment be borne to the extent possible by the importing country through concerted and improved programmes of domestic adjustment rather than the restriction of imports,

Recognizing that a multilateral safeguard system should, in particular, provide that developing countries as a general rule are exempted from the application of safeguards in view of their own level of economic development and degree of diversification of production and very narrow range of exports,

f/ See foot-note c above.

Reiterating that in no event should new quantitative restrictions, including embargoes and export restraints, or any trade-inhibiting measures be introduced, or existing restrictions be intensified, to the disadvantage of developing countries; that the removal of existing quantitative restrictions should not result in the adoption of other restrictive measures, and that any departure from this principle should be governed by internationally agreed criteria and multilateral consultations and review procedures,

Recalling that the observance of standstill is of significant importance for the expansion of exports of developing countries, in pursuance of which relevant provisions were adopted by the Contracting Parties in Part IV of the General Agreement on Tariffs and Trade, were reaffirmed in UNCTAD and were reflected in the International Development Strategy for the Second United Nations Development Decade, g/

Noting with considerable concern that there has been a tendency recently towards departure from the standstill by the developed countries that is adversely affecting the exports of developing countries,

Noting further the agreement reached in the Ministerial Meeting of the OECD countries in May 1974 to avoid for one year new trade restrictions, h/

1. Recommends that:

(a) As a general rule, safeguard measures shall not be applied to imports of products from developing countries;

(b) The application of safeguards by developed countries to imports from developing countries should only be admissible under compelling and exceptional circumstances, when the situation cannot be corrected by the implementation of adjustment assistance measures within a reasonable period of time or other appropriate means and subject to pre-established criteria and procedures;

(c) Safeguard action by developed countries should always be of a temporary nature and its application admissible for no more than one year, and should always be accompanied by a commitment by the applying country promptly to implement adjustment assistance measures or other appropriate means;

(d) In arrangements leading to the formation, expansion and intensification of regional economic groupings of developed countries, no new tariffs or other barriers to trade will be introduced by the individual member countries of the economic grouping or by the grouping as a whole;

(e) The application of safeguards shall in all cases be preceded by consultations with the developing countries and whenever necessary in the appropriate multilateral form, with a view to assessing the exceptional and

g/ See foot-note e above.

h/ See Official Records of the Trade and Development Board, Fourteenth Session, First Part, Annexes, agenda item 7, document TD/B/495/Add.1 (Annexes), annex III.

compelling circumstances which require such application, to examining alternative solutions and to determining adequate compensation for the developing country or countries affected;

(f) Developing countries be entitled, whenever compensation is considered unsatisfactory by the appropriate multilateral organ or is not forthcoming, to suspend, collectively or individually, the application of equivalent concessions or other obligations to the trade of the developed country that applied the safeguard;

(g) Safeguards against imports from a developing country are only admissible in the case of serious and substantiated injury, sustained over a long period of time and caused by an influx of imports from the developing country;

(h) Safeguard action should in all cases be directed only to the developing country whose exports have caused the injury, as defined in subparagraph (g) above, and not to imports from all sources or to other factors unrelated to exports;

(i) The safeguards should in no case result in a reduction in imports from the developing country concerned below the level attained prior to the introduction of the safeguard measure and should be less stringent than the safeguard measure applicable, in similar situations, to imports from developed countries;

(j) Safeguards should be subject to multilateral annual review, and the country imposing them should, in the course of this review, provide adequate evidence for justifying their proposed maintenance;

(k) Special provisions on safeguard measures to be applied by developing countries should be evolved and elaborated, taking fully into account the particular needs and development interests of the developing countries;

(l) The developed countries should adhere strictly to the standstill with respect to imports from developing countries;

(m) The developed countries which have recently imposed new import restrictions adversely affecting products of interest to developing countries should eliminate them as soon as possible;

2. Requests the Secretary-General of UNCTAD to transmit this resolution and the report of the Sessional Committee to the Director-General of GATT, drawing attention to the relevant section of the report relating in particular to the views of the developing countries in regard to safeguards, so that they may be taken into account in the multilateral trade negotiations;

3. Further requests the Secretary-General of UNCTAD to transmit to the Director-General of GATT all relevant UNCTAD documentation concerning safeguards, in order to assist the developing countries in their participation in the trade negotiations.

International trade in textiles, including the Arrangement
regarding International Trade in Textiles

Draft resolution submitted by Pakistan on behalf
of the Group of Seventy-seven

[TD/B/C.2/L.72] i/

The Committee on Manufactures,

Having examined the UNCTAD secretariat reports "International trade in cotton textiles: problems and prospects for the developing countries" (TD/B/C.2/117 and Corr.1) and "International trade in textiles and the developing countries" (TD/B/C.2/136), and taking note of the recent developments in the field of textiles, in particular the Arrangement Regarding International Trade in Textiles,

Considering that textiles, particularly cotton textiles, are a major item of export interest to the developing countries,

Considering that the developing countries possess a comparative advantage in the production of textiles, and that expansion of exports in textiles in which these countries have a comparative advantage and an export capacity can be an important means of increasing their low and almost constant share of about 5 per cent in world trade in manufactures and semi-manufactures,

Considering further the new and serious strains which have emerged in the balance of payments of a large number of developing countries and which have made more urgent the need for taking special measures to increase the export earnings of developing countries, particularly through improvement of market access for manufactured products including textiles and in the light of the Programme of Action on the Establishment of a New International Economic Order adopted by the General Assembly at its sixth special session, j/

Noting that the bulk of trade in textiles is among the developed countries themselves and the share of developing countries in imports of textiles by the developed countries has remained constant during the last few years,

Noting further that the Arrangement Regarding International Trade in Textiles covering textile products made from cotton, wool and man-made fibres has been recently negotiated with the principal aim of furthering the economic and social development of developing countries, and to assure a substantial increase in their export earnings from textile products and to provide scope for a greater share for them in world trade in textile products,

1. Recommends a full liberalization of tariff and non-tariff barriers affecting exports of textiles from the developing countries within a period of three years;

i/ See foot-note c above.

j/ General Assembly resolution 3202 (S-VI) of 1 May 1974.

2. Further recommends that, pending fulfilment of the objective set out in paragraph 1 above and without prejudice to the same, the Governments of developed countries should take positive steps which would effectively facilitate the expansion of exports of textiles by developing countries; and to this end urges that:

(a) Where appropriate, those developed countries which have not so far been able to conclude negotiations for bilateral arrangements should complete them as soon as possible within the framework of the guidelines contained in the Arrangement Regarding International Trade in Textiles;

(b) Those developed countries which have not included textiles in their schemes of generalized preferences should do so and should provide for unlimited duty-free entry without any quota limitations;

(c) Developed countries which have included textiles under their schemes of generalized preferences but have not provided for unlimited and duty-free entry of textiles should improve their schemes by increasing the level of ceilings set under the schemes to the level of quotas fixed under the bilateral arrangements;

(d) To the extent that textiles are not included in the generalized schemes of preferences, developed countries should aim at removing and completely eliminating tariffs in favour of developing countries during the forthcoming multilateral trade negotiations;

(e) Developed countries should strictly limit the resort to voluntary export restraints or restraints on imports from developing countries and should ensure against their proliferation;

