


ECONOMIC AND SOCIAL COUNCIL
Resumed Fifty-first Session
OFFICIAL RECORDS
*Friday, 29 October 1971,
at 10.50 a.m.*
NEW YORK

President: Mr. Rachid DRISS (Tunisia).

AGENDA ITEM 3
**Report of the Trade and Development Board
(E/5076 and Add.1-2)**

1. Mr. ARSENIS (Chief of the External Financing and Development Branch of the United Nations Conference on Trade and Development) introduced the report of the Trade and Development Board in the absence of the Secretary-General of UNCTAD, Mr. Pérez Guerrero, who was attending the second ministerial meeting of the Group of 77 at Lima.

2. He reviewed four of the most important subjects considered by the Board at its eleventh session, namely the preparations for the third session of UNCTAD, the impact of the present international monetary situation on world trade and development, especially of the developing countries, the Board's review of the implementation of the recommendations of the Conference, and special measures in favour of the least developed among the developing countries.

3. As far as the third session of the Conference was concerned, the Board had, after long and careful consultations, adopted the provisional agenda set out in decision 83 (XI) in annex I to its report, which had been distributed to the members of the Economic and Social Council as document E/5076/Add.2. Undoubtedly, some delegations were not entirely satisfied with the provisional agenda which had been adopted, but the President of the Board and the Secretary-General of UNCTAD believed that it represented a high common denominator of agreement. He was therefore pleased that, although a vote had taken place on the positioning of a particular item, the provisional agenda as a whole had been adopted without a vote.

4. The Board had decided that the Secretary-General of UNCTAD should enter into consultations with the representatives of member Governments and that the results of those consultations should be submitted to the General Assembly for consideration. The representative of Chile had advised the Board that preparations for the third session of the Conference had been given the highest priority by his country's legislative and executive authorities and had the unanimous and enthusiastic support of all sectors of the population. The representative of Chile had emphatically assured the Board that the third session of the Conference would be able to conduct its proceedings in ideal conditions. In the light of the information given in the progress report which the Chilean Government had submitted on its preparations for the third session of the Conference, the Secretary-General of UNCTAD had expressed confidence that the third session could be held at Santiago as planned.

5. Because of the number and complexity of the items on the agenda, the Board had considered it necessary to allow five weeks for the third session of the Conference, beginning on 13 April 1972.

6. Each of the committees of UNCTAD which had met in 1971 had devoted particular attention to the preparation of issues for consideration by the third session, and the latter would therefore have before it substantial reports as to the stage reached in relation to each of the matters that would come up for discussion. The last of those meetings, that of the Committee on Invisibles and Financing related to Trade, would be held in December. At the same time, the Secretary-General of UNCTAD would hold further consultations to prepare the way for a cocoa agreement which, if it could be negotiated in the early part of 1972, would be an auspicious prelude to the third session itself.

7. It was natural that the Board should give particular attention to the present international monetary situation, particularly as it affected developing countries. That question had not originally been on the Board's agenda but had been added in the light of the events of 15 August 1971. It was not the first occasion on which UNCTAD had considered international monetary issues. At the very first session, a resolution had been adopted on the detailed operation of the compensatory financing facility of the International Monetary Fund,¹ and at the same session steps had been taken to convene an expert group on international monetary issues. The report of that group, and that of a second group appointed some years later, dealt at considerable length with the problems facing developing countries within the framework of the international monetary system. The meetings of both groups had, moreover, been attended by high officials of the International Monetary Fund, who had participated constructively in their deliberations. Their findings had been examined by the Trade and Development Board and its subsidiary bodies, and some of them had been taken into account by the International Monetary Fund in subsequent actions.

8. There was no question of UNCTAD seeking to infringe on the competence of the International Monetary Fund in matters concerning the international monetary situation and the reform of the international monetary system, but it could not fail to be concerned about such matters as the effect of balance-of-payments maladjustment and exchange-rate disequilibrium among the developed countries on the trade of developing countries. It could not address itself to the very serious problems raised by the sharp decline in commodity prices since the middle of August

¹ See *Proceedings of the United Nations Conference on Trade and Development*, vol. I, *Final Act and Report* (United Nations publication, Sales No. 64.II.B.11), annex A.IV.17.

without taking account of the factors that gave rise to or accelerated that decline. The International Monetary Fund had never complained of the manner in which UNCTAD had handled questions that lay on the borderline of the responsibilities of the two agencies.