(f) Before imposing restrictions, which should be done only in exceptional situations, developed countries should strictly follow the internationally agreed criteria for "market disruption" and "injury" and should abide by the recommendation of the Textile Surveillance Body; and

(g) The criterion of past performance should not be applied in the establishment of quotas for developing countries for exports of products from those textile sectors in respect of which they are now entrants in the market concerned and adequate quotas with a high growth-rate should be accorded for such exports; quotas for all developing countries must be related to actual and potential demand in the markets of the developed countries;

3. Further recommends, in regard to handloom fabrics and/or traditional folklore handicraft textile products, on the production and export of which a large number of people depend for their livelihood in a number of developing countries:

(a) That the developed countries should allow duty-free entry to all handloom fabrics and products or traditional folklore handicraft textile products;

(b) That imports of handloom fabrics and products or traditional folklore handicraft textile products which are excluded from the purview of the Arrangement Regarding International Trade in Textiles by article 12 should not prejudice or adversely affect any quotas that may be established for imports of textiles, nor should the definition of handloom and handloom products be unduly restrictive;

4. Further urges the developed countries:

(a) To ensure that the Arrangement Regarding International Trade in Textiles is only a temporary measure and should not be considered as lending itself to other fields;

(b) To undertake appropriate measures to achieve the necessary transfer of resources and adjustment assistance measures for facilitating imports of textiles from developing countries;

5. Requests the Secretary-General of UNCTAD to keep the question of international trade in textiles under continuous review and examination and to report to the Committee on Manufactures on the results of such an examination for discussion and appropriate action;

6. Decides to set up a working group on textiles to assist the Committee on Manufactures in such an examination and review;

7. Requests the Secretary-General of UNCTAD to transmit this resolution to the Director-General of GATT, inviting him to submit it to the appropriate bodies of GATT.

International trade in textiles, including the Arrangement
Regarding International Trade in Textiles

Draft resolution submitted by Pakistan on
behalf of the Group of Seventy-seven

TD/B(XIV)/SC.1/L.137 k/

The Trade and Development Board,

Noting that the draft resolution entitled "International trade in textiles, including the Arrangement Regarding International Trade in Textiles" (TD/B/C.2/L.72) is to be considered further by the Board at its sixth special session, or failing which, by the Committee on Manufactures at its seventh session,

Considering that textiles are a major item of export interest to developing countries and that new and serious strains have emerged on the balance of payments of many developing countries which have made urgent the need for taking special measures to increase the export earnings of the developing countries,

Recommends that:

(a) Tariff and non-tariff barriers affecting exports of textiles from the developing countries should be liberalized expeditiously;

(b) Voluntary export restraints and unilateral import restrictions on textiles from developing countries should be strictly in accordance with the relevant provisions of the Arrangement Regarding International Trade in Textiles

k/ See foot-note c above.

and should be imposed by developed countries only in extreme circumstances, such restrictions being kept to a minimum;

(c) Textiles should be included in the schemes of generalized preferences of developed countries and quotas or ceilings, wherever they are applied, should be significantly liberalized with a view to their ultimate elimination;

(d) All tariff and non-tariff barriers, wherever they exist, on handloom fabrics and products and traditional folklore handicraft products should be removed.

Review of schemes of generalized system of preferences

Draft resolution submitted by Algeria on
behalf of the Group of Seventy-seven

/TD/B/C.5/L.20/ 1/

The Special Committee on Preferences,

Recalling resolution 21 (II) adopted by the United Nations Conference on Trade and Development on 26 March 1968 and the agreed conclusions of the Special Committee on Preferences, m/

Further recalling Special Committee resolution 1 (V), and particularly section III thereof,

Bearing in mind the Programme of Action on the Establishment of a New International Economic Order, and especially the Special Programme, adopted by the United Nations General Assembly at its sixth special session, n/

Noting that the most seriously affected developing countries, the least developed developing countries, and the land-locked developing countries have not been able, by and large, to benefit from the implementation of the GSP schemes of many preference-giving countries,

Further noting the views expressed by preference-giving countries to improve their schemes to take note of the expressed wishes of developing countries which have hitherto not gained from the generalized system of preferences,

Recognizing that all developing countries, particularly the most seriously affected countries and the least developed and land-locked, should be enabled to share in the benefits of the generalized system of preferences,

1/ The Board decided to refer this draft resolution to its sixth special session for consideration in the context of its review and appraisal of the implementation of the International Development Strategy for the Second United Nations Development Decade, with a view to its subsequent consideration by the Special Committee on Preferences at its seventh session (see para. 271 above).

m/ Trade and Development Board decision 75 (S-IV), annex.

n/ See foot-note j above.

Considering that it is essential to help the most seriously affected developing countries, the least developed and land-locked countries, to gain export advantages immediately,

Requests:

1. The preference-giving countries to consider immediately expanding the scope and coverage of their schemes and to accord duty-free and quota-free treatment to all items of export interest to the most seriously affected developing countries, the least developed and the land-locked countries, particularly items in chapters 1-24 of the Brussels Tariff Nomenclature, as emergency measures through appropriate administrative action to enable the most seriously affected countries, the least developed and land-locked countries, to benefit immediately from such improvement of their schemes;

2. The Secretary-General of UNCTAD to communicate such improved schemes of preference-giving countries pursuant to this resolution to all potential beneficiaries and to report to the Trade and Development Board at its fourteenth session on such additional improvements as have been effected to the various schemes.

Co-operation among developing countries

Draft resolution submitted by Argentina, Bolivia, Brazil, Chile, Columbia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Jamaica, Mexico, Nicaragua, Panama, Peru, Trinidad and Tobago, Uruguay and Venezuela

[TD/B/L.364] o/

The Trade and Development Board,

Considering that both the Declaration p/ and the Programme of Action on the Establishment of a New International Economic Order q/ give special priority and importance to the strengthening and promotion of co-operation among developing countries on the lines laid down in section VII of the Programme of Action,

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

o/ The Board decided to refer this draft resolution to its sixth special session for consideration in the context of its review and appraisal of the implementation of the International Development Strategy for the Second United Nations Development Decade (see annex I above, decision 121 (XIV)).

p/ General Assembly resolution 3201 (S-VI) of 1 May 1974.

q/ General Assembly resolution 3202 (S-VI) of 1 May 1974.

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

Recalling further Conference resolution 48 (III) of 18 May 1972 on trade expansion, economic co-operation and regional integration among developing countries,

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

Taking into account the note by the Secretary-General of UNCTAD entitled "Background to some of the policy issues before the Board" (TD/B(XIV)/Misc.3) r/ and the role UNCTAD should play in strengthening economic co-operation among developing countries,

Considering the role and responsibility of UNCTAD in the implementation of the provisions of the Declaration and the Programme of Action on promotion of co-operation among developing countries,

Considering also that such co-operation should be aimed at attaining all the objectives set forth in the Declaration and the Programme of Action relating to co-operation among developing countries, including inter alia, the following:

(a) To protect the exercise of full permanent sovereignty of every State over its natural resources and all economic activities. In order to safeguard these resources, each State is entitled to exercise effective control over them and their exploitation with means suitable to its own situation, including the right to nationalization or transfer of ownership to its nationals, this right being an expression of the full permanent sovereignty of the State. No State may be subjected to economic, political or any other type of coercion to prevent the free and full exercise of this inalienable right,

(b) To protect also the right of regulation and supervision of the activities of transnational corporations by taking measures in the interest of the national economies of the countries where such transnational corporations operate, on the basis of the full sovereignty of those countries,

(c) To support the establishment and/or improvement of an appropriate mechanism to defend the prices of exportable commodities of developing countries and to improve access to and to stabilize markets for them; to facilitate the functioning and to further the aims of producers' associations, including their joint marketing arrangements, orderly commodity trading, improvement in export income of producing developing countries and in their terms of trade, and sustained growth of the world economy for the benefit of all,

r/ See Official Records of the Trade and Development Board, Fourteenth Session, First Part, Annexes, agenda item 4.

(d) To speed up industrialization for the purpose of processing the raw materials of developing countries to the most advanced phase possible in their own territories, and to ensure for the resulting semi-manufactures or manufactures access, in the greatest volume and on the best terms, to the international markets on which the developing countries have been placing those products in their primary state,

(e) To support and strengthen processes of economic integration among developing countries at the regional and subregional levels and economic complementarity at the interregional level by favouring the closest ties between the various economic groupings.

(f) To make it easier to identify opportunities for trade among developing countries by preparing and making available to them the relevant cross-indexed information regarding their respective import and export requirements, availabilities and projections, and by helping them to attain the following requirements:

- (i) No developing country should accord to imports from developed countries more favourable treatment than that accorded to imports from developing countries,
- (ii) Taking into account existing international agreements, current limitations and possibilities and also their future evolution, preferential treatment should be given to the procurement of import requirements from other developing countries,
- (iii) Wherever possible, preferential treatment should be given to imports from developing countries and the exports of those countries,

(g) To identify and encourage opportunities for scientific and technological co-operation among developing countries by exchanging data on requirements for and availabilities of such co-operation,

(h) To identify and foster opportunities for developing joint industrial projects and projects for integrated or complementary industrial production between developing countries,

(i) To speed up co-ordination of transport facilities and systems, especially those of shipping, according to the needs of the foreign trade of developing countries and the growth of their merchant marines,

(j) To promote:

- (i) The greatest possible co-operation among developing countries in the field of finance and in the area of credit relations and monetary matters, including the granting of credit in preferential forms and on preferential terms,
- (ii) The operation of joint financial institutions,
- (iii) The establishment of funds to finance purchases by developing countries from other developing countries,

(k) To foster the closest co-operation among developing countries in multilateral trade negotiations and to make use of that forum in order to identify and seize opportunities to promote their trade with one another,

(l) To make widely known among the peoples of the developing countries the aims, scope and importance of co-operation among developing countries and to disseminate information regarding their respective achievements and experience in every field in order to facilitate and speed up the attainment of the objectives of such co-operation,

1. Requests the Secretary-General of UNCTAD to take the necessary measures in order to strengthen the role and capacity of UNCTAD in the implementation of the provisions of the Declaration and the Programme of Action regarding the promotion of co-operation among developing countries and to make the relevant proposals and recommendations to foster such co-operation, including the convening of a group of experts from developing countries in the fields covered by the Declaration and the Programme of Action;

2. Requests the Secretary-General of UNCTAD to report periodically to the Trade and Development Board on the progress made in taking the action requested under this resolution;

3. Requests the Secretary-General of UNCTAD to report periodically to the Trade and Development Board concerning the support given by developed countries and the action they have taken pursuant to section VII, paragraph 2, of the Programme of Action regarding promotion of co-operation among developing countries.

The objectives of financial co-operation

Draft resolution submitted by Chad on behalf of the Group
of Seventy-seven members of the Committee on Invisibles
and Financing related to Trade s/

/TD/B/C.3/L.96/Rev.1/ t/

The Committee on Invisibles and Financing related to Trade,

Taking into account resolutions 27 (II) and 61 (III) of the United Nations Conference on Trade and Development and the International Development Strategy for the Second United Nations Development Decade, u/ particularly paragraphs 42 and 43 which call upon economically advanced countries to make commitments of financial co-operation for development,

s/ For the action taken by the Board on this draft resolution at its thirteenth session, see Official Records of the General Assembly, Twenty-eighth Session, Supplement No. 15 (A/9015/Rev.1), part three, annex I, decision 103 (XIII).

t/ At its current session, the Board decided to forward this draft resolution and the proposed amendments thereto contained in document TD/B(XIV)/SC.I/L.8 to its sixth special session for consideration in the context of its review and appraisal of the implementation of the International Development Strategy for the Second United Nations Development Decade (see annex I above, decision 125 (XIV)).

u/ See foot-note e above.

Having regard to the fact that various concepts and definitions of financial co-operation have been advanced and that targets of co-operation must be meaningful and clearly defined,

Taking into account resolution 91 (XII) of the Trade and Development Board which requested the Secretary-General of UNCTAD, with the assistance of a group of governmental experts to examine the concepts of the present aid and flow targets in order to prepare for a discussion thereon in the mid-term review of the implementation of the Strategy,

Recalling resolution 62 (III) adopted by the United Nations Conference on Trade and Development on 19 May 1972, on the special measures in favour of the least developed among the developing countries, in particular its paragraphs 37 and 46,

Recalling further resolution 63 (III), adopted by the United Nations Conference on Trade and Development on 19 May 1972, on the land-locked developing countries, in particular its paragraphs 3 and 5,

Noting the statement of the Secretary-General of UNCTAD on the meeting of the Group of Governmental Experts (26-29 June 1973), v/

1. Calls upon those developed countries which have not yet accepted the official development assistance target of 0.7 per cent of the gross national product of the developed countries and/or its date of achievement to do so immediately;

2. Recognizes that any indicator of financial development assistance or co-operation must be part of a broader framework of co-operation between developed and developing countries with the purpose of increasing the real net transfer of resources to developing countries through augmenting their foreign exchange earning capacity and availabilities;

3. Recognizes also that the 1 per cent target for total financial resources does not constitute an adequate indicator of the effort of developed countries in so far as it includes flows which are primarily motivated by export promotion or profit objectives;

4. Considers that in the measure of financial flows the concepts are not meaningful when they do not incorporate all the reverse flows and thus do not permit a proper evaluation of the financial relations between developed and developing countries;

5. Declares that within the general framework of international economic co-operation the greatest importance should be attached to an objective of net transfer of official development assistance, defined as gross disbursements net of associated reverse flows on account of both interest and amortization payments, and that its magnitude should be increased, the elements to be included should be distinctly concessional, and the related issues should be settled in international discussions between developed and developing countries;

v/ Group of Governmental Experts on the Concepts of the Present Aid and Flow Targets. For the report of the Secretary-General of UNCTAD summarizing the discussions of certain subjects of the Group, see TD/B/467.