9. The discussions that had taken place in the Board had served to highlight the difficulties caused to the developing countries by the present situation. Several representatives had expressed the view that it was important to solve the crisis without imposing any burden on the developing countries, since the situation was the result of a structural imbalance among the major developed countries for which the developing countries could not be held responsible.

10. At the conclusion of its discussion, the Board had by majority vote adopted, on 20 September 1971, resolution 84 (XI) in which it declared that all interested countries, especially the developing countries, should participate fully in the consultations and negotiations on the reform of the international monetary system and requesting the Secretary-General of UNCTAD to engage in urgent consultations with the Managing Director of the International Monetary Fund and to prepare a study on the issues raised during the Board's discussion for further consideration by the Committee on Invisibles and Financing related to Trade in December 1971 and by the third session of the Conference in 1972 (see E/5076/Add.2, annex I).

11. Turning to the question of the Board's review of the implementation of the recommendations of the Conference, he quoted an extract from chapter I of its report on the eleventh session (E/5076/Add.2, para. 11) to the effect that many representatives of developed market economy countries had noted that UNCTAD's review and appraisal functions and responsibilities had acquired a new dimension in the context of the International Development Strategy for the Second United Nations Development Decade (General Assembly resolution 2626 (XXV)). The representatives of the socialist countries of Eastern Europe had emphasized the role of UNCTAD as the main body, in their view, to deal with world trade problems in all their aspects (*ibid.*, para. 12). The developing countries also considered that the Board had an important function to perform in the over-all process of review and appraisal. The discussion of that matter had been overshadowed by the developments that had taken place in the international monetary situation and many delegations had expressed their concern as to the effect that situation would have on the implementation of various measures agreed to within UNCTAD. Nevertheless, as was pointed out in paragraph 26 of the report, many representatives had noted that progress had been made in recent years in some fields of UNCTAD's work. Mention might be made, in particular, of the initiation of the generalized system of preferences, the renegotiation of the International Wheat Agreement, the creation of a favourable climate for co-operation in the fields of shipping and transfer of technology, and the working out of UNCTAD's contribution to the elaboration of the Strategy for the Second United Nations Development Decade. The same paragraph noted, however, that the representatives of many developing countries had deplored the fact that recommendations adopted in UNCTAD since 1964 had not yielded the results that those countries had hoped for.

12. Finally, with regard to the question of the special measures in favour for the least developed among the developing countries, he said that the Trade and Development Board had before it the recommendations of the Committee for Development Planning and of its own *ad hoc* group of experts on the problems of definition involved. The Board had approved in its resolution 82 (XI) the list of countries identified as the least developed by those two groups, and that undoubtedly represented an important step forward. At the same time, it had agreed that the initial list should be reviewed in the light of future work and had requested other studies from the Secretary-General of UNCTAD. However, since the question was not a simple matter of definition, the Board had requested, in particular, the Secretary-General of UNCTAD to work out a detailed and comprehensive action-oriented programme, within UNCTAD's competence, for the implementation of the relevant provisions of the International Development Strategy related to the least developed countries for presentation to the third session of the Conference. The programme in question would include the suggestions of the Secretary-General of UNCTAD on institutional arrangements within UNCTAD for further work in the field. He drew the attention of the Economic and Social Council to paragraph 7 on that subject in Trade and Development Board resolution 82 (XI), which invited the international organizations concerned, notably UNDP and multilateral financial institutions, to consider increasing their support for the least developed countries, especially from the increments to their resources, and invited developed countries, or groups of developed countries, to keep that important purpose in mind when providing those organizations with additional support (see E/5076/Add.2, annex I).

13. In conclusion, he said that the Secretary-General of UNCTAD felt that the Board had achieved the principal purpose which it had had in mind, namely, to define the issues which should be examined at the third Conference, and that it had also pointed to a number of directions in which progress needed to be made.

14. Mr. VIAUD (France) said that he wished to make some comments on the preparations for the third session of the United Nations Conference on Trade and Development. France had accepted the provisional agenda which had been established with so much difficulty by the Trade and Development Board and the various French Government departments would use it as a basis for their own preparatory work. Nevertheless, he had a number of comments on the provisional agenda. With regard to item 8, which included the main issues that would be taken up by the senior ministerial representatives present at the general debate of the third session, he felt that problems relating to the environment and disarmament should not be dealt with immediately in depth, since there were more urgent and important problems. There was a connexion between item 8(c), 8(d) and 18, which all dealt with problems of organization and the relations between certain economic bodies; the third session might reach incorrect conclusions if it gave its attention to only one aspect of those three problems and it would therefore be better to study them together.