6. Requests the Secretary-General of UNCTAD, with a view to achieving the above objectives:

(a) To further the statistical work on financial flows between developed and developing countries and in this respect intensify the existing technical relationship among the UNCTAD secretariat, the World Bank staff and the Organisation for Economic Co-operation and Development secretariat with a view to achieving a more precise definition and coverage of flows, and collect statistical data, as needed directly from Governments, in order to be able to adequately measure progress in the implementation of relevant United Nations and UNCTAD resolutions;

(b) To reconvene the Group of Governmental Experts, as he deems appropriate, with a view to making early recommendations particularly on the technical issues relating to the concepts of the present development assistance and flow targets and to facilitating evaluation of the efforts of developed countries in the mid-term review and appraisal of the International Development Strategy and to report thereon at the latest to the fourteenth session of the Trade and Development Board; w/

7. Recognizes that the statistics presented on financial co-operation should take full cognizance of the relevant United Nations and UNCTAD resolutions and takes the view that financial flows to areas which developed countries themselves do not regard as sovereign political entities should be excluded since, by definition, such flows cannot be regarded as external;

8. Recommends all developed countries and international financial institutions to implement immediately the relevant provisions of Conference resolutions 62 (III) and 63 (III);

9. Stresses the fact that the commitment to transfer net official development assistance to developing countries, refers to all developed countries irrespective of their social or economic system.

Proposed amendments submitted by Pakistan on behalf of the Group of Seventy-seven to bring up to date the above draft resolution on the objectives of financial co-operation (TD/B/C.3/L.96/Rev.1)

/TD/B(XIV)/SC.I/L.8/ x/

A. Amendments to preamble

1. New preambular paragraph, to be inserted between the present fifth and sixth preambular paragraphs

"Recalling also the Declaration and the Programme of Action on the Establishment of a New International Economic Order (resolutions 3201 (S-VI) and 3202 (S-VI)) adopted by the General Assembly on 1 May 1974 at its sixth special session, and Economic and Social Council resolution 1911 (LVII) of 2 August 1974,".

w/ For the action taken by the Board on this paragraph at its thirteenth session, see Official Records of the General Assembly, Twenty-eighth Session, Supplement No. 15 (A/9015/Rev.1), part three, annex I, decision 103 (XIII).

x/ See foot-note t above.

2. Amendment to last preambular paragraph

"Noting with appreciation the report of the Secretary-General of UNCTAD entitled 'The concepts of the present aid and flow targets' (TD/B/493), y/ and the useful work and recommendations of the experts participating in the Group,".

B. Amendments to operative paragraphs

1. Amendment to paragraph 6

"Requests the Secretary-General of UNCTAD:

"(a) To prepare periodically comprehensive reports on private and official financial flows to developing countries and to examine the efforts in the financial field within the wider framework of international economic co-operation and the international conditions and policies affecting the absorption capacity of foreign exchange of the developing countries, such reports also to include the flow of financial resources from developing countries;

"(b) To reconvene the Group of Governmental Experts on the Concepts of the Present Aid and Flow Targets as he deems appropriate, with a view to facilitating the examination of issues relating to financial co-operation in the international economic field;

"(c) To report to the Trade and Development Board, at its sixth special session, on the progress achieved and his activities in the context of this resolution;".

2. New operative paragraph, to be inserted between paragraphs 5 and 6

"Calls upon developed countries to take measures designed to improve access by developing countries to their national, as well as to international capital markets, and requests Governments of member States and appropriate agencies to co-operate in the tasks assigned to the Secretary-General of UNCTAD, especially with regard to the collection of information required for a comprehensive review of the volume, terms and conditions of all financial flows to developing countries;".

y/ To be issued as a United Nations publication.

ANNEX III

TEXT OF A DRAFT RESOLUTION REMITTED FOR FURTHER CONSIDERATION
BY THE BOARD AT ITS FIFTEENTH SESSION

Compensation for losses occasioned by the realignment of major
currencies

Draft resolution submitted by Ethiopia, Gabon, Ghana, Guinea, Kenya, the
Libyan Arab Republic, Madagascar, Mauritius, Nigeria, Rwanda, Senegal,
the Sudan, Uganda, the Upper Volta, Zaire

/TD/B/L.308/

The Trade and Development Board,

Recalling resolution 58 (III), adopted by the United Nations Conference on Trade and Development on 19 May 1972, concerning compensation for losses occasioned by the realignment of major currencies,

Aware that the exchange rate adjustments carried out by developed countries have adversely affected the terms of trade of a number of developing countries, have significantly reduced their currency reserves, and have considerably increased their debt burden,

Requests the Secretary-General of the United Nations Conference on Trade and Development to consult with bilateral donor countries and international institutions concerned regarding the action they have taken in respect of resolution 58 (III) and to report to the Trade and Development Board at its next session.

ANNEX IV

DRAFT CHARTER OF ECONOMIC RIGHTS AND DUTIES OF STATES:^{a/} TEXTS AGREED
AMONG THE PARTICIPANTS IN THE INFORMAL CONSULTATIONS HELD DURING THE
FIRST PART OF THE FOURTEENTH SESSION OF THE BOARD

CHAPTER III

Paragraph 2

The protection, preservation and enhancement of the environment for the present and future generations is the responsibility of all States. All States shall endeavour to establish their own environmental and developmental policies in conformity with such responsibility. The environmental policies of all States should enhance and not adversely affect the present and future development potential of developing countries. All States have, in accordance with pertinent international norms, regulations and obligations, the responsibility to ensure that activities within their jurisdiction or control do not cause damage to the environment of other States or of areas beyond the limits of national jurisdiction. All States should co-operate in evolving international norms and regulations in the field of the environment.

GENERAL PROVISIONS

1. All States have the duty to contribute to the balanced expansion of the world economy, taking duly into account the close interrelationship between the well-being of the developed countries and the growth and development of the developing countries and that the prosperity of the international community as a whole depends upon the prosperity of its constituent parts.

2.

Alternative 1

No State may use or encourage the use of economic, political or any other type of measure to coerce another State in order to obtain from it the subordination of the exercise of its sovereign rights and to secure from it advantages of any kind.

Alternative 2

Delete this text.

CONCLUDING PARAGRAPHS

1. Nothing in this Charter shall be construed as impairing or derogating from the provisions of the Charter of the United Nations or actions taken in pursuance thereof.

a/ For the text of the draft Charter, see the report of the Working Group on the Charter of Economic Rights and Duties of States on its fourth session (TD/B/AC.12/4 and Corr.1, under cover of TD/B/506).

2. In their interpretation and application the above provisions are interrelated and each provision should be construed in the context of the other provisions.

3.

Alternative 1

An item on the Charter of Economic Rights and Duties of States shall be inscribed on the agenda of the session of the General Assembly, and thereafter on the agenda of every session. In this way a systematic and comprehensive consideration of the implementation of the Charter, covering both progress achieved and any improvements which might become necessary, would be carried out and appropriate measures recommended. Such consideration should take into account the evolution of all the economic, social, legal and other factors related to the principles upon which this Charter is based and to its purposes.

Alternative 2

Delete this text.

ANNEX V

PROVISIONAL AGENDA FOR THE FIFTEENTH SESSION
OF THE BOARD

1. Procedural and organizational matters:
 - (a) Election of officers;
 - (b) Adoption of the agenda and organization of the work of the session;
 - (c) Adoption of the report on credentials;
 - (d) Election to membership of main Committees;
 - (e) Provisional agenda for the sixteenth session and organization of the work of the session.
2. Fourth session of the United Nations Conference on Trade and Development: objectives, provisional agenda, preparatory work and organization.
3. Review of the implementation of the recommendations of the Conference; implementation of the Declaration and the Programme of Action on the Establishment of a New International Economic Order; mid-term review and appraisal of the International Development Strategy; special session of the General Assembly devoted to development and international economic co-operation.
4. Interdependence of problems of trade, development finance and the international monetary system.
5. Matters requiring action by the Board arising from or related to reports of its subsidiary bodies:
 - (a) Commodity trade: a/ report of the Committee on Commodities on its eighth session and of the Advisory Committee to the Board and to the Committee on Commodities on its tenth session;
 - (b) Trade in manufactures and semi-manufactures: report of the Committee on Manufactures on its seventh session;
 - (c) Financing related to trade;
 - (d) International intermodal transport: reports of the Intergovernmental Preparatory Group on its first, second and third sessions.

a/ Including, to the extent appropriate, the questions of an over-all integrated programme for commodities and of indexation of prices.

6. Other particular matters in the field of trade and development:
 - (a) Trade expansion, economic co-operation and regional integration among developing countries;
 - (b) Export promotion:
 - (i) Report of the Joint Advisory Group on the International Trade Centre UNCTAD/GATT on its eighth session;
 - (ii) United Nations export promotion efforts (Economic and Social Council resolution 1819 (LV));
 - (c) Impact of environment policies on trade and development, in particular of the developing countries;
 - (d) Dissemination of information and mobilization of public opinion;
 - (e) Trade and economic aspects of disarmament;
 - (f) Progressive development of the law of international trade: eighth annual report of the United Nations Commission on International Trade Law.
7. Special measures in favour of the least developed among the developing countries.
8. Special measures related to the particular needs of land-locked developing countries.
9. Developing island countries.
10. Trade relations among countries having different economic and social systems.
11. Review of the calendar of meetings.
12. Financial implications of the actions of the Board.
13. Other business.
14. Adoption of the report of the Board to the General Assembly.

ANNEX VI

PROVISIONAL AGENDA FOR THE FIRST SESSION OF THE COMMITTEE
ON TRANSFER OF TECHNOLOGY a/

1. Election of officers.
2. Adoption of the agenda and organization of work.
3. Consideration of the rules of procedure of the Committee.
4. Major issues arising from the transfer of technology to developing countries.
5. The role of the patent system in the transfer of technology to developing countries.
6. Consideration of the issues relating to an international code of conduct in the field of transfer of technology.
7. Progress in implementing Conference resolution 39 (III) and other relevant resolutions and decisions in the field of transfer of technology.
8. United Nations Conference on Science and Technology.
9. Provisional agenda and date of the second session of the Committee.
10. Other business.
11. Adoption of the report of the Committee to the Trade and Development Board.

a/ Scheduled to be held from 1 to 12 December 1975.

ANNEX VII

FINANCIAL IMPLICATIONS OF THE ACTIONS OF THE BOARD

Summary statement submitted by the Secretary-General of UNCTAD

[TD/B/527/Rev.1]

1. In accordance with rule 31 of its rules of procedure, the Board was advised, in the course of its discussions, of the administrative and financial implications of any proposals that involve expenditure.
2. To facilitate the Board's consideration, the financial implications of actions taken by the Board at its present session are summarized below in tables 1 and 2.
3. Table 1 shows the financial implications by agenda item, while table 2 gives the same information subdivided by object of expenditure. The cost for established posts, as shown in table 2 under the 1974-1975 biennium does not reappear in the 1976-1977 biennium because such posts will be deducted from those already included in the estimates for that period. The sums shown under the heading "Working parties, study groups and expert groups" for temporary assistance for meetings and for travel and subsistence for members will be requested only to the extent that they are not covered in the budget estimates by the existing budgetary provisions for:
 - (a) Sixteen weeks of temporary assistance for meetings of working parties, study groups and expert groups;
 - (b) Travel and subsistence for members of expert groups.

The sums shown in table 2 for temporary assistance for meetings (other than meetings of expert groups) and for travel of staff will be required in full, as they are in addition to the provision made in both biennia for these purposes.

4. The figures given in tables 1 and 2 do not make provision for Chinese language services, although they may be requested, because the UNCTAD secretariat has not sufficient information concerning the availability of such staff in the two biennia under consideration. Such services will continue to be provided for centrally by United Nations Headquarters.

Table 1. Summary listing of actions with financial implications by agenda item
(In thousands of United States dollars)

No.	Agenda item	Programme of activity and document containing detailed financial statement	Summary of subject matter	Financial implications			
				1974	1975	1976	1977
				\$	\$	\$	\$
1	5	Policy-making organs TD/B/L.371/Add.1	Fourth session of the Conference	-	Pro memoria	Pro memoria	Pro memoria
2	6	Charter of Economic Rights and Duties of States TD/B/L.369/Add.1	Informal consultations at United Nations Headquarters concerning the Charter of Economic Rights and Duties of States	Pro memoria	-	-	-
3	7	Financing related to trade TD/B/L.372/Add.1	To hold consultations on inflation with high-level experts serving in their individual capacity	-	39	-	-
4	8(a) 4(b) 13(a)	Trade in commodities TD/B/L.354/Add.1	Integrated approach to commodity problems and policies To provide for three additional Professional posts and one General Service post in 1975 To provide for additional travel of staff in 1975 To invite three experts acting in an individual capacity to participate at interagency meeting in 1975	- - -	 76 ^{a/} 5	 a/ -	 a/ -
-167-	5	8(b) Trade in manufactures TD/B/C.5/18, annex III and TD/B/489 (TD/B/C.5(VI)/ Misc.2), para. 286	To convene a one-week session of the Working Group on Rules of Origin in 1974	60	-	-	-
6	8(d)(i)	Financing related to trade TD/B(XIV)/SC.I/L.5/Rev.1/Add.1 and TD/B/485, para. 21	To provide for a two-day pre-session meeting of the <u>Ad Hoc</u> Group of Governmental Experts on the Debt Problems of Developing Countries	3.6	-	-	-
7	8(d)	Financing related to trade TD/B(XIV)/SC.I/L.7/Rev.1/Add.1	To provide for a group of experts, serving in their individual capacity, to examine proposals, including the idea of establishing an international export credit scheme (two meetings of five days each)	-	91	-	-
8	8(d)	Financing related to trade TD/B/L.373/Add.1	To reconvene the Group of Governmental Experts on the Concepts of the Present Aid and Flow Targets for one week	-	30	-	-
9	8(e)	Transfer of technology TD/B(XIV)/SC.I/L.2 and TD/B/520, annex III	To establish a Committee on Transfer of Technology as a main Committee of the Board To convene a group of governmental experts to study the international patent system To convene an intergovernmental group of experts in 1975 to prepare a draft outline to serve as a basis for the preparation of a universally applicable code of conduct on transfer of technology To provide for two additional Professional posts and one General Service post in 1975	- - - -	25 46 72 54 ^{a/}	- - - a/	25 - - a/

Table 1 (continued)