15. He then drew the Council's attention to the wording of item 9 of the provisional agenda. At the meeting of the

Trade and Development Board in Geneva, his delegation had stated that UNCTAD could not disregard the impact of the monetary situation on the trade of the developing countries and on aid to those countries. Although his delegation's suggestions had indeed been borne in mind in the drafting of the item, it would have been better if it had been regarded as an important issue and incorporated in item 8.

16. He reiterated the reservations which his delegation had previously stated with regard to item 15 (d). He felt that it would be a mistake to establish a link between special drawing rights and the volume of aid to development. In the view of his delegation, that was merely a device to make those developed countries which had not attained the objective of 1 per cent draw closer to it.

17. The provisional agenda was a fairly comprehensive statement of current problems and that was a quality to be welcomed, even though the statement might seem to be too lengthy.

18. Noting that at its forthcoming session the Conference would have six main committees, he said that he doubted whether six committees, instead of five, would be able to work effectively at the same time and he feared that delicate organizational problems might arise. All participants would have to observe a strict discipline by showing a spirit of conciliation and limiting the length of their statements. He hoped that that discipline would also be exerted at the time scheduled for the closing of the third session, since UNCTAD had sometimes failed to abide by its own decisions regarding the length of its sessions.

19. He then reviewed the main areas of interest to be considered at the third session of the United Nations Conference on Trade and Development. First, the problem of commodities, which had been disregarded for the past three years, was becoming increasingly important as a result of the growing instability in the prices of commodities. He therefore hoped that the Conference at its third session would be more energetic in seeking solutions to that vital problem, on which the economic and social advancement of many developing countries depended.

20. The second area of interest would be the system of general tariff preferences. He hoped that the present state of international economic relations would have improved sufficiently to dispel the shadow looming over UNCTAD and that the system of preferences would be implemented as rapidly as possible in all those States which had undertaken to apply it.

21. Thirdly, with regard to the current monetary situation, UNCTAD should concern itself with its impact on trade and aid to developing countries; he stressed that UNCTAD had no role to play in the establishment of a new international monetary system.

22. The third session of the Conference would also give attention to the problem of the least developed countries. That was a crucial problem and he hoped that his own country would be able to make a positive contribution towards examining and solving it.

23. Lastly, with regard to the institutional and organizational aspects of UNCTAD, he noted that member States held diverse views on the matter. He warned those representatives who wanted to turn UNCTAD into a specialized agency that the process of establishing the terms of reference, the role and the statute of a new organization, and the signing and parliamentary ratification of such a statute by Member States would take so long that it might result in the almost total eclipse of UNCTAD for many years.

24. He hoped that measures to improve the functioning of UNCTAD would be taken as soon as possible. UNCTAD's role in appraising the results of the Second Development Decade should be defined and a special study should be made of the means it should employ to that end. Without UNCTAD, only a partial appraisal of the Decade would be possible and a formula should be devised to ensure practical co-operation between UNCTAD, the Economic and Social Council and other interested United Nations bodies.

25. Mr. ARVESEN (Norway) said that he was happy to inform the members of the Council that, in accordance with the recommendations contained in paragraph (32) of the International Development Strategy and in the report of the Trade and Development Board on its eleventh session, Norway had established a system of general preferences for imports from developing countries. However, the measure mainly benefited the more developed among the developing countries and his Government welcomed Trade and Development Board resolution 82 (XI) concerning measures to be taken in favour of the least developed among the developing countries. That question deserved special attention at the next session of UNCTAD and he hoped that measures would be adopted at that session. In accordance with paragraphs (56) and (57) of the Strategy, his Government intended to take additional action in that field and it would soon be in a position to announce its decision.

26. Mr. PATAKI (Hungary) said that UNCTAD played a very important part in developing world trade. He noted with regret that, although the total volume of trade was growing steadily, the share of the developing countries was decreasing and the gap between developed and developing countries was widening. The situation was aggravated by the fact that in the period under review, while prices of manufactured products had increased by 6 per cent, prices of raw materials had risen by only 3 per cent. However, the introduction of systems of general preferences was an important step forward in that respect. It was desirable that such systems should benefit especially the least developed countries and that they should be accompanied by the removal of all kinds of restrictions.