No.	Agenda item	Programme of activity and document containing detailed financial statement	Summary of subject matter	Financial implications			
				1974	1975	1976	1977
				\$	\$	\$	\$
10	9	International trade research TD/B/L.353/Add.1	To convene an intergovernmental group on the least developed among the developing countries	-	138	-	-
			To provide for travel of secretariat staff in connexion with the work of the intergovernmental group	-	11	-	-
11	11	Trade with socialist countries TD/B(XIV)/SC.11/L.3/Add.1	To convene a seminar of experts (either governmental or serving in individual capacity) to examine ways of promoting industrial specialization through various forms of multilateral co-operation	-	45	-	-
12	13	Shipping TD/B/L.350/Add.1	The Economic and Social Council, in its decision 6 (LVI) of 14 May 1974, requested the Trade and Development Board to investigate the practicability and desirability of drawing up an international agreement on container standards for international multimodal transport				
			To convene a group of experts acting in a personal capacity for two weeks	-	-	20	-
			To convene an <u>ad hoc</u> intergovernmental group	-	-	58	-
			To provide for additional pre-session documentation for the intergovernmental group	-	-	12	-

a/ The posts in question have already been requested in the budget for 1976-1977. The costs shown for 1975 are net of turnover deduction of 40 per cent for Professional and 25 per cent for General Service staff.

Table 2. Summary listing of actions with financial implications by programme of activity and object of expenditure

(In thousands of United States dollars)

No.	Programme of activity	1974-1975 biennial budget					1976-1977 biennial budget				
		Salaries		Working parties, study groups and expert groups			Salaries		Working parties, study groups and expert groups		
		Established posts (including common staff costs)	Temporary assistance for meetings a/	Temporary assistance for meetings	Travel and subsistence	Travel of staff	Established posts (including common staff costs)	Temporary assistance for meetings a/	Temporary assistance for meetings	Travel and subsistence	Travel of staff
1	I. Policy-making organs (Fourth session of the Conference)	-	Pro memoria	-	-	-	-	Pro memoria	-	-	-
2	II. International trade research Intergovernmental Group on the Least Developed among the Developing Countries	-	138	-	-	11	-	-	-	-	-
3	III. Trade in commodities (3 additional Professional and 1 General Service post)	76 ^{b/}	-	-	-	-	b/	-	-	-	-
4	(Additional travel of staff)	-	-	-	-	5	-	-	-	-	-
5	(3 experts to participate at interagency meeting)	-	-	-	6	-	-	-	-	-	-
6	IV. Trade in manufactures (Working Group on Rules of Origin)	-	60	-	-	-	-	-	-	-	-
7	V. Trade with socialist countries (Seminar of experts)	-	-	30	15	-	-	-	-	-	-
8	VI. Financing related to trade (Consultations on inflation)	-	-	15	24	-	-	-	-	-	-
9	(Ad Hoc Group of Governmental Experts on the Debt Problems of Developing Countries)	-	-	3.6	-	-	-	-	-	-	-
10	(Expert group on export credit)	-	-	31	60	-	-	-	-	-	-
11	(Expert group on aid and flow targets)	-	-	30	-	-	-	-	-	-	-
12	VII. Transfer of technology (Establishment of Committee on Transfer of Technology)	-	25	-	-	-	-	25	-	-	-

Table 2 (continued).

No.	Programme of activity	1974-1975 biennial budget					1976-1977 biennial budget				
		Salaries		Working parties, study groups, and expert groups			Salaries		Working parties, study groups and expert groups		
		Established posts (including common staff costs)	Temporary assistance for meetings a/	Temporary assistance for meetings	Travel and subsistence	Travel of staff	Established posts (including common staff costs)	Temporary assistance for meetings a/	Temporary assistance for meetings	Travel and subsistence	Travel of staff
VII. Transfer of technology (continued)											
13	(Expert group on patent system)	-	-	46	-	-	-	-	-	-	
14	(Expert group on a code of conduct for transfer of technology)	-	-	72	-	-	-	-	-	-	
15	(Two additional Professional and one General Service posts)	54 ^{b/}	-	-	-	-	b/	-	-	-	
VIII. Shipping											
16	(Expert group on container-standards)	-	-	-	-	-	-	-	20	-	
17	(Intergovernmental group)	-	-	-	-	-	-	70	-	-	
18	IX. Charter of Economic Rights and Duties of States	-	Pro memoria	-	-	Pro memoria	-	-	-	-	
		130	223			16	-	95		-	

a/ Other than meetings of expert groups. Includes cost of reproduction supplies.

b/ The posts in question have already been requested in the budget for 1976-1977. The costs shown for 1975 are net of turnover deduction of 40 per cent for Professional and 25 per cent for General Service staff.

Appendix

Detailed statements submitted to the Board at
the first part of its fourteenth session

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

Statement of administrative and financial implications
submitted by the UNCTAD secretariat

/TD/B/L.371/Add.1/

1. The draft proposal submitted by the President for action by the Board concerning the fourth session of the Conference recommends that:

(a) The Board hold a special session at Geneva, for a period of two to three weeks, in preparation for the fourth session of the Conference, to be held at Nairobi in May/June 1976 for a period not exceeding four weeks and to be preceded by a preparatory meeting of two days' duration. The draft further considers that the objective should be that the combined duration of its special preparatory session and the fourth session of the Conference should be not more than six weeks;

(b) The Board finalize, in August 1975, at its fifteenth session, the provisional agenda for the Conference without prejudice to the Board meeting briefly in resumed session in October 1975 to adjust that provisional agenda in the light of the results of the seventh special session of the General Assembly, should that prove desirable;

(c) The pre-session documents for the Conference be concise and action-oriented, their number to be as limited as possible and their volume significantly reduced in comparison with the documentation for previous sessions of the Conference;

(d) Facilities available for the Conference should permit an intensive programme of meetings;

(e) Provision should be made for summary records of plenary meetings only.

2. Based on the President's draft, the secretariat would make the following assumptions in connexion with (a) the submission of supplementary estimates for costs arising in 1975 and initial estimates for these in 1976-1977, the estimation of the nature and extent of the extra costs to be borne by the host Government; and (b) the preparation of contracts for the temporary staff required:

(a) The special session of the Board at Geneva would be for a period of two weeks. The Conference, preceded by a preparatory meeting of two days, would be held for four weeks at Nairobi in May/June 1976, the exact dates to be fixed in consultation between the host Government and the secretariat;

(b) No budgetary provision would be requested for a resumed session of the Board in October 1975 until it was determined by the Secretary-General of UNCTAD,

in consultation with Governments, that such a session would be desirable in order to adjust the provisional agenda of the Conference in the light of the results of the seventh special session of the General Assembly;

(c) The substantive pre-session documentation of the Conference submitted by the secretariat; including background papers but excluding administrative papers and those submitted by others, would be limited to 1,500 standard mimeographed pages for both the seventh special session of the Board and the fourth session of the Conference;

(d) Interpretation would be provided to permit six simultaneous meetings of which three would be equivalent to a plenary meeting and three would be smaller;

(e) Summary records would be provided for plenary meetings only;

(f) The printed proceedings of the Conference would be limited to selected pre-Conference documents, reports of main committees and working groups or other documents constituting the report of the Conference as well as its decisions and resolutions.

3. It is not feasible to work out for the Board detailed costs based on the assumptions given in paragraph 2, but these will be prepared in the near future for submission to the Secretary-General of the United Nations for inclusion in his supplementary estimates for the current biennium and his initial estimates for that of 1976-1977.

CHARTER OF ECONOMIC RIGHTS AND DUTIES OF STATES:
REPORT OF THE WORKING GROUP

Statement of financial implications submitted by
the UNCTAD secretariat

/TD/B/L.369/Add.1/

1. A draft decision (TD/B/L.369) recommends that informal consultations on outstanding issues relating to the draft charter be held at United Nations Headquarters before the report of the Working Group (TD/B/AC.12/4 and Corr.1) is taken up by the General Assembly at its twenty-ninth session.

2. The informal consultations from 8 to 18 October 1974 will not give rise to costs for interpretation as it is impossible for Headquarters to recruit further interpreters. Therefore interpretation would be provided only if and when the schedule of the General Assembly bodies permits. It is understood that the documentation would be limited to a small volume of conference room papers that would not require translation and would be rolled for the participants by the New York Liaison Office of UNCTAD, with the results of the consultations being reported upon orally to the General Assembly. Accordingly, the financial implications would be limited in large part to the travel of two professional staff members from Geneva, the balance of the substantive servicing staff being provided by the Liaison Office of UNCTAD.

INFLUENCE OF INFLATIONARY PROCESSES ON INTERNATIONAL
TRADE AND ECONOMIC RELATIONS

Statement of financial implications submitted by the UNCTAD secretariat

(TD/B/L.372/Add.1)

1. The draft resolution submitted by the President in document TD/B/L.372 requests the Secretary-General of UNCTAD, with the assistance of experts, to prepare an analytical report on the influence of inflationary processes on world trade and international economic relations.
2. It would be the intention of the Secretary-General of UNCTAD to hold consultations on inflation in 1975 with high level experts serving in their individual capacity. The cost of transportation and subsistence is estimated to be \$24,000 on the basis of 12 journeys to Geneva by experts and 120 days of expert services. Moreover, the cost of interpretation facilities for the consultations is estimated to be \$15,000.

COMMODITY PROBLEMS AND POLICIES

Statement of financial implications submitted by the UNCTAD secretariat

(TD/B/L.354/Add.1)

1. The draft resolution contained in document TD/B/L.354 a/ requests the Secretary-General of UNCTAD to submit a comprehensive report on the intensive ad hoc intergovernmental consultations to the Committee on Commodities at its eighth session, to proceed with the preparatory work for implementing an over-all integrated programme for commodities, including, inter alia, more detailed elaboration of techniques such as buffer stocks and their financing, long-term contracts, central selling arrangements, uniform export taxes, international compensatory payments, market sharing in favour of developing countries, special arrangements for commodity importing developing countries and indexation, to examine measures to promote the processing of raw materials in the producer developing countries, to examine the possibility of ensuring, for the developing countries, a fair share of the profits deriving from the marketing of the products and to carry out these studies as urgently as possible. It further requests the Secretary-General of UNCTAD to submit a comprehensive series of studies on indexation as set forth in paragraph 10 of the draft resolution.
2. In view of the complexity and the urgency of the work to be undertaken in connexion with the integrated programme and the indexation of commodities, it is considered that three additional Professional posts and one General Service post will be necessary in 1975, at an estimated cost of \$76,000. b/ However, these

a/ This draft resolution was withdrawn in favour of draft resolution TD/B/L.378 (see para. 120 above).

b/ After deduction of first-year turnover factor of 40 per cent and 25 per cent for Professional and General Service posts respectively.

posts would be deducted from those requested for the 1976-1977 biennium for work in the field of commodities. Additional travel of staff in 1975 for consultations with agencies and Governments concerned is estimated to cost \$5,000. In connexion with paragraph 10, it is envisaged that an interagency meeting will be held at Geneva for about three days with the participation of three specially invited experts, acting in their individual capacity. The only financial implications would be for travel and subsistence of these experts, estimated to cost \$6,000.

FINANCING RELATED TO TRADE

THE EXTERNAL DEBT PROBLEMS OF DEVELOPING COUNTRIES

Statement of financial implications
submitted by the UNCTAD secretariat

TD/B(XIV)/SC.I/L.5/Rev.1/Add.17

1. The draft decision by the Chairman of the Contact Group contained in document TD/B(XIV)/SC.I/L.5/Rev.1 decides that the Ad Hoc Group of Governmental Experts on the Debt Problems of Developing Countries should hold at least two further meetings, one from 9 to 17 December 1974 and another early in 1975, and present its recommendations if possible in sufficient time for the report to be available at the sixth special session of the Trade and Development Board.
2. The Committee on Invisibles and Financing related to Trade at its sixth session in 1973 had already requested that the Ad Hoc Group should meet in 1974 and 1975 and the financial implications of that decision were taken note of by the Trade and Development Board at its thirteenth session. Consequently the costs for those two meetings were then provided for by means of revised budget estimates for the biennium 1974-1975.
3. The Ad Hoc Group of Governmental Experts on the Debt Problems of Developing Countries, at its first session in May 1974, requested the Secretary-General of UNCTAD to make arrangements for the holding, on 9 and 10 December 1974, of a pre-session meeting prior to that already budgeted for during the second half of 1974, for the purpose of informal consultations. The Group took note of the financial implications of this request which would amount to \$3,600 for conference services. These new financial implications are before the Board in the report of the Ad Hoc Group on its first session (TD/B/485, para. 21).

FINANCING RELATED TO TRADE

Statement of financial implications
submitted by the UNCTAD secretariat

TD/B(XIV)/SC.I/L.7/Rev.1/Add.17

1. The draft decision contained in document TD/B(XIV)/SC.I/L.7/Rev.1 requests the Secretary-General of UNCTAD to convene, as soon as possible, in consultation with Governments and international and regional financial institutions, a small

group of experts, including experts from these financial institutions, to examine proposals, including the idea of establishing an international export credit scheme, and to submit the conclusions of this group of experts to the Board at its next regular session.

2. The secretariat envisages that the terms of reference would require two separate meetings of five days each in 1975. If it is assumed that the meetings would require interpretation in four languages, a total of 100 pages of pre-session documentation and a final report of 25 pages in three languages, the cost of conference servicing are estimated to be \$31,000.

3. Were the groups to be composed of Government representatives, there would be no cost for travel and subsistence. On the other hand, were 15 experts to be nominated to serve in their individual capacity, the United Nations would reimburse such costs, estimated at \$60,000 for both groups.

FINANCING RELATED TO TRADE

AID AND FLOW TARGETS

Statement of financial implications
submitted by the UNCTAD secretariat

/TD/B/L.373/Add.1/

1. The draft decision of the Board on the objectives of financial co-operation, contained in document TD/B/L.373, requests the Secretary-General of UNCTAD to reconvene the Group of Governmental Experts on the Concepts of the Present Aid and Flow Targets as he deems appropriate with a view to examining technical concepts related to financial resource flows for development.

2. The Secretary-General of UNCTAD considers it would be useful to reconvene this Group in 1975.

3. On the assumption that the Group would meet for one week with full interpretation, have 100 pages of pre-session documents and a report of 20 pages, the cost of conference services is estimated to be \$30,000.