27. His delegation was concerned about the deterioration in world trade caused by the international monetary crisis. The measures taken by the United States Government represented a step backwards in the liberalization of trade. In taking those measures, the United States Government had not examined carefully enough the problems of developing countries and, in particular, had failed to take account of the fact that they were vitally interested in increasing their exports of manufactures and semi-manufactures. In accordance with the spirit of UNCTAD resolution

15 (II),² Hungary would apply a system of preferences from 1 January 1972. His Government hoped that the developing countries would also strive to expand and diversify their trade with Hungary. In the context of the Second United Nations Development Decade, it would be useful to formulate an adequate method of assessment since the realization of the objectives of the Second Development Decade depended in large measure on the results achieved in the liberalization of trade.

28. UNCTAD's important role in the development of world trade would be strengthened if decisions already adopted were properly implemented. UNCTAD should also increase its efforts to develop and normalize international trade in the spirit of General Assembly resolution 1995 (XIX). In that respect, it would be useful for the Secretariat to prepare a report for the third Conference showing to what extent the principles and policies of international trade had been applied to date.

29. As to the agenda for the third session of the Conference, in the opinion of his delegation, only those questions on which progress could be made should be dealt with. In particular, inasmuch as the third world countries were its main victims, the international monetary situation should be examined and priority should be given to the problems of the least developed countries. On the other hand, it would be premature to consider the economic aspects of disarmament before concrete steps had been taken in the field of disarmament itself.

30. It was regrettable that UNCTAD had not abided by the principle of universality in preparing for the third session of the Conference and that the German Democratic Republic would therefore again be excluded from its work. He hoped that it would not be long before the principle was implemented.

31. As a result of UNCTAD's work, real progress had been made in East-West trade relations since the beginning of the 1960s, although trade had by no means achieved its potential. In that respect, he drew attention to the fact that an all-European security conference could make a real contribution to the development of that trade; recent developments offered ground for optimism regarding the convening of that Conference.

32. Mr. RAKOTOSIHANAKA (Madagascar) said that his Government was disturbed by the very marked downturn in trade between developing and developed countries in the last 10 years, a situation attributable to the deterioration in the terms of trade. That steady deterioration had brought about a veritable stagnation in international trade relations. The constant rise in the price of the capital goods needed by the newly independent countries meant that the development process of those countries was being slowed down. In addition, because of competition from synthetic products and because certain developed countries resorted to high tariffs to protect their agriculture, the developing countries had difficulty in finding markets for their primary commodities. The result was that although the developing

countries had followed advice and tried to diversify their primary products they could only sell them at unremunerative prices. Between 1960 and 1970, the poor countries' share in world trade had dropped from 21 to 17.6 per cent. At the same time, the increase in their *per capita* gross national product had been lower than that of the developed countries. Furthermore, although the price of manufactures had increased by 6 per cent since 1960, that of commodities had increased by only 3 per cent and, in 1970, the total debt of developing countries had amounted to \$60,000 million. It was paradoxical that the rich countries should be reluctant to apply the generalized systems of preferences they themselves had adopted, sometimes to the detriment of certain developing countries which were already benefiting from preference.

33. His delegation therefore hoped that UNCTAD would heed the appeals addressed to it on behalf of the developing countries and make an in-depth study of the existing situation. It should endeavour to work out the broad lines of a policy which would mitigate the harm done to the developing countries and should no longer confine itself to seeking palliatives which merely served to postpone real solutions. The third session of the Conference should take decisions designed first, to freeze the prices of capital goods and manufactures; secondly, to establish a multilateral policy for the stabilization of those prices; thirdly, to adopt measures to protect developing countries commodity exports; fourthly, to liberalize trade by concluding an agreement to improve commodity prices. It was only by such measures that UNCTAD would be able to remedy the stagnation in world trade and contribute significantly towards improving the terms of trade of the developing countries.

34. Mr. LISOV (Union of Soviet Socialist Republics) said that reference to the report of the Trade and Development Board on its eleventh session showed that the main activities of UNCTAD, an organization in which the peoples of the world had placed great hopes, were still focused on some of the most complex problems posed by international trade relations.

35. His delegation had been especially interested in chapter II of the Board's report dealing with preparations for the third session of the Conference; it endorsed the provisional agenda drawn up for the session and approved the selection of the main items it included. He wished, however, to make some further comments on that subject. When the provisional agenda for the third session was being prepared, some delegations had requested that items such as the trade and economic aspects of disarmament, the impact of environment policies on trade and development and the transfer of technology should be included. Needless to say his delegation fully shared the concern of the poor countries about their economic development prospects and their hopes for an improvement in those prospects. Nevertheless, since it considered that such questions as disarmament, the environment and the transfer of technology were not within the competence of UNCTAD, it believed that the inclusion of those items in the agenda would serve only to divert the Conference's attention from its fundamental tasks, which related in particular to the organization of international trade—in other words, the pre-conditions for economic development. In the opinion of his delegation,

² *Proceedings of the United Nations Conference on Trade and Development, Second Session*, vol. I and Corr.1 and 3 and Add.1 and 2, *Report and Annexes* (United Nations publication, Sales No.: E.68.II.D.14), p. 32.

the inclusion of those three items in the agenda was liable to introduce a political climate into UNCTAD's debates whereas UNCTAD was not the forum for political discussions.

36. When the provisional agenda for the third session was being prepared, some delegations had also said that the principles governing international trade relations and trade policies conducive to development, adopted during the first session of UNCTAD at Geneva, should be revised. In the opinion of his delegation, those principles were extremely important in international trade relations and if UNCTAD's achievements were to be consolidated, they should not be revised but steps should be taken to ensure that they were properly applied by all countries. In that connexion, he congratulated the Secretary-General of UNCTAD on the first part of his study on international trade and development but expressed the hope that the second part—which was to discuss major policy developments—would deal with the need to ensure implementation of the Geneva principles and suggest measures conducive to the normalization and expansion of international trade relations and the elimination of obstacles to East-West trade. If UNCTAD could adopt such an approach at its third session it would help to revive world trade and hence become more effective and exert a greater influence on Governments.

37. Turning to the impact of the present international monetary situation on world trade and development, he drew attention to the negative position adopted by the representatives of some capitalist countries concerning the need to include that question in the agenda. He stressed that UNCTAD definitely had an active role to play in international monetary affairs since the present crisis had alarming adverse effects on commodity markets and it was precisely on earnings from commodity exports that the poor countries mainly relied to finance their development. Moreover, it was to be feared that the deterioration in the situation would gradually spread to all countries in the wake of the *de facto* devaluation of the United States dollar. It was to be noted, indeed, that the capitalist countries—particularly the United States of America—were trying to shift the burden of their own problems to the rest of the world—in the final analysis, the developing countries. Furthermore, the deficit in the United States balance of payments—which was attributable for the most part to the war in Viet-Nam and to the maintenance of United States military bases in the world—had resulted in weakening the United States dollar, the basis of the capitalist system. The Western countries were trying, unsuccessfully, to consolidate the position of the dollar in international payments by keeping the price of gold at an artificially low level, establishing a two-tier gold market and creating special drawing rights. In the meantime, the monetary and financial situation was deteriorating and, as the representative of Madagascar had very rightly pointed out, that deterioration had multiple effects on the development of primary producing countries. Their export income was dwindling as demand slackened and prices, which were established in United States dollars, fell. On the other hand, the prices of the capital goods which they had to import to ensure diversification of their production continued to rise, constituting yet another obstacle to their immediate development and their future export of manufactures.

38. That was by no means the sum total of the impact of the current situation on the producing countries: they had to take further loss resulting from the fact that their dollar reserves had shrunk in proportion to the *de facto* devaluation of United States currency and they also had to bear the harmful effects of the 10 per cent surcharge which had been imposed on United States imports since 15 August. Since the competent international agencies were having no success in settling the problem of monetary reform, UNCTAD should consider it, not occasionally but on a continuing basis, and the Trade and Development Board should include monetary problems as a permanent item of its work programme, since they were directly related to the question of international trade and means of payment. Accordingly, his delegation welcomed the decision taken by the Board in its resolution 84 (XI) which requested the Secretary-General of UNCTAD to carry out studies concerning the impact of the current international monetary situation on world trade and development, especially of the developing countries, and the elements which should contribute to the necessary reform of the international monetary system.

39. With regard to the impact of regional economic groupings of the developed countries on international trade, he recalled a proposal made by some representatives in the Trade and Development Board, that the Secretary-General of UNCTAD should undertake a study of the activities of the European Economic Community on the grounds that its trade policies were not in accordance with international practices and that the enlargement of the Community would have harmful effects, particularly because of the Community's agricultural policy, which was contrary to international principles. Since the European Economic Community was a source of discrimination, the proposed study would undoubtedly be of interest to all countries.