TRANSFER OF TECHNOLOGY

Statement of financial implications
submitted by the UNCTAD secretariat

/TD/B(XIV)/SC.I/L.2/

1. The Board has for consideration, under agenda item 8 (e), a proposal in document TD/B(XIV)/SC.I/L.1 whereby the Trade and Development Board would decide to terminate the Intergovernmental Group on Transfer of Technology and establish a Committee on Transfer of Technology as a main Committee of the Board. The Board also has before it the report of the Intergovernmental Group on Transfer of

Technology on its third session, c/ which contains in annex I two resolutions which respectively request the Secretary-General of UNCTAD:

(a) To convene a group of governmental experts to study the international patent system (resolution 2 (III));

(b) To convene an intergovernmental group of experts to prepare a draft outline to serve as a basis for the preparation of a universally applicable code of conduct on transfer of technology (resolution 3 (III)).

2. Regarding the establishment of a Committee on Transfer of Technology, were it to have two meetings a day and no summary records there would not be any additional costs in comparison with those relating to the Intergovernmental Group. If, on the other hand, provision were to be made for four meetings a day, with summary records for two of them, as is the case for other main Committees of the Board, the additional cost would be \$76,000 (of which \$51,000 would be for summary records) for a session of two weeks' duration and assuming no change in the volume of pre-session documentation. A further factor to be considered by the Board is that the General Assembly, in resolution 2538 (XXIV) of 11 December 1969, requested the Trade and Development Board to consider, when establishing a new subsidiary body, conference or committee, whether or not it should have summary records. The General Assembly in the same resolution decided that "summary records shall not be provided for a newly-established subsidiary body of the General Assembly ... unless they are specifically authorized in the enabling resolution".

3. As set forth in annex III of the report of the Intergovernmental Group, the financial implications of convening a two-week session of a group of governmental experts to study the international patent system and a two-week session of a group of intergovernmental experts to prepare a draft outline for a code of conduct on transfer of technology would be \$46,000 and \$72,000 respectively. d/ The two meetings of these expert groups would take place in 1975, and it is considered that the work arising in connexion therewith would require the addition of two Professional and one General Service posts in 1975 at an estimated cost of \$54,000. e/ However, it should be noted that these posts would be deducted from those requested in the 1976-1977 biennial budget for work in the field of transfer of technology.

c/ See Official Records of the Trade and Development Board, Fourteenth Session, First Part, Annexes, agenda item 8 (e), document TD/B/520.

d/ The difference in cost between the two groups arises from the extent of pre-session documentation envisaged.

e/ After deduction of first-year turnover factor of 40 per cent and 25 per cent for the Professional and General Service posts respectively.

SPECIAL MEASURES IN FAVOUR OF THE LEAST DEVELOPED
AMONG THE DEVELOPING COUNTRIES

Statement of financial implications
submitted by the UNCTAD secretariat

/TD/B/L.353/Add.1/

1. The draft resolution contained in document TD/B/L.353 f/ decides to establish within UNCTAD an intergovernmental group, open to all Governments of States members of UNCTAD, entrusted with the formulation, development and review and appraisal of policies and projects in favour of the least developed among the developing countries.
2. On the assumption that the intergovernmental groups would meet for two weeks in 1975, hold two meetings a day with full interpretation (into English, French, Russian and Spanish), have 300 pages of pre-session documents, 15 pages a day of in-session documentation, and a final report of 50 pages, the costs of conference services are estimated to be \$138,000 (without allowance for inflation).
3. The secretariat would need to make on-the-spot studies on the progress and the difficulties encountered in the carrying out of the policy measures designed to assist the least developed among the developing countries in order to submit a report to the intergovernmental group. On the assumption that there would be two trips of one month's duration to Africa, one trip of one month each to Asia and Latin America, the estimated cost of travel is \$11,000 in 1975.

TRADE RELATIONS AMONG COUNTRIES HAVING DIFFERENT
ECONOMIC AND SOCIAL SYSTEMS

Statement of financial implications
submitted by the UNCTAD secretariat

/TD/B(XIV/SC.II/L.3/Add.1/

1. The conclusions as agreed by the Chairman's Co-ordinating Group for incorporation in the report of Sessional Committee II to the Board, contained in document TD/B(XIV)/SC.II/L.3, invite the Secretary-General of UNCTAD, after having completed his study already under way and after consultations with the Governments concerned, to convene a seminar of experts from interested countries to examine ways and means of promoting industrial specialization through various forms of multilateral co-operation, in accordance with the principal functions of UNCTAD, as laid down in General Assembly resolution 1995 (XIX) of 30 December 1964, while avoiding duplication of the work done by other United Nations organs, in particular the regional economic commissions of the United Nations, and to report to the Board on the results of the seminar.

f/ This draft resolution was withdrawn in favour of draft resolution TD/B/L.374 (see para. 425 above). The Board was informed that the statement of financial implications submitted in connexion with draft resolution TD/B/L.353 remained valid for draft resolution TD/B/L.374.

2. On the assumption that the seminar of experts would meet in 1975 for four calendar days with full interpretation, have 120 pages of pre-session documentation and a final report of 10 pages, the cost of conference services is estimated at \$30,000.

3. Were the seminar to be composed of governmental experts, there would be no cost for travel and subsistence. On the other hand, were experts to be nominated to serve in their individual capacity, the United Nations would bear such cost, estimated at \$20,000, for a group of 10 experts.

CONTAINER STANDARDS FOR INTERNATIONAL MULTIMODAL TRANSPORT

Statement of financial implications
submitted by the UNCTAD secretariat

/TD/B/L.350/Add.17

1. The draft decision by the Chairman of the Contact Group, contained in document TD/B(XIV)/SC.I/L.16, requests the Secretary-General of UNCTAD, inter alia:

(a) To set up an expert group which would consist of 12 experts named by the Secretary-General in their personal capacity, meeting in the first half of 1976 and preparing a report within the terms of reference given in Economic and Social Council decision 6 (LVI) of 14 May 1974;

(b) To establish an ad hoc intergovernmental group, following the pattern of the Intergovernmental Preparatory Group on a Convention on International Intermodal Transport, which should meet towards the end of 1976 and, with terms of reference as recommended by the Economic and Social Council, including consideration of the report of the expert group, should submit its report directly to the Economic and Social Council at its sixty-third session.

2. The costs of convening the expert group and the ad hoc intergovernmental group, as shown in paragraph 5 of document TD/B/L.350, are \$20,000 and \$58,000 respectively. These costs would arise in 1976.

3. The draft decision contained in document TD/B(XIV)/SC.I/L.16 calls for the contribution from eight specified bodies and other appropriate regional bodies to be placed before the ad hoc intergovernmental group in their original language. These organizations would be requested to submit their reports in sufficient copies for members of the ad hoc intergovernmental group. It is assumed that some 200 pages of original documents would be received for which the UNCTAD secretariat would provide synopses totalling an estimated 50 pages to be reproduced in all working languages at an estimated cost of \$12,000.

ANNEX VIII

MEMBERSHIP OF THE MAIN COMMITTEES OF THE BOARD a/

Committee on Commodities

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

a/ See chap. IX, sect. P, above.

Committee on Manufactures

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

Committee on Invisibles and Financing related
to Trade

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

Committee on Shipping

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

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