40. With regard to organizational questions, he could not endorse the opinion expressed in paragraph 5 of the report of the Trade and Development Board on its eleventh session that UNCTAD would have primary responsibilities as far as the review and appraisal of progress reached in the implementation of the International Development Strategy were concerned. In his delegation's view, review and appraisal of that progress were the task not of UNCTAD but of the Economic and Social Council, as was specified in General Assembly resolution 2626 (XXV). If UNCTAD was nevertheless to undertake review and appraisal of the targets and measures proclaimed in the Strategy, it must be specified, before his delegation would agree to such review and appraisal, that they would be carried out strictly within the limits of UNCTAD's competence.

41. His delegation regretted that some representatives had suggested the reform of UNCTAD's structure so that it could become the framework for an international trade and development organization enjoying the status of a specialized agency; it shared the view of the representative of Hungary on that subject. In his delegation's view, the effectiveness of UNCTAD would be assured only when it became truly universal—in other words when, in particular, the German Democratic Republic participated in it—and when all its member States applied the Principles governing international trade which had been enunciated at the first session of the Conference, reaffirmed at the second and reiterated at Geneva in 1970.

42. His delegation had no objection to the Economic and Social Council taking note of the report of the Trade and Development Board and transmitting it for consideration to the General Assembly.

43. Miss LIM (Malaysia) said that the report of the Trade and Development Board was comprehensive and adequately described the positions of both developed and developing countries.

44. As a primary commodity exporting country, Malaysia was naturally deeply concerned with the inadequate progress made in the field of commodities. The price of natural rubber had reached its lowest level in 24 years and, in spite of its efforts to modernize its rubber industry by increasing yields and production efficiency, Malaysia's foreign exchange earnings were steadily declining while at the same time it had to pay much more for manufactured imports from the advanced countries. That trend had inhibited the economic growth of developing countries, and the increased production of synthetics had only aggravated the situation.

45. Developing countries should of course diversify their production in order to escape primary commodity dependence. Nevertheless, the industrialized countries must at the same time provide access to their markets, otherwise the process of vertical diversification, in particular, could constitute a serious waste of resources.

46. The developing countries were also hampered by rising freight rates which were often unjustified, and in that connexion she hoped that the major shipping countries would introduce a "code of conduct for shipping conferences" as soon as possible.

47. Often, even when aid and loans were available, the developing countries could not absorb them because they did not have enough trained staff to prepare projects and programmes. If modernization of their economies was to be achieved there must be institutional change, and expertise was essential for that task. She therefore urged the Trade and Development Board to implement its work programme in the field of transfer of technology without delay.

48. There were fears that owing to the international monetary situation, the industrialized countries might take measures which would defeat UNCTAD's courageous efforts to expand world trade. They should at least ensure that the developing countries did not suffer from the consequences of circumstances and policies which they themselves had not created.

49. The problem of indebtedness in the developing countries had to a large extent been brought about by the restrictive policies of the industrialized countries, and she appealed to the latter to assume more responsibility in coming to grips with that problem.

50. Malaysia had a dynamic trade policy and had recently increased its trade with socialist countries. For that reason, it looked forward to the liberalization of trade in the interest of general development.

51. The tremendous efforts made to work out the International Development Strategy could be advanced only by careful planning and preparation of the third session of UNCTAD. If progress could not be made on all fronts, at least the most urgent problems should be examined closely with a view to alleviating them.

52. Mr. ARSENIS (Chief of the External Financing and Development Branch of the United Nations Conference on Trade and Development), in reply to the comments made by the representatives of Hungary and the Soviet Union with regard to the universality of UNCTAD and the implementation of the General Principles proclaimed at the first and second sessions, drew attention to the fact that those two questions had been discussed in depth by the Trade and Development Board at its eleventh session, as was clear from the Board's report on that session.

53. With regard to the question of East-West trade relations, it was clear from paragraph 355 of the report that the Board had taken note of the views expressed by various delegations in the course of the general debate on the item entitled "Trade relations among countries having different economic and social systems", and had expressed the hope that appropriate documentation would be submitted to the third session of the Conference. Studies of the question were already well advanced, and would probably be ready for the third session of UNCTAD.

54. The PRESIDENT proposed that the Council should adopt a draft resolution reading:

"The Economic and Social Council,

"Having considered the annual report of the Trade and Development Board,

"1. Transmits that report to the General Assembly;

"2. Draws the attention of the General Assembly to the comments and observations on the subject made in the Council at its 1804th meeting."

55. In the absence of any objection, he would consider that the Economic and Social Council adopted the draft resolution.

It was so decided.

56. The PRESIDENT said that the debate on agenda item 3 was concluded.

The meeting rose at 12.55 p.m.